

ABSTRACT

As a developed country, Japan is one of the countries in the Asian continent that is reckoned with for establishing good cooperation and relations in any field. This prompted Indonesia to consider Japan to be an important partner with Japan. Based on the agreement between the two countries, an Indonesia-Japan Economic Partnership Agreement (IJEPA) was established. The implementation of IJEPA in Indonesia is manifested in the Manufacturing Industry Development Center (MIDEC) program which later turned into the New Manufacturing Industry Development Center (MIDEC) in the driving sector, one of which is the automotive sector.

This study aims to analyze the correlation between IJEPA's economic cooperation with the Indonesian automotive industry. In this study, the author uses qualitative research methods by looking at phenomena and collecting several sources of data obtained from various literatures, and presented in descriptive form. While the data collection technique used is library research.

The results obtained, it is known that the existence of IJEPA has a significant influence on the automotive industry in Indonesia, especially in the fields of trade, investment and employment. In the trade sector, the export-import of CBU (completely-built-up) cars from the data obtained is fluctuating where there are ups and downs due to the Covid-19 pandemic. In the investment sector, there was a significant increase due to government intervention in assisting the recovery of the automotive industry after the pandemic. Furthermore, in the field of employment, the automotive sector absorbs a lot of workers and there is an increase in the quality of human resources due to the transfer of technology from the Japanese side to Indonesia.

Keywords: IJEPA, MIDEC, New MIDEC, Automotive Industry.