



Relations between Uruguay and Indonesia: a world waiting to be explored

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Last week I wrapped up another trip to Indonesia, a country that—even though I've had the opportunity to visit several times—continues to surprise me with the changes I see there. Moreover, this visit is different due to the international context, which has undoubtedly prompted certain powers to reconsider their international strategies.

In fact, in recent years, Indonesia has focused primarily on ASEAN, its immediate region and the central pillar of its development strategy and international political positioning; it also maintains close ties with other regional powers, such as South Korea, Japan, Russia, and India, in addition to its historic ties with the European Union and the United States. Gradually, and through various forums, it has managed to expand its relationship with Australia and New Zealand, while with Latin America it has done so with Brazil, given its recent incorporation into the BRICS and its participation in the IBSA (it also shares the G20 with Brazil along with other Latin American countries), in addition to the ties that the Latin American power has forged through ASEAN.

Over the course of a week, I had the opportunity to speak with universities, various agencies and departments within the Ministry of Foreign Affairs, diplomats, businesspeople, and business chambers—forums and interactions that allowed me to confirm that the country is implementing a policy that opens a new chapter in the Asian power's relationship with the world, but also with Latin America. Indonesia's ties with this region are relatively limited beyond the aforementioned relationship with Brazil, its ties with Mexico, and more recently with Chile and Peru through trade agreements. With these two countries—and likely Argentina as well—a rapprochement is expected in the coming years due to Indonesia's new strategy regarding mining, battery production, and renewable energy, where, incidentally, Uruguay would also have opportunities.

It had been several years since I last visited the country, and as with other Asian markets, the changes are striking. Indonesia—which, it's worth noting, is set to become the world's fifth-largest economy in a few years, with Jakarta ranked by the United Nations as the world's most populous city—is implementing a new economic development strategy with a highly ambitious international focus. The government has prioritized poverty and food security, establishing very promising programs to ensure basic nutrition for children. At the same time, it is also rolling out an industrial and commercial strategy.

The development strategy is centered on generating higher levels of industrialization in the country, for which it has a vast labor force. This approach has even led it to restrict certain trade operations to prevent raw materials from leaving the country unprocessed, which, for example, has resulted in complaints filed against it at the WTO, as occurred in the case of nickel. One might think that this path leads to a more closed Indonesia in terms of trade or investment, but, on the contrary, in recent years it has pursued an ambitious foreign policy agenda by signing trade agreements with the European Union, Canada, and the United Arab Emirates; its application to join the CPTPP; the process of accession to the OECD; participation in the RCEP mega-block; and a progressively stronger position on the global agenda are just a few examples. On the political front, Indonesia seeks a role as a representative of the Global South, where it undoubtedly has significant ground to cover due to the complex international context marked by the struggle for global leadership between China and the United States.

The challenges facing the country remain numerous, particularly given its complex geographical makeup (comprising 17,500 islands) and its large population (over 280 million), which, while both present

opportunities, also pose significant demands in terms of public policy. It is a country rich in natural resources, particularly in mining, where it holds the world’s largest nickel reserves, in addition to the availability of other natural resources.

At the same time, despite the changes that are taking place, poverty levels remain high, the informal sector of the economy is very large, there are significant infrastructure deficits (especially in regions farther from Jakarta), and bureaucratic obstacles persist, in addition to shortcomings in education and public health.

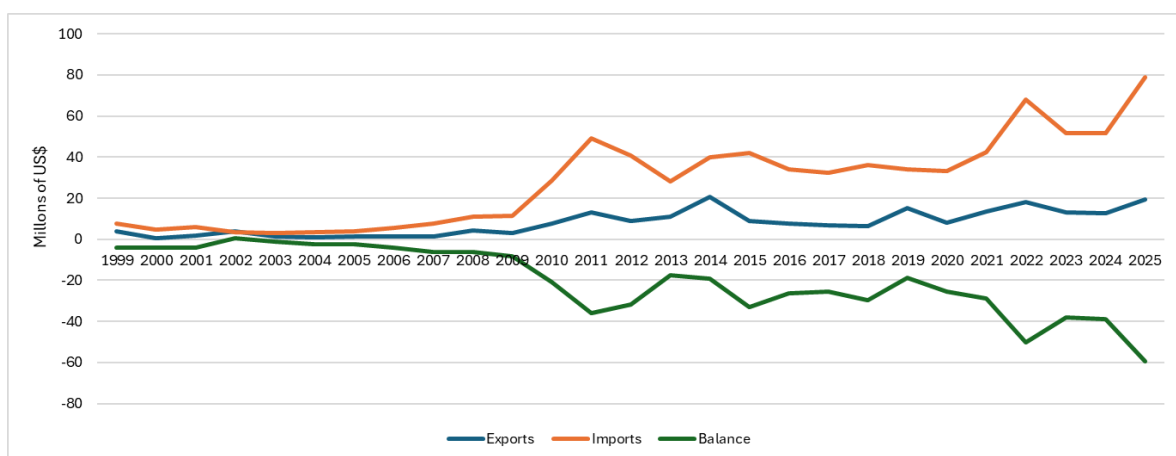
Trade Relations with Uruguay

There are enormous opportunities with Uruguay, as trade levels are currently strikingly low—a situation that is certainly true across the entire ASEAN region (now comprising 11 members and over 680 million people)—though some trade trends or milestones are emerging that could generate new export flows. In 2025, Uruguay exported approximately US\$20 million to Indonesia, a figure that rises to US\$31 million when adding exports of pulp from free trade zones, which, incidentally, are also irregular. Imports from Indonesia in the same year approached US\$80 million, resulting in a significant trade deficit for Uruguay.

However, Uruguay’s current low level of exports will change once opportunities arising from the recent opening of the halal market for dairy products are capitalized on, as well as the ongoing negotiations for meat. Other products, such as citrus fruits, show potential (progress is being made toward market access). On the other hand, greater trade promotion efforts must be undertaken in this country to establish a more active presence at trade fairs and exhibitions (some, such as INA-LAC, have been held in Latin America for three years with little participation from Uruguayan companies) and to identify trade opportunities.

For example, in dairy and meat alone, Indonesia imported more than US\$2.7 billion in 2025, but there is also potential in other processed foods that the country purchases from Uruguay’s direct competitors and which, in some cases, we have the capacity to export (in 2025, this country imported nearly US\$11 billion in processed foods and US\$26 billion in agricultural products). It should be noted that the government of Prabowo Subianto has placed food security at the center of its national policy.

Figure 1 – Bilateral trade between Uruguay and Indonesia
(Goods, excluding free trade zones)

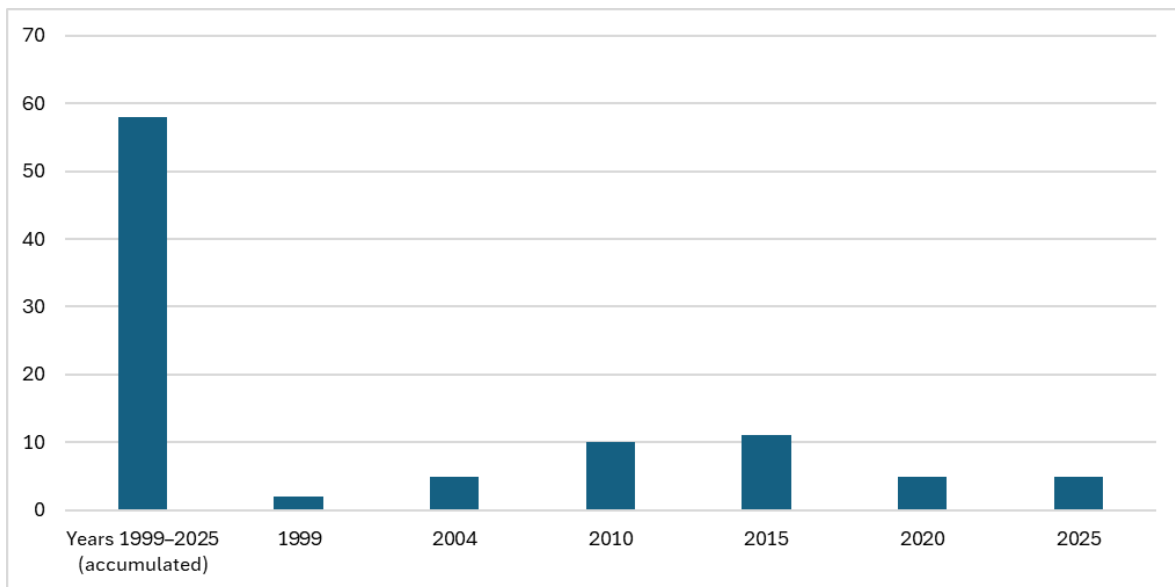


Source: Author’s own calculations based on Trade Map.

These trends, combined with others that have yet to be identified—or rather, yet to be capitalized on by Uruguayan exporters—will drive greater growth in the coming years, not only in exports but also in Uruguayan imports from the Asian economy, due to changes in the structure of Indonesia’s exportable supply, which will position it as a growing exporter of medium- and, over time, high-tech products.

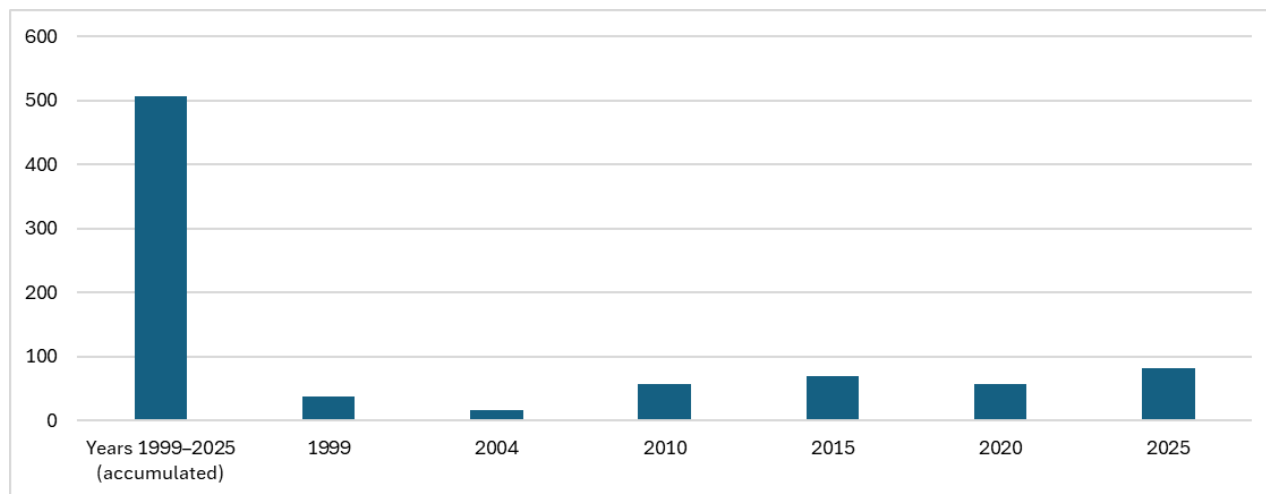
To achieve this shift, it is necessary to involve more Uruguayan companies in this market. The statistics are surprising given the low number of transactions recorded with this major economic power (particularly low in exports). Considering sales exceeding US\$50,000, only 5 companies exported to Indonesia outside of free trade zones in 2025, with a peak of 11 reached in 2015. The situation is different for imports, where, although the number remains low compared to other markets, a total of 83 companies trade with Indonesia.

Figure 2 – Number of companies exporting to Indonesia
(Goods, excluding free trade zones, sales exceeding US\$50,000)



Source: Author’s own analysis based on Trade Map.

Figure 3 – Number of Uruguayan companies importing from Indonesia
(Goods, purchases exceeding US\$50,000)



Source: Author’s own calculations based on Trade Map.

A New Chapter in Bilateral Relations: Should We Seize the Opportunity?

This year marks the 60th anniversary of diplomatic relations between the two countries, a timely moment to fully understand this market and assess the business opportunities that could open up for Uruguay. To avoid being sidelined—as has happened for years with other Asian markets—we must define a strategy that allows us to definitively place Indonesia on Uruguay’s trade agenda through multiple channels. Opening markets is one step; lowering tariffs is another—something we should pursue on multiple fronts (through the RCEP and the CPTPP, if Uruguay moves forward and Indonesia also ends up joining the latter, in addition to pursuing our own agenda with ASEAN).

That said, given the timing, we must not overlook the bilateral option—a path that Indonesia does not rule out, but which Uruguay has not yet confirmed. In this regard, within the framework of the Mercosur pro tempore presidency that we will assume in the second half of 2026, Uruguay has a unique opportunity to advance talks with Indonesia (which, unfortunately, are not a priority for all Mercosur members) to achieve a framework agreement that would subsequently enable or facilitate negotiations at different paces. Likewise, there is potential to promote Indonesia’s cooperation with CELAC and also as a possible observer state of ALADI, two options that could count on Uruguay’s support.

In addition to the trade sphere, we must consider expanding the agenda to incorporate the potential of services—a sector not addressed in this column but with interesting developments in both countries— attracting investment from Indonesia and fostering cooperation and potential business partnerships. This path is complex and by no means easy, but it requires a first step: recognizing the importance of this market for Uruguay through concrete actions in terms of defining external integration and trade promotion.

One of the issues that must definitely be addressed is the visa question. Many Latin American countries, such as Brazil, Chile, Peru, Colombia, and Ecuador, do not require visas on a reciprocal basis (others are making progress in negotiations), which facilitates business travel and tourism. Uruguay must necessarily update some of its immigration criteria with Asian powers, as many countries worldwide have done. If we do not act in time, we will continue to lose opportunities to our competitors.

As is always the case with my regular trips to the Asia-Pacific region, I must acknowledge that this is a significant undertaking given the distances involved, but the results are always positive, and the lessons learned are undoubtedly far more impactful than in traditional markets. In these countries, maintaining ties over time is key and ultimately makes all the difference; that is why we must commit to deepening our relationships with ASEAN members—and Indonesia in particular—but with less rhetoric and a greater level of conviction.

Special thanks to the Government of Indonesia and the Indonesian Embassy in Argentina (which also covers Uruguay and Paraguay), and in particular to Ambassador Sulaiman Syarif for the invitation and coordination of the full agenda in Jakarta. I would also like to thank the Ambassador of Uruguay to Indonesia, Cristina González, for her commitment throughout the week, and Sulthon Sabaruddin for organizing the productive workshop held at the Indonesian Ministry of Foreign Affairs.

We extend our appreciation to the two ambassadors mentioned above, as well as to the Honorary Consul of Indonesia in Uruguay, Nicolás Potrie, for their tireless efforts to help Uruguay explore the opportunities—which in many cases remain untapped—available to Uruguayans in this vast market.

Given the new global landscape, the window of opportunity is wider open than ever; now it is up to us. From the Mercosur–ASEAN Chair and the UCU Institute of International Business, we will continue to provide academic support to further deepen a relationship that has nothing but room to grow.