

**NOTIFICATION UNDER ARTICLES OF THE AGREEMENT ON
IMPORT LICENSING PROCEDURES FROM INDONESIA¹**

Replies from INDONESIA to questions from the UNITED STATES²

The following communication, dated 13 October 2011, is being circulated at the request of the delegation of Indonesia.

Question:

We would like to request an update on the status of Decree 56, which was notified by Indonesia in G/LIC/N/2/IDN/2. It is our understanding that Decree 56 was to expire in December 2010, but was instead renewed by Ministry of Trade Regulation 57/M-DAG/PER/12/2010 dated 29 December 2010. Why did Indonesia elect to renew the regulation beyond its original planned expiration date? Are there differences between Regulation 57/2010 and the previous regulation? If so, what are the differences? It does not appear that this renewal has been notified to the WTO. When does Indonesia plan to do so?

Answer:

- The Ministry of Trade Regulation 56/M-DAG/PER/12/2008 was expired on 31 December 2010 where the Ministry of Trade Regulation 57/M-DAG/PER/12/2010 was signed on 29 December 2010 and entered into force on 1 January 2011.
- The differences between Decree 57/2010 and Decree 56/2008 are as follows:
 - (a) Additional ports: Port *Dumai* and *Jayapura* for Food and beverages products.
 - (b) Additional list of products subject to licensing procedures:
 - Traditional and Herbal medicines, (HS 2106.90.70.00; 2106.90.80.00; 2106.90.91.00; 2106.90.92.00; 2106.29.11.00; 2106.29.91.00; 2106.90.10.00)
 - Cosmetics (HS 3303.00.00.00; 3304.10.00.00; 3304.20.00.00; 3304.30.00.00; 3304.91.00.00; 3304.99.10.00; 3304.99.20.00; 3304.99.90.00; 3305.10.00.00; 3305.20.00.00; 3305.30.00.00; 3305.90.00.00; 3306.10.10.00; 3306.10.90.00; 3306.90.00.00; 3307.10.00.00; 3307.20.00.00; 3307.30.00.00; 3307.41.00.00; 3307.49.10.00; 3307.49.90.00; 3307.90.30.00; 3307.90.40.00; 3307.90.90.00)

¹ See Understanding on procedures for the Review of Notifications (G/LIC/4).

² See document G/LIC/N/2/IDN/17.

3401.11.10.00; 3401.11.20.00; 3401.11.30.00; 3401.11.90.00; 3401.19.10.00;
3401.19.90.00; 3401.20.10.00; 3401.20.90.00; 3401.30.00.00)

Question:

We are concerned that parts of Indonesia's import licensing regime have not been fully notified to the Committee. In reviewing Indonesia's past notifications and responses to the questionnaire on import licensing procedures, the full scope of Indonesia's import licensing procedures is unclear, and certain requirements appear to be absent.

For example, we have received reports from exporters who are concerned about procedures contained in Ministry of Trade Regulation 45/2009, as amended by Ministry of Trade Regulation 17/2010 and Ministry of Trade Regulation 39/2010. The original procedures appeared to require that companies obtain licenses to register as importers based on whether they intend to import goods for their own manufacturing or for further distribution, but not both.

- (a) Could Indonesia explain why it needs to differentiate between companies that import goods used in their own production process and companies that import goods for sale and distribution? Please explain how Regulation 39/2010 modifies this requirement.
- (b) We request that Indonesia provide additional information regarding the exact nature and administrative purpose of the licensing procedure and whether it views it as automatic or non-automatic.

Answer:

- (a) The Ministry of Trade Regulation 45/2009 which regulated Importer Identity Number (API) was amended with Ministry of Trade Regulation 17/2010 that divided the Importer Identity Number (API) into General Importer Identity Number (API - U) and Producer Importer Identity Number (API - P). Ministry of Trade Regulation 39/2010 provides detail information regarding Importer Identity Number for Producers (API - P) to complete Ministry of Trade Regulation 45/2009 and 17/2010.

Indonesia needs to differentiate between companies that import goods used in their own production process and companies that import goods for sale and distribution in order to provide clarity regarding the administrative purpose of importers database registration.

- (b) This provision applied as an automatic import licensing procedures.

Question:

We would appreciate an explanation from Indonesia regarding the structure of its responses to the Questionnaire, circulated in G/LIC/N/3/IDN/4. Indonesia's submission seems to contain responses organized by year.

- (a) Can Indonesia please elaborate on the reason for this structure?
- (b) Are the requirements listed under year 2007 still in effect? Or should the requirements listed under year 2009 be considered the current set of requirements?

Answer:

- (a) The notification made in document G/LIC/N/3/IDN/4 had been prepared and notified in comprehensive manner in order to provide clear information in annual basis.
- (b) Some of requirements listed under year 2007 are still applied.

Question:

Additionally, the Questionnaire appears to omit certain products for which we know import licensing procedures are required, such as steel and iron. Why are these measures not notified?

We urge Indonesia to review its previous responses to the Questionnaire and notifications and ensure that the full scope of its import licensing procedures is appropriately notified to the Import Licensing Committee prior to the April meeting.

Answer:

Indonesia is of the view that the notification in document G/LIC/N/3/IDN/4 was covered for all import products that can automatically be imported and considered as an automatic import licensing. The document G/LIC/N/3/IDN/4 also specified lists of exceptional products considered as non-automatic import licensing.
