

**NOTIFICATION UNDER ARTICLES OF THE AGREEMENT ON  
IMPORT LICENSING PROCEDURES FROM INDONESIA<sup>1</sup>**

**Questions from Canada and the UNITED STATES to INDONESIA**

The following communication, dated 16 April 2012, is being circulated at the request of the delegations of Canada and the United States.

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We understand that the government of Indonesia has developed and is developing new, non-automatic import licensing requirements that will apply to livestock, livestock products including meats, and fresh and processed fruits and vegetables. These new requirements appear to be complex and non-transparent and could significantly impair trade in these products. In light of the stated desire of all WTO Members "to simplify, and bring transparency to, the administrative procedures and practices used in international trade, and to ensure the fair and equitable application and administration of such procedures and practices," we respectfully request that the government of Indonesia: (1) fully and promptly respond to our questions and concerns outlined below; and, (2) publish and promptly notify any measures or changes in measures in accordance with Article 1.4 and Article 5 of the *Agreement on Import Licensing Procedures* ("ILA") so that governments and traders are able to become acquainted with them and provide comments on them prior to their implementation.

**LIVESTOCK AND LIVESTOCK PRODUCTS**

1. We understand that Ministry of Agriculture Regulation No. 50/2011 and Ministry of Trade Regulation No. 24/2011, which implement Law 18/2009 on Animal Husbandry and Animal Health, set out the rules for the importation of livestock and livestock products. Please explain whether these measures impose a non-automatic import licensing regime and what underlying measure or administrative procedure they implement.
2. How does Indonesia's import licensing system work in practice, with respect to livestock and livestock products? In particular, please provide the information published according to Article 3.3, so that Members have sufficient information to understand the basis for granting and/or allocating licenses, and all relevant information concerning the items at Article 3.5.
3. Aside from Ministry of Agriculture Regulation No. 50/2011 and Ministry of Trade Regulation No. 24/2011, are there any other Indonesian regulations in place that affect the import of livestock and livestock products?

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

4. Does the government of Indonesia issue a set or limited number of import permits or licenses per year (or other time period) for the import of livestock and animal products, or may any number of import permits be issued, for any amount of product, as long as importers meet the criteria set out in Ministry of Agriculture Regulation No. 50/2011 and Ministry of Trade Regulation No. 24/2011?

5. What licensing procedures, if any, does Indonesia apply to the domestic production of livestock and animal products?

6. Are all applicants treated the same, and do they all have equal opportunity to import products under these rules? If not, please explain how the rules are neutral in application and administered in a fair and equitable manner in compliance with Article 1.3 of the ILA.

7. We note that Annex II of Ministry of Agriculture Regulation No. 50/2011 contains a list of livestock products that can be imported. Some commonly traded products are not listed in this Annex (e.g., some chicken products within HS 0207.13 and 0207.14). Are these products ineligible to obtain import permits? If eligible, how are import permits for these products obtained?

## HORTICULTURAL PRODUCTS

1. What is the status of the approved and proposed regulations on horticultural products, including Ministry of Agriculture Regulation No. 3/Permentan/OT.140/1/2012 and any corresponding Ministry of Trade regulation? Please explain on what date each regulation is scheduled to enter into force, and on what date Indonesia plans to notify them to the Committee on Import Licensing and make published copies available.

2. Do any import licensing requirements apply to agricultural products not covered by Ministry of Agriculture Regulation No. 3/Permentan/OT.140/1/2012? If so, have these requirements been notified to the Committee? We request that the government of Indonesia promptly notify any proposed measures related to the import of horticultural products by providing copies of the draft regulations for the review and comment of Members prior to implementation.

3. Please explain whether these measures impose a non-automatic import licensing regime and what underlying measure or administrative procedure they implement.

4. Please explain the process that the Ministry of Agriculture and Ministry of Trade would use in evaluating requests for import recommendations and import licenses. In particular, please provide the information published according to Article 3.3 and all relevant information concerning the items at Article 3.5. To what extent would these decisions be based on domestic market conditions such as domestic production, consumption, demand, and food security? When granting licenses or issuing recommendations, can the Ministry of Agriculture or Ministry of Trade arbitrarily reduce the volume of imports from the amount requested?

5. What licensing procedures, if any, does Indonesia apply to the domestic production of horticultural products subject to import licensing requirements?

6. Are all applicants treated the same, and do they all have equal opportunity to import products under these rules? If not, please explain how the rules are neutral in application and administered in a fair and equitable manner in compliance with Article 1.3 of the ILA.

7. How does the licensing system meet the requirement, in Article 3.2, that non-automatic licensing shall not have trade-restrictive or -distortive effects on imports additional to those caused by the imposition of the restriction?

8. Article 3 of the ILA states that "Non-automatic licensing procedures shall correspond in scope and duration to the measure they are used to implement, and shall be no more administratively burdensome than absolutely necessary to administer the measure." Please explain the scope, duration and administrative burden of the measures in light of this provision.

9. Article 1.6 provides that license application procedures "shall be as simple as possible" and that "[a]pplicants shall have to approach only one administrative body in connection with an application." Why is it strictly indispensable for importers of horticultural products to apply to the Ministry of Agriculture for import recommendations, to the Ministry of Trade for import licenses, and to other agencies - including Indonesia's Food and Drug Agency, BPOM, and the Ministry of Industry – that may be involved?

10. Article 3.5(e) provides that the period for processing non-automatic import license applications may not exceed 30 days, if applications are considered as and when received, and 60 days, if applications are considered simultaneously. Which system does Indonesia use, and what is the maximum processing time for issuing import licenses?

11. Annex II of Regulation 3 lists the products for which import recommendations can be obtained from the Ministry of Agriculture. For horticultural-type products not on this list, are import recommendations and import licenses required? Are these products free of licensing requirements or are they ineligible for importation?

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