

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

Responses from INDONESIA to Questions from the UNITED STATES²

Addendum

The following communication, dated 30 April 2007, has been received from the delegation of Indonesia.

We refer to the US questions as contained in G/LIC/Q/IDN/7/Add.1, 8 January 2007, therefore we hereby would like to provide our clarification in order to satisfy the US concerns as follows:

Question:

The United States requests that Indonesia clarify in what ways the Decree constitutes either “automatic licensing”, as defined in Article 2 of the Agreement on Import Licensing Procedures or “non-automatic licensing”, as defined in Article 3 of that Agreement. Indonesia’s response to the United States and in G/LIC/Q/IDN/5 (6ii) and Australia in G/LIC/Q/IDN/6 specifically states that the 10 day period required for licensing is “much less than provided for in Article 3.5(f) of the Agreement on Import Licensing procedures which requires 30 working days to be approved,” an indicator that non-automatic licensing should be applicable. However, in G/LIC/Q/IDN/8 Indonesia states that the license is “automatic”. In addition to responses to the foregoing questions, we request that Indonesia report to the Committee as soon as possible on the results of the Government of Indonesia's studies on this issue as soon as possible.

Reply:

Indonesia has amended the Decree of the Minister of Industry and Trade No. 732/MPP/Kep/10/2002 regarding Certain Textile Products with Decree of the Minister of Trade No. 19/M-DAG/PER/9/2005 regarding Regulation on Import Textile and Textile Products³. Therefore, the questions being raised by the US relate to a decree which is no longer in force.

Indonesia applies automatic licensing procedures as the measures stated in the Decree of the Minister of Trade No. 19/M-DAG/PER/9/2005 regarding the Regulation on Import Textile and

¹ See document G/LIC/N/2/IDN/1

² See document G/LIC/Q/IDN/7/Add.1

³ Full text of Decree of the Minister of Trade No. 19/M-DAG/PER/9/2005 is available at the WTO Secretariat (Market Access) (English only).

Textile Products meet the requirement stated in Article 2 of the Agreement on Import Licensing Procedures.

Article 2 of the Agreement states:

"Automatic import licensing is defined as import licensing where approval of the application is granted in all cases, and which is in accordance with the requirements of paragraph 2(a)".

Paragraph 2:

"The following provisions, ..., shall apply to automatic import licensing procedures:

- (a) automatic licensing shall not be administered in such a manner as to have restricting effects on imports subject to automatic licensing. Automatic licensing procedures shall be deemed to have trade-restricting effects unless, inter alia,*
 - (i) any person, firm or institution which fulfils the legal requirements of the importing Member for engaging in import operations involving products subject to automatic licensing is equally eligible to apply for an ... to obtain import licenses;*
 - (ii) applications for licenses may be submitted to any working day prior to the customs clearance of the goods;*
 - (iii) application for licenses when submitted in appropriate and complete form are approved immediately on receipt, to the extent administratively feasible, but within a maximum period of 10 working days.*

The above requirements have been met by the following articles of the Decree of the Minister of Trade No. 19/M-DAG/PER/9/2005 regarding Regulation on Import Textile and Textile Products, which state that in order to obtain a license as the Importer of Textile Producer (*Importir Produsen Tekstil or IP-Textile*), a company (either a local company or company established as a foreign/domestic investment company – *PMA/PMDN*) should fulfil the legal requirements stated in Article 3(2) of the Decree of the Minister of Trade No. 19/M-DAG/PER/9/2005 regarding Regulation on Import Textile and Textile Products. This is in accordance and is within the requirements provided for in Article 2(a)(i) of the Agreement.

In addition to that the requirements of Article 2(a)(ii) and (iii) are met by Article 4 of the Decree of the Minister of Trade No. 19/M-DAG/PER/9/2005 regarding Regulation on Import Textile and Textile Products, which provides that *"Director General shall issue an acknowledgement or refusal of acknowledgement as IP-Textile to the submission mentioned in Article 3 within the period at the latest 10(ten) working days commencing from the receipt of such submission".*

In view of the above, the import licensing procedures provided for in the Decree of the Minister of Trade No. 19/M-DAG/PER/9/2005 regarding the Regulation on Import Textile and Textile Products is an automatic import licensing, because applications are granted in all cases where all the legal requirements have been met.
