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Committee on Import Licensing

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IMPORT LICENSING SYSTEM OF INDONESIA

QUESTIONS FROM THE UNITED STATES TO INDONESIA

The following communication, dated 26 March 2014, is being circulated at the request of the delegation of the United States.

1. The United States thanks Indonesia for providing responses to our questions regarding Indonesia's import licensing requirements for cellphones, handheld computers and tablets, as contained in documents G/LIC/Q/IDN/28 and G/LIC/Q/IDN/29.

2. We appreciate that Indonesia has now notified Ministry of Trade (MOT) Regulation 38/M-DAG/PER/8/2013 in document G/LIC/N/2/IDN/21 on February 5, 2014. We continue to ask that Indonesia notify Ministry of Industry Regulation No. 108/M-IND/PER/11/2012 as this contains key requirements for obtaining the import license. When can we expect Indonesia to notify this regulation? We understand that Indonesia is considering amendments to Regulation 108 and would appreciate information about those changes.

3. In G/LIC/Q/IDN/29, Indonesia indicated that "licenses can be issued easily, besides straightly done in on-line system and the time of its completion is only two days after the application is received correctly and the regulation is open to other conveniences." Please explain what is meant by "the regulation is open to other conveniences."

4. Under MOT 38/2013, Indonesia also stated that:

- "The reason of the requirement to demonstrate at least 3 years of experience as an importer is expected that import shall be done by professional importers." Please explain how new entrants into the Indonesian market who want to import products qualify, especially given that Indonesia is trying to "create a conducive investment climate for new industries."
- The requirement to "own at least 25 after-sales service centers in Indonesia was intended to provide after-sales services that reach most areas in Indonesia so that consumers can be protected." Please explain how companies on the one hand are required to provide after-sales service centers directly to the consumers but are not permitted to sell their products directly to the consumer because they have to "be traded and/or transferred to distributors," under Article 9(1) of MOT Regulation 82/2012.

5. Indonesia indicated that domestic producers must also meet the requirements set forth in MOT Regulation 82/2012 as amended by MOT Regulation 38/2013. Please provide the regulations that lay out the requirements for domestic producers.

6. The United States continues to have concerns about the requirement that registered importers (IT) commit to developing "an industry" within three years of that importer's registration.

- Please provide a copy of Law 5/1984 that contains the definition of industry.

- Also, please explain how mandating that importers develop an industry "creates a conducive investment climate for new industries." Is Indonesia considering other actions for creating a conducive investment climate, including easing the licensing requirements for business?
 - We continue to seek an explanation of how this requirement is consistent with Article 1.2 of the Import Licensing Procedures Agreement.
7. Please also provide further explanation of how the Ministry of Trade intends to regulate or amend the regulation to provide exceptions. Does Indonesia have plans to further amend this regulation? As no new amendments have been issued, how are exceptions to MOT Regulation 38/2013 currently being determined by the Ministry of Trade?
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