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Committee on Import Licensing

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IMPORT LICENSING SYSTEM OF INDONESIA

QUESTIONS FROM AUSTRALIA TO INDONESIA CONCERNING INDONESIAN GOVERNMENT REGULATION OF THE IMPORTATION OF CARCASS MEAT AND/OR PROCESSED MEAT PRODUCTS

The following communication, dated 10 April 2015, is being circulated at the request of the delegation of Australia.

In December 2014, the Indonesian Government issued Regulation of the Minister of Agriculture No. 139/Permentan/PD.410/12/2014 concerning Importation of Carcass, Meat and/or Processed Meat Products into the Territory of the Republic of Indonesia. The regulation limits imports of beef under Indonesia's import licensing regime to prime cuts and some manufacturing and fancy meat.

While the regulation was subsequently amended by Regulation of the Minister of Agriculture No. 02/Permentan/PD.410/01/2015 concerning the Amendment of Regulation of Minister of Agriculture No. 139/Permentan/PD.410/12/2014, allowing imports of secondary beef cuts by state-owned enterprises in limited circumstances, we are concerned that the measure effectively restricts the import of secondary beef cuts and offal.

Australia is concerned that this regulation is unjustifiably trade restrictive and is already affecting Australian exports of boxed beef to Indonesia. Australian industry is already feeling the effects of the regulation, which was introduced without notice or consultation with trading partners.

This measure is in addition to existing trade-restrictive and administratively burdensome elements of Indonesia's import permit system for cattle and beef under Regulation of the Minister of Agriculture No. 139/Permentan/PD.410/12/2014 and Regulation of the Minister of Trade No. 46/M-DAG/PER/8/2013. These include Indonesia's system of issuing import permits for cattle and beef on a quarterly basis, which effectively acts as a quarterly quota on imports and is already resulting in Indonesia paying higher prices.

- Can Indonesia please explain in detail the objectives of the regulations?
- Can Indonesia explain how the import restrictions on secondary beef cuts and offal are consistent with Indonesia's obligations under the Agreement on Import Licensing Procedures, including the obligations under Articles 2.2(a) and 3.2 that import licensing procedures shall not have trade-restrictive effects?
- Can Indonesia explain how its import permit system for beef and cattle, including its issuance of permits on a quarterly basis, is consistent with Indonesia's obligations that import licensing procedures not have trade-restrictive effects and be no more administratively burdensome than necessary?

Australia understands the complexities being faced by the Indonesian Government as it seeks to meet its food security goals. Australia is working with Indonesia to help support food security, including through our cooperation to increase capability in Indonesia's beef industry. However, we encourage Indonesia to look to alternative policies that are WTO consistent and that do not restrict high-quality Australian products that are a safe and reliable contribution to Indonesia's food supply.
