



26 April 2022

(22-3313)

Page: 1/2

Committee on Import Licensing

Original: English

IMPORT LICENSING SYSTEM OF INDONESIA

REPLIES BY INDONESIA TO THE QUESTIONS FROM THE EUROPEAN UNION¹

The following communication, dated 20 April 2022, is being circulated at the request of the delegation of Indonesia.

The EU notes that Indonesia has not submitted yet notifications on import licensing procedures of several products.

In the lack of such notifications and considering the increasing number of concerns of the EU traders on the import licensing procedures applied by Indonesia, the EU would like to ask Indonesia to clarify the aspects listed below.

According to the recent Trade Policy Review of Indonesia in the WTO², "the regulatory framework of import licensing was expanded and revised for several items, including: animals and animal products; cloves; sugar; horticultural products; alcoholic beverages; salt; pearls; lubricants; plastic; nitro cellulose; sodium triopoly-phosphate; ozone-depleting substances; non-hazardous and non-toxic waste; optical discs (empty and filled) and machines and materials used to produce them; textiles and textile products; cell phones, handheld computers, and tablets; and colour multi-functional machines, colour photocopying and printing machines".

Regulation of the Minister of Trade of the Republic of Indonesia No. 77/2019 concerning the provisions on the import of textiles and textile products:

1. When will Indonesia submit the notification of the above-mentioned law to the WTO, as required under Articles 1.5 and 5 of the WTO Agreement on Import Licensing procedures?
2. Could Indonesia indicate whether traders, which were taken by surprise by the application of Regulation No. 77/2019 without advance notification to the WTO, could at least complete their importations into Indonesia under the previous regime?
3. Could Indonesia indicate whether finished textile products, listed in the Annex to Regulation No. 77/2019, may be imported into Indonesia for purposes other than further processing by domestic producer importers, their cooperating production parties, and/or small- and mid-sized industries?
4. If so, could Indonesia please provide the following information:
 - 4.1 How many licenses have been issued, for the importation of finished textile products for retail or trading purposes, since the entry into force of Regulation No. 77/2019?
 - 4.2 What volumes of finished textile products, imported for retail purposes or for trading, have entered Indonesia since the entry into force of Regulation No. 77/2019?

¹ Circulated on 24 January 2021 in document G/LIC/Q/IDN/43.

² WTO document WT/TPR/S/401, 4 November 2020, paragraph 3.59, page 84.

- 4.3 From which country did the finished textile products, imported for retail purposes or for trading since the entry into force of Regulation No. 77/2019, originate in?
5. Could Indonesia confirm that the Regulation No. 77/2019 allows non-manufacturers and retailers to carry out imports to Indonesia only under the condition that they establish a partnership with Indonesian small and medium enterprises (SMEs)? If so, could Indonesia please provide clarity on the specifics regarding the nature of the partnership and the SMEs?
6. Could Indonesia indicate whether it believes that the import prohibition maintained under Regulation No. 85/2015, as last amended by Regulation No. 77/2019, is consistent with Article XI of the GATT?
7. If so, could Indonesia please explain why, de facto if not de jure, no import license has been issued, since the entry into force of Regulation No. 77/2019, for the importation of finished textile products from the EU for retail purposes or for trading?

Reply:

Questions 1-7: Regulation No. 77/2019 has been revoked and is no longer in place. However, Indonesia ensures that the application for Import Approval in Indonesia is done electronically and after the documents are complete and correct, the Import Approval will be processed in a relatively short time-period and within the timeframe in line with the Import Licensing Agreement.

Regulation No. 68/2020 on import provisions for footwear, electronics and bicycles/tricycles, which entered into force on 28 August 2020), as last amended by Regulation No. 78/2020, which entered into force on 8 October 2020:

8. When will Indonesia submit the notification of the above-mentioned law and the amendment to the WTO, as required under Articles 1.5 and 5 of the WTO Agreement on Import Licensing procedures?
9. Could Indonesia submit all relevant information justifying the import restrictions (restricted port of entry, pre-shipment inspection, import plan obligation)?

Reply:

Questions 8-9: Regulation Nos. 68/2020 and 78/2020 have been revoked and are no longer in place. However, the Government of Indonesia has committed to ensure that the administration of the surveillance of the incoming goods could be carried out optimally in accordance with the standards of the specified port of destinations. Regarding the import verification provisions, the government of Indonesia also has to ensure that certain incoming goods meet the requirements. The Import plan obligation is also needed in order to project the future utilization of import approvals.

Importation of alcohol beverages:

10. Could Indonesia confirm that the licensing procedures for EU alcoholic beverages in 2021 will be swift, transparent and non-discriminatory, fulfilling the entire requested amount by the importers?

Reply:

Indonesia's government has found no barriers for alcoholic beverage products from the European Union entering Indonesia's market. From January to April 2021, Indonesia issued 13 import approvals on alcoholic beverages originating from several countries, including the European Union. Indonesia is of the view that the utilization of import approvals relating to Alcoholic Beverages, whether originating European Union or not, is based on business-to-business decisions from the business entities/importers.
