

**Trade Policy Review Body
9 and 11 December 2020**

TRADE POLICY REVIEW

INDONESIA

MINUTES OF THE MEETING

Chairperson: H.E. Mr Harald Aspelund (Iceland)

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1 INTRODUCTORY REMARKS BY THE CHAIRPERSON

1.1. The seventh Trade Policy Review of Indonesia was held on 9 and 11 December 2020. The Chairperson, H.E. Mr. Harald Aspelund (Iceland), welcomed the delegation of Indonesia, headed by H.E. Mr. Jerry (Adhitya Ksatria) Sambuaga, Vice Minister for Trade; the Indonesian delegation; and the discussant, H.E. Ambassador Ángel Villalobos Rodríguez (Mexico). He thanked the Indonesian delegation for the flexibility shown in accepting to have the meeting held in this format, in spite of the time difference with its capital and all the logistic inconveniences

1.2. The Chairperson was pleased that, in addition to physical presence, the meeting also benefited from the Interprefy online connection, allowing for a wider participation of the Membership, in particular of Indonesian officials who could not make the journey from Jakarta given the current circumstances.

1.3. The Chairperson recalled the purpose of TPRs and the main elements of procedures for the meeting. The report by Indonesia is contained in document WT/TPR/G/401 and that of the WTO Secretariat in document WT/TPR/S/401.

1.4. Questions by the following delegations were submitted in writing before the deadline: Dominican Republic; Brazil; Argentina; Canada; Mexico; Republic of Korea; Australia; Peru; Chile; United States; United Kingdom; Colombia; Chinese Taipei; New Zealand; Malaysia; Singapore; European Union; Switzerland; Pakistan; Norway; Ukraine; Japan; Philippines; and Russian Federation. The following delegations submitted written questions after the deadline: Thailand; Turkey; India; Kazakhstan; Kingdom of Saudi Arabia; China; Iceland; and Cambodia.

1.5. During the previous TPR meeting on 10 and 12 April 2013, Members had commended Indonesia on its strong economic performance and solid progress in consolidating economic reform, and had encouraged addressing the remaining challenges to future economic development, inter alia, economic and trade diversification, infrastructure and income distribution, and the business environment and governance. For the current Review, Members, through their advance written questions, sought information regarding participation in global and regional value chains, monetary and exchange rate policy measures, and policies and/or programmes to address the impact of the COVID-19 pandemic and to encourage gender equality and women's empowerment.

1.6. Members also recalled that, at the time of the previous Review, while stressing Indonesia's growing economic prominence globally and its constructive role on the international stage, they expressed growing concerns about new trade and investment measures that raised important questions about the direction of trade and investment policy-making and that seemed, at times, to be at odds with professed support for open trade and strengthening the multilateral trading system. As indicated by the advance written questions for this Review, several Members wished to have more details on: policy objectives relating to raising industrial value added and import substitution; the new omnibus legislation; the ratification and impact of the Regional Comprehensive Economic Partnership (RCEP) Agreement; ownership limitations and the time-frame for the revision of the 2016 negative investment list; the Online Single Submission platform; and, developments in bilateral investment treaties.

1.7. With regard to trade policy, at the time of the previous Review, Members had welcomed Indonesia's overall efforts in the areas of customs reform, steps to reduce the average applied MFN tariff rate, and its observership to the GPA. However, they had expressed concern about other issues, such as the large tariff binding gap between bound and applied rates, a number of trade restrictive measures (e.g. import licensing and permits, point-of-entry restrictions, pre-shipment inspection, and various export taxes and prohibitions), the increasingly frequent use of safeguards investigations, investment barriers, the low use of international standards, and the lack of risk analysis for certain SPS-related measures. They had also encouraged Indonesia to timely notify regulations that may affect trading partners before implementation, simplify import requirements and procedures and make them more transparent, and review more periodically its negative list for investment. During the review period, the general thrust of trade policy had been revised in several areas, including tariffs; customs procedures; import and export prohibitions; restrictions and licensing; export taxes; and export finance, guarantees and insurance. For this Review, in their advance written questions, some Members expressed interest in learning more about developments in certain areas, such as: customs clearance, customs valuation and trade-facilitation initiatives;

tariffs; import prohibitions, quantitative restrictions and licensing developments; safeguard and anti-dumping actions; the use of local-content requirements; export taxes and prohibitions; and free-trade and special economic zones. Members were also interested in tax reforms and incentives; labelling and certification requirements; SPS issues; the reform of state-owned enterprises; government procurement; price controls; and, changes to the IPR regime.

1.8. In terms of sectoral trade policies, Members were interested in having more clarity on: several aspects of the agriculture, fisheries and forestry regulatory framework, policy and measures; foreign investment requirements and export restrictions in mining; energy foreign investment, regulatory developments, fuel subsidization and renewable sources; the electric vehicles programme; the services development strategy; developments in market access barriers regarding financial services; competition issues in telecommunications; transport strategies and FDI restrictions; e-commerce developments; and the international medical tourism initiative.

1.9. Indonesia received around 900 advance written questions from 32 delegations for this Review. The Chairperson was informed by the Secretariat that, unfortunately, Indonesia was not in a position to provide replies before the start of the meeting.

1.10. The meeting was a good opportunity for Members to discuss in greater detail issues of interest to them and of systemic importance to the multilateral trading system. It was also an opportune moment for Indonesia to update the Membership on the impact of COVID-19 on its economy, and measures it had taken in response to it. The Chairperson looked forward to a fruitful exchange.

2 OPENING STATEMENT BY THE REPRESENTATIVE OF INDONESIA (H.E. MR. JERRY SAMBUAGA)

2.1. It is a great honor for me to be here today to lead the Indonesian delegation to the seventh Trade Policy Review, which will continue the day after tomorrow. My name is Jerry Sambuaga, the Vice Minister of Trade of the Republic of Indonesia, and I am tasked by my Government to lead the Indonesian delegation to this important meeting in view of current national, regional and global economic contexts.

2.2. As all of us may observe, preparing, and holding a Trade Policy Review this year takes a lot more time and energy than we all may have expected. This is due to the challenges brought about by the Covid-19 pandemic which have created new pressures on member states under review, particularly in terms of pursuing internal coordination amongst relevant agencies in times of COVID-related lockdowns and restrictions, and in term of coordination between Members' capital and Geneva.

2.3. On that note, the Indonesian delegation wishes to convey its high appreciation to you, His Excellency Ambassador Harald Aspelund, Chairman of the Trade Policy Review Body, for providing guidance and leading this policy review process. Our sincerest thank also goes to His Excellency Ambassador Ángel Villalobos Rodríguez of Mexico for taking up the task as our discussant. Last but not least, we would like to convey our gratitude to the WTO Secretariat for working closely with Indonesia's Task Force so that both the Secretariat report and the Government report could be completed in time.

2.4. Before I begin with the more substantive points, my delegation wishes to extend our condolences to the Member States who have experienced natural disasters, and to anyone who is suffering from Covid-19 and has lost loved ones or friends to the pandemic. I hope that all delegates and their families are healthy and coping well in this time of trying.

2.5. The global economy has evolved enormously since Indonesia's last Trade Policy Review in 2013. Disruptions spurred by Industry 4.0 continue to pose a new challenge to us. Trust deficit in the multilateral trading system continues to cause adverse domino effects on ways Member States of the WTO engage with each other. These include, among others:

- continued if not the deepening and further expansion of trade tension between two major economies and its impacts on other countries;
- increased trade barriers and the use of trade remedy measures;
- "tit-for-tat" approach to economic relations, which may put aside the incentives for international cooperation;
- a tendency toward punitive plurilateral actions; and
- the proliferation of bilateral trade agreements.

2.6. We have witnessed a continued slowdown in global trade in recent years, only to be aggravated by the spread of the Covid-19 pandemic, which has caused an unprecedented impact on the global economy and trade. It is against such a backdrop that I wish to provide an introductory remark to our Government report before us to better understand how our economy has evolved since 2013.

2.7. Despite the continued presence of global challenges throughout the review period, Indonesia has ensured solid growth and sustained development. The resilience of Indonesia's economy is a reflection of its relatively strong fundamentals and sound macroeconomic policy.

2.8. During the review period from 2013 to 2019, Indonesia's annual average GDP growth rate stood at 5.1%. In terms of value, Indonesia's GDP per capita increased from USD 3,531 in 2014 to USD 3,927 in 2018, which is equal to the GNI per capita of USD 3,820. We managed to keep the poverty level at a low single-digit of 9.82% in 2018, on account of our effective poverty alleviation programs.

2.9. As shown in Chart 2.3 in our Government report, we managed to keep the inflation rate within the target of 3% between 2015 and the early months of 2020. Higher inflation rates were recorded in 2013 and 2014 due to the increase in energy prices caused by a strategic measure taken by the Government to reallocate energy subsidies to infrastructure development and social programs. This,

amongst others, has allowed the Government to lower the unemployment rate from 5.94% in 2014 to 5% in 2019.

2.10. Some economic achievements I mentioned earlier are the resultants of policies and measures taken by the Government of Indonesia to improve the eco-system in time of continued challenges in the world economy. These policies and measures include the improvement of investment climate, enhancement of industrial competitiveness, upgrading of logistics efficiency, promotion of tourism, and strengthening the people's purchasing power. It should be underlined that domestic demand and government procurement have been the main driving forces in our economy in response to changing external conditions.

2.11. It is not included in our report, but allow me to refer to the World Bank Doing Business Reports between 2014 and 2020 for us to understand more about how Indonesia's economy evolves during the Review period. The Ease of Doing Business Reports on Indonesia suggests that we managed to improve our rank of overall index from 120 in 2014 to 73 in 2020. We continue to believe that there is plenty of room for Indonesia to make further improvements. Two out of 10 parameters will be given special attention for significant improvements in the near future. They are "dealing with construction permits" and "trading across borders." Let me touch on these two parameters briefly.

2.12. On "dealing with construction permits," we see the need for better policy coordination between the Central and Regional Governments to address the issue. This is particularly the case as Indonesia adopts a decentralization policy to allow regional governments to make decisions on some economic policies so as to ensure that they fit specific regional settings on the ground. However, as the economic challenges continue to become more complex both at the central and regional levels, the Government should do something about it to resolve the persistent problems.

2.13. On "trading across borders," one should not lose sight of the external environment within which our economy operates. Earlier I mentioned the growing tendencies toward raising trade barriers, the "tit-for-tat" approach in international trade, more resort to trade remedy measures, and unilateral actions. This is not to mention an increased trend toward the adoption of new standards which, in some cases, is questionable whether they are based on a genuine consideration of protecting human health and life, or they have something to do with stiffer competition in the markets.

2.14. This is not to say that it is fine for Indonesia, or any other country on that matter, to just follow the trend of raising barriers. Indonesia will address the issues, but we hope that others also do the same in order to restore confidence in international trade. It takes "two to tango" if we are to make difference in the multilateral trading system.

2.15. If I could quote our President's assertion after the signing of the Regional Comprehensive Economic Partnership or RCEP on 15 November 2020, "Indonesia is for an open economy." Our President did not categorically talk about "liberalization" but, rather, about opening our economy in a fair and win-win manner. I believe this is a key to understand where Indonesia is heading to. This explains why Indonesia continues negotiating trade agreements with like-minded countries, big and small, in our quest for a better position on the global trade map; a better place in the global value chain which is being confronted now by more centripetal forces than centrifugal ones.

2.16. While continuing to support the multilateral trading system by participating actively in discussions in the WTO as illustrated in paragraph 3.4 of our Government report, Indonesia also has been quite proactive in pursuing regional and bilateral trade negotiations which — we believe — can serve as the building blocks in support of a stronger multilateral trading system.

2.17. Within ASEAN, Indonesia has been active to work with other nine ASEAN Member States to implement the ASEAN Economic Community Blueprint 2015–2025. With nine ASEAN Member States, we are also an active party to review and improve the existing ASEAN Plus One FTAs with ASEAN's six trading partners.

2.18. Bilaterally, we are in the process of upgrading Indonesia's Preferential Trade Agreement with Pakistan and the Economic Partnership Agreement with Japan. Indonesia is working with Chile now to start bilateral negotiations on trade in services and investment to complement our already-entered-into-force bilateral trade in goods agreement. We have entered the implementation

stage of our Comprehensive Economic Partnership Agreement with Australia while in the final process of ratifying our Preferential Trade Agreement with Mozambique and Comprehensive Economic Partnership with EFTA countries.

2.19. Further on the bilateral front, we are in the process of negotiating trade deals with the European Union, Tunisia, Turkey, Bangladesh, Mauritius, and Morocco, while planning to sign the Comprehensive Economic Partnership Agreement with Korea very soon this month. We also have initiated exploratory talks with other countries in Africa and South Asia, as well as groups of countries like the Eurasian Economic Union, MERCOSUR, and members of the Gulf Cooperation Council.

2.20. All this is not to mention the recently signed Regional Comprehensive Economic Partnership or RCEP Agreement amongst its 15 participating countries. Indonesia has been the initiator of the RCEP concept and played a key role in the negotiation process as the ASEAN Country Coordinator for RCEP Negotiation, and in chairing the RCEP Trade Negotiating Committee.

2.21. The point my delegation wishes to make is that Indonesia continues to reform the economy. Basically, we can do it in two ways. We may do the reform by ourselves, deciding on the parameters and targets by ourselves, then proceed with the reform. Instead, we opt for doing it in parallel with negotiating some economic deals with our trading partners in order to get the bonus; that is, better market access and more investment.

2.22. On the latter, it is worth mentioning that we are not only inviting in-bound investment but also promoting out-bound investment. Between 2014 and 2018, about 51 Indonesian companies established their overseas investment, including in ASEAN and other countries such as India, China, Saudi Arabia, Nigeria, and Australia. These investments were established in various sectors, among others in constructions, software, IT services, financial services, and pharmacy. Our business also made a big investment in Nigeria, Canada, some European countries, Ecuador, and others in such sectors as food, pulp and paper, biofuel, and Spa.

2.23. Back to "behind the border," in the context of creating a more conducive environment for business, the Government introduced the online processing platforms for investment and business licensing procedures in 2018. Much earlier, we had established Indonesia's National Single Window to facilitate exporters and importers to do the on-line mandatory processing for their export and import activities. On this platform, we also added Indonesia's Trade Repository—an authoritative source of information relating to exports and imports. And of course, in line with our commitment under the WTO Trade Facilitation Agreement, we have established Indonesia's Trade Facilitation Committee to ensure the timely provisions of our commitments under the Agreement.

2.24. To peel the onion a little bit, in 2017 Indonesia established the Indonesia TBT National Committee to ensure better coordination on TBT issues with all stakeholders. The Committee is tasked to observe the effective operationalization of the principle of transparency enshrined in the WTO TBT Agreement.

2.25. All this brings me to what we consider as a very important point in the context of Indonesia's Trade Policy Review this time.

2.26. On 2 November 2020, the Government enacted the so-called Omnibus Law on Job Creation. This is a direct response of our Government to the many concerns raised by the private sectors — national and from other countries — on the uncertainties and high-cost economy they have been facing for years in, and with, Indonesia.

2.27. In a nutshell, the Omnibus Law focuses on nine broad areas and two implementing arrangements. These nine broad areas cover the followings:

- improvement of investment eco-system;
- simplification of business permits;
- employment and job creation;
- support for micro, small and medium enterprises;
- ease of doing business;
- research and innovation;
- land acquisitions;

- economic zones; and
- establishment of the Sovereign Wealth Fund as well as the acceleration of strategic national projects.

2.28. The two implementing arrangements I mentioned earlier are on, first, the administration of the Law which includes Good Regulatory Practices; Service Level Agreement; Norms, Standards, Procedures, and Criteria; and digitalization of government services. The other arrangement is on sanctions.

2.29. In response to a total of 890 questions we received from the Member States as of 8 December 2020, we intend to provide rather general yet meaningful answers for Members to get better understanding of where Indonesia is coming from and which direction we are going to. We may not be in the position to provide detailed responses in time as delegates may expect, and this is due to the fact that around 19 ministries are now in the process of drafting the implementing regulations which should be completed within 90 days after the official adoption of the Law on 2 November 2020.

2.30. Nevertheless, we will do our best in terms of providing adequate responses to all questions, and in parallel taking them as inputs to the making of implementing regulations of the Law.

2.31. To conclude, Mr. Chairman and delegates, I wish that this Trade Policy Review will be of particular benefits to Members and Indonesia as we would like to contribute positively — however little it maybe — to the restoration of strong confidence in the multilateral trading system which should allow an open, fair and predictable trade environment for all Members of the WTO. I thank you, Mr. Chairman.

3 STATEMENT BY THE DISCUSSANT

3.1. Thank you, Mr Chair. Good morning, everyone. I hope that you and your families are all well amid this health emergency.

3.2. Let me begin by welcoming the delegation of Indonesia to its seventh Trade Policy Review, led by Mr Jerry Sambuaga, Vice Minister of Trade.

3.3. I should like to thank Mr. Sambuaga for his excellent presentation, Ambassador Harald Aspelund for his introductory remarks and the WTO Secretariat for the professionalism shown in its report. I would also like to highlight the valuable work of the Indonesian Mission to this Organization.

3.4. I am honoured to participate in this review of Indonesia. Reviewing the policies, actions and performance of this large economy and its efforts to develop and improve its people's standard of living is most rewarding. I will start by presenting some general economic considerations, address some aspects of Indonesia's trade policy, highlight some specific topics in relation to our Organization's agreements and conclude with some final remarks.

General economic considerations

3.5. Indonesia is a geographic delight comprising 17,000 islands in an area of approximately 2 million km², possessing valuable ocean ecosystems, with enormous potential for the blue economy and is strategically located. It has a wide cultural and ethnic diversity, with a population of over 270 million, half of which is under the age of 30. This diversity and youth are an invaluable asset to Indonesia, but also present it with formidable challenges. Its economic size, population and great potential require it to be increasingly involved in global affairs.

3.6. The current health emergency has led to the first economic recession in Indonesia since 1998. The continued economic expansion reflects prudent macroeconomic management and moderate exposure to external risks. Reasonable levels of fiscal deficit and debt have enabled significant resources to be used to mitigate economic and social impacts. The recent quarter saw a recovery in economic activity, although its sustainability and strength will be at the mercy of the pandemic. As mentioned by the Vice Minister, during the current review period, Indonesia registered a GDP growth rate of 5.1%. While it is below the previous review's rate of 5.9%, it is two points higher than the global average of 3.1% and above the average of 4.9% of the Association of Southeast Asian Nations (ASEAN).

3.7. Prior to the current crisis, from 2000 onwards Indonesia significantly decreased the unemployment level, reduced by half the population living in poverty, and recorded a significant decline in inequality, as reflected in the lowered Gini coefficient. While these trends are certainly encouraging, the extent to which the current health crisis pushes them back remains to be seen and it will be interesting for Members to hear Indonesia's plans to get back on course.

3.8. It should be noted that, compared with many other similar economies, Indonesia has a larger share of state-owned enterprises in a wide range of sectors of economic activity, a coordinated economic governance structure and a structured economic planning system with concrete objectives and a medium and long-term outlook.

3.9. Some of these objectives are certainly inward-looking, such as supporting food sovereignty, energy sovereignty and developing domestic industry and services. There are also noteworthy proposals for economic internationalization which involve stepping up international trade commitments. Against this backdrop of coexisting inward-looking and outward-looking objectives, the trade policy has to contend with diverse public and private domestic interests in a young and vibrant democracy. It is worth mentioning this co-existence in order to contextualize some of the concerns raised by certain Members.

3.10. It should be noted that much of the economic expansion during the review period stemmed from the growth of the domestic market, through consumption and investment. The share of trade in goods and services in GDP declined during the review period, from 48.6% in 2013 to 37.3% in 2019, a reduction of almost 11 percentage points. A greater insertion of Indonesia into the global trade and investment channels could perhaps allow it to grow at even higher rates. It will be

interesting to see the impact of Indonesia's recent efforts in this regard at the next Trade Policy Review.

Trade policy aspects and WTO-specific matters

3.11. On trade policy aspects and WTO-specific matters, no one can accuse the Government of Indonesia of being passive: on the contrary, it has been very active. It must be recognized that, during the review period, Indonesia implemented a number of reforms and measures and changes to the regulatory framework that have directly and indirectly helped update its trade and investment policies. While many areas have already been mentioned, I would like to highlight, without being exhaustive: the significant progress made in the fight against corruption; mention was made of changes to the investment regime; trade facilitation; certain aspects of government procurement; the area of intellectual property; phytosanitary matters; modernizing the system of standards; legislation on electronic commerce (e-commerce) and certain areas of competition. It is also worth highlighting the investment in infrastructure, the fibre optic network, and Indonesia's medium-term objective of establishing itself as a logistics hub in the region.

3.12. In particular, I would like to highlight the relaxation of restrictions on foreign direct investment in several areas, such as telecommunications, transport, tourism, and distribution services. In addition, Indonesia has improved its position in the World Bank's ease of doing business index, from 128 to 73 during the review period.

3.13. Furthermore, Indonesia has been very active in expanding the network of bilateral and regional agreements, as mentioned by the Vice Minister, who listed the agreements that have already been concluded and those that are under way, noting, in particular, the recent agreement of the Regional Comprehensive Economic Partnership (RCEP). I would simply like to reiterate that Indonesia has a particularly active international agenda with regard to the expansion of its network of agreements and has also been a highly active participant in the Group of 20 (G20) and Asia-Pacific Economic Cooperation (APEC).

3.14. In the multilateral sphere of trade, Indonesia has shown strong commitment to the system, as evidenced by the successful organization of the Ninth Ministerial Conference (MC9) in 2013.

3.15. Indonesia has been an important player in the agriculture negotiations as the coordinator of the Group of 33 (G33) and actively participates in the Joint Initiatives on e-commerce, domestic regulation of services, trade and gender and investment facilitation. Given the considerable size of its micro, small and medium-sized enterprises (MSME) sector and its experience in strengthening it, Indonesia would be a valuable participant in the Joint Initiative on MSMES and should therefore reconsider its inclusion.

3.16. Despite there being outstanding notifications on trade-related investment measures and quantitative restrictions, during the review period, Indonesia submitted and brought itself up-to-date with a number of notifications. This trend of compliance with transparency will doubtless continue.

3.17. Nonetheless, while recognizing all the work of the Government of Indonesia to modernize aspects directly and indirectly affecting trade, it is important to note that, from the Secretariat's report and the 890 questions posed by Members, there appear to be some trade complications that surely require attention. Some of them are at the border and others beyond the border. Some are apparently easy to address, such as the publication of documentation in the local language only, while others relate to measures whose implementation hampers or raises the cost of trade, while others relate to questions about the policies themselves.

3.18. In a very general way, I should like to refer to the reported increase in the tariff applied to certain agricultural and industrial products, in contrast to the trend in other ASEAN countries. In addition, there is still insufficient transparency and complexity with regard to the granting of import licences, duplication and onerousness regarding certain phytosanitary checks, prohibitions and quantitative restrictions on certain products, local content requirements on government procurement and the development strategy of certain industries, a decline in domestic standards aligned with international standards, the obligation on the patent holder to manufacture products in Indonesia, and the need to strengthen effective protection of intellectual property rights.

3.19. The questions sent by the Members reflect an interest in Indonesia's increased transparency in relation to these measures, the grounds for its quantitative restrictions, their consistency with WTO commitments and the prospect of their reversal.

3.20. As far as trade remedies are concerned, the use of anti-dumping measures continues with increased measures in force, principally with regard to steel products. The application of safeguard measures has fallen, although Indonesia remains a major user of these measures, chiefly for steel products. Some Members have expressed interest in discovering the rationale for the use of such measures and whether Indonesia plans to buck this trend in the future.

3.21. While acknowledging the progress made in liberalizing more sectors to foreign direct investment, some Members consider that there is still room to put Indonesia on the same footing as other economies in the region, particularly in the financial and other services sectors. Members' questions relate to possible future developments.

3.22. While there has been a reduction in the number of state-owned enterprises, some Members see further rationalization as an area of opportunity, as reflected in a number of the questions, in which they express their interest in learning about Indonesia's short and medium-term plans in this area (they wish to know about the timelines and sectors). The Secretariat's report also raises concerns about the operation of parastatals, in view of the subsidies they receive, their undesirable effect on competition, the disincentive to private participation and their improvable efficiency.

3.23. While progress has been made in some aspects of the framework governing competition, the competent authority lacks instruments and resources for its effective application. In short, the institution is toothless.

3.24. The questions received from Members specifically address their concerns and will likely be supplemented by the contributions we will hear during the productive exchange on this review.

Concluding remarks

3.25. By way of concluding remarks and, recognizing the Vice Minister's point that the recently enacted law contains elements that could make a difference in many respects to the issues Members have raised, I would like to emphasize the inevitable tension that arises from the coexistence of inward-looking growth policies and a trade policy agenda involving growing international commitments, which is all the more apparent in a review such as this one. Striking a balance between these two dynamics will certainly be a challenge, and it will be important to hear the Indonesian authorities' views on this matter. It is clear that policy space narrows as more international commitments are made.

3.26. Furthermore, the size of Indonesia's domestic market is certainly attractive to foreign investment. In fact, such investment is mainly made in order to participate in the market and not to establish a manufacturing and export hub, it being possible to do both. It will be interesting to hear what regulation of foreign direct investment, what aspects of trade policy and what elements of country cost deter investors from such large-scale ventures. The search for efficiencies does not appear to be a major motivator for foreign direct investment inflows.

3.27. It is foreseeable that Indonesia's economy, with greater integration into trade and investment flows and an improved business environment, is likely to grow even more dynamically in the future.

3.28. In conclusion, I would like to stress that, before the current economic adjustment, thanks to pragmatic and prudent management Indonesia's economy enjoyed a sustained period of economic expansion with an annual average of more than 5% and will surely regain momentum once the crisis is over.

3.29. I am convinced that the discussions during this review will be highly productive and will serve the purpose for which such reviews were established. I would once again like to express my gratitude for being considered as a discussant; it has certainly been enriching.

3.30. I wish Indonesia every success during its seventh Trade Policy Review. Thank you very much, Mr. Chair.

4 STATEMENTS BY MEMBERS

BRAZIL

4.1. Let me start by welcoming the Indonesian delegation, headed by Jerry Adhitya Ksatria Sambuaga, vice-minister for Trade, and by thanking the Indonesian Mission in Geneva, and especially Ambassadors Grata Endah Werdanigtyas and Syamsul Bahri Siregar, for its efforts and contributions to this important exercise.

4.2. I would also like to express our sincere appreciation to the Indonesian Government and the WTO Secretariat for their reports, as well as to the discussant, Ambassador Ángel Villalobos Rodríguez (Mexico), for his insightful observations, and you, Chair, for your opening comments.

4.3. Brazil values all WTO functions, including monitoring and transparency, and has been working tirelessly to strengthen them. Bearing in mind that only with reliable and up-to-date information on policies and practices adopted in different parts of the world, governments and private sectors can make their best decisions, the current pandemic has reinforced the perception on the importance of transparency. It is in this context that I welcome this seventh Trade Policy Review of Indonesia.

4.4. I would like to start by highlighting Indonesia's recent economic results. Not only did Indonesia's economy grow at a rate of 5% per year between 2015 and 2019, but there was a significant increase in the number of jobs and in its GDP per capita. In spite of uncertainties both in the regional and global economic landscapes, Indonesia managed not only to steadily grow, but also to control inflation and to reduce income inequality.

4.5. I would also like to note that Indonesia has improved its commitments to the multilateral trade regime, through the ratification of the Trade Facilitation Agreement and various instruments in the field of intellectual property, as well as its efforts to comply with notification requirements in different areas and its active participation in fisheries negotiations.

4.6. As a Member committed to promote trade facilitation, Brazil encourages Indonesia to continue to increase the implementation of its commitments in the different categories of the TFA.

4.7. As a supporter of the Dispute Settlement System, Brazil urges Indonesia not to forestall the smooth running of procedures, particularly of DS 484 on Measures Concerning the Importation of Chicken Meat and Chicken Products, which would frustrate Members' rights and obligations under the covered agreements and would not contribute to the prompt settlement of disputes, during the current exceptional and unforeseen circumstances caused by the inoperability of the Appellate Body.

4.8. As a partner in agricultural negotiations, Brazil draws special attention to the agendas of domestic support, in which Indonesia acts as a facilitator, and market access, since Indonesia still maintains high average MFN tariffs for agricultural products, significant tariff peaks and several complex tariffs.

4.9. As a Member interested in promoting a more open and fair multilateral trading system, Brazil recalls that the adoption of TBT and SPS measures must take place in a manner that is compatible with multilateral disciplines.

4.10. Finally, as a proponent of the WTO reform process, Brazil invites Indonesia to actively engage in discussions on the future of the Organization, based on negotiating mandates that reflect the current international trade landscape.

4.11. Brazil and Indonesia, strategic partners since 2008, have two of the largest populations in the world and we are proud of our multi-ethnic character. We have large territories, with important biodiversity and natural resources. We are major agricultural exporters, members of the Cairns Group at the WTO. We are two emerging economies, members of the G20. We are the largest economies, respectively, of MERCOSUR and ASEAN and we value our regional integration processes. We are among the major democracies in the world and we went through processes of transition and democratic consolidation in the past decades.

4.12. Brazil and Indonesia also share common challenges: promoting development; reducing social and regional disparities; strengthening our integration in global and regional value chains; and completing our digital transformation.

4.13. Our bilateral trade is still far below its potential. In 2019, trade between our two countries stood at USD 3 billion, significantly less than the USD 4 billion trade registered in 2014. Despite our position as the two largest economies in our regions, Indonesia is only Brazil's fifth trading partner in ASEAN.

4.14. Nevertheless, the future prospects are encouraging. Our trade is already based on added value products both from the manufacturing and the agribusiness sectors. In spite of the pandemic, the trade flow is expected to grow in 2020. Also, MERCOSUR and Indonesia are holding exploratory talks that may result in future negotiations for a trade agreement.

4.15. Brazil is very interested in understanding the already existing achievements and limitations of the integration of the Indonesian economy into regional and global value chains and future prospects. We also follow closely the conclusion of the negotiations of the Regional Comprehensive Economic Partnership and the impacts that it may have on the multilateral trading system and on the regional and global value chains.

4.16. Brazil thanks Indonesia for the written replies to our questions, which comprises some issues I touched upon today, such as dispute settlement, regional and global value chains, and the RCEP. They were forwarded to our capital for examination and follow-up.

4.17. We wish Indonesia a successful Trade Policy Review.

ARGENTINA

4.18. We would like to join other Members in welcoming the delegation of Indonesia and the Vice Minister of Trade of Indonesia, H.E. Mr Jerry Adhitya Ksatria Sambuaga. We also convey our greetings and express our appreciation of the work of the Permanent Representative of Indonesia to the WTO.

4.19. We express our gratitude for the reports prepared by Indonesia and the Secretariat, which have enabled us to deepen our knowledge of this Member's trade policies.

4.20. Argentina and Indonesia established diplomatic relations in 1956 and since then have been developing strong and fruitful links. On the trade front, Argentina exports soybean meal, wheat, maize and cotton, not carded or combed, to Indonesia. We import footwear, machinery, electrical equipment, rubber and mechanical appliances from Indonesia.

4.21. Argentina is pleased to note that, since its last Trade Policy Review, Indonesia has experienced considerable economic growth, reaching an annual growth rate of around 5% between 2013 and 2019. The reduction in unemployment, which stood at around 5% in 2019, is similarly commendable.

4.22. It is also worth mentioning Indonesia's efforts to liberalize and simplify its foreign direct investment (FDI) regime. In this regard, we should like to highlight the elimination of restrictions on participation in key sectors such as energy, health, trade and tourism. While there are still a number of sectors in the Indonesian economy that remain closed to FDI, we believe that these efforts are moving in the right direction.

4.23. We note that there is an area of Indonesia's trade policy that has achieved significant progress: trade facilitation. In addition to ratifying the Trade Facilitation Agreement (TFA) in 2017, Indonesia has taken a number of measures to promote trade flows. We would like to highlight two of them: the launch of the Authorized Economic Operator programme and the integration of the Single Risk Management system into the Single Window platform.

4.24. Despite these achievements, we believe that there is still room for manoeuvre to continue moving forward in other areas. With regard to tariffs, we are concerned about the existence of peaks for agricultural products. While not directly linked to agriculture, we have noted that the simple average of Most Favoured Nation (MFN) tariffs increased by more than two points from 2012 to date.

4.25. In the context of this review, we submitted questions to Indonesia related to, inter alia, its Ministerial Strategic Plan on Gender Equality and the Empowerment of Women and the National Movement of Small and Medium-Sized Enterprises (SMEs). Both issues are of great interest to my country. We appreciate the replies provided by Indonesia, which will be duly analysed by my capital.

4.26. In closing, we would like to express our appreciation for this new opportunity to address Indonesia's trade practices.

4.27. We wish its authorities a successful conclusion to this Review.

CANADA

4.28. Canada is pleased to participate in Indonesia's seventh Trade Policy Review. We would like to express our appreciation to Indonesia's Government and the Secretariat for their high-quality reports.

4.29. First and foremost, Canada would like to acknowledge Indonesia's multilateral efforts to minimize the negative impacts of the COVID-19 pandemic on global supply chains and to ensure the free flow of essential goods. This includes the endorsement of the Cairns Group June 17 COVID-19 Initiative aimed at protecting global food security through open trade, and the May 5 Statement on COVID-19 by APEC Ministers Responsible for Trade.

4.30. The COVID-19 pandemic has underscored the necessity of open and predictable trade, and expanding international trade and investment partnerships. Canada is proud to stand with Indonesia as a friend and as we work towards an inclusive and sustainable global economic recovery.

4.31. I would now like to highlight areas where Indonesia is making significant progress.

4.32. Firstly, Canada welcomes Indonesia's pursuit of more open and inclusive trade. We welcome Indonesia's acceptance of the Trade Facilitation Agreement, its active participation in the Joint Statement Initiatives on investment facilitation and e-commerce, and its support for the full implementation of the Buenos Aires Declaration on Women's Economic Empowerment. We encourage Indonesia to participate actively in the implementation of the 2nd phase of the Buenos Aires Declaration.

4.33. Secondly, Canada commends Indonesia for its ambitious government reform program, which aims to transform Indonesia into a developed country by 2025, and into the fifth largest economy in the world by 2045, through policies focused mainly on attracting foreign investment, as well as developing critical infrastructure and human capital.

4.34. Thirdly, Canada appreciates Indonesia's efforts to improve the business environment and attract foreign investment, including through the recent Omnibus Job Creation Law. Indonesia should ensure that the implementing regulations are designed to deliver the economic reforms that inspired the Omnibus Law, while maintaining important protections for labour and the environment.

4.35. Fourthly, we acknowledge Indonesia's efforts to improve transparency and address corruption through the implementation of a National Strategy of Corruption Prevention, and by making laws and regulations more readily accessible. Although meaningful progress has been made in reducing widespread graft, we encourage Indonesia to continue to prioritize the elimination of corruption, which can act as a significant deterrent to foreign investment and economic growth.

4.36. We also applaud Indonesia's active role in negotiating ambitious trade agreements during the review period, which has led to successfully concluding Comprehensive Economic Partnership Agreements with the European Free Trade Association States, Australia, and Korea, as well as the recently signed Regional Comprehensive Economic Partnership.

4.37. Finally, Canada acknowledges Indonesia's leadership role in ASEAN and its commitment to rules-based trade. Canada would like to thank Indonesia for its work as Canada's economic country coordinator within ASEAN, and in advancing discussions for a possible ASEAN-Canada Free Trade Agreement. Canada looks forward to continuing to work with Indonesia to deepen our trade and investment ties.

4.38. Along with these promising initiatives and progress, there remain areas that would benefit from further focus by Indonesia:

4.39. Although Indonesia's ranking in the World Bank Doing Business Report significantly increased over the past years to reach 73rd in 2020, significant challenges remain for companies attempting to do business in the country. Further reforms to reduce the cost of doing business and streamline the registration process are key to encouraging foreign investment.

4.40. Canada acknowledges the significant changes made by Indonesia to its mining legal framework, as they aim to reinvigorate the mining sector and attract more investment. However, efforts to enhance regulatory certainty and reduce investment risk are still necessary. We encourage Indonesia to continue pursuing comprehensive measures to attract investment, including by reducing the number of business activities reserved for local entrepreneurs.

4.41. On agriculture, we encourage Indonesia to work with trade partners to address concerns raised about the implementation of new halal certification and labeling requirements.

4.42. Canada welcomes Indonesia's very good notifications record, but notes shortfalls regarding customs valuation, import licensing and quantitative restrictions.

4.43. Finally, as Indonesia strives to improve different aspects of its economic and market environment, we encourage its participation in the Joint Statement Initiatives on services domestic regulation and MSMEs.

4.44. Canada has submitted written questions that reflect some of the concerns raised today. We look forward to Indonesia's responses, and wish Indonesia a productive and useful seventh Trade Policy Review.

MEXICO

4.45. Mexico warmly welcomes the delegation of Indonesia, led by H.E. Mr Jerry Sambuaga, Vice Minister of Trade.

4.46. We would also like to take this opportunity to acknowledge the contribution of the Indonesian Mission to the work of this Organization. My delegation also thanks the WTO Secretariat for preparing its report.

Indonesia's economic development

4.47. Mr Chairman, despite the challenges that the global economy has faced, Indonesia has continued with sustained economic growth and poverty reduction during the review period, as a result of the proper implementation of macroeconomic and structural reforms.

Trade and domestic policies

4.48. Indonesia maintains a tariff regime almost entirely in ad valorem terms, and the number of lines subject to specific tariffs declined considerably during this period. However, the level of protection, tariff peaks and different tariff rates have increased. We hope that Indonesia will continue to work on a simpler tariff regime, as well as with a policy of general tariff reduction.

4.49. We have noted the enactment of ambitious draft legislation, including the General Law on Job Creation and the General Law on Taxation¹, which, as per recent publications in international media, have been merged into a single instrument best known as the Omnibus Law, which is generating curiosity both inside and outside Indonesia, in terms of the level of protection of workers' rights and environmental issues, among many others. We look forward to more information on this law and especially on its potential impact on telecommunications, investment and ease of doing business.

4.50. Regarding telecommunications, we note that the Government of Indonesia has issued various policies and regulations to improve the development and accessibility of infrastructure, mobile

¹ Paragraph 2.18 of the Secretariat's report.

broadband penetration, affordability of broadband services, and equitable distribution of infrastructure, ecosystems, and telecommunication services. These are undoubtedly important developments in this area, and we hope to hear about the impact they have had on improving access to and development of telecommunication services in Indonesia.

Work of the WTO

4.51. In the work of the WTO, we note Indonesia's presence at the forefront of innovative topics in multilateral trade. Its active participation in the joint initiatives on e-commerce, trade and gender and investment facilitation is clear evidence of this.

4.52. With regard to the WTO dispute settlement system, Indonesia is a very active Member, both as a complainant and, above all, as a third party. In addition, it is important to note that it has shown concern and commitment regarding the current situation, supporting the joint proposal co-sponsored by 121 WTO Members to launch the Appellate Body vacancy processes, a proposal that seeks a solution to the impasse that affects not only the dispute settlement system but also the very credibility of the multilateral trading system.

4.53. We would also like to congratulate Indonesia for the recognition that it gives to its MSMEs and the importance it attaches to them as an engine for the economic development of the country. The Government has implemented a series of programmes, initiatives and regulations aimed at, inter alia, improving competitiveness, increasing access to financing and promoting the growth of e-commerce. We hope that these measures will lead to positive results that have an impact on the well-being of the population. We therefore consider that Indonesia's experience would be very useful if it decided to participate in the work of the joint initiative on MSMEs.

Challenges and opportunities

4.54. With regard to challenges and opportunities, Indonesia has high human capital, with more than 110 million economically active people, which represents an enviable labour force. However, we believe that in order to capitalize on it, it will be necessary to invest in improving the labour force's skills in more specialized sectors.

4.55. Another area that represents a major challenge for Indonesia is the environment because it faces problems of large-scale deforestation, forest fires, over-exploitation of marine resources, and environmental problems linked to rapid urbanization and economic development, to mention but a few. We are confident that Indonesia will be able to develop a strategy enabling it to meet these challenges that affect the well-being of its citizens and the rest of the world.

4.56. Other equally significant challenges calling for further work from Indonesia relate to infrastructure, improving a complex regulatory environment, reductions to its trade restrictions, high State involvement in the country's economic activities, and improving the uneven distribution of resources among its regions.

Conclusion

4.57. In conclusion, Mr Chairman, we believe that Indonesia has the potential to maintain its economic growth, as well as to continue playing an important role in international trade, and we are sure that Indonesia will be able to face its challenges.

4.58. We thank Indonesia for the replies provided to the questions posed by my delegation, and these will be examined in detail. Lastly, we wish Indonesia every success in this Review.

REPUBLIC OF KOREA

4.59. I would like to extend a warm welcome to the delegates who are in Geneva, as well as in Jakarta for the 7th Trade Policy Review of Indonesia. I would like to especially thank Vice Minister Jerry Adhitya Ksatria Sambuaga for his comprehensive presentation.

4.60. My special appreciation also goes to Ambassador Angel Villalobos Rodriguez (Mexico) for his contribution as a discussant, and I would like to thank Ambassador Grata Endah Werdaningtyas, and

Ambassador Syamsul Bahri Siregar, Permanent Representative of Indonesia to the WTO, and his team for their hard work.

4.61. Korea is pleased to note that the Indonesian economy grew at an annual average rate of 5.1% between 2013 and 2019.

4.62. Korea also takes note that Indonesia has made efforts to undertake the update of its trade-related and investment policies and regulatory reform, in particular the Economic Policy Packages (EPP) between 2015 and 2018.

4.63. However, the Indonesian economy may show a downward trend between 2020 and 2024. The country's economic difficulties could be exacerbated by a number of prevailing uncertainties, including the price fall of Indonesia export commodities and the trade war, as well as the adverse impact of the COVID-19 pandemic.

4.64. To mitigate these challenges, the Indonesian government needs to continue to implement productivity-enhancing structural reforms to enhance total factor productivity, and also address issues relating to regulatory uncertainty, the investment climate, and so on.

4.65. In terms of international fora, it is welcomed that Indonesia has made an improvement in commitments by ratifying the Trade Facilitation Agreement (TFA) in 2017 through the multilateral trading system, and has strengthened regional economic integration ties through several ASEAN agreements.

4.66. The bilateral economic relationship between Korea and Indonesia has been further strengthened with the conclusion of last year's Korea-Indonesia CEPA (which was finalized in November 2019 and expected to be signed in December this year).

4.67. In particular, Korea would like to recognize that the two countries' scope of mutual cooperation has been reinforced not only in opening the goods and services market but also in various areas such as industry, energy, culture, and public health.

4.68. Taking this opportunity, I would like to reiterate some points to which we look forward to receiving Indonesia's productive and positive responses.

4.69. First, in regard to the implementation of prior import verification requirements, local content requirements, and the SNI (Indonesia National Standard), attention is required to prevent trade-restrictive impacts.

4.70. We would like to remind that a more prudent approach will be needed for the operation of the safeguard system hereafter, since Indonesia is one of the countries with the most frequent safeguard investigations and measures.

4.71. Moreover, Korea is aware that foreign insurance and securities firms in Indonesia are facing difficulties due to local regulations (such as the approval process and fee, qualification requirements, and limitation on the share that can be owned by foreign capital).

4.72. In this regard, Korea would like to call for the Indonesian Government's interest in this matter and request that relevant laws and procedures are improved in a more business-friendly way.

4.73. Korea would like to once again highlight Indonesia's efforts to contribute to a more open, transparent, and efficient overall trading environment. Let me conclude by expressing my appreciation once again to the delegation of Indonesia for its hard work and wishing the delegation a successful TPR.

AUSTRALIA

4.74. Australia congratulates Indonesia on its economic growth since its 2013 Trade Policy Review, with Indonesia now the world's seventh largest economy as measured by purchasing power parity. However, we recognize Indonesia is facing a major challenge from COVID-19, and that it is vital Indonesia emerges from this crisis stable and resilient.

4.75. Australia and Indonesia share a strong commitment to increasing stability in the Indo-Pacific region, and to economic cooperation. We welcome the recent signing of the Regional Comprehensive Economic Partnership, which will advance these shared goals.

4.76. Australia also welcomed the entry into force of the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) on 5 July 2020. This step signals to the region and the world that — even in these challenging times — both Australia and Indonesia are committed to free and open trade. Australian and Indonesian officials have been working closely on implementation of IA-CEPA, and businesses in both countries are now benefiting as trade is flowing under the Agreement. We will need sustained commitment in both countries over the coming decade to ensure the benefits of IA-CEPA are fully realized.

4.77. Australia looks forward to the commencement of the IA-CEPA Economic Cooperation Program before the end of the year. The program will support technical assistance and capacity building across a range of trade related areas to strengthen commercial links and help stimulate increased two-way trade and investment for the mutual benefit of Australia and Indonesia.

4.78. Australia's trade and economic relationship with Indonesia has grown nearly 15 per cent since the 2013 policy review, largely driven by growth in service imports to Indonesia. However, COVID has negatively impacted our services trade relationship - most notably tourism and education travel - and this may take some time to recover.

4.79. In 2019, total two-way trade in goods and services between Australia and Indonesia was worth A\$17.7 billion, making Indonesia Australia's 13th largest trading partner. We are pleased that key Australian goods exports, such as live animals, wheat, and iron ore, are used as inputs in Indonesia's domestic manufacturing sector; and that Australia in turn imports manufactured goods from Indonesia such as televisions, clothing and footwear, and furniture.

4.80. According to the Australian Bureau of Statistics, total Australian investment stock in Indonesia was worth A\$8.16 billion at the end of 2019. Total Indonesian investment in Australia for this period was just A\$0.88 billion. We understand there are likely considerable investment flows via third countries that cannot be separately identified. However, changes to Indonesia's resource ownership laws saw a A\$5 billion fall in Australian investment when Australia resource companies were forced to divest ownership in the Grasberg and other mines in Indonesia. It appears this law is deterring further investment in Indonesia by Australian resource companies.

4.81. Australia acknowledges Indonesia has updated its investment policies and has undertaken institutional and regulatory reform initiatives. Australia has an interest in expanding its foreign direct investment in Indonesia and would welcome further liberalization to improve the investment environment, including in the mining sector. We also look forward to further details on the implementation of the Omnibus Law on Job Creation, which came into force on 2 November 2020.

4.82. To achieve the full potential of Australia and Indonesia's trade and investment relationship, we will need to overcome certain challenges such as regulatory uncertainties. We encourage Indonesia to continue economic and trade policy reform, to pave the way for benefits flowing from productivity gains and increased competitiveness. Australia notes Indonesia's improved position on the Ease of Doing Business ranking and is pleased to continue supporting Indonesia's reform objectives through our development cooperation program.

4.83. Australia and Indonesia have continued to engage in good faith to resolve the WTO dispute concerning anti-dumping measures applying to exports of A4 copy paper from Indonesia.

4.84. Australia remains concerned that Indonesia maintains measures that restrict the import of a range of agricultural products, including regulatory barriers such as delays in issuing import licences. This has negative consequences for Indonesian consumers, particularly low-income consumers, with less affordable and lower quality food products. COVID-19 has exacerbated this issue with food shortages and inflated prices.

4.85. To demonstrate Indonesia's commitment to food security and free and open trade, we urge Indonesia to commit to the elimination of trade restrictive regulations and other non-tariff barriers.

4.86. Australia notes Indonesia's updates on the Halal Product Assurance Law and its implementing regulation. We look forward to continuing our collaborative work on implementation to ensure Halal requirements do not unnecessarily impede exports to Indonesia and that the trade in Halal products is a growth area for our two countries.

4.87. Australia acknowledges Indonesia's strategic aim to increase Indonesia's competitiveness on Intellectual Property protection; and urges Indonesia to continue to improve IP protection and enforcement to this end.

4.88. Australia welcomes Indonesia's active engagement in the WTO and its clear support for the role of the Organization in promoting trade, trade liberalization, and inclusive economic development. In the period covered by this review, Indonesia has ratified the Trade Facilitation Agreement and is well on its way to fully implement all commitments – including through establishing the National Committee on Trade Facilitation.

4.89. We welcome Indonesia's constructive engagement on WTO consideration of the e-commerce JSI. We also greatly value Indonesia, as a fellow Cairns Group member, supporting the development of a Framework for Negotiations on Domestic Support in agriculture and its active outreach to other ASEAN Members.

4.90. Australia looks forward to Indonesia's G20 Presidency in 2022 and we are pleased to reaffirm our commitment to provide a secondee to Indonesia to support its Presidency year.

PERU

4.91. The Peruvian delegation presents its compliments to all present, and extends a warm welcome to the delegation of Indonesia, especially H.E. Mr Jerry Adhitya Ksatria Sambuaga, Vice Minister of Trade, and H.E. Ambassador Grata Endah Werdaningtyas, Deputy Permanent Representative of Indonesia to the WTO.

4.92. We also thank H.E. Ambassador Ángel Villalobos of Mexico, for his insightful comments as discussant. Furthermore, we greatly appreciate your dedication to the work of this Body, Mr Chairman, as well as the work undertaken by the Secretariat for this review.

4.93. Firstly, Peru would like to highlight the strength and dynamism of Indonesia's economic growth during the period under review, which has remained at around 5% per year, despite the international economic instability experienced in recent years. Along the same lines, the indications in the WTO Secretariat's report are significant in the sense that Indonesian economic growth during the period under review has been accompanied by a decrease in unemployment, controlled inflation, and a reduction in poverty and inequality. Peru welcomes all these developments.

4.94. In the area of trade, what stands out are the steps taken by Indonesia in trade facilitation, such as the implementation of an Authorized Economic Operator programme and its participation in the Single Window system of the Association of Southeast Asian Nations (ASEAN). By contrast, the WTO Secretariat refers to Indonesia's imposition of restrictions, prohibitions and import licences, which, according to the Secretariat's report, are due, inter alia, to the protection and development of domestic industries. These measures could affect the growth of international trade, the competitiveness of Indonesian products that require the importation of inputs, and the range of choice for local consumers. Along the same lines, the mention in the Secretariat's report of Indonesia's implementation of tariffs in excess of its WTO bound rates is a source of concern and might warrant some comment from the Indonesian delegation.

4.95. In the area of trade integration, Indonesia's participation in the recently concluded Regional Comprehensive Economic Partnership (RCEP) is noteworthy. We hope that this instrument will promote greater trade and investment flows in one of the regions with the strongest growth and economic development prospects in the world.

4.96. With regard to bilateral trade, trade between Peru and Indonesia fluctuated around US\$ 300 million during the review period, with USD 233 million recorded in 2019. During the entire period, a significant trade surplus in favour of Indonesia could be seen. Peru believes that there is

potential for further development of our trade relations, and so it would be of mutual benefit if the negotiations for a bilateral trade agreement resume as soon as possible.

4.97. Another important aspect of our economic and trade relationship is to be found in the Asia-Pacific Economic Cooperation forum (APEC), where important initiatives have been undertaken throughout this year to facilitate the flow of goods in the context of the ongoing pandemic and to highlight our support for improving the functioning of the WTO through the ongoing discussions on the reform of the Organization.

4.98. With regard to Peru's questions in this review, my delegation wishes to thank Indonesia in advance and continues to look forward to its responses, which will provide us with a more thorough understanding of the policies of the Member under review that support women's economic empowerment, especially through trade.

4.99. Having said this, I wish to conclude this statement by wishing Indonesia a successful Trade Policy Review.

CHILE

4.100. We convey our greetings to the delegation of Indonesia, led by H.E. Mr Jerry Adhitya Ksatria Sambuaga, Vice Minister of Trade, and congratulate Indonesia on once again being part of this necessary exercise in transparency.

4.101. Warm greetings also to the representatives of Indonesia, Ambassadors Ms Grata Endah Werdaningtyas and Mr Syamsul Bahri Siregar, as well as the excellent team of this Mission to the WTO, with whom we had the pleasure to work a few weeks ago in the preparation of the presentation – to the Committee on Regional Trade Agreements – on the Comprehensive Economic Partnership Agreement (CEPA) between Chile and Indonesia. We would also like to express our gratitude for the presentation made by the representative of Mexico, Ambassador Mr Ángel Villalobos Rodríguez, as well as for the excellent work done by the Secretariat and the Government of Indonesia in preparing their respective reports.

4.102. Chile and Indonesia established diplomatic relations in 1965. Since then, important agreements have been reached with Indonesia in the fields of economic and technical cooperation, fisheries and telecommunications, among others.

4.103. At the multilateral level, there is convergence on the most diverse topics on the international agenda. Chile and Indonesia share views in various international forums and both nations agree on fighting poverty by means of sustainable development programmes, with the focus on people and through the liberalization of world trade. Another area of convergence is also the common interest in strengthening the multilateral system.

4.104. Both countries play a dynamic role in the context of the Pacific Rim and promote connections for political, economic, cultural and commercial integration in the region, particularly through the framework provided by Asia-Pacific Economic Cooperation (APEC) and the Forum for East Asia Latin America Cooperation (FEALAC).

4.105. During the period under review in Indonesia, the strong growth and resilience shown by the economy of this country is conspicuous. In this connection, we note the positive evolution of its global competitiveness supported by its macroeconomic stability and the high rate of adoption of technology, among other factors. Regarding its response to the COVID-19 pandemic, an interesting aspect is the adoption of three temporary fiscal stimulus packages, including trade-related measures and monetary policy measures.

4.106. With regard to the reforms undertaken by Indonesia during this period, we take particular note of those related to trade, especially those concerning incentives for the development of MSMEs. We also highlight Indonesia's efforts to liberalize and simplify its FDI regime in a number of areas, as well as the updating of its trade and investment policies, and reforms at the institutional and regulatory levels in areas such as transparency, anti-corruption, investment promotion, and settlement of economic disputes.

4.107. On the other hand, we understand that there is still room for progress in areas such as Indonesia's relatively low innovation capacity, labour force skills, moderate economic exposure to international trade, and harmonization of its provisions in the area of bilateral investment agreements.

4.108. Regarding trade facilitation, we welcome Indonesia's ratification of the respective Agreement and note the series of measures it has taken in this area such as the launch of the Authorized Economic Operator programme and the National Single Window platform, among others.

4.109. In addition, a positive aspect that we noted is that one of the objectives of Indonesia's Medium-Term National Development Plan, for achieving economic expansion in the 2020-2024 period, is to increase investment. This includes encouraging private (foreign and domestic) investment through deregulation of investment procedures and synchronization and harmonization of licensing regulations. It will therefore be important to discover how the new economic reform legislation – the "Omnibus Bill" – aligns with the aforementioned objective of increasing private investment.

4.110. On the bilateral front, the economic and trade relationship between Chile and Indonesia has recently been reinforced by the signing of the aforementioned Comprehensive Economic Partnership Agreement, which came into force in 2019. This Agreement is a step forward for the bilateral relationship between Chile and Indonesia, enabling Chile to consolidate its strategy to become a bridge for the Asia-Pacific region and to access the largest market in South-East Asia. For Indonesia, it is the first such agreement with a Latin American country.

4.111. In terms of total bilateral trade, this amounted to USD 319 million during 2019, of which USD 128 million corresponded to exports from Chile, mainly copper, other minerals and fresh grapes. Meanwhile, imports (CIF) from Indonesia amounted to USD 188 million, especially footwear, fresh seaweed, and automobiles. It should be pointed out that total bilateral trade has experienced highs and lows since 2014, and so we hope that the Comprehensive Economic Partnership Agreement will allow us to resume the path of trade growth between our two countries. In this regard, it is worth mentioning that, pursuant to the evolutionary clause established in that Agreement, Chile is interested in initiating negotiations on expanding the Agreement, including a chapter on cross-border trade in services, so as to diversify bilateral trade.

4.112. With regard to technical barriers to trade, on the basis of Regulation No. 39 ("Horticultural Product Import Recommendation"), Chile and several other countries have indicated to the Indonesian authority their concern about the refusal to authorize import licences for countries that already had safety recognition. In this regard, although the Ministry of Agriculture of Indonesia granted recommendations for the importation of Chilean horticultural products to 22 enterprises in that country, the Government of Chile maintains its interest in having mechanisms to ensure expeditious delivery of the recommendations and import licences required for the following products: table grapes, kiwifruit, cherries, pears, blueberries, citrus fruit, avocados, salmon, oats, wines, juices/concentrates, walnuts, quinoa, raisins, frozen blueberries and seafood.

4.113. In addition, as regards the loosening of sanitary restrictions, Chile has indicated its wish to its counterpart Indonesia to complete the process of phytosanitary evaluation of products such as walnuts (in shell and shelled), pork and dairy products. On the other hand, as regards halal certification, the Government of Chile would like to be able to clarify the steps in the cooperation process for ensuring the guarantee of halal products, sharing information on the successive stages for signing the necessary Memorandum of Understanding.

4.114. For this review, Chile raised 20 questions covering a number of topics, including: tariffs and safeguards; sanitary and phytosanitary measures; fisheries; financial services; banking services; and maritime transport. These are of interest to our country and seek to improve the bilateral trade relationship. In addition to expressing our thanks for the replies provided, we wish Indonesia a successful seventh Trade Policy Review.

UNITED STATES

4.115. The United States is pleased to welcome Vice Minister of Trade Jerry Sambuaga and the other members of the delegation to the Trade Policy Review of Indonesia. We welcome the

Secretariat and Government reports and appreciate the opportunity to gain a clearer sense of the changes to Indonesia's trade and investment policies since its last review in 2013.

4.116. Indonesia is an important economic partner of the United States, and we are committed to further expanding trade in agriculture and non-agricultural goods, investment, and services through our Trade and Investment Framework Agreement.

4.117. The United States commends Indonesia for maintaining solid economic growth since its last TPR, and we applaud recent institutional and regulatory reform efforts by the Government. While Indonesia has made some improvements to its economic policy, we agree with the Secretariat that there is significant scope for broader efforts to simplify complex government regulations, ease investment restrictions, increase transparency in policymaking, and reduce the effects of SOEs, all of which prevent Indonesia from benefiting more fully from global trade.

4.118. Seven years ago, during Indonesia's last TPR, the United States highlighted the troubling trends of rising protectionism and increasing barriers to trade and investment in Indonesia. We are encouraged that since then, the Government of Indonesia has undertaken significant and meaningful efforts to improve its business and investment climate and to address some of our concerns. In particular, we commend Indonesia for its efforts to reform its import licensing regimes through the recent passage of the Job Creation Omnibus Law; its efforts to liberalize cross-border data flows and remove restrictions on the cross-border supply of reinsurance services; and its easing of foreign equity restrictions through the issuance of a revised negative investment list. These efforts have contributed to Indonesia's strong economic growth over the years, as Indonesia has benefited greatly from its participation in the world economy.

4.119. We encourage the Government of Indonesia to continue with its reform efforts and adopt policies that further embrace trade and economic liberalization. Towards that goal, we are hopeful that Indonesia will reassess its continued use of local content requirements. As the Secretariat report notes, there is long-standing and predominately negative evidence of the impact of local content requirements on economic development and trade. We also hope Indonesia will reconsider its pursuit of agricultural self-sufficiency and associated import-restricting policies. As the United States has noted elsewhere, such policies can have unintended and negative impacts on food security, nutrition, and economic opportunity, particularly for a country's most vulnerable populations. In addition, we encourage Indonesia to reform trade-impeding policies that run counter to Indonesia's broader reform efforts, such as trading rights limitations, pre-shipment inspection requirements, and export restrictions, including taxes and prohibitions.

4.120. The United States urges the Government of Indonesia to adopt measures that ensure greater transparency in its policymaking process. We respectfully note that trade policy measures in Indonesia are routinely issued in final form without an opportunity for meaningful stakeholder consultation. Such opaque policymaking increases the cost of doing business, injects uncertainty into the trade and investment climate, and undermines the positive progress Indonesia has achieved in other areas. Looking ahead, as Indonesia formulates measures to implement significant pieces of legislation passed, including its Halal Law and Job Creation Omnibus Law, greater transparency will be important.

4.121. Lastly, we note that Indonesia is a significant and influential player in global trade and is well-integrated into the trading system. It is a member of the G20 and accounts for just under one percent of global merchandise trade. It is a major agricultural producer and exporter. In part for these reasons, we call on Indonesia to no longer seek special and differential treatment in current and future WTO negotiations. By taking this step, Indonesia would make a significant contribution to ensuring that the WTO remains a viable forum for meaningful trade negotiations.

4.122. We thank Vice Minister Sambuaga and the rest of the delegation for their attention to our questions and concerns. As the largest economy in Southeast Asia and a valued trading partner, the United States stands ready to work in closer cooperation with Indonesia here at the WTO, bilaterally, and in ASEAN and APEC.

UNITED KINGDOM

4.123. On behalf of the United Kingdom (UK), I am pleased to add my welcome to the delegation of Indonesia, led by the Honourable Jerry Adhitya Ksatria Sambuaga, Vice Minister of Trade. I would also like to express our appreciation to the Indonesian Government and the WTO Secretariat for their insightful reports, and to you Chair and H.E. Ambassador Villalobos Rodríguez, the discussant, for your efforts to facilitate today's Trade Policy Review.

4.124. The United Kingdom would like to reiterate the importance of the Trade Policy Review as a transparency mechanism in monitoring Members' trade policies, and express our appreciation for Indonesia's responses to our written questions.

4.125. Since its last Trade Policy Review in 2013, Indonesia has taken notable steps to increase its engagement in multilateral and regional trade, most recently through participation in and facilitation of the Regional Comprehensive Economic Partnership. Indonesia has also been active in enabling investment, with the World Bank describing the new Job Creation Law as one of the most important pieces of investment reform in decades. Once implemented, we understand that this has the potential to greatly improve the ease of doing business in Indonesia. The UK welcomes the new legislation and looks forward to the early issue of the implementing regulations.

4.126. Indonesia has made a strong effort to further integrate itself into the multilateral trading system. The United Kingdom commends Indonesia for having ratified the Trade Facilitation Agreement in December 2017 and implemented 88.7% of its commitments to date. We support Indonesia's efforts to implement its remaining TFA commitments by February 2022. The establishment of the National Committee on Technical Trade Barriers has allowed Indonesia to implement the WTO TBT Agreement effectively, submitting 79 notifications to the TBT Committee in the review period, and to address TBT issues. The UK recognizes Indonesia's commitment to transparency through the submission of WTO notifications.

4.127. We are pleased that Indonesia is an Observer to the WTO Government Procurement Agreement. The UK strongly supports this Agreement, which ensures competition as well as value for money on public procurement. We look forward to Indonesia taking the next steps to progress their accession process. We welcome Indonesia's objectives of reducing greenhouse gas emissions and encouraging more sustainable energy. Reduced barriers to imported components and foreign investment could speed up Indonesia's energy transition and contribute to meeting its environmental goals.

4.128. The UK sees Indonesia as an important G20 partner. We welcome the agreement reached by G20 Trade Ministers on 22 September 2020 and look forward to working closely with Indonesia during Italy's Presidency of the G20 in 2021 and during Indonesia's G20 Presidency in 2022.

4.129. Last year the United Kingdom and Indonesia celebrated 70 years of diplomatic relations, and we continue to bolster our bilateral ties. Our total bilateral trade was worth £2.9bn in 2019, and we are working to develop stronger economic ties as we emerge from the COVID-19 crisis. The United Kingdom is currently conducting a bilateral Joint Trade Review with the Indonesian Government which is due to be concluded in January 2021. Through this, both sides are identifying opportunities to enhance bilateral trade relations and set the groundwork for future cooperation. In doing so we work to strengthen the rules-based international system, fight protectionism, and reduce trade barriers.

4.130. In closing, allow me to thank our Indonesian colleagues for their valued cooperation and extend our wishes for a successful Trade Policy Review.

COLOMBIA

4.131. We would like to convey our warm greetings to the delegation of Indonesia, headed by H.E. Mr Jerry Ksatria Sambuaga, Vice Minister of Trade, and also warmly welcome H.E. Ms Endah Werdaningtyas, Ambassador of Indonesia to the WTO. This is also an opportunity to highlight the excellent working relationship and cooperation between our two Missions.

4.132. We appreciate the comprehensive analysis and feedback provided by Ambassador Mr Ángel Villalobos of Mexico as discussant, as well as the work of the Secretariat and the Indonesian authorities in preparing the reports, which we find quite detailed.

4.133. Indonesia has a dynamic economy, which has been characterized by high growth rates in recent years, even under complex international conditions, reflecting its prudent macroeconomic management and sound monetary and fiscal policies. The positive performance of the economic indicators is largely explained by the scale and dynamism of domestic demand, Indonesia being the fourth most populous country in the world with a fairly young average age.

4.134. However, although it has an important network of trade agreements, close ties with a number of Asian countries and significant opening up to foreign investment, Indonesia has a moderate share of world trade, evidenced by the fact that the share of trade in goods and services in total GDP fell from 48% in 2013 to 37% in 2019.

4.135. We recognize Indonesia's commitment to the multilateral trading system and its founding principles, and its active participation in the ongoing negotiations and the functioning of the regular bodies. At the bilateral level, our trade ties have been progressively strengthened during the more than 40 years since diplomatic relations were established. We note that there is an increase in Colombian exports of 15 per cent in the last year, almost entirely of manufactured and agro-industrial products. We still have a wide range of opportunities to deepen these exchanges.

4.136. Regarding tariff policy, we note that Indonesia has an average applied tariff of 10%, a higher rate than that recorded during the previous review period. A noteworthy aspect is the increase in tariffs in a number of cases on products such as coffee, confectionery, cosmetics, chemicals, and clothing and footwear, since they are considered to be products competing with domestic manufacture. While the tariff structure is simple and there is little change, there are a number of peaks in specific sectors, such as agriculture and food preparations.

4.137. In addition, we noted that prohibitions, restrictions and import licences were maintained or increased during the review period. In the case of licences, the categories of products subject to this type of procedure, whether automatic or non-automatic, increased from 30 to 40, and consequently more than 30% of tariff lines are currently subject to import licensing. In addition, there are a number of local content requirements in specific industries.

4.138. Regarding trade in agricultural and food products, we find the information in the Secretariat's report on halal requirements illustrative, in that it sheds light on the functioning, coverage and granting of halal certification for products. We find that multiple changes have been made to the Guarantee Law and the implementing regulations, which have an impact on the way to obtain certifications, domestic registration procedures, and information to be presented in the labelling and packaging of products before they can be distributed on the local market. We would appreciate a further illustration from the Indonesian authorities with respect to the comprehensive functioning of these regulations.

4.139. This Trade Policy Review also highlights the leading role that state-owned enterprises continue to play in some sectors, particularly Perum BULOG's role in food imports, the stabilization of staple food prices, and the management of public rice reserves. With the registration of 112 state-owned enterprises and 341 subsidiaries, in addition to the high number of regional state-owned enterprises, concerns are bound to exist regarding their influence on all sectors of the economy and the effects that these operations may have on subsidies, competition, non-discrimination, innovation and the crowding out of private initiative.

4.140. In the area of customs procedures and foreign trade, we welcome the concrete progress and actions taken during the review period, which reflect the commitments of the Trade Facilitation Agreement. We note the launch of the Authorized Economic Operator programme and participation in the ASEAN Single Window platform, with regard to which Colombia has expressed interest in learning more about its functioning and the interoperability mechanism. We also recognize the efforts to improve risk management and to combat under-invoicing, illicit trade and smuggling, which are problems that affect all WTO Members.

4.141. Furthermore, we note the importance of FDI in Indonesia's economy and export performance, as well as recent efforts to open and simplify the regulatory regime. There are positive changes such as the amendment of the negative investment list and the simplification of certain procedures. Despite the changes and the signing of bilateral investment agreements, there are still activities that are explicitly closed to foreign investment and others for which minimum project value requirements have been increased.

4.142. The Secretariat and Government documents reveal the importance of regional and bilateral trade agreements. Indonesia has 11 regional agreements in force. We congratulate Indonesia and all Members on the signing of the Regional Comprehensive Economic Partnership (RCEP) agreement on 15 November. Without doubt this is an initiative that will strengthen and boost Indonesian foreign trade.

4.143. Moreover, we appreciate the fact that information has been shared in the Government report on the characteristics of micro, small and medium-sized enterprises (MSMEs), their participation in the economy and the labour market, and also efforts to promote their participation in international trade. Of particular interest is the information on the prominent role that e-commerce has played in the growth and competitiveness of these enterprises. We also welcome the fact that Indonesia's digital economy is recognized today as the fastest-growing in South-East Asia.

4.144. As emerging economies, Colombia and Indonesia have built close ties to explore and enhance opportunities in South-East Asian markets, taking advantage of Indonesia's experience in creating and positioning unicorn companies. We are also working on issues related to the creative economy and changes in how to do business and set up enterprises.

4.145. Colombia submitted questions on aspects of interest, some of which we have addressed in this forum, such as tariffs, charges and restrictions on imports and exports, foreign investment policy, trade in services, and policies for the agriculture sector. We look forward to receiving responses in order to analyse them in detail with our authorities.

4.146. I would like to conclude by wishing Indonesia and its delegation a successful conclusion to the Trade Policy Review process. We extend our warm greetings and I reiterate our full support to Ambassador Werdaningtyas.

THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

4.147. On behalf of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, I would first like to extend a warm welcome to the Indonesia delegation led by His Excellency Vice Minister Jerry Adhitya Ksatria Sambuaga. We are confident that Indonesia will have a successful TPR.

4.148. I also like to thank the Secretariat on its comprehensive report and His Excellency Ambassador Ángel Villalobos Rodríguez of Mexico for his helpful observations and comments.

4.149. As noted in both reports of Indonesia and the Secretariat, Indonesia's average annual GDP growth for the years 2013 to 2019, up to COVID-19 pandemic, was 5.1%. While this was a minor slowdown compared to its previous performance, we still like to congratulate Indonesia on this achievement, and also on its performance in other aspects of the economy, such as its very low inflation and unemployment rates in 2019. We are also pleased to note that over the review period, Indonesia has undertaken structural reforms in various areas to raise its productivity and competitiveness, improved its investment climate, accelerated infrastructure development and promote economic diversification. We commend Indonesia on its reform, and would encourage it to broaden and deepen these efforts, especially in trade and investment-related areas.

4.150. One particular aspect that came to our attention was the fact that the ratio of Indonesia's trade in goods and services to its GDP dropped from 48.6% in 2013 to 37.3% in 2019. This means a lower exposure of the Indonesian economy to international trade. We sincerely hope that it does not represent a lower degree of openness on the part of Indonesia, nor a retreat from its efforts on further integration into the global value-chains.

4.151. We also hope that this lower exposure was not the reason for the 13.68% decrease in our bilateral trade in 2019. It would be useful if the actual reason of such decrease is analyzed and provided.

4.152. Having said the above, Indonesia remains our 16th largest trading partner in 2019 and continues to be one of our most important suppliers of raw materials and preliminary inputs. We are hopeful that Indonesia's various initiatives to minimize the impact of the COVID 19 pandemic and the gradual improvement in the international trade environment will help rebuild our bilateral trade back toward an even healthier and growing trend.

4.153. While our two-way trade with Indonesia has somewhat declined over the last two years, our investment in Indonesia has gained a new momentum in 2020, increased 47% in terms of value over the first 9 months as compared to the same period in 2019. Hopefully, the continuous reform and openness by Indonesia will create a friendlier environment and more opportunities for our potential investors.

4.154. Here I would like to highlight a few areas in which we would encourage Indonesia to make more progress in its reform:

4.155. Firstly, transparency is a fundamental WTO principle for designing and implementing trade and investment-related policies and measures. We know Indonesia attaches importance to making laws more transparent and accessible. However, most of its laws and regulations are still published in the Bahasa Indonesia language only. This unfortunately makes them less accessible and more difficult to understand by foreign businesses and investors. We would encourage Indonesia to make them available in at least one WTO official language, preferably in English.

4.156. We would also encourage Indonesia to increase predictability with regard to the application procedure and requirements of products that are subject to marketing approval or certification, such as food, medicines, cosmetics, medical devices, and Halal products, among others. Our exporters and distributors also expect explanations and reasons for their application being turned down.

4.157. Secondly, Indonesia applies import licensing and requirements on various products on the grounds of public health and safety, national security, public morals and culture, among others. The list of these products represents 30.6% of all tariff lines and covers a very wide range of products, including cement, lubricants, plastics, ethylene, textiles and textile products, food and beverage, iron and steel, hand tools, cell phones, hand-held computers, tablets, tyres, and others. Some are not provided with rationale and application procedures. While we respect its authority to apply an import licensing system, we urge Indonesia to provide rationale for these requirements and strongly encourage it to take a careful review of the current list of requirements leading toward liberalization. We also expect Indonesia to provide us with the procedures and rules that apply to the allocation of tariff-exemption quota for steel products.

4.158. Thirdly, according to the Secretariat's Report, Indonesia's simple average applied MFN tariff rate increased from 7.8% in 2012 to 10.1% in 2020, leaving fewer tariff lines subject to rates of 10% or below. A persistently high level of unpredictability still exists as a result of the tariff-level increase. Some applied MFN rates even appeared to be higher than their corresponding bound rates, such as automatic data-processing machines, their units or parts, and parts of electronic ICs, to name just a few. We would encourage Indonesia to commit to bind more of its tariff lines and to maintain all of its applied MFN rates at lower than its bound rates.

4.159. Fourthly, we are also concerned about its export restrictions and licensing requirements. At present, mineral products including coal, copper, iron ore, nickel, tin and the metal scraps thereof are still subject to export prohibition, restriction or domestic processing requirements. Some of them, such as copper ores, iron ore and zinc, are even subject to export taxes. These products are important inputs for our metal and steel-making industries. The restrictive measures and taxes applied to export of these materials or products create an unnecessary burden on our businesses. We urge Indonesia to lift these measures, and remove the export taxes.

4.160. Lastly, Indonesia's import authorization for certain products remains subject to distributorship arrangements and local content requirements (LCRs). If we take cellphones, tablets and laptops as examples, the importers must have distributorship arrangements with at least three

local distributors in order to get import authorization, and they are required to produce the products locally after three years. Since 2017, Indonesia has insisted that all imported cell phones must comply with local content requirements, and for 4G LTE smart phones in particular, the requirement for local content was set at 30%. These constitute unreasonable obstacles to our exports. We urge Indonesia to provide WTO legal basis for such requirement, and to consider relaxing or removing such requirements.

4.161. We would greatly appreciate receiving further detailed responses to the specific questions raised during this week's TPR. We also look forward to the circulation of Indonesia's written answers to all our questions as soon as possible.

4.162. We again wish Indonesia a constructive and successful TPR, and look forward to having closer and more mutually beneficial economic ties with Indonesia in the future.

MALAYSIA ON BEHALF OF ASEAN

4.163. I deliver this statement on behalf of ASEAN, who warmly welcomes the delegation from Indonesia, led by Vice Minister for Trade, Mr. Jerry Sambuaga.

4.164. We would also like to thank the Secretariat for its comprehensive report, and the discussant, H.E Ambassador Ángel Villalobos Rodríguez of Mexico for leading today's discussions.

4.165. Indonesia is one of the five members that founded ASEAN in 1967, and as the largest economy in ASEAN, plays a key role in regional economic integration and cooperation. In 2019, Indonesia's exports to ASEAN Member States represented 24.72% of its total exports, whilst imports from ASEAN to Indonesia in the same year made up 23.1% of its total imports. Indonesia also hosts the ASEAN Secretariat in its capital, Jakarta.

4.166. In 2015, we established the ASEAN Economic Community (AEC), with a collective market of USD 2.6 trillion and over 622 million people. We are well underway to improving this with the AEC Blueprint 2025 to become more highly integrated and cohesive; more competitive, innovative and dynamic; to enhance connectivity and sectoral cooperation; and to become a more resilient, inclusive, people-oriented and people-centered community that is integrated within the global economy.

4.167. Indonesia is a major player in this initiative, and has been following agreed schedules for reducing tariffs on goods and liberalizing services sectors. Further, between 2015-2018 it issued 16 national economic policy packages to encourage industry and competitiveness through deregulation and harmonization of rules. Recently, Indonesia enacted an "Omnibus law" on job creation, aimed at improving the ease of doing business and strengthening their investment climate. This immense undertaking required the amendment of more than 75 laws and for the central government to issue more than 30 regulations within 3 months, which we must commend Indonesia for.

4.168. Indonesia has played a key leadership role in ASEAN towards the conclusion and signing of the Regional Comprehensive Economic Partnership Agreement (RCEP) on 15 November 2020. RCEP, ASEAN's FTA with Australia, China, Japan, the Republic of Korea, and New Zealand, is our biggest to date, covering a market of 2.2 billion people, and a combined GDP of USD 26.2 trillion – 30% of the world's GDP. It is expected to contribute significantly towards a swift and robust recovery of the region, particularly in the wake of the COVID-19 pandemic.

4.169. Indonesia's commitment to the multilateral trading system is not limited to its efforts domestically and within ASEAN, but can also be seen in its active engagement in other international fora.

4.170. In the WTO Indonesia has, among other things, ratified the Trade Facilitation Agreement in 2017; submitted timely notifications in several areas, including agriculture, subsidies and countervailing measures, and sanitary and phytosanitary measures; and has been active in negotiations such as agriculture, non-agriculture market access, trade and environment, trade facilitation, fisheries, and the Joint Statement Initiatives on e-commerce and investment facilitation for development.

4.171. In December 2013, Indonesia hosted the Ninth Ministerial Conference where agreement was reached on issues to streamline trade, allow developing countries more options for food security and boost least developed countries' trade. In particular, the Bali Ministerial Conference was a watershed moment as negotiations were concluded on the landmark Trade Facilitation Agreement.

4.172. Indonesia is also an active member of various other groupings, such as the G20, and will become part of the G20 troika next year in preparation for its assumption of the presidency of the Grouping in 2022.

4.173. As a result of all these efforts, Indonesia has displayed steady GDP growth and resilience during the period under review, at approximately 5.1% from 2013-2019. Although growth for 2020 was revised downwards, Indonesia's GDP has been projected to rebound in 2021, gaining strength in the medium term. Indonesia is also forecasted to become an advanced high-income country by 2045. ASEAN has full confidence in Indonesia's ability to achieve this.

4.174. Some ASEAN Member States have submitted questions, and we would like to express our appreciation in advance for Indonesia's written responses.

4.175. Thank you once again to H.E. Pak Hassan Kleib, H.E. Miss Grata Werdaningtyas, H.E. Pak Syamsul Siregar and their team, as well as Vice Minister Jerry Sambuaga, Pak Iman, and the Indonesian delegation for their active engagement. We wish you all the best for a successful conclusion of your seventh Trade Policy Review. We also wish to say farewell to Pak Hassan, who will end his tenure tomorrow on 10 December, and wish him all the best in his future endeavours.

MALAYSIA

4.176. Malaysia is pleased to take part in the seventh Trade Policy Review of Indonesia. We warmly welcome the delegation of Indonesia led by Mr. Jerry Adhitya Ksatria Sambuaga, Vice Minister of Trade. We also extend our appreciation to you Chair and the discussant, Ambassador Ángel Villalobos Rodríguez of Mexico, for the insightful view of Indonesia's trade and economic policy during the review period.

4.177. Malaysia and Indonesia enjoy a longstanding bilateral relationship of deep economic links. In 2019, Malaysia's total trade with Indonesia stood at USD 16.85 billion.

4.178. Malaysia's exports to Indonesia amounted to USD 7.56 billion, with major exports being chemicals and chemical products (34.9%) followed by petroleum products (10.5%); machinery, equipment and parts (7.7%); electrical and electronic products (7.2%); and iron and steel products (4.5%).

4.179. Meanwhile, Malaysia's imports were recorded at USD 9.39 billion, for palm oil and palm oil-based agriculture products (25.1%); petroleum products (11.1%); iron and steel products (10.3%); paper and pulp products (9.1%); and manufactures of metal (6.7%).

4.180. Nevertheless, due to the pandemic, Malaysia's trade with Indonesia decreased by 7.0% to USD 10.22 billion for the period of January to August 2020. Malaysia's exports to Indonesia were USD 4.90 billion while Malaysia's imports were USD 5.32 billion. Indonesia is Malaysia's 8th largest trading partner.

4.181. At the investment front, Malaysia is among the top five foreign investors in Indonesia in the first quarter of 2020 with investment value of USD 0.5 billion.

4.182. At the multilateral front, we hope that Indonesia will continue to work responsively with WTO Members to further foster trade and growth.

4.183. We acknowledge the progress made by Indonesia in trade liberalization with the conclusion of Regional Comprehensive Economic Partnership Agreement (RCEP) and Free Trade Agreements (FTAs) with Australia, the European Free Trade Association (EFTA) and Mozambique.

4.184. Because of our shared cultural heritage, Malaysia and Indonesia had always enjoyed close and brotherly ties. Towards this, Malaysia hopes the bilateral economic cooperation will be further strengthened in the years ahead for the betterment of both economies.

4.185. To conclude, we thank Indonesia's response to our questions, and we shall examine the responses with the highest of interest. We wish Indonesia a productive Trade Policy Review.

SINGAPORE

4.186. The Singapore delegation welcomes Vice Minister of Trade, H.E. Dr. Jerry Sambuaga, and our Indonesian colleagues, who are participating virtually from Jakarta. We thank Indonesia for the comprehensive Government report and statement. We also thank the TPRB Chair, Ambassador Harald Aspelund, the Secretariat, and the discussant, Ambassador Angel Villalobos Rodriguez of Mexico, for their insightful perspectives.

4.187. At the outset, Singapore commends Indonesia for supporting the "hybrid" TPR of the WTO, in the face of significant disruptions caused by the COVID-19 pandemic. The monitoring function is a critical pillar of the WTO and the continuation of these activities signals the Organization's resilience. Allow me to make three points.

4.188. First, on the bilateral front, Singapore and Indonesia share warm and longstanding bilateral relations as close neighbours. In 2019, Indonesia was our 6th largest trading partner, with bilateral trade volumes amounting to USD 43 billion, covering a wide range of sectors that reflect the breadth and depth of our economic ties. Indonesia also continues to be an attractive location for Singapore-based investors, and Singapore has consistently been among the top five investors in Indonesia since 2001. In fact, since 2014, Singapore has been the largest foreign investor in Indonesia. In 2019, Singapore's investments in Indonesia reached USD 6.5 billion with 7,020 projects in Indonesia, and accounting for almost a quarter (23.1%) of Indonesia's total Foreign Direct Investment. We look forward to hearing more from Indonesia during this Review on its plans to make its regulations more readily accessible and transparent, which will help to make Indonesia an even more attraction destination for foreign investments.

4.189. Singapore and Indonesia are also collaborating on several digital economy initiatives. For example, the Nongsa Digital Park in Batam, established by Singapore's Economic Development Board and BP Batam of Indonesia in 2018, is an integrated digital park that provides a conducive eco-system for digital businesses to grow. Since its establishment, the Digital Park has grown significantly and currently hosts about 100 companies with over 1000 employees. Singapore and Indonesia are also partnering to establish tech start-up ecosystems and learning-exchange programmes, such as e-commerce logistics.

4.190. Second, on the regional front, Singapore welcomes Indonesia's continued efforts to deepen economic regional integration in order to realize the objectives of the ASEAN Economic Community (AEC) Blueprint 2025. We commend Indonesia's commitment to promote greater trade facilitation and connectivity through the ASEAN Single Window, as well as the ASEAN Wide Self Certification scheme and the ASEAN Customs Transit Systems, both of which went live in 2020. We look forward to Indonesia's early ratification of the ASEAN E-Commerce Agreement to advance trade rules and connectivity in the region. We will continue to work with Indonesia, as well as the rest of ASEAN on the smooth implementation of these initiatives.

4.191. Third, on the multilateral front, Singapore applauds Indonesia for its active role in WTO Committees and bodies. We are heartened that during the review period, Indonesia ratified the Trade Facilitation Agreement, and several IP treaties, such as the Beijing Treaty on Audio-visual Performances. Indonesia's commitment to IP rights and leveraging on IP as a catalyst for innovation is further demonstrated by its government's efforts to jointly develop a home-grown COVID-19 vaccine, called the "Merah Putih (Red-White)" vaccine, with six Indonesian research institutions.

4.192. During this TPR, we look forward to learn more about Indonesia's aims for the recent Omnibus tax bill, how it plans to increase the competitiveness and performance of its domestic companies, as well as Indonesia's initiatives to enhance its customs procedures and import licensing requirements to be in line with WTO provisions. We note from the Secretariat's Report that Indonesia remains one of WTO's most frequent initiators of anti-dumping investigations and resulting actions,

and that Indonesia's simple average applied MFN tariff rate rose from 7.8% in 2012 to 10.1% in 2020. The applied MFN rates on 99 HS17 eight-digit tariff lines also appear to exceed their corresponding bound rate by 5 percentage points. We encourage Indonesia to rectify this situation in accordance with its WTO commitments

4.193. To conclude, Singapore will continue to strengthen our cooperation with Indonesia, on the multilateral, regional and bilateral fronts. We wish Indonesia every success for this TPR.

EUROPEAN UNION

4.194. On behalf of the European Union, I would like to welcome the Indonesian delegation led by H. E. Mr. Jerry Sambuaga, Vice Minister of Trade. I am also glad to acknowledge Director General of International Trade Negotiations Iman Pambagyo, former Ambassador to the WTO and currently the Chief Negotiator for the EU-Indonesia FTA (EU-Indonesia CEPA) who has also been instrumental in the successful conclusion of the Regional Comprehensive Economic Partnership (RCEP) negotiations. I would like to congratulate him on behalf of the EU for this achievement. I also thank the WTO Secretariat and the Government of Indonesia for their reports and the Discussant, H.E. Mr. Ángel Villalobos Rodríguez, Ambassador of Mexico, for his views.

4.195. Indonesia, as the largest economy of ASEAN, has charted impressive economic growth since overcoming the Asian financial crisis in the late 1990s and reached the upper-middle income status for the first time in 2019. Despite the COVID-19 crisis and other global uncertainties that will most likely cause a recession this year, there is a potential for continuous long-term growth driven by strong domestic demand and the demographic dividend.

4.196. We expect the Indonesian Government under the second term of President Joko Widodo to continue to focus on infrastructure development, regulatory reform and improving the business climate, and to structurally transform the economy from natural-resources dependency to a more competitive and modern manufacturing and service powerhouse. Therefore, the EU welcomes the spirit of the Omnibus Law on Job Creation, signed by the President on 2 November, which fundamentally addresses regulatory overlap and conflicts deriving from many layers of laws and regulations. The Omnibus Law may help to address the long-standing issue of burdensome import licensing requirements and procedures and improve market access for services and investment. The EU looks forward to seeing this ambition being translated in the forthcoming implementing regulations.

4.197. The EU and Indonesia share a long history of economic cooperation. The entry into force of the Partnership and Cooperation Agreement in May 2014 created the legal framework for this cooperation, with the joint objectives of increasing trade, investment and business opportunities, and pursuing poverty alleviation through sustainable economic development.

4.198. More recently, the launch of the EU-Indonesia trade negotiations in July 2016 showed the common resolve to expand bilateral trade and investment relations and modernize the economy through structural reforms.

4.199. Bilateral trade in goods between the EU and Indonesia amounted to EUR 26.2 billion in 2019, with EU exports worth EUR 10.2 billion and Indonesia's exports worth EUR 16 billion. This makes the EU the third largest trading partner for Indonesia, while Indonesia was the 31st global trading partner for the EU and fifth largest partner for the EU in ASEAN.

4.200. EU investments continued to grow steadily, and the EU remains the top non-Asian investor in Indonesia. FDI stocks more than doubled since 2008, reaching EUR 33 billion in 2018.

4.201. We commend Indonesia for its improved WTO commitments by ratifying the WTO Trade Facilitation Agreement in 2017.

4.202. However, despite all the positive economic developments, the EU would like to convey its concerns about some trade policy trends in Indonesia since the last Trade Policy Review, and especially after the passing of the Trade Law in 2014, regarding the increasing number of laws and regulations that are having systemic consequences for foreign operators' access to Indonesia's market and impact on Indonesia's ability to fulfill its WTO commitments.

4.203. In particular, we register the introduction of import licensing requirements, port of entry restrictions, trading rights limitations, pre-shipment inspection requirements, local content and domestic manufacturing requirements as well as export restrictions (including taxes and prohibitions). All together, these measures create a complex web of approvals and unjustified requirements that are disruptive for trade flows and threaten to make Indonesia's market impenetrable.

4.204. Among the most important obstacles affecting trade and investment flows, I would like to stress the following measures that have also been subject of the EU advanced questions:

- The ban on nickel export (enforced since 1 January 2020), which is inconsistent with the WTO obligations of Indonesia and is creating distortions to the international markets adding uncertainty to the business.
- Cumbersome import procedures. Around one fifth of all Indonesian tariff lines are subject to import procedures and licenses that create confusion. This applies to a broad range of products, including electronics, household appliances, textiles and footwear, toys, and food and beverage products.
- Uncertainty continues to surround the implementation of Law 33/2014 – also known as the Halal Law, and the related Implementing Regulation No 31 of 2019. None of these measures have been notified to the WTO.
- More generally, the insufficient use of international standards and the pervasive local content requirements are impeding trade and investment in many sectors and making the business environment very unpredictable. Such policies are detrimental to the long-term trade or investment objectives, not only in the sectors concerned but also and in the areas of the economy that are directly or indirectly related.

4.205. These measures have also been subject of the EU advanced questions and we regret that we have not yet received replies by Indonesia.

4.206. We would also invite Indonesia to submit without delay outstanding notifications in areas such as trade-related investment measures, and quantitative restrictions.

4.207. In conclusion, the EU appreciates Indonesia's development challenges but also its vast potential as one of the growing powers in Asia and on the world stage. The EU encourages Indonesia to meet its natural desire to grow its economy by moving up the added value chain while supporting the multilateral trading system. On behalf of the EU, I wish Indonesia a very productive and successful Review.

SWITZERLAND

4.208. Thank you for giving me the floor. Like previous speakers, I would like to extend a very warm welcome to Indonesia's delegation led by Vice Minister of Trade, Jerry Adhitya Ksatria Sambuaga. Let me also thank the discussant, Ambassador Ángel Villalobos Rodríguez, for his thoughtful observations on this country and the Secretariat for their substantive contributions to this trade policy review.

4.209. Indonesia has enjoyed remarkably stable and high economic growth in recent years. Certainly, the continuous reform policy of the Indonesian Government has played a key role to this positive development notably by improving the business climate through measures to deregulate, cut red tape, open the economy and remove restrictions on foreign investment. Other priorities of the reform have been to develop infrastructure and increase efforts in education and training. The continuity of the economic policy has strengthened business confidence.

4.210. Despite these remarkable achievements, Indonesia is still relatively less integrated into global value chains. The Indonesian economy benefits primarily from a vast domestic market and growing consumption. Furthermore, state involvement in the economy remains important.

4.211. The COVID-19 pandemic is also affecting the Indonesian economy and, as elsewhere in the world, is causing a lot of uncertainty for the further development. With good macroeconomic conditions before the crisis, a low inflation rate and sound public finances, Indonesia is well prepared

to take effective measures to ensure that the economy overcomes the crisis relatively well and that it returns to a growth path soon.

4.212. Within this context, we would like to encourage the Indonesian authorities to direct the economic and trade policy measures more towards integration into global value chains and, to this end, that existing barriers to foreign trade and foreign investment be dismantled more vigorously to open up additional sectors of the economy for FDI and to foster competition.

4.213. Switzerland – together with the other EFTA States – has concluded negotiations on a Comprehensive Economic Partnership Agreement (CEPA) with Indonesia in December 2018. I would like to extend my thanks to our Indonesian colleagues for the constructive spirit in which these negotiations were conducted. This ambitious agreement will put our already good bilateral economic relations on a new footing and provide an important impetus to bilateral trade. The domestic approval procedures are underway on both sides, culminating in a public vote on the agreement in Switzerland early next year. We are confident that the Swiss voters will support this important and modern agreement and look forward to working towards its successful implementation with our Indonesian partners.

4.214. I would also like to highlight the recent signature of the Regional Comprehensive Economic Partnership, RCEP, and congratulate Indonesia and the other members for this success.

4.215. Switzerland had submitted a series of questions in writing. We are looking forward to receiving the answers, for which we thank Indonesia very much. We will examine them carefully. In our questions we noted applied duties for 99 eight-digit tariff lines that exceed the bound rates in Indonesia's schedule. We would be interested in more information on how Indonesia intends to ensure the conformity of these duties with the WTO obligations.

4.216. Switzerland raised its concerns over the potential impact of Indonesia's Halal Product Assurance Law No. 33 of 2014 and its implementing regulation, GR No. 31 of 2019, on bilateral trade with Indonesia in a range of products, including food and pharmaceuticals. We wish to encourage Indonesia to provide sufficient information and guarantee transparency over the implementation of this regulation in order to avoid unnecessary burden to the economic operators.

4.217. Furthermore, Switzerland was asking for more information on the overall objectives of the new legislative framework for government procurement. Switzerland would like to encourage Indonesia to consider adhering to international standards and improving access to government procurement markets within the WTO Government Procurement Agreement (GPA). This could be an important incentive for MSMEs to increase their exports opportunities and reinforce their competitiveness on domestic and world markets, contributing to achieve sustainable growth and sustainable development.

4.218. To conclude, let me thank the Indonesian delegation's constructive and active engagement in support of the multilateral trading system. We hope that, with the necessary crisis measures, the Indonesian economy will soon return to a growth path and that it will be able to sustain this growth with a stronger and diversified integration into world trade.

4.219. We wish Indonesia a successful outcome of this Trade Policy Review.

PAKISTAN

4.220. Pakistan warmly welcomes the Indonesian delegation led by H.E. Mr. Jerry Adhitya Ksatria Sambuaga, Vice Minister of Trade. We wish to thank the Secretariat for their work in preparing the report. We also wish to thank H.E. Mr. Ángel Villalobos Rodríguez of Mexico for his introduction and a well-articulated analysis of the trade policy of Indonesia to start our discussion.

4.221. We would like to commend Indonesia on its various policies and initiatives during the review period in the context of improving trade facilitation infrastructure and encouraging support for strengthening the multilateral trading system. In particular, we note that, Indonesia has implemented 88.7% of its commitments under Trade Facilitation Agreement which is a significant achievement.

4.222. Pakistan and Indonesia enjoy excellent trade relations. The bilateral trade between both countries was recorded at USD 2.54 billion in 2018-19 with exports of USD 167 million and imports of USD 2.37 billion. The trade balance remained in favor of Indonesia. During the review period, Pakistan generally exported rice, wheat, cotton, paper, mandarin, kinno, fish, leather and garments. Meanwhile, Pakistan imported palm oil, auto parts, coal, areca nuts, rubber, paper, liquified natural gas and cocoa. Apart from trade relations both countries also enjoy strong cultural ties.

4.223. Keeping in view the huge Indonesian market and importance of achieving the status of Full Dialogue Partner in ASEAN, Pakistan is pursuing vigorously the strengthening of commercial relations with Indonesia. The Comprehensive Economic Partnership Agreement (CEPA) signed during the visit of the President of Indonesia in November 2005, was an endeavor in this direction. Under the umbrella of CEPA, both sides signed a Preferential Trade Agreement (PTA) in February 2012.

4.224. The PTA was perceived to be a primer for the Free Trade Agreement (FTA) to be negotiated subsequently. The scope of the FTA would be to cover goods, services and investment. For this purpose, a Trade Negotiating Committee (TNC) comprising the experts from both sides has been constituted.

4.225. Both sides have started the negotiations of a comprehensive FTA as per the commitments already agreed between the two sides under the CEPA. In this regard, the first meeting of Joint Negotiating Committee to discuss matters pertaining to expansion of IP-PTA to FTA was held in August 2019.

4.226. Given the overall trade and economic cooperation, Pakistan continues to carefully watch the developments in Indonesia's trade policy, in particular agriculture policies, tariffs and TRQs, technical standards, sanitary and phytosanitary measures and import licensing regime. We are hopeful that these policies will remain consistent with WTO commitments and obligations and will be non-trade restrictive. In order to get more details on specific concerns regarding the Indonesian Import Licensing Regime Pakistan has submitted written questions which to be responded by Indonesia in due course of this TPR.

4.227. Pakistan and Indonesia enjoy good cooperation in all WTO related matters and our Missions coordinate on various important matters such as Agriculture, dispute settlement and other systemic issues. We are confident that Indonesia stands committed, along with the membership, to the cause of trade and sustainable development and upholding a bright future for the multilateral trading system.

4.228. We thank the delegation of Indonesia and especially their WTO Mission under the stewardship of Ambassador H.E. Mr. Hasan Kleib for the continued support and cooperation. We wish Indonesia a very successful and fruitful Trade Policy Review.

NORWAY

4.229. Norway would like to join others in welcoming the delegation from Indonesia to this Review of Indonesia's trade policy, and to thank the Secretariat and the Government of Indonesia for their reports.

4.230. First of all, I would like to underscore the good bilateral and economic cooperation we have had with Indonesia for the last 70 years. Indonesia is a significant export market for Norwegian seafood, fertilizers as well as broad range of other products. We are cooperating closely in areas such as energy, fish and seafood, shipping and the marine environment, as well as in new areas such as fintech. Over the last 10 years we have worked together to address issues related to climate change, such as the challenges related to deforestation. We are looking forward to continuing our cooperation in all these areas.

4.231. We think both reports give a good description of the trade policy situation in Indonesia, and in particular in sectors of special interest to us, such as maritime transportation, insurance and seafood.

4.232. Indonesia is an attractive market for Norwegian seafood, and has a great potential. In 2019 we exported nearly 8000 tons of seafood to Indonesia, and we are eager to increase the volume of

trade between our two countries. Therefore, we are interested in learning more about Indonesia's import regime and import quota system, and have posed some written questions to that effect. Norwegian exporters of seafood have reported difficulties entering the Indonesian market. Import licenses and quotas can be hard to obtain, and the allocation system is not transparent. Some Norwegian exporters of seafood have for these reasons stopped their exports to Indonesia. We look forward to receiving a response to our questions regarding the system for import licenses and quotas for import of seafood, including rules and regulations.

4.233. Another area of concern is related to the shipping sector. Norway notes with concern the restrictions placed on foreign-owned shipping and insurance companies regarding the transport of certain commodities. The "National Shipping Requirement" and the "National Insurance Requirement" require all exports of Indonesian coal and crude palm oil (so-called "relevant exports"), as well as imports of rice and government procured goods (so-called "relevant imports"), to be shipped on vessels owned or leased by Indonesian-owned shipping companies and insured by Indonesian-owned insurance companies.

4.234. We note that the legislation has undergone several amendments, most recently by limiting its scope to relevant exports and imports transported on ships with a capacity of 10 000 deadweight tons or less. This is a step in the right direction. However, we look forward to receiving a response to our questions in this regard, and in particular information on how these restrictions comply with Indonesia's WTO obligations.

4.235. We appreciate Indonesia's efforts to reduce red tape and simplify rules to enhance job creation, strengthen trade and foreign investments through the Omnibus Law on Job Creation signed by the president on 5 November 2020. At the same time, it is important that this law does not weaken environmental regulations. We are looking forward to see the law implemented and to see the opening up of further sectors to foreign businesses. This is a step in the right direction and the new law is well received by our businesses.

4.236. Finally, we are looking forward to the ratification by Indonesia of the CEPA-agreement between Indonesia and the EFTA countries, which we believe will contribute to increase trade flows and strengthen economic relations in the future, to the benefit of all countries involved.

4.237. Let me conclude by wishing the delegation of Indonesia a successful TPR.

UKRAINE

4.238. The Ukrainian delegation is pleased to participate in the 7th Trade Policy Review of Indonesia.

4.239. On behalf of our delighted, I would like to welcome the delegation of Indonesia led by Mr. Jerry Adhitya Ksatria Sambuaga and express appreciation to the Indonesia's team for its constructive engagement in this TPR exercise. Ukraine also appreciates the substantial work of the TPRB Chair and the WTO Secretariat, the meaningful analysis of the discussant, H.E. Mr. Ángel Villalobos Rodríguez.

4.240. Ukraine commends Indonesia for its positive economic performance represented by steady growth of the economy (averaging 5.0% per year during the review period) and acknowledges efforts of the Government in implementation of various trade and trade-related structural reforms, including policies that improve the investment climate, enhance industrial competitiveness, upgrade logistics efficiency, stimulate export, promote tourism, and strengthen people's purchasing power.

4.241. We note several additional support initiatives, undertaken for minimizing the adverse economic impact of COVID-19, and believe that Indonesia could successfully address current COVID-19 challenges and support economic growth.

4.242. Ukraine also notes degree of openness of the Indonesian economy and importance of international trade in it, but considers that there are more possibilities for its integration into global value chains.

4.243. At the multilateral level, Ukraine recognizes principal role of Indonesia on various economic and trade-related issues of importance to the developing country members and the least-developed

country members, within the WTO process as well as outside the WTO, including continuation of negotiating the Doha Development Agenda, implementation of the WTO reform, trade facilitation, reducing non-tariff barriers etc.

4.244. Indonesia is an important trade partner of Ukraine. The key points of our cooperation are trade in agricultural products and interaction between competent authorities that ensure product safety control.

4.245. In 2019 the volume of our bilateral trade in goods increased by 17.8% comparably to 2018 and amounted more than USD 1 billion. Our bilateral trade in agricultural products amounted to USD 723.9 million in 2019 (↑ 9.1%). For 9 months of 2020 it has increased by 5.3%.

4.246. Ukraine is interested in enhancing our bilateral trade and economic cooperation.

4.247. The reports of the Government of Indonesia and the WTO Secretariat raised questions in a number of areas – as detailed in Ukraine’s written submissions to this Review. The main themes addressed were: investment policy, sanitary requirements for obtaining permits for importation of eggs, meat and bone meal from bovine, swine and poultry into Indonesia, amended provisions on compulsory licensing, regulations on financial services etc.

4.248. While analyzing given responses, Ukraine is looking forward to developing further partnership and enhanced trade between both countries and wishes Indonesia successful TPR.

JAPAN

Introduction

4.249. Let me first extend a warm welcome to this Seventh TPR meeting to the distinguished delegation of Indonesia headed by His Excellency, Jerry Adhitya Ksatria Sambuaga, Vice Minister of Trade. We truly appreciate that the Indonesian delegation has shown great flexibility by agreeing to hold this TPR meeting via a virtual format under the current circumstances. Also, we sincerely appreciate the dedicated efforts made by Indonesia and the WTO Secretariat to prepare the insightful reports shared with the members in advance of today's review.

General affairs (macroeconomy)

4.250. Indonesia is a very important trading partner for Japan. In 2019, Indonesia was Japan’s twelfth largest trading partner, and trade between our two countries reached a value of USD 32 billion in total. On investment, Japan continues to be the seventh largest foreign direct investor to Indonesia, and our FDI amounted to USD 8.4 billion in 2019.

4.251. Domestic demand is a major driver of economic growth for Indonesia. During 2020, however, this demand has been particularly hard hit due to the COVID-19 pandemic. In spite of this, we acknowledge that Indonesia has been placing increasing importance on structural reforms, notably in the area of labour productivity, the taxation system, and policy administration for areas such as import procedures. We look forward to seeing Indonesia recovering quickly and building back better by advancing these reforms.

Trade Policy

4.252. Turning to trade policy, Indonesia and Japan have strengthened economic partnership through several RTAs, including our Indonesia-Japan EPA and the ASEAN-Japan EPA. For instance, under a specific provision of the Indonesia-Japan EPA, 186 candidates for nurses and 577 candidates for care workers have passed the Japanese national exam as of March 2020, enabling them to work in Japan. Also, we are pleased that the Regional Comprehensive Economic Partnership (RCEP) was signed on 15 November this year. We believe that Indonesia’s efforts and cooperation under these RTAs will contribute to further strengthening the Multilateral Trading System. We would also appreciate it if Indonesia could kindly share the current situation concerning its ongoing negotiations with other countries such as Korea, Central and South American countries, and African countries, further to the explanation made by the head of delegation in this initial remark.

4.253. During the review period, we welcome Indonesia's trade facilitating measures, inter alia the launching of the Authorized Economic Operator (AEO) programme and the participation in the ASEAN Single Window as the head of delegation mentioned before. However, we express our concerns over the undue delay of import permission procedures for rice without a clear explanation, and arbitrary or non-transparent measures on some fresh foods for sanitary and phytosanitary (SPS) reasons.

Specific Trade Issues

4.254. As for textile products, importing for sales purposes has been substantially restricted since the introduction of Indonesia's import registration and approval regime, and these restrictions are leading to substantial import decline. In addition, on 21 September 2020, Indonesia notified the WTO of its proposal to apply safeguard measures on carpets and textile products. We are concerned that the measures may potentially be envisaged to impose additional high tariffs. We encourage Indonesia to carefully consider the scope of the goods targeted by this measure in light of the agreement on safeguards, which stipulates that safeguard measures shall be applied only to the extent necessary.

4.255. Regarding the import licencing procedure for steel products, since 2010, Indonesia has tightened the management of 480 products under the Minister of Industry and Trade Decrees. Since then, it has been taking an unnecessarily long time to issue import licences requiring additional documents. Not only that, but authority frequently do not fully approve the quantities which importers are intended to import, and reduce the quantity allowed without any specific reasons being provided. Bearing in mind this situation, Japan requests Indonesia to properly administer its import licence procedures without distorting trade liberalization.

4.256. On 4 September 2015, Indonesia's Anti-Dumping Committee (KADI) initiated an investigation to review the sunset of anti-dumping measures on cold-rolled steel sheets, however, the WTO has not yet been informed of the results of the investigation. Once the investigation has been completed, we look forward to seeing this notified to the Committee on Anti-dumping.

4.257. With regard to telecommunications, since 2015, the Ministry of Communication and Information Technology introduced a requirement to meet the relevant local content thresholds for 4G LTE mobile devices and base stations and also established a regulation on the calculation methodology for the local procurement ratio without providing any specific guidelines. Japan is concerned that these measures have been creating a less favourable treatment for foreign products and therefore are inconsistent with TRIMs and GATT rules.

Conclusion

4.258. In conclusion, Japan positively evaluates Indonesia's efforts towards improvement of its trade environment since the previous TPR. We appreciate the answers provided by Indonesia to our written questions. We will consider them carefully, and if we have further concerns, we will submit additional questions. Last but not least, we wish Indonesia a successful and productive TPR. Thank you, Mr. Chairman, Mr. Discussant, H.E. Mr. Ángel Villalobos Rodríguez, and all the distinguished delegates of Indonesia.

PHILIPPINES

4.259. The Philippines associates itself with the ASEAN Statement delivered by Malaysia, highlighting the important contributions and active role of Indonesia in the ASEAN and the WTO.

4.260. The Philippine delegation warmly welcomes and congratulates the delegation of Indonesia led by Trade Vice Minister Jerry Adhitya Ksatria Sambuaga in Jakarta and Ambassador Grata Endah Werdaningtyas and Ambassador Syamsul Bahri Siregar in Geneva on their 7th Trade Policy Review. We also thank Ambassador Angel Villalobos Rodriguez of Mexico for his insightful comments as discussant, and the WTO Secretariat for a comprehensive report.

4.261. The Philippines has a dynamic and longstanding bilateral relationship with Indonesia, which was further strengthened with the establishment of our formal diplomatic relations in November 1949. For the past seven decades, our two countries have deepened our ties and broaden our economic cooperation. In 2019, Indonesia ranked as the Philippines' 8th major trading partner, with

total two-way trade valued at USD 7.7 billion. Indonesia was also the Philippines' 13th export market, 6th import source, and 27th source of approved investments.

4.262. To further strengthen the bilateral trade and investment flows between our two economies, the Philippines and Indonesia recently conducted the 8th Meeting of the Joint Working Group (JWG) on Trade, Investments, Handicrafts and Shipping, which was virtually held on 11 August 2020. The Joint Working Group serves as a focused mechanism to discuss trade, investments, economic cooperation and other issues affecting the business environment, which compliments the regular engagement of both countries under the ASEAN framework. The virtual Joint Working Group held last August was the first bilateral meeting convened by the Philippines since the onset of the pandemic, which demonstrated the strategic importance of Indonesia to the Philippines, especially given the many commonalities we share as two of the biggest economies in ASEAN, working together to address the unprecedented crisis.

4.263. Similar to the Philippines, Indonesia is an archipelago nation, rich in natural resources and benefiting from a significant size of labour force which comprise around 68% of its total population. Indonesia holds the world's 4th largest population and 10th largest economy in terms of purchasing power parity. It is the largest economy in Southeast Asia comprising 35% of the region's GDP.

4.264. The Philippines notes the important updates on Indonesia's trade and investment policies, as well as its institutional and regulatory reform initiatives, in areas including transparency, anti-corruption, investment promotion, and economic dispute resolution. During the review period, the general thrust of Indonesia's trade policy was revised in several areas, including tariffs; customs procedures; import and export prohibitions; restrictions and licensing; export taxes; and export finance, guarantees and insurance. We acknowledge these developments and look forward to learning more about these new policies through this review process.

4.265. Further, we note from Indonesia's Government Report that it is amongst the top five economies in the world with the most numbers of start-ups. The Philippines appreciates the inclusion of MSME section in Indonesia's government report, recognizing MSMEs as an engine of Indonesia's economic growth as it contributes to more than half of its economy's revenue.

4.266. The Philippines commends Indonesia's commitment to the multilateral trading system and its active engagements in the various WTO work, including the negotiations on agriculture and fisheries subsidies, and the joint statement initiatives on electronic commerce and investment facilitation. We would likewise encourage and welcome Indonesia's support to the WTO Informal Working Group on MSME's package of recommendations and declarations to support MSMEs participation in international trade considering the important contribution of MSMEs to inclusive and sustainable economic growth.

4.267. The Philippines has submitted some advance written questions on the TPR reports and we thank the delegation of Indonesia in advance for their prompt replies.

4.268. In closing, the Philippines looks forward to further enhancing the mutually beneficial economic relations with Indonesia in the bilateral, regional, and multilateral fora.

RUSSIAN FEDERATION

4.269. I would like to extend a warm welcome to the delegation of Indonesia. We appreciate the comprehensive reports by the Government and the WTO Secretariat. Our thanks also go to the discussant, H.E. Mr. Ángel Villalobos Rodríguez, for his thoughtful remarks. We hope that this TPR would contribute significantly to the transparency of the trade regime of Indonesia.

4.270. We would like to commend the Government of Indonesia for carrying out effective trade and investment policies that ensured solid economic performance and resilience of its economy with the annual average GDP growth at 5.1% during the review period. It seems that the Government was relatively successful at addressing the COVID-19 challenges with timely and effective interventions that allowed to minimize economic impact of the pandemic. We welcome Indonesia's continued commitment to the multilateral trading system, the ratification of the Trade Facilitation Agreement in December 2017 and submission of several notifications in a number of areas.

4.271. Over the years, the Russian Federation and Indonesia have been developing bilateral economic cooperation in many areas. Joint projects are being undertaken in infrastructure development, energy sector, mining and mineral processing, supply of equipment and vehicles, civil aviation, space industry. During the review period, our trade turnover showed an upward trend, amounting to USD 3.3 billion in 2017, rising by more than 25% compared to the previous year.

4.272. Russia has submitted a number of written questions related to issues of import prohibitions and quantitative restrictions, import licensing, antidumping and safeguard measures, competition policies, services, intellectual property rights and others. Questions concerning measures affecting production and trade, i.e. government procurement and SPS requirements, are of our particular interest. We thank

4.273. the delegation of Indonesia for the replies and hope to continue working on alleviating existing quite sensitive trade issues with a view to enhance our bilateral cooperation.

4.274. In conclusion, we would like to thank you, Mr. Chairman, the delegation of Indonesia, the Secretariat and the discussant, for the impressive work done so far and wish Indonesia a successful Trade Policy Review.

THAILAND

4.275. At the outset, Thailand would like to associate itself with ASEAN statement delivered by Malaysia.

4.276. Thailand is pleased to participate in the 7th trade policy review of Indonesia. We welcome the delegation of Indonesia led by H.E. Mr. Jerry Adhitya Ksatria Sambuaga, Vice Minister of Trade. We would also like to thank the WTO Secretariat and the Government of Indonesia for their excellent reports. Let us also extend our appreciation to the TPRB Chair and the discussant, Ambassador Angel Villalobos Rodriguez of Mexico for their insightful perspectives.

4.277. Thailand and Indonesia have enjoyed a long history of friendship and cooperation. With 70 years of diplomatic relations, the two countries have become not only close strategic partners but also ASEAN Member States who share mutual interests on both regional and international issues. In view of bilateral trade, Indonesia is Thailand's 7th largest trading partner in the world and 4th largest trading partner in ASEAN. Over the period from 2013 to 2019, the total bilateral trade showed an increasing trend and reached USD 18.2 billion in 2018. Presently, our bilateral trade remains robust, despite the pandemic.

4.278. On regional integration, Indonesia has made significant contributions within ASEAN, especially in the negotiations of the Regional Comprehensive Economic Partnership Agreement (RCEP), which is the world's largest regional free trade agreement. We look forward to the entry into force of RCEP and believe that RCEP will effectively serve as an economic recovery platform in post COVID-19 era.

4.279. Thailand commends Indonesia for maintaining solid growth and the resilience of its economy by relatively strong fundamentals and sound macroeconomic policy since its last TPR despite global challenges. Thailand appreciates Indonesia's ongoing efforts to trade and trade-related structural reforms in order to raise productivity and competitiveness. We also welcome Indonesia's consistent efforts to liberalize and streamline its FDI regime.

4.280. Thailand highly values Indonesia as an active supporter of the multilateral trading system. We commend Indonesia for the ratification of the WTO Trade Facilitation Agreement in 2017 and for submitting timely notifications in several areas. We also welcome Indonesia's constructive engagement in the WTO negotiations on fisheries as well as the Joint Statement Initiatives on e-commerce and investment facilitation for development.

4.281. In this review, Thailand submitted a set of questions, covering the policies and measures of our interests, including import restrictions of some products through licensing and state trading requirements; and the regulation concerning import licensing requirements of horticultural product. Thailand thanks Indonesia in advance for written responses.

4.282. In closing, Thailand would like to express our appreciation to Indonesia for the cooperation in every level and the friendly working relationship between our two Missions here in Geneva. We wish Indonesia every success in this TPR.

TURKEY

4.283. We would like to join previous speakers in extending a very warm welcome to the delegation of Indonesia, headed by His Excellency Jerry Adhitya Ksatria Sambuaga, Vice Minister of Trade. We took note of his introductory remarks with great interest and we thank the delegation of Indonesia for their comprehensive report. We also would like to thank the Secretariat for its report as well as our discussant, Ambassador Angel Villalobos Rodriguez of Mexico, for his insightful comments.

4.284. Being the world's fourth most populous nation, the world's 10th largest economy in terms of purchasing power parity, and a member of the G20, Indonesia is the largest economy in Southeast Asia.

4.285. As it is indicated in the reports, Indonesia is an emerging lower middle-income country, with a diversified economy in which the services and industrial sectors are the main contributors to country's GDP and exports.

4.286. We are pleased to see that in the course of the review period, the Indonesian economy grew steadily at an average rate of 5.1% per year. In addition, the unemployment rate fell to 5% in 2019, compared to 5.9% in 2014. On the other hand, GDP per capita continued to increase from USD 3,531 in 2014 to USD 3,927 in 2018. This progress is the concrete outcome of the trade and trade-related structural reforms implemented by the Indonesian Government.

4.287. Despite all the challenges posed by the COVID-19 pandemic, we believe that the "National Medium-Term Development Plan 2020-2024" adopted by the Government, will help Indonesia in reaching its macro-economic targets and implementing its national development strategies in the post-COVID period.

4.288. Indonesia is one of the largest trade partners of Turkey in the Asia-Pacific region. Turkey and Indonesia have unique and deep-rooted relations, despite their distance in terms of geography.

4.289. We value a close collaboration with Indonesia in various platforms. In this regard, two countries continue their fruitful cooperation in multilateral platforms, namely through G20, MIKTA, ASEAN, D-8 and SMIIC.

4.290. As for our bilateral relations, we are particularly interested in collaborating in the areas of trade, industry and culture.

4.291. The Joint Economic and Technical Cooperation Committee was established between the two countries in 1982 and until now we had eight meetings, the last one being held in 2017 in Jakarta. Indeed, these meetings present a useful tool to address and further strengthen bilateral trade relations.

4.292. We have a trade volume of USD 1,641 billion as of 2019, which obviously does not reflect the true potential of our economies and in achieving this, we defined a target of USD 3 billion trade volume in short-term through diversifying the current composition of bilateral trade on a mutually beneficial basis.

4.293. In addition, Turkish companies are keen to take part in the infrastructure and investment projects in Indonesia. In order to foster mutual investments and promote bilateral investment opportunities, Turkey believes the importance of having a bilateral investment agreement as soon as possible.

4.294. As the report sets out, Indonesia has successfully made progress on preferential trade agreements during the review period. Turkey started Comprehensive Economic Partnership Agreement (CEPA) negotiations with Indonesia in 2017. We believe that conclusion of this Agreement in the years to come will be extremely beneficial for both countries.

4.295. Before concluding, I want to thank Ambassador Hasan Kleib and Ambassador Syamsul for their active contributions to our work and their constructive engagement in the negotiations under this roof.

4.296. We wish Indonesia a successful completion of its Seventh Trade Policy Review.

INDIA

4.297. My delegation is pleased to participate in the 7th Trade Policy Review of Indonesia. On behalf of India, I would like to welcome the delegation of Indonesia led by H.E. Jerry Adhitya Ksatria Sambuaga, Vice Minister of Trade and the Indonesian delegation to the WTO in Geneva for the TPR. We thank Jerry Adhitya Ksatria Sambuaga for his comprehensive opening statement, Ambassador H.E. Angel Villalobos Rodriguez of Mexico, for his insightful observations as a discussant, and the Secretariat and the Government of Indonesia for the reports prepared for the Review.

4.298. We are pleased to note from the Secretariat's Report that despite the global challenges and the COVID-19 pandemic, Indonesia has witnessed solid growth and economic resilience, characterized by strong fundamentals and sound macro-economic policy. We wish to complement the Government of Indonesia and its people on their economic success.

4.299. India has enjoyed close cultural ties with Indonesia, stretching back in time to at least two millennia. Indonesia is a key economic partner for India in Southeast Asia. It is also an important partner in our regional and plurilateral engagements, as a member of G20 and the ASEAN.

4.300. Closer political relationship and regular high-level exchanges have contributed to a new dynamism in our economic and commercial ties. Prime Minister Modi's visit in 2018 not only helped deepen the co-operation in the existing areas but also paved the way for new areas of cooperation. The closer relationship between the two countries was further demonstrated in participation of the President of Indonesia H.E. Joko Widodo along with all ASEAN Heads of States as Chief Guests at the Republic Day celebration of India in January 2018.

4.301. Both countries have been working towards a bilateral Comprehensive Economic Cooperation Agreement (CECA) and have set up a number of institutional mechanisms to promote closer economic co-operation, including a Joint Commission, JWG's, Trade Minister's Forum, a CEO's Forum, an Energy Forum, Infrastructure Forum and a Trade and Investment Forum etc.

4.302. With bilateral trade of almost USD 20 billion in 2019-20, Indonesia is the second largest trading destination for India in the ASEAN region. The trade between the two countries has witnessed more than five-fold increase since 2005-06 (USD 4.3 billion). Commodity exports constitute a growing area of bilateral trade. India is one of the largest buyers of coal and crude palm oil from Indonesia and imports minerals, rubber, pulp and paper and hydrocarbons reserves. India exports refined petroleum products, commercial vehicles, telecommunication equipment, bovine meat, animal feed, agriculture products, steel and plastics to Indonesia.

4.303. Beyond trade, our investment ties have grown rapidly with two-way investments in both our countries. There are about 30 major Indian investments in Indonesia with over USD 15 billion investments in infrastructure, power, textiles, steel, automotive, mining, banking and consumer goods sectors. All the prominent Indian business groups have strong presence in Indonesia. Similarly, a number of Indonesian companies are also present in India in the areas of agro products, processed food, transportation, logistics sectors etc.

4.304. We believe that there is immense potential for further expanding our economic ties and I take this opportunity to highlight some of the factors that are acting as barriers in realizing the full potential of our cooperation. But first, on a positive note, during the last TPR, India had raised the issue of bovine meat exports to Indonesia. We would like to acknowledge that due to the positive policy changes brought about by Indonesia in 2016, the export of India bovine meat has now become possible and is one of the growing areas of bilateral trade.

4.305. Having said that, as noted in the Secretariat report, the high levels of tariff and non-tariff barriers in Indonesia continue to pose a challenge to our exporters. Indian agricultural products such as bitter melon, pumpkin, table grapes, musk melon, pomegranate, honey, etc. continue to face

market access barriers due to delayed SPS procedures and the system of quotas etc. Similar challenges are faced by exporters of manufactured goods as well, in the area of automobiles, tyres etc. We are also concerned over the use of anti-dumping duty on our exports including polyester staple fibre, hot rolled coil biaxially oriented polyethylene terephthalate (BOPET) and yarn. We believe that these measures are not justified, and we request the Government of Indonesia to reconsider these measures that have unfairly targeted our exporters.

4.306. A number of policies in the mining sector are adversely impacting Indian companies which have made substantial investments in the coal mining sector in Indonesia. These include a regulation requiring foreign investors to divest a minimum of 51% of their equity by the 10th year of production. Also problematic is the domestic market obligation which requires mining companies to sell 26% of their production locally. We hope Indonesia will take appropriate steps to review these policies soon.

4.307. In the pharmaceutical sector, the requirement for foreign drug registration holders to set up production facility within two years of registration, lengthy and cumbersome registration procedures, an FDI cap on foreign companies are severe limiting factors. We encourage greater transparency, simplification of procedures and liberalization in the pharmaceutical sector.

4.308. Finally, our businesses and professionals continue to face difficulties due to the restrictive visa and work permit policies and it acts as a dampener on our businesses who wish to invest more and contribute to the growth of the Indonesian economy. We believe that simpler and easier visa policies will go a long way in enabling a positive business climate in the country.

4.309. We are committed to strengthening trade and investment partnership with Indonesia. We hope that through our engagements we can resolve our trade concerns and achieve mutually beneficial trade exchanges in the future. I would like to thank the Indonesian delegation for providing answers to the questions raised by us for the TPR, which will be reviewed by our Capital.

4.310. Before I conclude I wish to acknowledge and appreciate Indonesia's active role in the WTO as coordinator of the G33 group, of which India is also a member. The G33 proposal, under Indonesian leadership, was instrumental in securing a positive outcome on food security/PSH at the Bali Ministerial. We will continue to work closely with our Indonesian friends, both here in Geneva and in our respective capitals, to realize the vast potential of our trade and investment ties. I wish our Indonesian friends a productive and successful TPR.

KAZAKHSTAN

4.311. Kazakhstan is pleased to participate in the seventh Trade Policy Review of Indonesia.

4.312. Kazakhstan is closely monitoring the economic development of Indonesia and attaches high importance to strengthening bilateral cooperation with Indonesia wishing to build a stronger economic and trade relationship.

4.313. Within this TPR exercise, Kazakhstan has raised a number of important questions on a range of issues of specific interest, such as import licenses, services, government procurement, subsidies, and trade remedies. Kazakhstan looks forward to receiving replies from Indonesia to our concerns.

4.314. At the same time, Kazakhstan is very much interested in realizing its export opportunities on Indonesia's market, particularly on the export of hot-rolled coil. In this regard, we urge the Indonesian Government to address the issue of anti-dumping measure on hot-rolled coil originating from Kazakhstan due to its incompatibility with WTO rules. We stand for bilateral consultations on this matter.

4.315. As I conclude, I would like to congratulate the delegation of Indonesia and the Secretariat of the WTO, for the hard work and efforts that went into preparing for this TPR. We wish the delegation of Indonesia every success for their seventh Trade Policy Review.

KINGDOM OF SAUDI ARABIA

4.316. The Kingdom of Saudi Arabia is very pleased to take part in the seventh Trade Policy Review of Indonesia and wishes to extend a very warm welcome to the delegation of Indonesia headed by

H.E. Mr. Jerry Ksatria Sambuaga, Vice Minister of Trade. I would like to take this opportunity to thank Indonesia and the Secretariat of the WTO for their detailed and comprehensive Trade Policy Review reports. I also thank the discussant H.E. Ambassador Mr. Ángel Villalobos Rodríguez from Mexico for his insightful and perceptive comments.

4.317. Despite the Covid-19 crisis which disrupted business activity, weighed on domestic demand and decreased investment appetite, the Indonesian economy remained resilient; sustained by responsive macroeconomic policies; and diversified production. The annual average GDP growth rate stood at 5.1% in 2019.

4.318. Indonesia is to be commended for its large-scale fiscal and monetary stimulus to help protecting businesses and consumers facing the impact of COVID 19 and to support the economic activity.

4.319. Indonesia is also to be commended for its Masterplan for the Acceleration and Expansion of Economic Development of the country which confirms the importance of productivity, innovation, and trade in achieving economic growth and provides the building blocks to transform Indonesia into one of the 10 major economies in the world by 2025.

4.320. The Kingdom of Saudi Arabia is happy to congratulate Indonesia for undertaking important trade and investment-related reforms to ensure regulatory environment for businesses and investment and encourage more competition in the domestic market to increase the resilience of the economy and its ability to cope with external competition.

4.321. Saudi Arabia and Indonesia enjoy a brotherly and substantive relationship, underpinned by commercial ties and supported by shared membership in the G20 and the Organization of the Islamic Conference. Trade with Indonesia has increased dramatically in recent decades. The total bilateral trade surpassed USD 4.61 billion in 2019. During the period of review, several official visits between political and business leaders from both countries were conducted to explore further opportunities for cooperation to increase two-way trade and investment particularly in the sector of energy, development of private sector, especially small and medium enterprises, and tourism.

4.322. The Kingdom of Saudi Arabia has submitted questions to Indonesia about regulatory impact assessment. We thank Indonesia for answering these questions.

4.323. We welcome Indonesia's continued positive efforts with the example of its own economic development and in the multilateral context.

4.324. To conclude, I wish the Indonesian delegation a very successful Trade Policy Review.

CHINA

4.325. China would like to join others in welcoming the delegation of Indonesia, led by His Excellency Mr. Jerry Adhitya Ksatria Sambuaga, to this TPR and would also like to express our appreciation to the discussant, Ambassador of Mexico, for the detailed report and insightful comments, and also the Secretariat's efforts and contributions to this TPR.

4.326. China and Indonesia enjoy a close economic relationship, which is underpinned by a rapid growth in bilateral trade and investment flows. China has been, for nine consecutive years, the largest trade partner of Indonesia and ranked in the top three foreign investors of Indonesia since 2016. Despite the world trade fell sharply this year due to the COVID-19 pandemic, the bilateral trade and investment between China and Indonesia remains stable, with a 6.3% export increase from Indonesia to China and 79% growth of China's FDI to Indonesia for the period of January to September 2020.

4.327. We commend Indonesia's active role in the WTO, especially the leading role Indonesia has played in the agriculture negotiations, such as the Chairmanship of G33. China welcomes Indonesia's participation on the joint initiatives, especially its active engagement on the Joint initiative on Investment Facilitation for Development. We also recognize Indonesia's 88.7% Trade Facilitation Agreement implementation commitments to date across all categories.

4.328. We note Indonesia's active participation in the FTA negotiations and in the regional integration. We would like to take this opportunity to specifically commend Indonesia's active engagement in the Regional Comprehensive Economic Partnership negotiation and its contribution to bring this negotiation to a successful conclusion after 8 years of negotiations. This demonstrates Indonesia's firm belief in trade liberalization and openness, especially during the time when the global trade is suffering unilateralism and protectionism. We are looking forward to the RCEP early entry into force and believe this will vigorously boost confidence in regional trade and investment, hasten the economic recovery and bring significant opportunities and benefits to other countries both in and outside of the region.

4.329. We welcome Indonesia's efforts on promoting trade openness and creating more friendly climate for foreign investments, such as the recently passed Omnibus Law on Job creation. In the meantime, we would like to encourage Indonesia to take further measures to improve the business environment, with the hope that Indonesia could further reduce and eliminate import restrictions, especially on agriculture products, resort to trade remedy measures in a more prudent manner, enhance the transparency, predictability and stability of trade and investment policies, and streamline the working visa process for investors. We believe such measures will further make Indonesia more attractive to the business.

4.330. Finally, we look forward to receiving Indonesia's responses to our questions and wish Indonesia a full successful Trade Policy Review.

ICELAND

4.331. Iceland welcomes Honorable Jerry Adhitya Ksatria Sambuaga, Vice Minister of Trade and the distinguished delegation of Indonesia to their seventh trade policy review – and we express appreciation to the WTO Secretariat, as well as to Indonesia, for the reports prepared for this trade policy review, as well as the discussant, Ambassador Ángel Villalobos Rodriguez from Mexico for his excellent framing of the issues for our discussion today.

4.332. Prior to the COVID-19 pandemic, Indonesia had been experiencing solid economic growth and average GDP growth rate of 5.1%. Iceland welcomes the various initiatives undertaken by Indonesia for raising productivity and competitiveness and promoting economic diversification.

4.333. Among these initiatives Indonesia has undertaken several bilateral free trade negotiations. In 2018 The EFTA States, Iceland, Norway, Liechtenstein and Switzerland signed a Comprehensive Economic Partnership Agreement (CEPA) with Indonesia. This is a very important agreement for the EFTA states. Merchandise trade between the EFTA States and Indonesia amounted to USD 1.8 billion in 2018. Bilateral trade between Iceland and Indonesia has been steadily increasing in the last years and will no doubt continue to do so after the entry into force of the agreement.

4.334. As the impact of the COVID-19 pandemic are still unfolding, new challenges arise related to trade and trade-related activities. It is now widely recognized that women are likely to be harder hit than men by trade disruptions caused by the pandemic.

4.335. In September 2020, a group of WTO Members agreed to establish an Informal Working Group on Trade and Gender, marking the next phase of an initiative kick started in 2017 to increase the participation of women in trade.

4.336. The Trade Policy Review provides an excellent opportunity to share best practices of respective experiences relating to policies and programs to encourage women's participation in national and international trade and thus promoting sustainable socioeconomic development.

4.337. Iceland submitted advance written questions on the participation of women in the economy of Indonesia. The answers will be useful as we gather best practices.

4.338. Iceland appreciates Indonesia's active engagement in WTO and their continued support for the multilateral trading system. We wish the delegation of Indonesia every success for their seventh Trade Policy Review.

CAMBODIA

4.339. My delegation joins other to express our warmest welcome the delegation of Indonesia led by H.E Mr. Jerry Adhitya Ksatria Sambuaga, Vice Minister of Trade of Indonesia. Our thanks also go to H.E Ambassador Ángel Villalobos Rodríguez of Mexico for his insightful assessment reflecting the current trade policies and economic performance of Indonesia. We also thank the Trade Policy Review Division and Indonesia for their reports for this review.

4.340. Cambodia associates itself with the statement made Malaysia on behalf of ASEAN Member States.

4.341. We acknowledge the important and active role of Indonesia in the ASEAN region especially the role of Indonesia in supporting Cambodian membership to ASEAN in 1999 and its role towards to the successful conclusion and signing of the Regional Comprehensive Economic Partnership Agreement. We also acknowledge the good performances and efforts of Indonesia including the reforms.

4.342. We would also like to congratulate Indonesia for maintaining its remarkable GDP growth at 5.1% since its last review.

4.343. Cambodia and Indonesia have shared a close political, cultural, and historical relationship. We established diplomatic relations on 13 February 1959. Last year, we joint memorial activity to celebrate the 60th Anniversary of our diplomatic relations. Cambodia and Indonesia had agreed to strengthen relations through the enhancement of bilateral mechanisms, aimed at improving economic cooperation in the investment, trade, and tourism sectors. We have signed the income tax treaty in 2017 and it entered into force on 28 July 2020. The provision generally takes effect from 1 January 2021. I would like to take this opportunity to express our appreciation and thanks to Indonesia for its consistent helps including its role to bring peace and prosperity to Cambodia through the 1991 Paris Peace Accords.

4.344. Trade between the two countries was around USD 792 Million in 2019, it increased by 46% compared to 2018 which was about USD 543 Million. Cambodia's exports to Indonesia was about USD 22.3 million in 2019, it increased by 4% compared to 2018 and imports about USD 770 million, an increase of 47% in the same period. Cambodia mainly exports apparel, rice, rubber and footwear to Indonesia while importing drugs, food, beverages, motorcycles and personal care products from Indonesia.

4.345. In the context of the WTO, we thank and appreciate the delegation of Indonesia in Geneva led by ambassador Grata Endah Werdaningtyas and Ambassador Syumsul Barhi Siregar, for their friendship and good cooperation. We commend Indonesia for putting its efforts and active participation in supporting the rules-based multilateral trading system. I particularly appreciate Indonesia for its endorsement for LDC members to benefit from the aid for trade scheme and we note that Indonesia has already given aid for trade to a few LDCs through the South-South Cooperation mechanism. We would encourage Indonesia and other Members to provide aid for trade and other technical assistances to LDCs to encourage our integration into the world trading system especially during this COVID-19 Pandemic.

4.346. As we all know, Indonesia has introduced some measures and policy responses to the COVID-19 Pandemic. In this connection, Cambodia has submitted a question concerning Indonesia's investment framework on the "After Care" mechanism. We would also like to thank in advance for Indonesia's written responses.

4.347. Finally, we commit to working closely with Indonesia to strengthen the cooperation including the works of the WTO and we wish Indonesia a successful 7th Trade Policy Review.

COSTA RICA

4.348. On behalf of the Government of Costa Rica, I would like to warmly welcome the delegation of Indonesia, headed by H.E. Mr Jerry Sambuaga, Vice Minister of Trade, as well as the team from the Permanent Mission of Indonesia to the WTO, which we thank for their report and for this morning's presentation. I would also like to thank the discussant, Ambassador Villalobos of Mexico,

for his valuable remarks, and the WTO secretariat for its report and for its work, which has been as valuable as ever.

4.349. Turning now to the subject of this meeting, as a founding Member of the WTO, Indonesia has played a leading role in shaping the system and continues to be a key player in the negotiations to reform the WTO, especially in the area of agriculture. In this area, Costa Rica and Indonesia share a common view on the importance of agricultural trade as a source of employment and prosperity and, together with other Members of the Cairns Group, in January this year we launched an innovative proposal for a domestic support negotiating framework for MC12. We invite other Members to join us in forging new areas of consensus in agriculture.

4.350. Likewise, Costa Rica agrees with Indonesia on the importance of supporting the review processes aimed at facilitating the better operation and implementation of the Agreement on Sanitary and Phytosanitary Measures, particularly due to the impact of this type of measure on trade in tropical products.

4.351. Costa Rica also welcomes Indonesia's incorporation into the Joint Statement on E-commerce, its participation in the Working Group on MSMEs and its active involvement in the fisheries subsidies negotiations, an area in which we should push for concrete results as soon as possible. We also hail Indonesia's ratification of the Trade Facilitation Agreement in December 2017 and the notification of its categories of commitments to implement the TFA and its transparency obligations in 2018.

4.352. Domestically, Indonesia has enjoyed sound macroeconomic management since its last Trade Policy Review. According to the Secretariat report, prior to the pandemic, the country showed annual growth rates close to or above 5%, with a dynamic labour market, a falling unemployment rate of around 5%, low inflation and a fiscal environment with a manageable fiscal deficit. We commend the refocusing of public expenditure from inefficient energy subsidies towards productive infrastructure investment, as well as the Indonesian Government's efforts to liberalize and simplify its FDI regime.

4.353. In the area of trade, Indonesia's relationship with its trading partners is highly dynamic thanks to successful bilateral and regional trade agreements. The Secretariat's report highlights the simple tariff structure with *ad valorem* rates in 99.8% of cases. On the other hand, there is a high degree of uncertainty in the tariff, due to the non-binding of 10.5% of tariff lines and the increase in the tariffs applied in recent years. It is noteworthy that 99 tariff lines are above their bound rates. In this regard, we urge Indonesia to improve the predictability of its tariff system and to align its tariff with its WTO bound commitments.

4.354. Indonesia also faces significant long-term challenges, including taking advantage of its demographic dividend through bold education policies that increase the population's productivity and innovation capacity. The country is also facing structural rigidities that limit its ability to actively benefit from greater integration into global trade. We therefore welcome the Indonesian Government's efforts to implement the Trade Facilitation Agreement, simplify and streamline the regulatory regime, especially for small businesses, and diversify the economy. On the other hand, we note that Indonesia continues to employ prohibitions, restrictions, export taxes, export licensing and other border measures as policy instruments having a bearing on trade and investment. We urge Indonesia to review these measures so as to ensure that a trade facilitation approach is maintained whenever possible.

4.355. Costa Rica did not submit any questions under this review. However, we maintain a strong interest in the domestic policies that Indonesia is developing in the areas of FDI attraction, agricultural sector development, and the promotion of service exports, including the tourism sector. We shall continue to follow closely its implementation of climate change adaptation policies, especially those addressing agricultural, fisheries and energy sustainability.

4.356. Lastly, I would like to thank Indonesia once again for its report and for today's presentation. We wish the country every success in this seventh Trade Policy Review.

VIET NAM

4.357. On behalf of Viet Nam's delegation, I would like to extend our warmest welcome to the distinguished delegation of the Republic of Indonesia led by His Excellency Jerry Adhitya Ksatria Sambuaga, Vice Minister of Trade. I would like to thank the Government of Indonesia and the WTO Secretariat for the preparation of comprehensive reports for this Trade Policy Review, especially under the circumstances of the COVID-19 pandemic. My thanks also go to discussant H.E. Ángel Villalobos Rodríguez, Ambassador, Permanent Representative of Mexico, for the insightful observations and introduction.

4.358. Viet Nam associates itself with the ASEAN statement delivered by Malaysia and would like to add the following points.

4.359. First, Viet Nam commends Indonesia and wishes to highlight the advancements Indonesia has made during the review period. As noted by the WTO Secretariat in its report, Indonesia is the largest economy in Southeast Asia (accounting for 35% of the region's GDP). With the 4th biggest world population, Indonesia has performed well and enjoyed sound economic growth over the past six years, with an average annual GDP growth rate of 5.1% from 2013 to 2019, despite the increasing global uncertainties, trade tensions.

4.360. Second, bilaterally, Indonesia has been one of the most significant trading partners of Viet Nam within the ASEAN bloc in recent years. In the period of 2013-2019, our bilateral trade turnover grew 9.4% year on year. Viet Nam's major export items to Indonesia are iron and steel of all types, machinery, equipment, components, other spare parts, textiles, leather and footwear materials, just to name a few. Viet Nam's imports from Indonesia mainly vegetable and animal oils, coal of all types; iron and steel.

4.361. In the first 10 months of 2020, the bilateral trade has seen a considerable drop, with the total amount of USD 6.53 billion, or 12.3% less than the same period in 2019. The key reason for the drop has been the COVID-19 pandemic. However, a number of measures taken by Indonesia also raised some concerns. Within the ASEAN framework, Viet Nam, is working closely with Indonesia to find solutions for these issues.

4.362. Third, from regional integration and co-operation perspective, we would like to thank the Government of Indonesia for the close and efficient cooperation, particularly with ASEAN member States as well as the other 5 partner countries for the recent conclusion of negotiations and signing of the Regional Comprehensive Economic Partnership (RCEP) Agreement on 15 November 2020, which sent a clear message on the region's determination to continue trade liberalization. We hope that implementation of the RCEP Agreement will facilitate the development of the regional supply chains as well as contribute to the socio-economic recovery from the COVID-19 pandemic's impacts.

4.363. Fourth, on the multilateral front, we would like to commend Indonesia's constructive efforts in defending and preserving the multilateral trading system, in particular upholding its WTO's obligations and commitments, and actively participating in various multilateral and plurilateral negotiations.

4.364. And last but not least, I would like to take this opportunity to commend Ambassador Syamsul Bahri Siregar and his able team for the excellent preparation for this Review, as well as their constructive contribution and engagement in the WTO activities. We wish Indonesia a successful Trade Policy Review.

LAO PDR

4.365. At the outset, Lao PDR associates itself with the statement made by Malaysia on behalf of ASEAN.

4.366. It is a great pleasure to welcome H.E. Dr Jerry Sambuaga, Vice Minister of Trade of Indonesia and his delegation for its Trade Policy Review.

4.367. Lao PDR would like to sincerely commend Indonesia for the excellent performance in terms of maintaining strong Economic growth, which has been steady increasing by an annual average rate of 5.0% per year in the period of 2015-2018.

4.368. Lao PDR also congratulates Indonesia for its important role in the multilateral trading system, especially for its active participation in all activities including the important work which is the priority to ASEAN framework. We commend and thank the delegation of Indonesia in Geneva led by H.E. Ambassador Syamsul Bahri Siregar and his team for their good cooperation and excellent hard work.

4.369. Lao PDR and Indonesia have developed bilateral, friendship and cooperation and have reached an agreement in enhancing relations to focus on exploring the potential of both nations to cooperate on trade and investment. The two sides have also worked together in cooperation with other ASEAN nations to ensure a great success of ASEAN Economic Community implementation.

4.370. Regionally, we have worked together on many efforts towards ASEAN's economic integration, both internally and externally in the negotiations of trade agreements.

4.371. As for the multilateral level, Indonesia is a reliable partner. It is clear that we share similar perspectives on trade liberalization, and it is of the view that Indonesia has played outstanding role in contributing for an importance of a rules-based multilateral trading system.

4.372. We are of the view that this TPR will provide an important opportunity for Indonesia to review its trade policy in making a great achievement for the international trade and also to provide an important platform for Lao PDR to explore the possibility in improving bilateral trade relation with Indonesia.

4.373. Lao PDR is confident that Indonesia will achieve its target to reach the economic expansion of 2020 to 2024 and we hope that Indonesia will be able to increase its Ease of Doing of Business (EoDB) from rank 73 in 2018 to Rank 40 in 2024 by its structural reform efforts, particularly in addressing deregulation of Investment Procedure.

4.374. In conclusion, we would like to commend and thank Indonesia for the close cooperation between our two Missions here in Geneva and wish Indonesia a great success for its Trade Policy Review.

MAURITIUS

4.375. Let me start by welcoming the delegation of Indonesia, led by H.E. Sambuaga, Vice Minister of Trade, and congratulating his team for the seventh TPR of their country. I also wish to seize this opportunity to thank both Ambassador Aspelund, Chair of the TPRB, and the discussant, H.E. Mr. Angel Villalobos Rodriguez for kick starting the discussions today by their interesting statements which highlighted the salient features of the trade policy measures taken by Indonesia during the period under review and the proactive role in the multilateral trading system.

4.376. My thanks also go to all colleagues at the Secretariat for ensuring that the WTO continues to play its role of monitoring trade policies of its members despite the difficult conditions due to the COVID-19 pandemic. At a time when the world is still struggling with the consequences of the pandemic, a rule-based multilateral trading system remain crucial for predictability and transparency.

4.377. The Mauritius delegation notes that the recent economic progress of Indonesia rests on trade related structural reforms, enhancement of industrial competitiveness, and improvement of investment climate among others. We, therefore, commend the positive trade policy measures taken by Indonesia during the period under review and its adoption of good regulatory practices including regulatory impact assessment policies.

4.378. We appreciate the continuous efforts of the Indonesian authorities to implement the Trade Facilitation Agreement and the introduction of relevant reforms to improve cross border trade which has proved to be crucial during the pandemic and remain so for post pandemic recovery.

4.379. The Mauritian delegation is also pleased to note that Indonesia has acceded to several IP related treaties including the Madrid Agreement concerning the International Registration of Marks. As a small island developing state, Mauritius believes that intellectual property can be a tool to drive innovation and creativity that would contribute to economic development. Mauritius looks forward to the cooperation of Indonesia in our endeavour towards promoting innovation.

4.380. As indicated in the Report, we recognize that Indonesia is facing some challenges. While we understand that import restrictions are put in place to address legitimate public interests, sometimes licences could also represent an unnecessary barrier to trade, we encourage Indonesia to consider relaxing certain licensing requirements to facilitate trade flows.

4.381. Relations between Mauritius and Indonesia date back to at least the seventeenth century when Adrian Van Der Stel, a Dutch settler brought red sugarcane to the island of Mauritius from Java. This had a huge influence on our countries socio-economic fabric subsequently as decades later sugar sold in the international market became our main foreign exchange earner and the engine of our country's economic growth. More recently, trade exchange has witnessed very encouraging signs as the value of trade has almost doubled over the last five years, the balance being largely in favour of our Indonesian friends though.

4.382. We look forward to further deepening our ties with Indonesia on the bilateral and regional fronts. In this regard, we hope that the recently concluded visa exemption agreement would further facilitate movement of people, including businessmen, and help boost trade and investment between our two countries. The Preferential Trade Agreement being negotiated, currently, will no doubt add a very strong pillar to our relations. Furthermore, as Africa looks forward to upscaling its engagement with major partners, especially following the recently launched African Continental Free Trade Area, we hope that Indonesian businesses will establish regional value chains, with Mauritius being a strong link in this context.

4.383. Let me conclude by wishing the delegation of Indonesia a successful and fruitful Review.

AFGHANISTAN

4.384. Afghanistan extends its gratitude to you and the Secretariat for convening this meeting and for preparing the comprehensive report. I would like to thank our discussant Ambassador Angel Villalobos Rodríguez of Mexico, for his insightful remarks and welcome Indonesia's capital and Geneva-based delegates to the meeting, led by H.E. Jerry Sambuaga.

4.385. In particular, we wish to extend our congratulations to Indonesia for its 7th Trade Policy Review, especially, to His Excellency Ambassador Hasan Kleib, Permanent Representative of the Republic of Indonesia to the UN, WTO and other International Organizations in Geneva, and his competent team for their contribution and constant good work here in Geneva. I would also like to take this opportunity to congratulate Ambassador Kleib for his appointment as the Deputy Director General for Regional and National Development Sector of the World Intellectual Property Organization.

4.386. My delegation commends Indonesia for presenting its comprehensive trade policy report. We are impressed to note that between 2015-2018, the expansion of domestic economic activities resulted in the creation of an additional 9 million jobs, the unemployment rate fell to 5.34% in 2018, and the GDP per capita continued to increase from USD 3,531 in 2014 to USD 3,927 in 2018.

4.387. The steady economic growth of Indonesia with an average rate of 5.0% per year is impressive, which is the result of the implementation of various structural reforms, including policies that improve the investment climate, enhance industrial competitiveness, upgrade logistics efficiency, stimulate export, promote tourism, and strengthen people's purchasing power. We are pleased to note that despite the ongoing global economic turmoil that has caused a reduction in trade volume and slowed down economic growth, the Indonesian economy managed to demonstrate a positive performance up to the first semester of 2019.

4.388. We thank Indonesia for their support and assistance with Afghanistan in various sectors, including technical training, infrastructure, women's empowerment, higher education and diplomats

training. In 2012, our countries signed a treaty of friendship to promote cooperation in political, economic and trade, academic, education and cultural sectors.

4.389. I would also like to take this opportunity to highlight Indonesia's positive role in emerging economic and trade-related issues of importance to the developing country Members and the least-developed country Members, within the WTO. We join Indonesia in encouraging Members to continue negotiating the Doha Development Agenda as mandated. We also thank Indonesia for their participation in aid for trade initiative both as a recipient and donor.

4.390. I conclude my statement by wishing Indonesia's delegation a very successful and productive Trade Policy Review.

MYANMAR

4.391. Myanmar aligns itself with the ASEAN statement made by Malaysia.

4.392. I also wish to express our appreciation to His Excellency Ambassador Rodríguez of Mexico for his introductory statement on Indonesia's TPR and the Secretariat for its comprehensive report.

4.393. Indonesia is one of the Founding Members of ASEAN in 1967. Indonesia has been playing a pivotal role in the advancement of our regional organization ever since.

4.394. Indonesia also led a crucial role in charting ASEAN common positions on various global issues of common interest, and strengthening ASEAN as a rules-based regional organization.

4.395. During the Indonesia's ASEAN Chairmanship back in 2011, the ASEAN Roadmap for the Attainment of the Millennium Development Goals, the ASEAN Framework for Equitable Economic Development, and the ASEAN Framework for Comprehensive Economic Partnership were adopted to the benefit of our peoples.

4.396. Most significantly, the ASEAN Framework for RCEP charted the General Principles to involve broader and deeper engagement with Dialogue Partners and further enhance economic integration and cooperation based on mutual interest, transparency and best practices.

4.397. Indonesia also played a leading role in ASEAN towards the conclusion and signing of the Regional Comprehensive Economic Partnership Agreement (RCEP) on 15 November 2020.

4.398. The RCEP will encompass a greater market of 2.2 billion people, and a combined GDP of USD 26.2 trillion, which is 30% of the world's GDP.

4.399. Myanmar and Indonesia celebrated the 70th anniversary of our diplomatic relations last year, and will continue to cherish and maintain our friendly relations and mutual beneficial cooperation.

4.400. In bilateral trade, major exports from Myanmar to Indonesia are metals, minerals, garments and agricultural products whereas the major import items from Indonesia are palm oil, motor vehicles and spare parts, machineries, medicines, iron and steel products.

4.401. There still exist potentials to further expand in agri-business, animal husbandry, food and beverage, construction material, textile and handicrafts.

4.402. Bilateral trade between our two countries was amounted to USD 1 billion in 2018, which reflected the milestone and new chapter of Myanmar-Indonesia trade relations.

4.403. According to the Statistics for the year 2019-2020, Indonesia ranks the 8th major trading partner of Myanmar and the 13th major investor in the country.

4.404. We wish to commend and congratulate Indonesia for its firm commitment towards the multilateral trading system.

4.405. For instance, Indonesia has been, over the years, pro-active in WTO negotiations in the areas of agriculture, non-agriculture market access, trade and environment, trade facilitation, fisheries, e-commerce and investment facilitation for development, among others.

4.406. Most significantly, the WTO Ninth Ministerial Conference, held in Bali, Indonesia in December 2013, concluded on the milestone Trade Facilitation Agreement.

4.407. We are greatly impressed by the Vision 2045 of Indonesia, in commemorating the 100th anniversary of its Independence, to become an advanced, prosperous and developed Nation.

4.408. We are confident that with all its concerted efforts, Indonesia will achieve this goal by 2045.

4.409. We look forward to working closely with Indonesia in bilateral, regional and multilateral arena to the benefit of our peoples.

4.410. Before concluding, allow me to express our appreciation to H.E. Pak Hassan Kleib, H.E. Pak Syamsul Siregar and the Indonesian delegation for their active engagement and contribution during the TPR.

4.411. We also wish you all the best for a successful conclusion of the seventh Trade Policy Review.

JAMAICA

4.412. Jamaica is pleased to be participating in this Seventh Trade Policy Review of Indonesia, and wishes to extend, at the outset, a warm welcome to the distinguished delegation of Indonesia led by His Excellency Mr. Jerry Sambuaga, Vice Minister for Trade. In addition, we thank Indonesia for the presentation of its insightful and comprehensive Report. We further wish to convey our sincere appreciation to you Chair, to the WTO Secretariat, as well as to our discussant, Ambassador Villalobos Rodriguez of Mexico, for your valuable contributions to his process.

4.413. Jamaica commends Indonesia for the progress made since its last review in 2013. Despite external challenges, the Indonesian economy grew, during the reporting period, at an average of 5% per annum which was unprecedented for developing countries globally. This was as a result of the strong macroeconomic and fiscal policies pursued by the Government, as well as key structural reforms. In addition, actions taken by the Government to improve the investment climate, enhance industrial competitiveness, upgrade logistics efficiency, stimulate exports and to boost the services sector - which is the country's main economic driver, are also positively acknowledged. We note that based on these factors, the fall-out from the COVID-19 pandemic is expected to be a minimal 1%, with the Indonesian economy set to rebound by 5.3% in 2021.

4.414. Jamaica greatly values the bonds of friendship and cooperation which it shares with Indonesia. In the field of trade, Jamaica's major imports from Indonesia consisted primarily of food items, chemicals and manufactured goods. There is however strong interest to bolster the existing trade exchange with Indonesia, including through increased exports of Jamaican niche sauces, condiments and other food products, as well as through fostering enhanced collaboration in the agriculture, agri-business, and the Information and Communications Technology sectors.

4.415. As a result of Indonesia's positive economic performance and resilience, the country, which is the largest economy in Southeast Asia and 10th in the world in terms of purchasing power parity, was reclassified by the World Bank as an upper-middle income country in July 2020. As outlined in its national development Plan, Indonesia is also seeking to achieve developed country status by the time of its centenary celebration in 2045. We take positive note of the important role played by governmental policy and reforms, including in the area of trade, in providing an enabling environment and furthering Indonesia's growth and development objectives.

4.416. As a founding Member of the WTO, Indonesia has increasingly sought to fulfil its corresponding obligations and has remained actively engaged in the work of the Organization, including on issues relating to services, agriculture, fisheries and non-agricultural market access, among others.

4.417. Jamaica joins in congratulating Indonesia on the establishment of its National Committee on Trade Facilitation, as well as on its ongoing efforts to advance the implementation of the Trade Facilitation (TF) Agreement and its related provisions. We further note the progress made by the Indonesian Government to strengthen its domestic regime for the protection of intellectual property rights, including through the development of a database for genetic resources and traditional knowledge.

4.418. Indonesia has also been seeking to increase its participation in the negotiation of a range of bilateral and regional free trade agreements with key partners within ASEAN and beyond. However, more needs to be done to strengthen the openness of the Indonesian economy to international trade and to facilitate its enhanced integration into global value chains. We also note for commendation, the efforts undertaken by Indonesia, during the review period, to liberalize and streamline the regulatory and other aspects of its Foreign Direct Investment regime, and urge that these be continued.

4.419. In conclusion, Jamaica once more commends Indonesia on its report and extends best wishes to the delegation for a successful Review.

EGYPT

4.420. Egypt joins others in extending a very warm welcome to the esteemed delegation from Jakarta, headed by His Excellency Mr. Jerry Adhitya Ksatria Sambuaga, Vice Minister of Trade. We thank the Government of Indonesia and the WTO Secretariat for their comprehensive reports, as well as His Excellency Ambassador Angel Villalobos Rodríguez (of Mexico) for his insightful remarks as discussant.

4.421. Egypt wishes to highlight Indonesia's commendable macroeconomic performance during the review period. The WTO Secretariat's report indicates that Indonesia achieved strong annual GDP growth at an average of 5.1, while slashing inflation to less than half compared to 2013, reducing unemployment, narrowing current account deficits, and increasing foreign exchange reserves.

4.422. Much of this success owes to implementing sound macroeconomic policies coupled with several trade-related structural reforms to enhance productivity and competitiveness, including through improving the investment climate, accelerating infrastructural development and encouraging economic diversification. Also, the measures taken to help mitigate the adverse impacts of the COVID-19 pandemic in Indonesia, are also expected to contribute to the prospects for a sturdy recovery.

4.423. Egypt acknowledges Indonesia's continued commitment to the multilateral trading system. The WTO Secretariat's report highlights a few examples in this regard, such as ratifying the Trade Facilitation Agreement in December 2017 and implementing several relevant measures in conformity with the agreement. In addition, Indonesia continued submitting notifications regarding developments in its trade-related policies.

4.424. Moreover, Indonesia's commitment to the multilateral trading system is demonstrated by its constructive engagement in various WTO negotiations, as well as its leading role as the coordinator of the G33 in agriculture negotiations. Nonetheless, Egypt notes Indonesia's imposition of applied tariffs that exceed its bound tariffs for a number of tariff lines, and we encourage Indonesia to comply with its commitments under Article 2 of the GATT.

4.425. Egypt and Indonesia enjoy profound political, economic and cultural relations. Our strong commercial ties are reflected in steady values of bilateral trade. In 2018, bilateral trade exceeded USD 1.1 billion, with Egyptian non-oil exports to Indonesia witnessing a 19% increase compared to 2017. However, 2019 witnessed a slight dip in bilateral trade and Egyptian exports to Indonesia by 1.6% and 2.2%, respectively.

4.426. We believe that much potential remains untapped. In this context, Egypt invites Indonesia to review Regulation No. 39 of the Minister of Agriculture concerning Horticultural Product Import Recommendation, with a view to facilitate and accelerate the importation process, in order not to impose additional burden on exporters, especially from developing countries.

4.427. Egypt looks forward to strengthening bilateral cooperation between both countries, particularly through advancing commercial and investment relations, to mutually reinforce our development priorities.

4.428. Finally, Egypt applauds Indonesia for its impressive overall economic performance in recent years, and wishes its delegation a successful and fruitful Trade Policy Review.

BRUNEI DARUSSALAM

4.429. I would like to begin by welcoming the delegation from Indonesia, and in particular Vice Minister for Trade, Mr. Jerry Sambuaga, the head of delegation, for his presentation. I would also like to thank the Secretariat for preparing their detailed report, and H.E. Ambassador Ángel Villalobos Rodríguez, Ambassador and Permanent Representative of Mexico to the WTO, for the clear overview of both reports under discussion.

4.430. At the outset, Brunei Darussalam associates itself with the statement delivered by Malaysia on behalf of ASEAN.

4.431. Indonesia has achieved much during the period under review, which has led to a steady GDP growth of 5.1% from 2013–2019, a significant decrease in inflation to 3% by 2019, and the lowering of unemployment rates to 5% also by 2019.

4.432. As has been mentioned by others, Indonesia is “the world's fourth most populous nation, the world's 10th largest economy in terms of purchasing power parity, an emerging lower middle-income country, and the largest economy in Southeast Asia”. But for Brunei Darussalam, we know Indonesia as a close neighbour and friend.

4.433. Together, we have much in common from shared elements of our culture, language and history. We are also members of many of the same organizations such as ASEAN, the WTO, APEC, the OIC, NAM, the UN and many more.

4.434. Having shared goals and values has resulted in strong bilateral relations, and Brunei Darussalam and Indonesia have maintained high levels of cooperation across various sectors such as trade and investment, MSMEs, tourism, agriculture, marine and fisheries, health, labour, defense, transnational crimes, education, youth, culture and people-to-people contacts.

4.435. However, there is more potential to increase trade between our two countries as trade flow remains in Indonesia's favour. Specifically, exports from Brunei to Indonesia lowered to BND 52.4 million in 2019, while imports from Indonesia to Brunei increased to BND 178.3 million in 2019. In particular, Brunei Darussalam and Indonesia have strengthened cooperation in rice production in the past few years and a direct shipping line was also introduced in 2019 to expedite shipping durations and further boost trade between our two countries.

4.436. Regionally, we work closely together particularly as fellow ASEAN member States. Indonesia is not just one of the founding members of ASEAN, but in fact also suggested the name for our organization back in 1967, and this spirit of leadership is pervasive even today as they often lead the way in various activities of regional integration.

4.437. In particular, we would like to commend Indonesia for its leadership role during the RCEP negotiations, resulting in the signing of the FTA last month on the 15 November 2020. Some studies have shown that once implemented, RCEP could add USD 209 billion annually to world incomes, and USD 500 billion to world trade by 2030. The RCEP is therefore not just ASEAN's biggest free trade agreement, but is the biggest free trade agreement in the world, representing 30% of global GDP.

4.438. Brunei Darussalam shares Indonesia's commitment to the multilateral trading system, and to its views on the relevance of development elements as an integral part of the international trade, as well as of the importance of reform to maintain the WTO as the backbone of the multilateral trading system.

4.439. In this regard, Brunei Darussalam assures that we will continue to work together with Indonesia and the rest of the WTO membership on this, and to aid efforts to ensure a global economic recovery in response to the COVID-19 pandemic.

4.440. In closing, Brunei Darussalam would like to take this opportunity to recognize the contributions of Ambassador Hassan who will be leaving us soon, H.E. Miss Grata Werdaningtyas, H.E. Pak Syamsul Siregar and the rest of their team, as well as the Indonesian delegation appearing virtually from capital, and wish them all the best for a successful conclusion of this their 7th Trade Policy Review.

ZIMBABWE

4.441. Allow me to warmly welcome the Delegation of Indonesia led by Honourable Jerry Sambuaga, Vice Minister of Trade, to this 7th Trade Policy Review of his country. We are grateful to the efforts made by Indonesia in the preparation for this Review. We would also like to express our appreciation to the Secretariat and the discussant, H.E. Ambassador Rodríguez of Mexico, for their contribution to this review process.

4.442. Zimbabwe commends Indonesia for implementing a number of fiscal incentives, and demonstrated serious efforts in simplifying investment regulations and procedures to improve the investment climate, along with developing supporting infrastructure to facilitate a higher level of business activities.

4.443. Furthermore, we wish to commend Indonesia, since its last Review, for the country's demonstrated commitment to the multilateral trading system. During the review period, Indonesia improved its WTO commitments by ratifying the Trade Facilitation Agreement (TFA), an agreement which was reached on its beautiful island of Bali. At the same time, it continued to focus on strengthening regional economic integration ties, through the implementation, and participation in the negotiation, of several ASEAN agreements, including the Regional Comprehensive Economic Partnership (RCEP).

4.444. On the bilateral trade front, Indonesia and Zimbabwe have been engaged through an Economic and Technical Cooperation Agreement since 1992. We established a joint commission for bilateral cooperation in 2015, with a view to enhancing our bilateral cooperation.

4.445. Although bilateral trade is still relatively small, there is considerable potential in that area. Since 2012 to date, Zimbabwe has had negative trade balances with Indonesia. Although we had economic challenges in the recent years, major exports to Indonesia have included, during that time, tobacco and manufactured tobacco substitutes, iron and steel, ores, slag and ash and cotton. Imports from Indonesia include plastics and plastic articles, animal or vegetable fats and oils; prepared edible fats; animal, rubber and articles, special woven fabrics; tufted textile fabrics; lace; trimmings; embroidery and man-made staple fibres.

4.446. The products with greatest export potential from Zimbabwe to Indonesia are ferro-chromium, raw cane sugar, and cotton.

4.447. Zimbabwe is very keen to strengthen bilateral, commercial relations with Indonesia, and we are working to realize this vision between our two countries.

4.448. In conclusion, we wish Indonesia a successful Trade Policy Review.

DOMINICAN REPUBLIC

4.449. First of all, we would like to welcome the delegation of Indonesia, led by H.E. Mr Jerry Sambuaga, as well as other Members who are present today.

4.450. The Dominican Republic shares a close friendship and close trade links with Indonesia. Total trade between our countries has been growing in recent years. The main imports are tobacco products, paperboard, cellulose, furniture and furnishings, coffee and tea; the main exports are cocoa, cast iron products, tobacco products and medical products.

4.451. Sugar exports are of great importance in the recent economic histories of both countries. It should be pointed out that, in 2019, trade between our countries exceeded 100 million dollars for the first time.

4.452. At this seventh Trade Policy Review, we would like to congratulate Indonesia on its strong economic foundations, underpinned by an open economy that has enabled it to achieve an average annual GDP growth rate of 5.1% for the years reviewed, while also keeping inflation levels within the targets.

4.453. With regard to state of the Indonesian economy, the Dominican Republic notes with admiration that the country's foreign exchange reserves rose overall by around 30% during the review period, standing at 11.5% of GDP in 2019.

4.454. In November 2019, the Dominican Republic hosted the ninth meeting of the Foreign Ministers of the Forum for East Asia-Latin America Cooperation (FEALAC), in which 32 countries, including Indonesia, participated. This forum was an opportunity for our country to learn more about Indonesia's trade and investment policies.

4.455. Lastly, we would like to thank Indonesia for its timely reply to the questions submitted by the Dominican Republic.

NEPAL

4.456. First, my delegation would like to welcome the delegation of Indonesia under the leadership of H.E. Mr. Sambuaga, Vice Minister of Trade and would like to appreciate to him for the comprehensive opening remarks. My delegation would also like to extend sincere appreciation to H.E. Ambassador Rodríguez, Permanent Representative of Mexico to the WTO, for his insightful remarks as a discussant in this process. My delegation wishes to congratulate the Government of Indonesia for its comprehensive report and, also would like to commend the Secretariat for its detailed report of the trade policy of Indonesia.

4.457. While going through the reports, it is observed that Indonesia has taken remarkable forward steps to improve its trade and economic policies over the past few years.

4.458. Solid economic growth, sustainable development, good progress in job creation, reducing poverty in a single digit, significant reduction in inequality are some of the impressive achievement.

4.459. My delegation would also like to recall the historical moment of the WTO Ministerial Conference held in Bali in 2013 hosted by the Government of Indonesia where the Trade Facilitation Agreement was concluded. I sincerely appreciate the high level of commitment shown by Indonesia to the rule based multilateral trading system.

4.460. Nepal and Indonesia have been enjoying cordial relationship in various dimensions of socio-economic and cultural development since long back in particular since the Afro-Asian Conference of Non-Aligned Movement in Bandung in 1955 where both attended as founding members of NAM.

4.461. Our friendship has been further strengthened after establishing the diplomatic relation in 1960.

4.462. Such a relationship is not limited to government to government level but widely expanded to business to business as well as people to people level in all aspects of human life.

4.463. Nepal and Indonesia have been bound by commonality of culture and shared values. The bilateral relations are marked by strong friendship, goodwill and understanding between the two countries.

4.464. Nepal and Indonesia have been very cooperative and supportive to each other in regional and international forums.

4.465. Indonesia is one of the major trade partners of Nepal particularly in importing goods from abroad where Indonesia is the third largest exporter of goods in Nepal.

4.466. Based on the preliminary data available, Nepal imported various goods from Indonesia worth of 29.3 billion Nepali rupees in the year 2019. However, Nepal exported to Indonesia worth of only 130 million Nepali rupees in the same year.

4.467. This shows a huge trade gap between Nepal and Indonesia. This also indicates an availability of further opportunity to collaborate and work together both in trade and investment areas for our mutual benefit.

4.468. Nepal wishes to constructively engage to continue our partnership focusing on reducing the existing trade gap between us and strengthening our relation further.

4.469. My delegation wishes for a successful Trade Policy Review of Indonesia.

NEW ZEALAND

4.470. New Zealand welcomes the opportunity to comment on the seventh Trade Policy Review of Indonesia. Since its last review in 2013, there have been significant developments in the bilateral relationship. Most notably, New Zealand and Indonesia's relationship was elevated to a Comprehensive Partnership in 2018. As Comprehensive Partners, New Zealand and Indonesia's partnership continues to grow and strengthen in all areas of the relationship.

4.471. New Zealand's trade and investment relationship with Indonesia is robust. Indonesia is currently New Zealand's 15th largest trading partner. Indonesia and New Zealand have a total two-way trade of NZ\$2.38 billion. In 2016 our respective leaders set the ambitious goal of reaching a two-way trade target of NZ\$4 billion (IDR 40 trillion) by 2024. To reach this target, Indonesia and New Zealand will need to work together to reduce trade barriers and focus on trade recovery. A critical part of this is ensuring that effective and stable regulations are adhered to in a consistent manner. In unprecedented times as a result of COVID-19, it is more important than ever that we continue to remain committed to rules-based, free and open trade.

4.472. New Zealand and Indonesia have become recent signatories to the Regional Comprehensive Economic Partnership (RCEP). The successful implementation of RCEP will bring both New Zealand and Indonesia economic benefits.

4.473. New Zealand has raised questions during this review with regards to Indonesia's agricultural policies. We acknowledge the steps that have been taken by Indonesia towards improving agricultural trade settings and highlight the opportunity for increasing trade facilitating measures. We encourage Indonesia to strengthen reforms to remove barriers and to ensure that the processes and procedures are well-communicated, transparent and provide a commercially reliable setting for agricultural trade.

4.474. New Zealand acknowledges Indonesia's active engagement in the WTO negotiations on harmful fisheries subsidies. We hope we can count on Indonesia's ongoing and constructive participation to reach an agreement by end 2020, in accordance with the mandate set by Leaders in Sustainable Development Goal target 14.6. New Zealand also acknowledges the recent and significant steps Indonesia has taken to combat IUU within its EEZ. We also welcome Indonesia's 2019 notification of various fisheries domestic support measures under the GATT and ASCM. Notification of such measures makes an important contribution to increasing the overall transparency of fisheries support measures globally.

4.475. New Zealand congratulates Indonesia on undertaking significant policy changes of its domestic fossil fuel subsidies. We welcome Indonesia's commitment to increasing renewable energy to 23% out of its total energy mix by 2025 and 31% by 2050. New Zealand supports Indonesia's renewable energy goals and wants to help Indonesia achieve success.

4.476. New Zealand invites Indonesia to share its experience and information of its successful domestic fossil fuel subsidy reform with other WTO Members to advance discussions at the WTO aimed at achieving ambitious and effective disciplines on inefficient fossil fuel subsidies that

encourage wasteful consumption. We encourage Indonesia to become a signatory of the renewed WTO Joint Ministerial Statement on Fossil Fuel Subsidy Reform to be presented at the Twelfth Ministerial Conference. The Statement seeks the rationalization and phase out of inefficient fossil fuel subsidies that encourage wasteful consumption and take fully into account the specific needs and conditions of developing countries.

OMAN

4.477. We offer our heartiest welcome to the distinguished delegation of Indonesia headed by H.E. the Vice Minister of Trade of Indonesia and we thank him for an excellent and comprehensive opening statement.

4.478. Indonesia is an important Member of the WTO. The Sultanate of Oman enjoys excellent relations with Indonesia and both countries are members of Organization of Islamic Cooperation (OIC).

4.479. The volume of Indonesian investments registered in the Sultanate of Oman until 2019 in various sectors (trade, construction, real estate, services) amounted to 1.7 million OMR (USD 4.4 million).

4.480. The volume of trade exchange between the Sultanate of Oman and Indonesia for the year 2019 in exports was OMR 20.7 million (USD 53.8 million), and in imports was OMR 54.1 million (USD 140.7 million). We look forward to increasing our bilateral trade relations with Indonesia.

4.481. Oman congratulates Indonesia on its impressive achievements. Since its previous Trade Policy Review and prior to the COVID-19 pandemic, despite global challenges, Indonesia's relatively strong fundamentals and sound macroeconomic policy ensured solid growth and the resilience of its economy.

4.482. Indonesia has made efforts to encourage foreign direct investment by simplifying the foreign direct investment system in several areas, and has brought Indonesia's foreign direct investment system closer to international and regional levels of openness.

4.483. Indonesia has also successfully followed the policy of diversification of its economy. The Agriculture continues to play an important role in the economy. Fisheries' contribution to GDP increased slightly (2.8% in 2019), with aquaculture's importance and fish stocks on the rise. Mining and energy continue to make significant contributions to the economy. Manufacturing remains an important activity in terms of its contribution to the economy (20.5% of GDP in 2019) and exports (45.8% in 2019). The growth of the services sector is contributing to increased diversification and broad-based growth from 42.6% in 2013 to 46.1% in 2019.

4.484. The foreign trade regime of Indonesia is very liberal, open, transparent and predictable. It conforms fully to the principles and rules of the WTO. Indonesia made efforts to encourage FDI and brought Indonesia's FDI regime closer to international and regional levels of openness. More specifically, it included, inter alia, the opening of full foreign ownership business lines (maritime and fishery, energy and mineral resources, industry, public works, trade, tourism and creative economy, transportation, communication and informatics, and health). In addition, it removed the need for specific recommendation requirements from the relevant ministries for some business lines.

4.485. Indonesia also made main trade facilitation developments by implementing 80% of its commitments, and several changes to intellectual property (IP) laws and regulations.

4.486. Indonesia is faithfully adhering to the rules and disciplines of the WTO and is abiding by its commitments under the multilateral trade agreements. Its policies and practices have a positive impact on the functioning of the multilateral trading system.

4.487. To conclude, the Sultanate of Oman wishes Indonesia a very successful Trade Policy Review.

5 REPLIES BY THE REPRESENTATIVE OF INDONESIA AND ADDITIONAL COMMENTS

Introduction

5.1. It gives me great pleasure to be here again in our House to resume Indonesia's seventh Trade Policy Review meeting. I would like to start by expressing our thanks to Ambassador Aspelund as the Chairman of the TPR Body, and Ambassador Rodríguez of Mexico as our discussant, for a productive day-1 of Indonesia's Trade Policy Review two days ago. I also wish to thank the WTO Secretariat and translators for their supports of this Review.

5.2. I wish to thank all Member States who have shown their great interests in Indonesia, especially concerning the journey Indonesia has taken during the review period, some achievements and challenges therein, and the aspirations the Government of Indonesia has in order to bring the nation into a better future. It should be clear to us by now that Indonesia is a "moving picture," rather than a "snapshot," as this largest archipelagic country on earth is aspired to play a bigger role in the Global Value Chain, and therefore is willing to listen to Member States' inputs on how Indonesia may best achieve its aspiration.

5.3. As I mentioned two days ago, Indonesia received around 890 advanced questions from more than 30 Member States. As of today, Indonesia manages to respond to almost three fourth of those questions, and we will do our best to respond to the remaining ones within the timeframe agreed upon under the prevailing rules of the WTO.

Responses to Questions and Interventions by the Member States

5.4. We are pleased to note that the Member States offered positive remarks on Indonesia's solid growth and sustained development during the review period. We also welcome some concerns raised by Members on certain Indonesia's policies and measures, as well as some points for further clarifications.

5.5. We will reflect our responses in writing as we finalized our written answers to Members' questions. And this morning, I will focus on some issues that appealed to the attention of Members during our first-day meeting.

5.6. Some questions were raised on Indonesia's Law on the Assurance of Halal Products, particularly concerning the implementation of mandatory labeling requirements both for halal and non-halal products. As stated in our notification to the WTO in document G/TBT/N/IDN/123, the purpose of the Law is to provide halal assurance and guarantees on products consumed or used by the majority of the population.

5.7. According to the Law, products that are included in the compulsory halal category must be certified and labeled accordingly when entering or being circulated and traded in Indonesia's territory. Halal products that have been certified in Indonesia, or by officially recognized foreign halal institutions under the mutual recognition scheme with the Government of Indonesia, must have a halal label and registration number attached to the products or their packaging. Meanwhile, for non-halal products, there should be a picture, sign, or writing on the packaging to be noticed easily by Indonesian consumers that the products are not halal.

5.8. Significant numbers of Member States raised specific concerns on Indonesia's import licensing requirements which they claimed to be—in effect—a quantitative restriction on import of certain products into Indonesia. This notion is contrary to our objective regarding import licensing requirement, as mentioned in the Secretariat Report. The licensing is put in place for justified reasons that are allowed by the prevailing WTO rules pertaining to human and plant life and safety, environment, moral or religious, and culture as well as national security.

5.9. Indonesia believes that all these licensing requirements are necessary. And in the context of implementing the recently-adopted Omnibus Law on Job Creation, the Government of Indonesia will observe how such licensing requirements meet the administration of the law, which includes the principle of good regulatory practices; service level agreement; norms, standards, procedures, and criteria; and digitalization of government services.

5.10. We understand that Local Content Requirement is another area of particular interest to some Member States. We also noted that this particular issue has been raised several times at the regular meetings of the WTO Committee on TRIMs and the Council for Trade in Goods. To us in Indonesia, this is about encouraging domestic products to preserve jobs and support our industries. On this note, we are most interested in getting inputs from other Members on how we may learn from “the X-Country First Campaign”.

5.11. One Member State referred this issue to our bilateral talks, where it was noted that Indonesia will do a comprehensive review of the local content policies. But in view of the latest development in international trade where some Members ban the use or sales of this and that product from particular countries for a reason, Indonesia wishes to have an in-depth discussion in the context of trade and investment framework arrangement with that Member State on a without prejudice basis. The point my delegation wishes to get across is that we note and understand the concerns and objections, and we would like to learn from others on possible different routes of preserving jobs and supporting domestic industries at a time when others seem to do the same but in a more sophisticated way.

5.12. Indonesia would like to express its high appreciation for all the observations, comments, and questions from the Member States concerning the financial services in Indonesia. During the review period, Indonesia has made a series of reforms in the financial sector which includes insurance and reinsurance, electronic systems of data localization, as well as on fintech. We believe those reforms will ease global investors and businesses to expand their businesses in, and with, Indonesia in a sector we consider as a very important lubricant for the development of other sectors of our economy.

5.13. Some Members have shown specific interests in Indonesia's export tax being imposed on palm oil. On this, Indonesia wishes to explain that the tax is imposed only in the event of palm oil price goes beyond the benchmark. This is meant to prevent domestic inflationary pressure due to the scarcity of domestic supply for cooking oil and biofuel.

5.14. Some Members also conveyed their concerns regarding Indonesia's policy on the export prohibition on certain products, notably on mined raw materials. The policy is adopted to conserve exhaustible natural resources, and this is acknowledged as a general exception permitted by Article XX of GATT 1994.

5.15. We understand that there are some disciplines on the export ban to be observed. Only when certain conditions are met — temporary or otherwise — then a Member State could be allowed to prohibit the export of certain products. However, we observe that some countries have recently banned the export of certain products to other countries. The question we have is whether such an export ban is permitted under the prevailing provisions in the WTO.

5.16. Another perspective my delegation wishes to bring into our discussion under this topic is concerning the Global Value Chain. There should be no question that in the context of playing a role in the Global Value Chain, one should not compromise the importance of observing the principles of sustainable development. But how about the aspiration of climbing the ladder of the value chain? The operationalization of the concept of the Global Value Chain should not — at least to Indonesia — mean that a country should stay at the current, lower ladder of the chain. If you are producing raw materials, for example, nothing should prevent you to be aspired to process your raw materials into value-added intermediate goods. This is the way LDCs and developing countries could climb up the Value Chain and develop further their economies based on their own factors of an endowment. Perhaps this is something we could discuss in another forum, not in the context of the Trade Policy Review, but it is important for us to have a better understanding of this particular issue.

5.17. If I could touch on the next issue, this is about trade remedies. We observe that in the last 25 years of their existence, trade remedy instruments have been used at a tremendous growth rate, initiated by all countries: developed, developing, and least-developed ones. Indonesia's trade agenda of “keeping the economy open and keep opening the economy” has brought our economy to greater exposure to unfair practices of dumping by foreign companies and subsidization by foreign governments. As tariffs are lowered and foreign investment is welcomed, it becomes increasingly important for Indonesia to resort to the available measures under the WTO in order to counteract such unfair practices. What we are seeking is to provide a level of playing field for domestic industries

to compete on a fairer basis. Nevertheless, going forward, Indonesia is committed to using trade remedies more prudently and in compliance with the WTO Anti-Dumping Agreement, the WTO Agreement on Subsidies and Countervailing Measures, and the WTO Agreement on Safeguards.

5.18. Another area of particular interest in our Trade Policy Review is micro, small, and medium enterprises or MSMEs. Indonesia believes that there is no single panacea, "one-fits-all" kind of approach when it comes to the topic of supporting MSMEs and providing the right eco-system for them to benefit from an increasingly globalized world. We have no common approach to MSMEs, whether we should look at their assets or number of employees. Clarity on this is a key — if not "the key" — to develop multilateral cooperation to support MSMEs around the globe.

5.19. This is not to say that Indonesia has not paid special attention to our MSMEs. It is on the contrary. The Government of Indonesia has developed some programs to allow further the development of our MSMEs in a faster way. In the past, our focus was mainly on the provisions of training, financing, and promotions to enter national, regional, and international markets. However, the COVID-19 situations have prompted the Government to provide digitalized supports and facilitate our MSMEs to digitalize their businesses.

5.20. The Government of Indonesia is now focusing on three pillars of MSMEs development. These pillars are improving MSMEs' capacity and competency including mobile digitalization; providing MSME-friendly financing institutions; and enhancing stronger coordination amongst ministries and agencies to establish the right eco-system for MSMEs. Under these three pillars, we develop six strategies, 18 action plans, and 75 activities to support our MSMEs. This year we are targeting 2,500 MSMEs in 18 Provinces focusing on around 20 MSME products and sectors.

5.21. Some Member States made interventions on the limited integration of our economy into the Regional and Global Value Chains. I think it is true in the sense that our engagement in Regional and Global Value Chains is dominated by a forward linkage rather than a backward linkage with other countries. And there are some limitations on us to tilt the balance more toward the backward linkage. These limitations are in terms of capacity to process our own resources, investment in high-tech industries including in research and development, and the number of workforces with higher degrees of education, to name just a few.

5.22. Notwithstanding, there is a sign of improvement, and this is being heightened by overall good macro-economic performance in recent years which have attracted foreign businesses to do business with and in Indonesia. This brings me to my last point that I wish to mention briefly this morning.

5.23. Like all the other participating countries, Indonesia cherishes the signing of the Regional Comprehensive Economic Partnership or RCEP Agreement on 15 November 2020. The objective of the Agreement is to establish a modern, comprehensive, high-quality, and mutually beneficial economic partnership that will facilitate the expansion and deepening of regional trade and investment and contribute to global economic growth and development.

5.24. During the negotiation, we developed common rules that are based on what we already have under the existing ASEAN + One FTAs. We agreed to address the issue of "spaghetti-bowl effects" thus allowing exporters or producers in the region to export their products simultaneously to all other RCEP countries without being bothered by multiple Certificates of Origins. We synthesized various rules on customs facilitation; SPS; product specific rules; and STRACAP — which stands for standards, technical regulations, and conformity assessment procedures; an improvement on trade in services' commitments; on Investment; IPRs and others.

5.25. Indonesia regards the RCEP as a platform to deepen and expand our role in the Regional Value Chains. We also see the potentials to capitalize on the spill-over effects from an FTA between RCEP participating countries with non-RCEP participating countries, thus bringing Indonesia deeper into the Global Value Chain.

5.26. The RCEP Agreement will enter into force on the date when the agreed threshold is met. Such threshold is six ASEAN Member States and three ASEAN partners notify the ASEAN Secretariat on the completion of their respective ratification process of the Agreement. Needless to say that there is new enthusiasm and hope amongst the 15 Members of RCEP that this mega-regional FTA, the largest one in the world, will provide Members with a speedy recovery from COVID-19, build

confidence in trade, become the pulling power toward the restoration of global economic growth, and contribute to the enhancement of the multilateral trading system under the WTO where all Members can fairly benefit from the system.

Conclusion

5.27. To conclude, allow me to assure Members that Indonesia will continue its unwavering support to the multilateral trading system under the auspices of the WTO. In fact, we are a strong believer in the WTO and the system it establishes. We also believe that in order for our House to remain credible and relevant to today's world, we need to start reforming the WTO. We can do it through a step-by-step approach, restoring Members' trust and confidence, not to rush and not to adopt the "Christmas-Tree Approach". On this note, Indonesia is ready to contribute to the reform process, to address the flip side of the existing Agreements, rules, and procedures, and to bring new hopes to the multilateral trading system. "It takes two to Tango," they said. But it should take the whole Members of the WTO to bring the multilateral trading system into its new era.

5.28. On behalf of my country, Indonesia, allow me to once again thank all Members for your active and constructive participation in Indonesia's seventh Trade Policy Review. Our gratitude goes to the Chairman, Ambassador Aspelund, and our discussant, Ambassador Rodríguez. I also wish to thank all the staff of the WTO Secretariat including our translators for providing support to Indonesia's seventh Trade Policy Review. I wish you all a safe Merry Christmas and Happy Holiday Seasons. I thank you, Mr. Chairman.

DISCUSSANT

5.29. Thank you very much, Mr Chair. Good morning, everyone.

5.30. We have certainly had very productive exchanges over the course of the current review. The interventions by Vice Minister Sambuaga have served to contextualize some of Indonesia's trade policies within its development strategy, and offered us an update on legislative changes which, with due implementation, are poised to address some of the concerns raised by Members.

5.31. We appreciate the valuable comments made recently by the Vice Minister, as well as his willingness to discuss certain matters that were raised by Members.

5.32. Particularly noteworthy are the Vice Minister's comments on the Omnibus Law on Job Creation. It is hoped that this Law shall have a positive impact on trade with Indonesia, both directly and indirectly.

5.33. The 890 questions sent by Members and the participation of over 40 delegations in the session the day before yesterday reflect the importance of trade for many of the economies, and trade with Indonesia in particular.

5.34. The interventions by the delegations complemented and reiterated the matters raised in the questions received. Certain Members appreciated the timely response to their questions prior to the virtual session, while others have not yet received a response and hope to do so shortly, as the Vice Minister today stated would be the case.

5.35. Based on Members' interventions, we are able to conclude that there was a consensus in acknowledging Indonesia's remarkable macroeconomic performance during the review period: economic growth above 5%, low inflation, strong fiscal accounts, and no significant external imbalances. This is a performance that many of our economies would certainly be right to envy.

5.36. Moreover, the results in reducing unemployment and poverty and inequality levels were also recognized.

5.37. Indonesia's intensive agenda to expand its network of regional agreements was recognized, as were its leadership in the region to strengthen ASEAN and finalize the RCEP and its proactive role in the G20 and APEC. A number of Members also highlighted Indonesia's valuable work at the multilateral level through its participation in joint initiatives and its leadership in agriculture and various matters relating to WTO reform. Given its experience on the topic, Indonesia was invited to

reconsider its incorporation into the Joint Initiative on Micro, Small and Medium-Sized Enterprises and the Agreement on Government Procurement. We appreciate what the Vice Minister has just expressed regarding Indonesia's approach to MSMEs and its current action, which reiterates how valuable it would be for the country to participate in the WTO Joint Initiative.

5.38. Continuing with positive aspects that were heard during the session, a number of Members acknowledged Indonesia's progress in modernizing various aspects related to trade, investment and the business environment. Progress was recognized in, *inter alia*, transparency, the fight against corruption, trade facilitation, the significant development of the single window, simplification of procedures, improvements to the standards and intellectual property systems, enhancements of competition and government procurement procedures, and increased flexibility for FDI in some sectors.

5.39. On the other hand, during their interventions, Members reiterated and elaborated on concerns relating to a number of issues that they consider to be detrimental to trade, yet that may be improved on. It was argued that some policies and/or measures may limit Indonesia's ability to comply with its WTO commitments.

5.40. Based on Members' comments, it can be said that the following three issues caused most concern: (i) tariff increases on some agricultural and industrial products; (ii) the implementation and operation of import licensing for an increased number of tariff lines, on which we received this morning some comments from the Vice Minister; and (iii) the frequent use of anti-dumping and safeguard measures, the purpose of which, as the Vice Minister mentioned today, is for the country to defend itself from unfair competition. He also mentioned that they are willing to adopt a more cautious approach to these mechanisms.

5.41. Furthermore, reference was made to import pre-verifications, prohibitions and taxes on certain exports, and local content requirements, which was also discussed by the Vice Minister today. This local content is associated with both government procurement and the development of certain industries. Reference was also made to the low percentage of international standards, the excessive involvement of state-owned enterprises in the economy, the opacity with regard to regulatory determinations, and the need for greater flexibility towards FDI in certain sectors. It was suggested that investment-related trade measures and those relating to quantitative restrictions be notified.

5.42. In his initial intervention and in his intervention from today, Vice Minister Sambuaga expressed Indonesia's willingness to address the concerns raised by Members and also stated that, due to its content, the Omnibus Law on Job Creation is his government's direct response to the concerns of the private sector, both domestic and international, regarding the uncertainty and high-cost economy.

5.43. Some Members welcomed the new legislation and expressed the need for the implementation of this legislation to result in an improvement in the business environment that would facilitate the capitalization of trade and investment opportunities in Indonesia.

5.44. For those of us that have participated in this exercise, it is certainly clear that, despite the ongoing global economic and health crisis, Indonesia's economy during the review period has shown successful growth and is facing up to the challenge of its modernization, seeking how to optimize the benefits of its integration into global trade and investment flows.

5.45. One important aspect of this challenge is to reconcile its inward development agenda with its growing international commitments. The country has to move forward in its planned stages of development with the appropriate dose of internationalization based on an agreed legal framework. There is no single recipe for success, yet many ways of not achieving such a goal.

5.46. It is certain that with the pragmatism, prudence and leadership shown by Indonesia, its economy shall continue to represent a success story, increasingly underpinned by its external sector.

5.47. Indonesia shall continue to be a valuable supporter of the multilateral trading system. It has been a privilege to be part of Indonesia's TPR and to have gained a close-up of its successful development efforts, which has been rather enriching.

5.48. I wish the Vice Minister of Indonesia a safe and healthy return. I extend my congratulations to his delegation and wish everyone a good day. Thank you, Mr Chair.

EUROPEAN UNION

5.49. On behalf of the EU, let me first thank Indonesia for the comprehensive overview presented on Tuesday of the main trade and economic developments that occurred during the review period and for the statement this morning addressing some of the issues raised on the first day.

5.50. The EU welcomes the useful insights that this Review has provided into Indonesia's ongoing and planned policies and initiatives to foster economic growth, enhance its integration into global supply chains and strengthen its regulatory environment.

5.51. The EU hopes that the comments received by the WTO Members will support Indonesia in further reviewing and reforming its trade policies, addressing the challenges and the shortcomings highlighted by many delegations on Wednesday.

5.52. To this respect, the EU would like to underline that the introduction of cumbersome import procedures (affecting a broad number of products from food and beverage to textile and footwear, toys and electronics) with the stated objective of curbing imports and supporting domestic industry is in striking contrast with the letter and spirit of the WTO Agreement. This policy also negatively affects the business climate and reduces the attractiveness of Indonesia as a destination for foreign direct investments.

5.53. Moreover, the EU is concerned about the increasing number of safeguard measures introduced by Indonesia and affecting legitimate trade. Safeguard is an emergency and temporary measure to allow domestic producers to adjust to the surge on trade flows. We consider that Indonesia should rather use country specific trade defence instruments that do not affect unnecessarily all countries of origin.

5.54. Finally, we note that a considerable number of EU (and other Members') questions remain completely or partially unanswered by Indonesia. Together with the Government and Secretariat reports, the questions and replies are an essential part of the Trade Policy Review process. While we understand that the time for the answer was rather short for such a big number of questions, we are looking forward to receiving more detailed answers within the prescribed timeframe, including to the follow-up questions submitted today. In this regard, the EU would encourage Indonesia to consider using the alternative timelines for its next TPR, allowing for more time to reply to the questions as well as for providing other Members the possibility to review the replies in advance of the meeting.

5.55. In conclusion, the EU would like to thank the delegation of Indonesia for undergoing this important transparency exercise in a virtual format and in spite of challenging circumstances, thus demonstrating Indonesia's commitment to the WTO. We are confident that our good cooperation will continue and will contribute to a sustainable socio-economic recovery from the pandemic and to economic growth.

UNITED STATES

5.56. The United States would like to thank Indonesia's Vice Minister of Trade, Jerry Sambuaga, the discussant, Ambassador Villalobos, and the rest of the delegation for their participation in Day One, and for their efforts to prepare for the Trade Policy Review.

5.57. That said, the United States notes that Indonesia did not submit their responses to the questions to the TPRD until 10:00 am on Day One of the TPR. As a result, Indonesia's replies to advanced written questions were not released to Members until after the end of Day One's discussion, significantly reducing the time allotted to pose follow-up questions. As was noted in this morning's opening statement, Indonesia has responded to only three quarters of the questions posed by Members, falling short of our expectations of any Member under review in the TPRB. We note that Indonesia is the second ASEAN member in short order to fail to respond to Members' questions in a timely manner. We hope that there is not a false understanding within the ASEAN members that the TPR questions and response process is optional. Moreover, the United States would also like to

point out that, in many cases, Indonesia did not sufficiently respond to questions that had been submitted. We would like to highlight some of those instances, and we urge Indonesia to fully address these matters today and in response to Members' follow-up questions.

5.58. For example, the United States asked Indonesia to provide a timeline on when it plans to notify the WTO on TRIMs, pre-shipment inspection, and quantitative restrictions, which are still outstanding. We also asked for an explanation as to why 116 notifications notified to the WTO Committee on Sanitary and Phytosanitary Measures were implemented before the 60-day period for comments had closed.

5.59. Indonesia's responses gave no indication of when their outstanding notifications would be made, nor did they explain why so many measures were implemented before the comment period had closed. We ask Indonesia to fulfill its transparency obligations in these areas, and notify future relevant measures and regulations in a timely manner.

5.60. We are concerned that measures adopted by Indonesia to stimulate the growth of particular local industries risk having serious negative impacts in global markets. In the steel sector, for example, ongoing measures are causing distortions in the global price of a key steelmaking ingredient, of which Indonesia is a major supplier, while artificially promoting increased Indonesian production and exports of steel at a time of already massive global oversupply.

5.61. We also note that many WTO Members, in addition to the United States, have voiced concerns about Indonesia's local-content requirements (LCRs). Again, many of Indonesia's responses to such questions did not address what had been asked. We were disappointed to learn that, despite the broad concern among WTO Members about this topic, Indonesia indicated that it had no plans to remove any of the LCR regulations in the near future. We remind Indonesia of the long-standing and predominately negative evidence of the impact of LCRs on economic development and trade. We urge the Government of Indonesia to carefully examine its obligations under the WTO Agreement on Trade Related Investment Measures (TRIMs), reconsider the measures that have been flagged by Members, and promptly and fully respond to the questions posed to it during the TPR, in the TRIMs Committee and the Council for Trade in Goods.

5.62. We reiterate our desire to see Indonesia fully embrace trade and economic liberalization, and consider its pursuit of agricultural self-sufficiency and associated import-restricting policies. As we mentioned on Day One, such policies can have unintended and negative impacts on food security, nutrition, and economic opportunity, particularly for a country's most vulnerable populations. We will continue to engage Indonesian representatives, here in Geneva and in Jakarta, to resolve our concerns in these areas. We look forward to close cooperation with Indonesia, bilaterally and in the WTO, in this regard.

5.63. Lastly, we call on Indonesia, once again, to no longer seek special and differential treatment in current and future WTO negotiations, and we stress the significance this decision would have on ensuring that the WTO remains a viable forum for meaningful trade negotiations.

5.64. Again, we thank the delegation of Indonesia for their participation in this Review, and we thank the Secretariat and the discussant for their valuable support and insights.

JAPAN

5.65. Let me first thank the delegation of Indonesia for the comprehensive overview presented last Wednesday of the main developments that have taken place since the last Review, as well as for the statement this morning that addressed some of the issues raised by the Members on the first day.

5.66. Japan also appreciates this opportunity to discuss and better understand the development of Indonesia's trade policy and practices since the previous TPR. Japan hopes that Indonesia will duly take into account the challenges highlighted by Members including Japan during this review.

5.67. In addition, Japan thanks Indonesia for the reply to our advanced written questions. However, Japan notes that Indonesia did not provide a sufficiently comprehensive reply to our questions, including those on import licensing, safeguards, and export and import prohibitions. We would therefore like to urge Indonesia to address these matters and provide a fully comprehensive

response to our questions. Especially, Japanese companies have suffered serious negative impacts due to Indonesia's safeguard measure on carpets. We hope Indonesia will take this concern seriously and look forward to receiving Indonesia's sincere responses in due course.

5.68. Finally, Japan would like to wish Indonesia a successful TPR and extends its appreciation to the Indonesian delegation for their efforts to prepare for this review, especially under the current circumstances.

UNITED KINGDOM

5.69. The United Kingdom appreciates Indonesia's active participation in their seventh Trade Policy Review, under the leadership of the Honorable Jerry Sambuaga, Vice Minister of Trade and with the excellent support of the Mission of Indonesia. We would also like to join other delegations in stating our appreciation for Indonesia's active involvement in the Joint Statement Initiatives on e-commerce and investment facilitation for development.

5.70. We thank Indonesia for the answers that they have provided to date to the questions raised by the UK in advance of this TPR. We note that four of the questions that we had submitted have not yet been answered. In addition, we have submitted follow up questions on halal certification and on patents.

5.71. We look forward to receiving detailed answers to these questions within the usual timeframe.

5.72. The United Kingdom values our cooperation with Indonesia at the WTO, and our joint efforts to enhance bilateral trade. We extend our best wishes to the Indonesian delegation for the successful conclusion of this Trade Policy Review.

H.E. MR. JERRY SAMBUAGA (HEAD OF DELEGATION)

5.73. We really appreciate all the comments, inputs, and also all the expressions made by some delegates, particularly the United States, the United Kingdom, Japan and the European Union. And we wish to fulfill all the answers in written format, and we will comply and process as soon as possible, and we are looking forward to it.

6 CONCLUDING REMARKS BY THE CHAIRPERSON

6.1. Despite the COVID-19-related meeting constraints, the seventh Trade Policy Review of Indonesia has offered us a good opportunity to deepen our understanding of recent developments in, and challenges to, its trade, economic, and investment policies. Since its last TPR in 2013, Indonesia's initiatives to maintain its position in the Multilateral Trading System and take advantage of the opportunities it offers have been greatly appreciated. Indeed, the 900 advance written questions submitted by 32 Members and the 43 delegations that took the floor during the first and second day underline the importance attached by Members to Indonesia's trade and investment policies and practices.

6.2. I would like to thank Indonesia's delegation, led by the Vice Minister of Trade at the Ministry of Trade, H.E. Mr. Jerry Sambuaga, for being physically present at this meeting and for its active participation in this exercise. Also, I would like to thank our discussant H.E. Ambassador Ángel Villalobos Rodríguez, Permanent Representative of Mexico to the WTO, for his insightful remarks, and all the delegations that took the floor for their valuable contributions to this Review.

6.3. Members commended Indonesia's sound macroeconomic policies and strong fundamentals that continued to ensure solid economic growth despite current global challenges. Economic growth was largely driven by domestic demand, and ensured economic resilience, low inflation and unemployment levels and enabled Indonesia to reach upper-middle income status for the first time in 2020. Indonesia's efforts to minimize the negative impacts of the COVID-19 pandemic, including on global supply chains and the free flow of essential goods, were acknowledged. Members welcomed Indonesia's trade-related structural reforms focused on improving the business environment, attracting foreign investment and developing infrastructure as well as efforts to improve transparency and address corruption. Members appreciated regulatory and institutional reform initiatives under the Economic Policy Packages (EPP) and welcomed the recent enactment of the Omnibus Law on Job Creation, which drew particular attention. To benefit more fully from global trade and value chains, Indonesia was encouraged to continue with productivity-enhancing structural reforms by, inter alia, further addressing transparency in policymaking, regulatory uncertainty, investment restrictions and the significant role of SOEs.

6.4. Members praised Indonesia for its active participation in the Multilateral Trading System and its improved commitments through the ratification of the Trade Facilitation Agreement whose full implementation was still under way. They commended its leading role in the WTO agriculture negotiations, as well as its active participation in the fisheries subsidies negotiations, the Joint Statement Initiatives on investment facilitation and e-commerce, as well as its support for the full implementation of the Buenos Aires Declaration on Women's Economic Empowerment. Furthermore, Indonesia was encouraged to, inter alia, accede to the Government Procurement Agreement, and participate in the Joint Statement Initiatives on services domestic regulation and MSMEs, as well as to continue actively engaging in discussions on the future of the WTO. Indonesia's role at the G20 and G33 groupings, as well as its ASEAN leadership were appreciated. Members also referred to Indonesia's increased focus on RTA initiatives including its participation in the Regional Comprehensive Economic Partnership (RCEP) and its impact on the Multilateral Trading System. Involvement in dispute settlement cases was noted and Indonesia was, inter alia, urged to contribute to the smooth running of relevant procedures. Members also highlighted its WTO notification record and encouraged it to address certain pending notifications.

6.5. Members commended Indonesia's commitment to greater trade facilitation and connectivity through its Authorized Economic Operator (AEO) programme, the ASEAN Single Window, as well as the ASEAN Wide Self Certification scheme and the ASEAN Customs Transit Systems, both of which went live in 2020. The increase in the average applied MFN tariff rate, tariff peaks and complex tariffs were noted; at the same time, Indonesia was urged to rectify tariffs exceeding their WTO bound level. Persisting frequent recourse to anti-dumping and safeguard action was noted. Members requested Indonesia to prevent the impact of non-tariff measures on a wide range of items of interest to them, including trading rights limitations, prior import verification requirements, import licences, local content requirements, domestic manufacturing requirements, export prohibitions, export restrictions, export taxes, and the use of standards and SPS measures. Members recalled that the adoption of TBT and SPS measures, notably relating to halal products, horticultural products and fresh foods, must take place in a manner that is compatible with multilateral disciplines. Concerns over the potential impact of the Halal Product Assurance Law and its implementing regulation were

expressed and further explanations were requested. Members commended Indonesia for ratifying various IP treaties and strengthening its domestic IP regime.

6.6. Some other issues were also raised by certain Members. The recent and significant steps to combat IUU fishing were commended. Some Members congratulated Indonesia on policy changes to its domestic fossil fuel subsidies. On services, questions were asked about the impact of new telecommunications regulations in improving access to infrastructure and developing telecommunications services. Some Members urged Indonesia to remove market access barriers faced by foreign financial services firms and address restrictions on foreign-owned shipping and insurance companies in the transport of certain commodities.

6.7. The above are some of the key issues that had emerged in our discussion. I hope that the Indonesian delegation will consider and further reflect on these issues and on the many constructive comments, both broad and detailed, that it has received during this Review. Members look forward to receiving the answers from Indonesia to any outstanding questions within one month, at which point the Review will be successfully concluded.
