



**Asia-Pacific  
Economic Cooperation**

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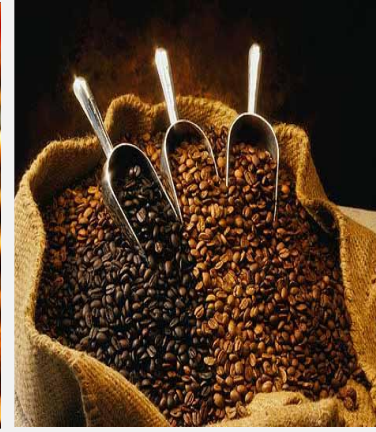
**2014/CTI/WKSP7/004**

## **Safeguards Measure in Indonesia**

Submitted by: Indonesia



**Workshop on Provisions of Regional Trade  
Agreements and Free Trade Agreements in the  
Asia-Pacific Region Concerning Safeguards,  
Including Transitional Safeguards  
Surabaya, Indonesia  
10-11 June 2014**



# SAFEGUARDS MEASURE IN INDONESIA

Perdagangan Sebagai Sektor  
Penggerak Pertumbuhan dan  
Daya Saing Ekonomi, serta  
Penciptaan  
Kemakmuran  
Rakyat

**remarkable  
indonesia**

APEC Workshop on Provisions of RTAs/FTAs in the Asia-Pacific  
Region Concerning Safeguards, including Transitional  
Safeguards

SURABAYA, 10-11 JUNE 2014

- THE LEGAL BASIS
- THE PROVISION
- THE PRACTICE
- RELATIONSHIP WITH RTAs/FTAs
- CONCLUSION

## Domestic Law

- Law No.7/1994 on the Ratification of Marrakesh Agreement Establishing the WTO
- Government Regulation No.34/2011 on Anti-Dumping Measure, Countervailing Measure, and Safeguard Measure
- Minister of Industry and Trade Regulation No. 85/2003 on Procedures and Requirements for the Application of Safeguards Investigation

## International Law

- Article XIX of the GATT
- Agreement on Safeguards
- RTAs/FTAs
  - ✓ ATIGA
  - ✓ AK-FTA
  - ✓ AI-FTA
  - ✓ AC-FTA
  - ✓ AANZ-FTA
  - ✓ IJ-EPA

- Safeguards measure is imposed following a determination of:
  - increased imports, absolute or relative to domestic production
  - domestic industry produces like or directly competitive products suffers, or is threatened to suffer, serious injury because of the increased imports
  - unforeseen development
- Form of safeguards measure:
  - additional import duty; and/or
  - import quota

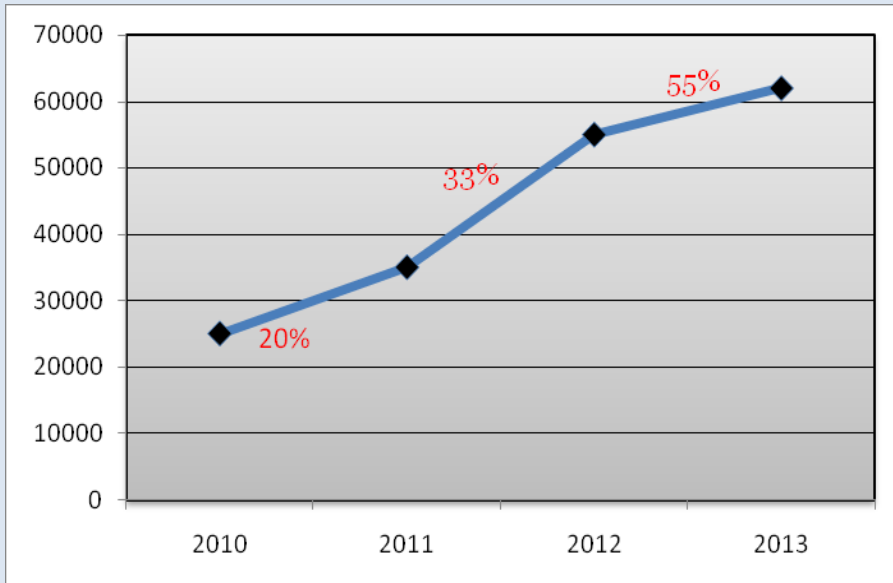
- Safeguards measure is imposed after an investigation conducted by Indonesian safeguards committee
- The investigation can be initiated based on an application from the domestic industry or on the initiative of the committee
- The application must contains sufficient evidence and supported by documents describing increased import and serious injury or threat of serious injury

- Domestic industry is defined as producers as a whole of the like or directly competitive products operating in Indonesian territory, or those whose collective output of the like or directly competitive products constitutes a major proportion of the total domestic production of those products
- Confidentiality of the documents submitted in a safeguards investigation
- Safeguards measure is only applied to the extent necessary to prevent or remedy serious injury suffered by, and to facilitate adjustment made by, domestic industry

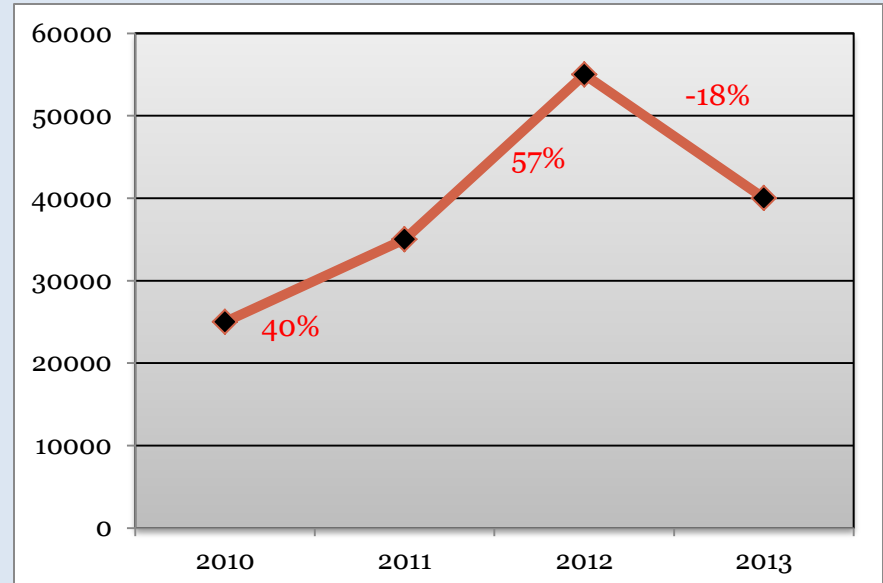


# The Practice

- Increased imports



Description	2010	2011	2012	2013
Volume (Ton)	25.000	30.000	40.000	62.000
Growth (%)		20	33	55
Average Growth (%)	36%			



Description	2010	2011	2012	2013
Volume (Ton)	25.000	35.000	55.000	40.000
Growth (%)		40	57	-18
Average Growth (%)	26%			

- Like products are determined according to the products:
  - characteristic
  - function and usage
  - quality
- Serious injury  
overall injury which has been experienced by domestic industry
- Threat of serious injury  
injury which might only suffered much less but there's indication that it will become overall injury based on fact not prediction or mere claim

- Serious Injury and Threat of Serious Injury

INDICATOR	SERIOUS INJURY	THREAT OF SERIOUS INJURY
Domestic Sales Volume	Decline	Decline
Production Volume	Decline	Stable
Productivity	Decline	Stable
Stock	Incline	Incline
Capacity utilization	Decline	Stable
Labor	Decline in numbers	Not necessary a decline in numbers
Profit/Loss	Loss	Profit declining

- Major proportion for the application of safeguards investigation constitutes of 51% or more of total national production
- The application must contains at least:
  - Description of the increased imported product, including its HS Code
  - Information concerning the state of serious injury or threat of serious injury suffered by the applicant
- Basic principle in the investigation process: transparent, objective, and impartial

- The needs to regulate safeguards measure in RTA/FTA come from the negative effect of (further) tariff reduction which may occurs
- Mostly the additional duty for safeguards measure cannot be in excess of an applied MFN tariff
- Provisions of safeguards measure in RTA/FTA complements the general provision of safeguards measure in Indonesia

- The provisions of Safeguards measure as well as the practices of safeguards investigation and imposition in Indonesia are the same with those governed in WTO and international practices
- Provisions of safeguards measure in RTA/FTA complements the general provision of safeguards measure in Indonesia

**THANK YOU**