

PRESS RELEASE

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KPPI Stops Safeguard Measure Investigation Import of Artificial Filament Yarn

Jakarta, September 2, 2024 – The Indonesian Trade Safeguards Committee (KPPI) on Friday (30/8) terminated the investigation into trade safeguard measures *against* imports of artificial filament yarn. The commodities in question have harmonized system *(HS)* code numbers 5403.10.00, 5403.31.10, 5403.31.90, 5403.32.90, and 5403.41.90 according to the 2022 Indonesian Customs Tariff Book (BTKI). The decision to terminate the investigation was based on the results of the investigation which concluded that imports of artificial filament yarn could not be subject to trade safeguard measures.

KPPI Chair Franciska Simanjuntak explained that the conclusion was reached because there is no domestic industry that produces artificial filament yarn in the domestic market. "From the investigation, we know that there is no domestic industry that produces artificial filament yarn in the domestic market. Therefore, imports of artificial filament yarn cannot be subject to trade security measures," said Franciska.

Franciska said, there are three things that underlie the conclusions drawn. First, Attachment I in letter Number B/363/IKFT.5/IND/VII/2024 from the Ministry of Industry on July 24, 2024 regarding the submission of data and information on artificial filament yarn and woven fabrics from artificial filament yarn. Second, data from the Ministry of Industry based on the Indonesian Standard Classification of Business Fields (KBLI) 20301. Third, KPPI's visit to the Center for Standardization and Service of the Textile Industry on July 25, 2024.

"From the results of the Safeguard Import Duty (BMTP) investigation and field verification of the import of artificial filament yarn, it was concluded that the 10 applicant companies listed in the initial evidence of the application only produce artificial staple yarn; not artificial filament yarn. Staple yarn is not a similar item or a product that directly competes with artificial filament yarn. The machines used in producing artificial staple yarn cannot produce artificial filament yarn because they have different production processes," said Franciska.

The TPP investigation into imports of artificial filament yarn goods began on October 27, 2023. This investigation follows up on an official request submitted by the Indonesian Textile Association (API) representing 10 companies on September 18, 2023. API asked KPPI to investigate trade *safeguard measures* on imports of filament yarn goods artificial. Based on data from the Central Statistics Agency in 2020, the amount of imports of artificial filament yarn products was 1,191 tons, in 2021 it increased by 51 percent to 1,804 tons, then in 2022 it increased by 48 percent to 2,676 tons, and in 2023 it decreased by 11 percent to 2,371 tons. In terms of trend, the amount of imports of artificial filament yarn goods during 2020-2023 increased by 28 percent.

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Committee on Safeguards

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INFORMATION TO BE NOTIFIED TO THE COMMITTEE WHERE A SAFEGUARD INVESTIGATION IS TERMINATED WITH NO SAFEGUARD MEASURE IMPOSED

INDONESIA

Artificial Filament Yarn

The following communication, dated and received on 2 September 2024, is being circulated at the request of the delegation of Indonesia.

Pursuant to Article 12 of the WTO Agreement on Safeguards, the Republic of Indonesia hereby wishes to notify the Committee on Safeguards that its competent Authority terminated a safeguards proceeding concerning increased imports of Artificial Filament Yarn without adopting a safeguard measure.

1. Description of the subject goods

Artificial filament yarn under Harmonized System (HS.) Code 5403.10.00, 5403.31.10, 5403.31.90, 5403.32.90, and 5403.41.90 according to Indonesia Customs Tariff Book 2022.

2. The date of initiation

The investigation initiated on 27 October 2023.

3. The WTO document containing the notification of initiation

G/SG/N/6/IDN/41 on 1 November 2023.

4. The date on which the investigation was terminated

The investigation was terminated on 30 August 2024.

5. The reason for termination

Based on the result of investigation, the Domestic Industry does not produce like or directly competitive products with the Subject Goods. Investigation Authority concluded to terminate the investigation.

6. Reference for the published notice of termination

Published in Bisnis Indonesia daily newspaper on 30 August 2024.

THE INDONESIAN SAFEGUARDS COMMITTEE

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