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Committee on Safeguards

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**NOTIFICATION UNDER ARTICLE 12.1(B) OF THE AGREEMENT ON
SAFEGUARDS ON FINDING A SERIOUS INJURY OR THREAT
THEREOF CAUSED BY INCREASED IMPORTS**

NOTIFICATION OF A PROPOSAL TO IMPOSE A MEASURE

INDONESIA

Fabrics

The following communication, dated 28 February 2020, is being circulated at the request of the delegation of Indonesia.

Pursuant to Articles 12.1(b) of the Agreement on Safeguards, the Government of the Republic of Indonesia submits a notification on finding serious injury or threat thereof, to the domestic industries producing "Fabrics" and a notification of proposed safeguard measures. This notification contains all pertinent information relating to the proposed safeguard measures in accordance with Article 12.2 of the Agreement on Safeguards and an offer of consultations pursuant to Article 12.3 of the Agreement on Safeguards.

A. GENERAL BACKGROUND

1 INITIATION OF INVESTIGATION

On 12 September 2019, an application for a safeguard measure was received by the Investigating Authority from the Indonesian Textile Association/*Asosiasi Pertekstilan Indonesia* (API) hereinafter referred as "the Applicant", against the importation of the product under investigation. After examining the properly documented application, the Investigating Authority concluded that there was a sufficient evidence to justify the initiation of a safeguard investigation.

Subsequently, on 18 September 2019, the Investigating Authority initiated a safeguard investigation on the import of "*Fabrics*". The commencement of the investigation was announced in the *Bisnis Indonesia* newspaper on 18 September 2019 and the Ministry of Trade's website on 19 September 2019 (G/SG/N/6/IDN/31).

2 PERIOD OF INVESTIGATION

The period of investigation covers 2016 to 2019 (January-June).

3 MAJOR PROPORTION

The total production of the Applicant is 52.59% of the total domestic production of the Subject Good. Therefore, it represents a major proportion as required by Article 4.1(c) of the WTO Agreement on Safeguards.

4 PROVISIONAL SAFEGUARD MEASURE

On 5 November 2019 through the Minister of Finance Decree (PMK) No. 162/PMK.010/2019, the Government of the Republic of Indonesia stipulates the imposition of provisional safeguard measure on the importation of "Fabrics" for 200 days commenced from 9 November 2019 to 26 May 2020. (G/SG/N/7/IDN/2/Suppl.1 - G/SG/N/11/IDN/18/Suppl.1)

5 VIEWS AND COMMENTS OF THE INTERESTED PARTIES

In accordance with Article 3.1 of the WTO Agreement on Safeguards, during the process of investigation, the Investigating Authority has provided opportunities to all interested parties, to submit their views, evidences, comments, and responses concerning the investigation. In light of the aforementioned, the Investigating Authority has held public hearings on 30 September 2019 and 13 February 2020.

B. INFORMATION ON WHETHER THERE IS AN ABSOLUTE INCREASE IN IMPORTS OR AN INCREASE IN IMPORTS RELATIVE TO DOMESTIC PRODUCTION

In the light to provide evidence whether there is an absolute increase in imports or an increase in imports relative to domestic production, the Investigating Authority has analysed import data of the Subject Goods during the period of investigation.

1 ABSOLUTE INCREASE IN IMPORTS

Table 1. Volume of Imports

Description	Unit	Year			Semester		Trend (16-18)	Growth (Semester 18-19)
		2016	2017	2018	2018 (Jan-Jun)	2019 (Jan-Jun)		
Volume of Imports	Ton	238,219	291,915	413,813	182,541	211,112	31.80	15.65

Source: Statistics Indonesia/*Badan Pusat Statistik* (BPS).

The volume of imports increased each year from 238,219 ton in 2016 to 291,915 ton in 2017 or by 22.54% and increased again to 413,813 ton or by 41.76% in 2018. During the period of 2016-2018 imports increased in absolute terms with a trend of 31.80%. Likewise, the volume of imports increased by 15.65% in the period of 2018 (January-June) to 2019 (January-June) from 182,541 ton to 211,112 ton.

The absolute increased imports of each product categories are listed in Annex I.

2 RELATIVE INCREASE IN IMPORTS TO TOTAL DOMESTIC PRODUCTION

Table 2. Volume of Imports, Total Domestic Production, and Relative to Total Domestic Production

Description	Unit	Year			Semester		Trend (16-18)	Growth (Semester 18-19)
		2016	2017	2018	2018 (Jan-Jun)	2019 (Jan-Jun)		
Volume of Imports	Ton	238,219	291,915	413,813	182,541	211,112	31.80	15.65
Total Domestic Production	Index	100	93.47	85.40	100	90.48	(7.59)	(9.52)
Imports Relative to the Domestic Production	Index	100	131.10	203.42	100	127.83	42.62	27.83

Source: Statistics Indonesia and as verified by Investigating Authority.

As seen in Table above, there was a surge increased in imports relative to the national production during the investigation period, from 100 indexed points in 2016 to 131.10 indexed points in 2017, and continued to increase to 203.42 indexed points in 2018. During 2016-2018, imports relative to the national production was increased with trend of 42.62%. Imports relative to the national production during the period of 2018 (January-June) to 2019 (January-June) also experienced an increased by 27.83% from 100 indexed points to 127.83 indexed points.

The relative increases in imports to domestic production of each product categories are listed in Annex I.

3 IMPORTS FROM MAIN COUNTRIES

Table 3. Imports Shares

Country	2018	
	Volume (Ton)	%
China	280,815	67.86
Korea	45,799	11.07
Hong Kong	27,994	6.76
Taiwan	23,399	5.65
Other Countries	35,806	8.66

Source: Statistics Indonesia/Badan Pusat Statistik (BPS).

From the table above, the biggest shares of import in 2018 was the People's Republic of China, which its shares of import in 2018 accounted for 67.86%. Other countries with share of imports above 3% during 2018 are the Republic of Korea (11.07%), Hong Kong (6.76%), and Taiwan (5.65%).

4 UNFORESEEN DEVELOPMENT

The increased imports of the Subject Goods from the exporting countries were unforeseeable. This is caused by a significant increase in investment of the textile industry in China since 2016 and the impact of trade wars between China and the United States (US) in 2018 and 2019 which led to a shift in Chinese exports from the US to other countries and aggravate the surge in imports from China in Indonesia.

Based on the China Statistical Yearbook 2017-2019, investment in the Chinese textile industry sector increases every year during the period of 2016-2018 which caused an increased in the fixed assets in the same period. As is known, fixed assets are tangible assets that are used in the production or supply of goods, including machinery, production equipment, factory buildings, and so on, so that with the addition of investment and fixed assets have caused the production and production capacity of the textile industry in China also experienced an increase. Increased production and production capacity as a result of increased investment and fixed assets in the textile industry sector in China was an unexpected condition (unforeseen) which indirectly caused increased in exports of the Subject Good of all segments from China to other countries, including Indonesia.

Moreover, the trade war between US and China in 2018 and 2019 also had a significant impact on the rapid supply of imported goods from China, especially for yarn, fabric, and other textile derivative products. As a result of imposing high tariffs on these goods, producers in China diverted their exports unforeseeably from the US to other countries that have large markets, one of which is Indonesia, causing a surge increased in imports of Subject Good of all segments in Indonesia.

C. EVIDENCE OF SERIOUS INJURY OR THREAT THEREOF CAUSED BY INCREASED IMPORTS

In a view to determine the existence of serious injury or threat of serious injury that is caused by increased imports, the Investigating Authority has analyzed and made an evaluation of all relevant factors in an objective and quantifiable natures. The following analyses are based on data provided by the Applicant, which has been verified by the Investigating Authority.

1 EVIDENCE OF SERIOUS INJURY OR THREAT OF SERIOUS INJURY

The general economic indicators related to Subject Goods in the safeguard investigation are presented at the table below, whereas the indicators related to the products for each category are given in the Annex II.

Table 4. National Consumption, Volume of Imports, and Market Shares

No.	Description	Unit	Year			Semester		Trend (16-18) 2017	Growth (Semester 18-19)
			2016	2017	2018	2018 (Jan-Jun)	2019 (Jan-Jun)		
1.	National Consumption	Index	100	102.57	110.49	100	98.59	5.11	(1.41)
2.	Volume of Imports	Ton	238,219	291,915	413,813	182,541	211,112	31.80	15.65
3.	Applicant's Domestic Sales	Index	100	97.44	90.03	100	86.77	(5.12)	(13.23)
4.	Non-Applicant's Domestic Sales	Index	100	93.97	88.28	100	91.17	(6.04)	(8.83)
5.	Imports' market share	Index	100	119.47	157.22	100	117.30	25.39	6.34
6.	Applicant's market share	Index	100	95.00	81.48	100	88.01	(9.73)	(4.22)
7.	Non-Applicant's market share	Index	100	91.62	79.90	100	92.47	(10.61)	(2.12)

Source: Statistics Indonesia and as verified by the Investigating Authority.

Based on the table above, it can be concluded that during the investigation period the surge in market share of imports has eroded the domestic market share of both the Applicant and the Non-Applicant.

From 2016 to 2018 national consumption has increased with a trend of 5.11%. Conversely, volume of imports experienced a surge with a trend of 31.80% in the same period. The increase in the imports of the Subject Good resulted in a decline in the market share of the Applicant and Non-Applicant with a trend of 9.73% and 10.61%, respectively. Meanwhile, in the same period the market share of imports increased with a trend of 25.39%. In the period of 2018 (January-June) to 2019 (January-June) the market share of imports experienced another increase from 100 indexed points to 117.30 indexed points and resulted in the decline of the Applicant's and Non-Applicant's market share to 88.01 indexed points and 92.47 indexed points respectively.

Table 5. The Applicant's Indicators of Injury

Unit: Index

No.	Description	Year			Semester		Trend (16-18) 2017	Growth (Semester 18-19)
		2016	2017	2018	2018 (Jan-Jun)	2019 (Jan-Jun)		
1.	Production	100	95.60	87.71	100	90.83	(6.34)	(9.17)
2.	Domestic Sales	100	97.44	90.03	100	86.77	(5.12)	(13.23)
3.	Productivity	100	98.36	96.76	100	96.78	(1.64)	(3.22)
4.	Utilization Capacity	100	94.49	86.31	100	90.83	(7.09)	(2.93)
5.	Loss	100	(55.97)	(27.35)	(100)	(175.43)	(57.16)	75.43
6.	Employment	100	97.20	90.65	100	93.85	(4.79)	(6.15)
7.	Inventory	100	108.57	118.54	100	102.82	8.88	2.82

Source: As verified by the Investigating Authority.

As shown in Table 5, the performance of the applicant can be seen as follows:

- a) Production experienced a decrease with a trend of 6.34% from 100 indexed points in 2016 to 95.60 indexed points in 2017 and decreased again to 87.71 indexed points in 2018. Likewise, production experienced a decrease by 9.17% in the period of 2018 (January-June) from 100 indexed point to 90.83 indexed points in the period 2019 (January-June).
- b) Domestic Sales decreased with a trend of 5.12% during 2016-2018, from 100 indexed points in 2016 to 97.44 indexed points in 2017 and then decreased again to 90.03 indexed points in 2018. Likewise, in the period of 2018 (January-June) the domestic sales experienced a significant decrease by 13.23% from 100 indexed points to 86.77 indexed points in the period of 2019 (January-June).
- c) Productivity in 2016 was 100 indexed points, declined to 98.36 indexed points in 2017 and 96.76 indexed points in 2018. During 2016-2018 the applicant's productivity has decreased with a trend of 1.64%. Likewise, in the period of 2018 (January-June) productivity decreased by 3.22% from 100 indexed points to 96.78 indexed points in the period of 2019 (January-June).
- d) Utilization capacity experienced a decrease during 2016-2018 with a trend of 7.09% from 100 indexed points in 2016 to 94.49 indexed points in 2017 and 86.31 indexed points in 2018. Likewise, in the period of 2018 (January-June) utilization capacity decreased by 2.93% from 100 indexed points to 90.83 indexed points in the period of 2019 (January-June).
- e) Applicant's Loss experienced a significant decrease during 2016-2018 with a trend of 57.16% from 100 indexed points in 2016 to -55.97 indexed points in 2017 and -27.35 indexed points in 2018. Likewise, in the period of 2018 (January-June) the financial loss increased by 75.43% from -100 indexed points to -175.43 indexed points in the period of 2019 (January-June) The losses occurred since 2017 was because the Applicant had to sold their product below production costs as a result of pressures from imported goods that flooded the domestic market.
- f) The Applicant's employment decreased by 4.79% from 100 indexed points In 2016 to 97.20 indexed points in 2017 and 90.65 indexed points in 2018. Moreover, the Applicant's employee experienced further decreased from 100 indexed points in the period of 2018 (January-June) to 93.85 indexed points in the period of 2019 (January-June).
- g) The Applicant's inventory increased with a trend of 8.88% from 100 indexed points In 2016 to 108.57 indexed points in 2017 and 118.54 indexed points in 2018. Moreover, the Applicant's inventory experienced further increased from 100 indexed points in the period of 2018 (January-June) to 102.82 indexed points in the period of 2019 (January-June).
- h) Based on the explanation above, it can be concluded that during the investigation period, the Applicant experienced serious injury based on the Applicant's performance that indicated a downward trend in production, domestic sales, productivity, utilization capacity, employment, increased losses, and increased inventory.

The Applicant's performance indicators related to all products concerned in the safeguard investigation are presented at the table above, whereas the indicators related to each category are given in the Annex II.

2 OTHER FACTORS THAT MAY CONTRIBUTE TO INJURY

In order to ensure that the serious injury or threat of serious injury is only caused by increased imports, the Investigating Authority has examined the following other known factors:

a. Technology

Based on the results of the investigation, the Applicant already has the latest technology in producing the Subject Good. This argument is supported by the fact that the Applicant's

machinery is able to produce sophisticated goods for the consumers. This shows that the threat of a serious injury suffered by the Applicant is not caused by technology.

b. Quality

The quality of goods produced by the Applicant has met the international standards such as LRQA ISO 9001:2015 and OEKO-TEX certificate. Thus, in terms of quality, goods produced by the Applicant are able to compete with imported goods because they already met the internationally recognized standards.

c. Competition between domestic producers

Table 6. Competition between Domestic Producers

Unit: Index

Description	Year			Semester	
	2016	2017	2018	2018 (Jan-Jun)	2019 (Jan-Jun)
Imports' market share	100	119.47	157.22	100	117.30
Applicant's market share	100	95.00	81.48	100	88.01
Non-Applicant's market share	100	91.62	79.90	100	92.47

Source: Statistics Indonesia and as verified by the Investigating Authority.

As shown in Table above, during period of 2016 to 2018 the Applicant's market share decreased from 100 indexed points in 2016 to 95.00 indexed points in 2017 and 81.48 indexed points in 2018. In line with the Applicant's market share, the Non-Applicant's market share also decreased from 100 indexed points in 2016 to 91.62 indexed points in 2017 and 79.90 indexed points in 2018. As oppose, during the same period the import market share increased significantly from 100 indexed points in 2016 to 119.47 indexed points in 2017 and 157.22 indexed points in 2018. Likewise in the 2018 period (January-June) the import market share increased from 100 indexed points to 117.30 indexed points in the 2019 period (January-June) while the market share of Applicant and Non-Applicant has decreased. This proves that the competition between the Applicant and Non-Applicant is not a factor that causes a serious injury of the Applicant.

Based on the facts of a) to c) above, it can be concluded that during the period of investigation there were no other factors that caused serious injury to the Applicant besides increased volume of imports of the Subject Goods.

3 CAUSAL LINK

The Investigating Authority has examined all relevant factors having a bearing in the Applicant situation, and came into a conclusion that serious injury suffered by the Applicant mainly caused by significant increased volume of imports and not due to the other factors, as follows:

- There was a surge increase of Subject Good in absolute terms in 2016-2018 with a trend of 31.80%. Likewise, the volume of imports increased by 15.65% in the period of 2018 (January-June) to 2019 (January-June).
- There was a surge increase of Subject Good in relative to domestic production in 2016-2018 with a trend of 42.62%. Likewise, the relative increase in imports to domestic production increased by 27.83% in the period of 2018 (January-June) to 2019 (January-June).
- Imports' market share has increased with a trend of 25.39% in 2016-2018 and in the period of 2018 (January-June) to 2019 (January-June) the imports' market share increased by 6.34%.
- The Applicant's market share has decreased with a trend of 9.73% and the Non-Applicant's market share has also decreased with a trend of 10.61% during 2016-2018. Moreover, in the period of 2018 (January-June) to 2019 (January-June) the market share of the Applicant and non-Applicant experienced further decrease.

- e) Downward trend in production, domestic sales, productivity, utilization capacity, employment, increased losses, and increased inventory.
- f) There were no other factors that caused a serious injury to the Applicant besides increased volume of imports of the Subject Goods.

D. DESCRIPTION OF THE PROPOSED SUBJECT GOODS

Fabrics, under Harmonized System (HS.) codes 5208.12.00, 5208.32.00, 5208.49.00, 5208.51.90, 5208.52.90, 5209.12.00, 5209.22.00, 5209.29.00, 5209.32.00, 5209.39.00, 5209.42.00, 5209.51.90, 5209.59.90, 5210.29.00, 5210.39.00, 5210.41.90, 5210.51.90, 5211.11.00, 5211.19.00, 5211.20.00, 5211.42.00, 5211.43.00, 5211.49.00, 5212.11.00, 5212.24.00, 5212.25.90, 5407.10.29, 5407.10.91, 5407.20.00, 5407.30.00, 5407.44.00, 5407.51.00, 5407.52.00, 5407.53.00, 5407.54.00, 5407.61.90, 5407.74.00, 5407.81.00, 5407.82.00, 5407.83.00, 5407.84.00, 5407.91.00, 5407.92.00, 5407.93.00, 5407.94.00, 5408.22.00, 5408.24.00, 5408.32.00, 5408.34.00, 5512.29.00, 5513.11.00, 5513.12.00, 5513.21.00, 5513.23.00, 5513.39.00, 5513.49.00, 5514.12.00, 5514.21.00, 5514.22.00, 5514.29.00, 5514.42.00, 5514.43.00, 5514.49.00, 5515.11.00, 5515.12.00, 5515.91.00, 5515.99.90, 5516.11.00, 5516.13.00, 5516.14.00, 5516.22.00, 5516.24.00, 5516.92.00, 5804.10.11, 5804.10.19, 5804.10.29, 5804.10.99, 5804.21.90, 5804.29.10, 5804.29.90, 5804.30.00, 5810.92.00, 6001.21.00, 6001.92.20, 6001.92.90, 6004.10.90, 6004.90.00, 6005.21.00, 6005.36.90, 6005.37.90, 6005.90.90, 6006.10.00, 6006.21.00, 6006.22.00, 6006.23.00, 6006.24.00, 6006.31.90, 6006.32.10, 6006.32.20, 6006.32.90, 6006.33.10, 6006.34.10, 6006.42.10, 6006.42.90, 6006.43.90, 6006.44.10, and 6006.44.90

The product categories and 107 8-digit HS that are subject to the proposed safeguard measure are listed in Annex III.

E. DESCRIPTION OF THE PROPOSED MEASURE

In a view of the aforementioned findings, a safeguard measure has been proposed in form of specific duty with HS codes, proposed date of introduction, and expected duration of the measure as follow:

Table 7. The Proposed on Safeguard Measure

No	HS Codes	Specific Duty (Rupiah/Meter)		
		Period I (27 May 2020 – 8 November 2020)	Period II (9 November 2020 – 8 November 2021)	Period III (9 November 2021 – 8 November 2022)
1.	5208.12.00	1.318	1.272	1.227
2.	5208.32.00	4.081	3.937	3.799
3.	5208.49.00	4.081	3.937	3.799
4.	5208.51.90	2.856	2.755	2.658
5.	5208.52.90	4.081	3.937	3.799
6.	5209.12.00	3.076	2.968	2.863
7.	5209.22.00	3.076	2.968	2.863
8.	5209.29.00	3.076	2.968	2.863
9.	5209.32.00	9.521	9.186	8.863
10.	5209.39.00	9.521	9.186	8.863
11.	5209.42.00	9.521	9.186	8.863
12.	5209.51.90	9.521	9.186	8.863
13.	5209.59.90	9.521	9.186	8.863
14.	5210.29.00	1.846	1.781	1.718
15.	5210.39.00	5.713	5.512	5.318
16.	5210.41.90	5.713	5.512	5.318
17.	5210.51.90	5.713	5.512	5.318
18.	5211.11.00	3.076	2.968	2.863
19.	5211.19.00	3.076	2.968	2.863
20.	5211.20.00	3.076	2.968	2.863
21.	5211.42.00	9.521	9.186	8.863
22.	5211.43.00	9.521	9.186	8.863
23.	5211.49.00	9.521	9.186	8.863
24.	5212.11.00	1.846	1.781	1.718

No	HS Codes	Specific Duty (Rupiah/Meter)		
		Period I (27 May 2020 – 8 November 2020)	Period II (9 November 2020 – 8 November 2021)	Period III (9 November 2021– 8 November 2022)
25.	5212.24.00	9.521	9.186	8.863
26.	5212.25.90	9.521	9.186	8.863
27.	5407.10.29	1.538	1.484	1.432
28.	5407.10.91	4.761	4.593	4.432
29.	5407.20.00	4.761	4.593	4.432
30.	5407.30.00	1.538	1.484	1.432
31.	5407.44.00	4.761	4.593	4.432
32.	5407.51.00	1.538	1.484	1.432
33.	5407.52.00	4.761	4.593	4.432
34.	5407.53.00	4.761	4.593	4.432
35.	5407.54.00	4.761	4.593	4.432
36.	5407.61.90	4.761	4.593	4.432
37.	5407.74.00	4.761	4.593	4.432
38.	5407.81.00	1.538	1.484	1.432
39.	5407.82.00	4.761	4.593	4.432
40.	5407.83.00	4.761	4.593	4.432
41.	5407.84.00	4.761	4.593	4.432
42.	5407.91.00	1.538	1.484	1.432
43.	5407.92.00	4.761	4.593	4.432
44.	5407.93.00	4.761	4.593	4.432
45.	5407.94.00	4.761	4.593	4.432
46.	5408.22.00	4.761	4.593	4.432
47.	5408.24.00	4.761	4.593	4.432
48.	5408.32.00	4.761	4.593	4.432
49.	5408.34.00	4.761	4.593	4.432
50.	5512.29.00	1.538	1.484	1.432
51.	5513.11.00	1.538	1.484	1.432
52.	5513.12.00	1.538	1.484	1.432
53.	5513.21.00	4.761	4.593	4.432
54.	5513.23.00	4.761	4.593	4.432
55.	5513.39.00	4.761	4.593	4.432
56.	5513.49.00	4.761	4.593	4.432
57.	5514.12.00	1.846	1.781	1.718
58.	5514.21.00	5.713	5.512	5.318
59.	5514.22.00	5.713	5.512	5.318
60.	5514.29.00	5.713	5.512	5.318
61.	5514.42.00	5.713	5.512	5.318
62.	5514.43.00	5.713	5.512	5.318
63.	5514.49.00	5.713	5.512	5.318
64.	5515.11.00	4.761	4.593	4.432
65.	5515.12.00	4.761	4.593	4.432
66.	5515.91.00	4.761	4.593	4.432
67.	5515.99.90	4.761	4.593	4.432
68.	5516.11.00	1.538	1.484	1.432
69.	5516.13.00	4.761	4.593	4.432
70.	5516.14.00	4.761	4.593	4.432
71.	5516.22.00	4.761	4.593	4.432
72.	5516.24.00	4.761	4.593	4.432
73.	5516.92.00	4.761	4.593	4.432
74.	5804.10.11	4.081	3.937	3.799
75.	5804.10.19	4.081	3.937	3.799
76.	5804.10.29	4.081	3.937	3.799
77.	5804.10.99	4.081	3.937	3.799
78.	5804.21.90	4.081	3.937	3.799
79.	5804.29.10	4.081	3.937	3.799
80.	5804.29.90	4.081	3.937	3.799
81.	5804.30.00	4.081	3.937	3.799
82.	5810.92.00	5.713	5.512	5.318
83.	6001.21.00	5.713	5.512	5.318
84.	6001.92.20	5.713	5.512	5.318
85.	6001.92.90	5.713	5.512	5.318

No	HS Codes	Specific Duty (Rupiah/Meter)		
		Period I (27 May 2020 – 8 November 2020)	Period II (9 November 2020 – 8 November 2021)	Period III (9 November 2021– 8 November 2022)
86.	6004.10.90	5.713	5.512	5.318
87.	6004.90.00	5.713	5.512	5.318
88.	6005.21.00	5.713	5.512	5.318
89.	6005.36.90	1.846	1.781	1.718
90.	6005.37.90	5.713	5.512	5.318
91.	6005.90.90	5.713	5.512	5.318
92.	6006.10.00	5.713	5.512	5.318
93.	6006.21.00	1.846	1.781	1.718
94.	6006.22.00	5.713	5.512	5.318
95.	6006.23.00	5.713	5.512	5.318
96.	6006.24.00	5.713	5.512	5.318
97.	6006.31.90	1.846	1.781	1.718
98.	6006.32.10	5.713	5.512	5.318
99.	6006.32.20	5.713	5.512	5.318
100.	6006.32.90	5.713	5.512	5.318
101.	6006.33.10	5.713	5.512	5.318
102.	6006.34.10	5.713	5.512	5.318
103.	6006.42.10	5.713	5.512	5.318
104.	6006.42.90	5.713	5.512	5.318
105.	6006.43.90	5.713	5.512	5.318
106.	6006.44.10	5.713	5.512	5.318
107.	6006.44.90	5.713	5.512	5.318

In a view of the aforementioned conclusion of the causal link, the Investigating Authority has proposed to the Government of the Republic of Indonesia to impose a safeguard measure on the importation of the Subject Goods for three periods.

The imposition of the safeguard measure will be carried out in accordance with the Article 2.2 and Article 9 of the WTO Agreement on Safeguards.

The non-confidential version of the Final Report of this investigation, can be found in the website of the Indonesian Safeguard Committee: <http://kppi.kemendag.go.id>.

PROVIDE PROPOSED DATE OF THE APPLICATION OF THE MEASURE

The safeguard measure is proposed to enter into force after the publication of the decree of the Minister of Finance of the Republic of Indonesia, which will be promulgated at the Official Gazette.

CONSULTATIONS

Members who have a substantial interest of the Subject Goods, shall submit a written request of consultation within a period of 7 days from the date of circulation of this notification. All written requests must be sent both in written letter and in electronic format, and must indicate the name, address, e-mail address, phone and fax number of the Members.

In Accordance with Article 12.3 WTO Agreement on Safeguard, the Government of the Republic of Indonesia is open for consultation in order to provide opportunities for those Members, consultation is scheduled to be held no later than 20 March 2020.

The contact information for correspondence is:

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ANNEX-I

INCREASED IMPORTS OF THE PRODUCT CATEGORIES

Products Categories	Imports	Unit	Year					Trend (%)	Growth (%)
			2016	2017	2018	January-June			
						2018	2019	16-18	Jan-Jun 18-19
Cotton Fabrics	Absolute	Ton	27,307	34,261	50,090	21,898	24,442	35.44	11.61
	Relative to Domestic Production	Index	100	129.72	209.04	100	136.04	44.58	36.04
Staple Fabrics	Absolute	Ton	26,277	30,877	46,028	20,233	23,374	32.35	15.52
	Relative to Domestic Production	Index	100	123.49	193.88	100	120.63	39.24	20.63
Filament Fabrics	Absolute	Ton	97,679	116,599	166,086	78,338	81,833	30.40	4.46
	Relative to Domestic Production	Index	100	130.84	219.34	100	113.24	48.10	13.24
Special Fabrics	Absolute	Ton	5,402	7,352	16,013	5,953	10,759	72.17	80.75
	Relative to Domestic Production	Index	100	134.02	343.08	100	206.25	85.22	106.25
Knitted Fabrics	Absolute	Ton	81,554	102,827	135,596	56,119	70,704	28.94	25.99
	Relative to Domestic Production	Index	100	137.66	193.20	100	139.92	38.99	39.92
Total	Absolute	Ton	238,219	291,915	413,813	182,541	211,112	31.80	15.65
	Relative to Domestic Production	Index	100	131.10	203.42	100	127.83	42.62	27.83

Source: Statistics Indonesia and as verified by the Investigating Authority.

ANNEX-II**GENERAL ECONOMIC INDICATORS AND APPLICANT'S INDICATORS
OF INJURY OF THE PRODUCT CATEGORIES****1. Cotton Fabrics**

Indicators	Unit	Year					Trend (%) 16-18	Growth (%) Jan-Jun 18-19
		2016	2017	2018	January-June			
					2018	2019		
Market share of Imports	Index	100	121.93	167.03	100	127.21	29.24	7.05
Market Share of Applicant	Index	100	97.57	88.16	100	83.35	(6.11)	(6.89)
Market Share of Non-Applicant	Index	100	92.91	83.07	100	99.51	(8.86)	(0.16)
Production	Index	100	101.75	93.88	100	81.58	(3.11)	(18.42)
Domestic Sales	Index	100	100.40	96.81	100	73.13	(1.61)	(26.87)
Productivity	Index	100	101.30	101.15	100	91.92	0.57	(8.08)
Capacity Utilization	Index	100	101.84	93.82	100	81.58	(3.14)	(6.54)
Loss	Index	100	(75.51)	(261.01)	(100)	(141.04)	(99.81)	41.04
Employment	Index	100	100.44	92.81	100	88.75	(3.66)	(11.25)
Inventory	Index	100	102.07	91.37	100	115.33	(4.41)	15.33

2. Staple Fabrics

Indicators	Unit	Year					Trend (%) 16-18	Growth (%) Jan-Jun 18-19
		2016	2017	2018	January-June			
					2018	2019		
Market share of Imports	Index	100	121.10	176.29	100	116.27	32.77	3.08
Market Share of Applicant	Index	100	97.27	89.31	100	98.49	(5.50)	(0.65)
Market Share of Non-Applicant	Index	100	97.03	90.23	100	93.65	(5.01)	(2.44)
Production	Index	100	97.25	92.46	100	99.08	(3.84)	(0.92)
Domestic Sales	Index	100	94.38	88.74	100	97.85	(5.80)	(2.15)
Productivity	Index	100	100.77	99.70	100	102.20	(0.15)	2.20
Capacity Utilization	Index	100	96.84	92.15	100	99.08	(4.00)	(0.29)
Loss	Index	(100)	(374.24)	(705.06)	(100)	(110.97)	99.80	10.97
Employment	Index	100	96.51	92.74	100	96.94	(3.70)	(3.06)
Inventory	Index	100	109.02	121.31	100	110.90	10.14	10.90

3. Filament Fabrics

Indicators	Unit	Year					Trend (%) 16-18	Growth (%) Jan-Jun 18-19
		2016	2017	2018	January-June			
					2018	2019		
Market share of Imports	Index	100	111.36	137.03	100	106.14	17.06	3.44
Market Share of Applicant	Index	100	95.49	74.49	100	81.36	(13.69)	(4.52)
Market Share of Non-Applicant	Index	100	88.14	73.27	100	105.50	(14.40)	1.08
Production	Index	100	91.97	83.34	100	89.13	(8.71)	(10.87)
Domestic Sales	Index	100	102.35	92.43	100	80.08	(3.86)	(19.92)
Productivity	Index	100	95.61	93.27	100	96.56	(3.43)	(3.44)
Capacity Utilization	Index	100	88.48	80.58	100	89.13	(10.23)	(3.23)
Loss	Index	100	(55.84)	(16.83)	100	(436.63)	(49.97)	(536.63)
Employment	Index	100	96.19	89.35	100	92.30	(5.47)	(7.70)
Inventory	Index	100	111.45	121.03	100	91.52	10.01	(8.48)

4. Special Fabrics

Indicators	Unit	Year					Trend (%)	Growth (%)
		2016	2017	2018	January-June			
					2018	2019		
Market share of Imports	Index	100	119.87	167.35	100	116.10	29.37	11.70
Market Share of Applicant	Index	100	83.03	40.70	100	56.94	(36.20)	(7.36)
Market Share of Non-Applicant	Index	100	81.55	40.42	100	57.50	(36.42)	(4.34)
Production	Index	100	101.67	86.49	100	87.34	(7.00)	(12.66)
Domestic Sales	Index	100	94.26	72.09	100	88.65	(15.09)	(11.35)
Productivity	Index	100	106.88	103.44	100	87.79	1.71	(12.21)
Capacity Utilization	Index	100	101.67	86.49	100	87.34	(7.00)	(2.68)
Loss	Index	100	64.47	60.85	100	44.49	(21.99)	(55.51)
Employment	Index	100	95.13	83.62	100	99.49	(8.56)	(0.51)
Inventory	Index	100	118.04	127.80	100	100.59	13.05	0.59

5. Knitted Fabrics

Indicators	Unit	Year					Trend (%)	Growth (%)
		2016	2017	2018	January-June			
					2018	2019		
Market share of Imports	Index	100	123.09	156.70	100	124.67	25.18	8.72
Market Share of Applicant	Index	100	93.53	81.91	100	89.13	(9.49)	(4.07)
Market Share of Non-Applicant	Index	100	90.39	79.24	100	82.93	(10.98)	(4.65)
Production	Index	100	93.45	83.99	100	90.61	(8.35)	(9.39)
Domestic Sales	Index	100	95.80	86.91	100	90.08	(6.77)	(9.92)
Productivity	Index	100	97.06	94.80	100	94.10	(2.64)	(5.90)
Capacity Utilization	Index	100	92.83	81.99	100	90.61	(9.45)	(3.07)
Loss	Index	100	(40.71)	(10.97)	100	7.73	(54.02)	(92.27)
Employment	Index	100	96.28	88.60	100	96.30	(5.87)	(3.70)
Inventory	Index	100	107.67	130.80	100	102.53	14.37	2.53

ANNEX-III**THE PROPOSED SUBJECT GOODS**

No	Product Categories	HS Codes*
1.	Cotton Fabrics	5208.12.00, 5208.32.00, 5208.49.00, 5208.51.90, 5208.52.90, 5209.12.00, 5209.22.00, 5209.29.00, 5209.32.00, 5209.39.00, 5209.42.00, 5209.51.90, 5209.59.90, 5210.29.00, 5210.39.00, 5210.41.90, 5210.51.90, 5211.11.00, 5211.19.00, 5211.20.00, 5211.42.00, 5211.43.00, 5211.49.00, 5212.11.00, 5212.24.00, 5212.25.90
2.	Staple Fabrics	5512.29.00, 5513.11.00, 5513.12.00, 5513.21.00, 5513.23.00, 5513.39.00, 5513.49.00, 5514.12.00, 5514.21.00, 5514.22.00, 5514.29.00, 5514.42.00, 5514.43.00, 5514.49.00, 5515.11.00, 5515.12.00, 5515.91.00, 5515.99.90, 5516.11.00, 5516.13.00, 5516.14.00, 5516.22.00, 5516.24.00, 5516.92.00
3.	Filament Fabrics	5407.10.29, 5407.10.91, 5407.20.00, 5407.30.00, 5407.44.00, 5407.51.00, 5407.52.00, 5407.53.00, 5407.54.00, 5407.61.90, 5407.74.00, 5407.81.00, 5407.82.00, 5407.83.00, 5407.84.00, 5407.91.00, 5407.92.00, 5407.93.00, 5407.94.00, 5408.22.00, 5408.24.00, 5408.32.00, 5408.34.00.
4.	Special Fabrics	5804.10.11, 5804.10.19, 5804.10.29, 5804.10.99, 5804.21.90, 5804.29.10, 5804.29.90, 5804.30.00, 5810.92.00
5.	Knitted Fabrics	6001.21.00, 6001.92.20, 6001.92.90, 6004.10.90, 6004.90.00, 6005.21.00, 6005.36.90, 6005.37.90, 6005.90.90, 6006.10.00, 6006.21.00, 6006.22.00, 6006.23.00, 6006.24.00, 6006.31.90, 6006.32.10, 6006.32.20, 6006.32.90, 6006.33.10, 6006.34.10, 6006.42.10, 6006.42.90, 6006.43.90, 6006.44.10, 6006.44.90.

* HS Codes are based on Indonesian Customs Tariff Book (BTKI) 2017.