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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  
(EXTENSION OF THE EXISTING MEASURE)**

INDONESIA

*Fabrics*

*Supplement*

The following notification, dated and received on 11 August 2022, is being circulated at the request of the delegation of Indonesia.

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Pursuant to Article 7.2 and Article 12.1(b) of the WTO Agreement on Safeguards, The Government of the Republic of Indonesia, hereby notifies the Committee on Safeguards the investigation findings concerning the extension of a safeguard measure against the importation of Fabrics.

**1. Evidence that the safeguard measure continues to be necessary to prevent or remedy serious injury or threat thereof and that the industry concerned is adjusting**

The Government of the Republic of Indonesia initiated an investigation on the extension of a safeguard measure on 28 April 2022 (G/SG/N/6/IDN/31/Suppl.1 - G/SG/N/14/IDN/3). The scope of the investigation was to decide whether the safeguard measure should be extended beyond 8 November 2022.

To determine whether the safeguard measure continues to be necessary to prevent or remedy serious injury or threat thereof and whether the industry is adjusting, the Investigating Authority (*Komite Pengamanan Perdagangan Indonesia/KPPI*) undertook a comprehensive analysis of a broad set of data from multiple sources: the evidence provided by the Applicant's member industries in their questionnaire replies and written submissions, the information provided by interested parties (users, importers, exporting producers and exporting country governments) in their written submissions, as well as information available to the Investigating Authority including statistical databases and relevant publications.

**1.1. Economic performance of the Applicant**

To assess the economic performance of the Applicant, the developments of imports, and, other relevant data included in its assessment, the Investigating Authority assessed the data for the period 2019-2021 ('the investigation period'). The Applicant's performance indicators related to all products concerned in the safeguard investigation are presented in the table below, whereas the indicators related to each product category are given in Annex-I.

Description	Unit	Year			Changes (%)		Trend (%)
		2019	2020	2021	19-20	20-21	19-21
Domestic Sales	Index	100	83.64	86.22	(16.36)	3.08	(7.15)
Production	Index	100	82.14	84.68	(17.86)	3.10	(7.98)
Inventory	Index	100	107.96	106.03	7.96	(1.79)	2.97

Source: Verification Result

During the investigation period 2019-2021, domestic sales experienced a downward trend of 7.15%. Along with the downward trend in domestic sales, the Applicant's production also experienced a downward trend of 7.98%. This is because, in 2021, the Applicant has not been able to increase their production and domestic sales compared to 2019. Meanwhile, the domestic market is still flooded with imported goods.

In 2020, domestic sales decreased significantly by 16.36% compared to 2019, from 100 index points to 83.64 index points. In 2021, domestic sales increased by 3.08% compared to 2020, from 83.64 index points to 86.22 index points in the same period.

Production experienced a significant decline in 2020 by 17.86% compared to 2019, from 100 index points to 82.14 index points. Then in 2021, production continues to increase in line with the increase in national consumption, production is seen to increase by 3.10% compared to 2020, from 82.14 index points to 84.68 index points.

During the investigation period 2019-2021, Applicant's inventory experienced an increasing trend of 2.97%. This is due to the downward trend in domestic sales and production. In 2020, Applicant's inventory increased by 7.96% compared to 2019, from 100 index points to 107.96 index points. Then in 2021, Applicant's inventory decreased by 1.79% compared to 2020, from 107.96 points to 106.03 index points.

Description	Unit	Year			Changes (%)		Trend (%)
		2019	2020	2021	19-20	20-21	19-21
Production	Index	100	82.14	84.68	(17.86)	3.10	(7.98)
Utilization Capacity	Index	100	81.12	83.52	(18.88)	2.96	(8.61)

Source: Verification Result

The decrease in the volume of production as explained above is a result of a decrease in utilization capacity with a trend of 8.61% during the investigation period 2019-2021. Furthermore, in 2020 the utilization capacity decreased significantly by 18.88% compared to 2019, from 100 index points to 81.12 index points. In 2021 the utilization capacity increase slightly by 2.96% compared to 2020, from 81.12 index points to 83.52 index points.

Description	Unit	Year			Changes (%)		Trend (%)
		2019	2020	2021	19-20	20-21	19-21
Production	Index	100	82.14	84.68	(17.86)	3.10	(7.98)
Employment	Index	100	90.00	90.94	(10.00)	1.05	(4.64)
Productivity	Index	100	91.27	93.12	(8.73)	2.02	(3.50)
Profit/Loss	Index	100	(306.35)	(424.35)	(406.35)	(38.52)	(99.86)

Source: Verification Result

During the investigation period 2019-2021, the Applicant's employment experienced a decline with a trend of 4.64%. In 2020, employment decreased by 10.00% compared to 2019 from 100 index points to 90.00 index points. In the same year, the Applicant made efficiency efforts by reducing the

number of employees, because the Applicant was still experiencing financial losses. Furthermore, in 2021, the number of employees increased by 1.05% compared to 2020, from 90 index points to 90.94 index points. This is due to an increase in the Applicant's production by 3.10%.

During the investigation period 2019-2021, the productivity of the Applicant experienced a downward trend of 3.50%. This was due to the decline in the trend of production volume by 7.98% which was greater than the decline in the trend of the employee, which was 4.64%. In 2020 the productivity of the applicant has decreased by 8.73% compared to 2019, and in 2021 the productivity of the Applicant has increased by 2.02% compared to 2020.

Description	Unit	Year			Changes (%)		Trend (%)
		2019	2020	2021	19-20	20-21	19-21
Domestic Sales	Index	100	83.64	86.22	(16.36)	3.08	(7.15)
Profit/Loss	Index	100	(306.35)	(424.35)	(406.35)	(38.52)	(99.86)

Source: Verification Result

During the investigation period 2019-2021, domestic sales experienced a downward trend of 7.15%. In 2020 domestic sales decreased by 16.36% compared to 2019 from 100 index points to 83.64 index points. Then, in 2021, domestic sales increased by 3.08% compared to 2020. There was a financial loss in 2020 compared to 2019 as a result of a decline in domestic sales, from a profit of 100 index points to a financial loss of (306.35) index points. Then, in 2021 the loss increased by 38.52% compared to 2020, from (306.35) index points to (424.35) index points. This happened because the Applicant sold their products at prices below production costs due to pressure on the selling prices of imported products. Thus, during the 2019-2021 period, the Applicant experienced an increase in financial losses with a trend of 99.86%

Description	Unit	Year			Changes (%)		Trend (%)
		2019	2020	2021	19-20	20-21	19-21
National Consumption	Index	100	75.36	80.15	(24.64)	6.36	(10.47)

Source: Verification Result

During the 2019-2021 period, national consumption decreased with a trend of 10.47%. In 2020, national consumption decreased significantly by 24.64% compared to 2019, from 100 index points to 75.36 index points. In 2021, national consumption will increase by 6.36% compared to 2020, from 75.36 index points to 80.15 index points.

Description	Unit	Year			Changes (%)		Trend (%)
		2019	2020	2021	19-20	20-21	19-21
Market Share of Applicant	Index	100	76.19	76.76	(23.81)	0.75	(12.39)
Market Share of Imports	Index	100	110.99	107.57	10.99	(3.08)	3.72

Source: Verification Result

During the investigation period 2019-2021, the import market share experienced a decline with a trend of 12.39%. Although the import market share trend during this period decreased, in 2021 it increased again by 0.75% compared to 2020, from 76.19 index points to 76.76 index points.

During the investigation period 2019-2021, the market share of the Applicant has increased with a trend of 3.72%. Although the trend of the Applicant's market share in that period has increased, in 2021 the Applicant's market share has decreased by 3.08% compared to 2020, from 110.99 index points to 107.57 index points. So we can conclude that the domestic market share was eroded by imported goods in the same year.

The purpose of the extension of the safeguard measure is to fulfill the Applicant's commitment to completing their structural adjustment program as well as recovering the serious injury. Even though the trend of Applicant's market share is increasing, the Applicant is still experiencing serious injury. The extension of the safeguard measure is necessary so that the Applicant can fulfill the commitments to complete the structural adjustment program and improve the performance of their industries.

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

Description	Unit	Year			Trend (%)
		2019	2020	2021	19-21
Applicant's Selling price per unit	index	100 <sup>1</sup>	116.86	138.60	17.73
Import's Price per Unit	index	93.69	112.83	137.53	21.16
Price Undercutting	index	100	63.84	16.97	(58.80)

Source: Verification Result

During the investigation period 2019-2021, there was a price undercutting where the selling price per unit of imports was below the selling price per unit of the Applicant. Thus, making it difficult for the Applicant to increase domestic sales and make a profit

Description	Unit	Year			Trend (%)
		2019	2020	2021	19-21
Applicant's Selling price per unit	Index	100 <sup>2</sup>	116.86	138.60	17.73
Applicant's cost of production	Index	99.77	117.71	139.74	18.35
Applicant's profit margin	Index	0.23	(0.85)	(1.14)	n/a
Import's price	Index	93.69	112.83	137.53	21.16

Source: Verification Result

During the 2019-2021 period, the production cost per unit of the Applicant increased with a trend of 18.35% along with the increase in production costs per unit of the applicant, in that period. The selling price per unit of the applicant also increased with a trend of 17.73%.

Based on the table above, in 2020 and 2021 price suppression occurred because the production cost per unit of the Applicant is always above the selling price per unit of the Applicant, while the highest margin loss occur in 2021, namely (1.14) index points. This is an attempt by the Applicant to compete with the import price. This causes the Petitioner to continue to suffer serious injury.

## 1.2. Evidence that the industry concerned is adjusting

The Applicant has fulfilled some of its structural adjustment commitment programs in order to be able to compete with imported goods. However, due to the large presence of imported fabrics in the market, the Applicant was not able to optimally fulfill their structural adjustment programs and, therefore, the recovery of the Applicant's injury was delayed. The realization of the structural adjustment program for each Fabric categories that has been completed by the Applicant is as follows:

<sup>1</sup> Applicant's selling price per unit in 2019 as a base year for indexing Import's Price per Unit and Price Undercutting.

<sup>2</sup> Applicant's selling price per unit in 2019 as a base year for indexing Applicant's cost of production per unit, Applicant's profit margin per unit, and import's price.

Category	Target	Realization
Cotton Fabrics	100%	51.1%
Staple Fabrics	100%	49.0%
Filament Fabrics	100%	42.0%
Special and Embroidery Fabrics	100%	36.2%
Knitted Fabrics	100%	35.8%

Source: Verification Result

## 2. Information on whether there is an absolute increase in imports or an increase in imports relative to domestic production

Description	Unit	Year			Changes (%)		Trend (%)
		2019	2020	2021	19-20	20-21	19-21
Volume of Imports	Ton	435,091	249,828	267,704	(42.58)	7.16	(21.56)

Source: Indonesian Statistics (BPS)

As shown in the table above, the import volume of the Subject Good during the investigation period experienced a downward trend of 21.56%. The downward trend in the import volume of the Subject Good during the 2019-2021 period occurred due to the decline in the volume of imports referred to in 2020 by 42.58%. This shows that the imposition of the definitive safeguard measure which has been in effect since 9 November 2019 is very effective. However, in 2021 the import volume of the Subject Good increased by 7.16% compared to 2020 from 249,828 tons to 267,704 tons.

The absolute increased imports of each product category are listed in Annex II.

Description	Unit	Year			Changes (%)		Trend (%)
		2019	2020	2021	19-20	20-21	19-21
Volume of Imports	Ton	435,091	249,828	267,704	(42.58)	7.16	(21.56)
National Production	Index	100	81.49	85.00	(18.51)	4.30	(7.81)
Imports Relative to National Production	Index	100	70.45	72.38	(29.54)	2.74	(14.92)

Source: Indonesian Statistics (BPS)

Based on the table above, imports relative to national production during the 2019-2021 investigation period experienced a downward trend of 14.92%. The downward trend in the imports relative to national production during the 2019-2020 investigation period occurred due to the decline in the volume of imports in 2020 by 42.58% compared to the previous year, as a result of the effective imposition of the definitive safeguard measure which has been in effect since 9 November 2019. However, in 2021 the imports relative to national production increased by 2.74% compared to 2020 from 70.45 index points to 72.38 index points.

The relative increases in imports to the national production of each product category are listed in Annex II.

## 3. Precise description of the product involved

Fabrics, under Harmonized System (HS.) codes based on Indonesian Custom Tariffs Book (BTKI) Year 2022 are: 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,

Ex. 5407.10.20, 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

Based on Minister of Finance Decree No. 34/PMK.010/22, there is 1 HS number in BTKI 2017 namely HS 5407.10.29 that has changes to HS number Ex.5407.10.20 in BTKI 2022 with a description of woven fabric bleached, obtained from high-strength yarns of nylon or other polyamides, or of polyesters for tires; conveyor duct.

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

**4. If the final measure is extended, a Member is encouraged to provide a written description of any part of the imported product that will no longer be subject to the measure**

Not applicable at this stage.

**5. Description of the proposed measure**

The proposed measure is in the form of a specific tariff available for each HS code under BTKI 2022.

**6. Proposed date of introduction of the measure**

The proposed extension of the safeguard measure will come into effect on 9 November 2022.

**7. Expected duration of the measure**

The expected duration of the proposed extension of the safeguard measure is three years, until 8 November 2025.

**8. Proposed date for the review**

Not Applicable.

**9. Expected timetable for progressive liberalization of the measure**

The measure will continue being progressively liberalized, at regular intervals, at the beginning of each period of application is as follows:

No	HS Codes	Tariffs		
		1 <sup>st</sup> Year (9 November 2022– 8 November 2023)	2 <sup>nd</sup> Year (9 November 2023 – 8 November 2024)	3 <sup>rd</sup> Year (9 November 2024 – 8 November 2025)
1	5208.12.00	Rp 1,657/meter	Rp 1,599/meter	Rp 1,542/meter
2	5208.32.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
3	5208.49.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
4	5208.51.90	Rp 3,207/meter	Rp 3,094/meter	Rp 2,985/meter
5	5208.52.90	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
6	5209.12.00	Rp 3,315/meter	Rp 3,198/meter	Rp 3,086/meter
7	5209.22.00	Rp 3,315/meter	Rp 3,198/meter	Rp 3,086/meter
8	5209.29.00	Rp 3,315/meter	Rp 3,198/meter	Rp 3,086/meter

No	HS Codes	Tariffs		
		1 <sup>st</sup> Year (9 November 2022– 8 November 2023)	2 <sup>nd</sup> Year (9 November 2023 – 8 November 2024)	3 <sup>rd</sup> Year (9 November 2024 – 8 November 2025)
9	5209.32.00	Rp 10,261/meter	Rp 9,899/meter	Rp 9,551/meter
10	5209.39.00	Rp 10,261/meter	Rp 9,899/meter	Rp 9,551/meter
11	5209.42.00	Rp 10,261/meter	Rp 9,899/meter	Rp 9,551/meter
12	5209.51.90	Rp 10,261/meter	Rp 9,899/meter	Rp 9,551/meter
13	5209.59.90	Rp 10,261/meter	Rp 9,899/meter	Rp 9,551/meter
14	5210.29.00	Rp 1,842/meter	Rp 1,777/meter	Rp 1,714/meter
15	5210.39.00	Rp 5,701/meter	Rp 5,500/meter	Rp 5,307/meter
16	5210.41.90	Rp 5,701/meter	Rp 5,500/meter	Rp 5,307/meter
17	5210.51.90	Rp 5,701/meter	Rp 5,500/meter	Rp 5,307/meter
18	5211.11.00	Rp 3,315/meter	Rp 3,198/meter	Rp 3,086/meter
19	5211.19.00	Rp 3,315/meter	Rp 3,198/meter	Rp 3,086/meter
20	5211.20.00	Rp 3,315/meter	Rp 3,198/meter	Rp 3,086/meter
21	5211.42.00	Rp 10,261/meter	Rp 9,899/meter	Rp 9,551/meter
22	5211.43.00	Rp 10,261/meter	Rp 9,899/meter	Rp 9,551/meter
23	5211.49.00	Rp 10,261/meter	Rp 9,899/meter	Rp 9,551/meter
24	5212.11.00	Rp 1,657/meter	Rp 1,599/meter	Rp 1,542/meter
25	5212.24.00	Rp 10,261/meter	Rp 9,899/meter	Rp 9,551/meter
26	5212.25.90	Rp 10,261/meter	Rp 9,899/meter	Rp 9,551/meter
27	Ex 5407.10.20	Rp 1,507/meter	Rp 1,454/meter	Rp 1,403/meter
28	5407.10.91	Rp 1,507/meter	Rp 1,454/meter	Rp 1,403/meter
29	5407.20.00	Rp 1,507/meter	Rp 1,454/meter	Rp 1,403/meter
30	5407.30.00	Rp 1,507/meter	Rp 1,454/meter	Rp 1,403/meter
31	5407.44.00	Rp 4,664/meter	Rp 4,500/meter	Rp 4,341/meter
32	5407.51.00	Rp 1,382/meter	Rp 1,333/meter	Rp 1,286/meter
33	5407.52.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
34	5407.53.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
35	5407.54.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
36	5407.61.90	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
37	5407.74.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
38	5407.81.00	Rp 1,507/meter	Rp 1,454/meter	Rp 1,403/meter
39	5407.82.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
40	5407.83.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
41	5407.84.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
42	5407.91.00	Rp 1,507/meter	Rp 1,454/meter	Rp 1,403/meter
43	5407.92.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
44	5407.93.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
45	5407.94.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
46	5408.22.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
47	5408.24.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
48	5408.32.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
49	5408.34.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
50	5512.29.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
51	5513.11.00	Rp 1,382/meter	Rp 1,333/meter	Rp 1,286/meter
52	5513.12.00	Rp 1,382/meter	Rp 1,333/meter	Rp 1,286/meter
53	5513.21.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
54	5513.23.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
55	5513.39.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
56	5513.49.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
57	5514.12.00	Rp 1,657/meter	Rp 1,599/meter	Rp 1,542/meter
58	5514.21.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
59	5514.22.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
60	5514.29.00	Rp 6,413/meter	Rp 6,187/meter	Rp 5,969/meter
61	5514.42.00	Rp 6,413/meter	Rp 6,187/meter	Rp 5,969/meter
62	5514.43.00	Rp 5,701/meter	Rp 5,500/meter	Rp 5,307/meter
63	5514.49.00	Rp 5,701/meter	Rp 5,500/meter	Rp 5,307/meter
64	5515.11.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
65	5515.12.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
66	5515.91.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
67	5515.99.90	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
68	5516.11.00	Rp 1,657/meter	Rp 1,599/meter	Rp 1,542/meter
69	5516.13.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
70	5516.14.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter

No	HS Codes	Tariffs		
		1 <sup>st</sup> Year (9 November 2022– 8 November 2023)	2 <sup>nd</sup> Year (9 November 2023 – 8 November 2024)	3 <sup>rd</sup> Year (9 November 2024 – 8 November 2025)
71	5516.22.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
72	5516.24.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
73	5516.92.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
74	5804.10.11	Rp 25,648/kg	Rp 24,745/kg	Rp 23,874/kg
75	5804.10.19	Rp 25,648/kg	Rp 24,745/kg	Rp 23,874/kg
76	5804.10.29	Rp 25,655/kg	Rp 24,752/kg	Rp 23,881/kg
77	5804.10.99	Rp 25,655/kg	Rp 24,752/kg	Rp 23,881/kg
78	5804.21.90	Rp 25,655/kg	Rp 24,752/kg	Rp 23,881/kg
79	5804.29.10	Rp 25,654/kg	Rp 24,751/kg	Rp 23,880/kg
80	5804.29.90	Rp 25,654/kg	Rp 24,751/kg	Rp 23,880/kg
81	5804.30.00	Rp 25,654/kg	Rp 24,751/kg	Rp 23,880/kg
82	5810.92.00	Rp 6,414/meter	Rp 6,188/meter	Rp 5,970/meter
83	6001.21.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
84	6001.92.20	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
85	6001.92.90	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
86	6004.10.90	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
87	6004.90.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
88	6005.21.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
89	6005.36.90	Rp 1,657/meter	Rp 1,599/meter	Rp 1,542/meter
90	6005.37.90	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
91	6005.90.90	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
92	6006.10.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
93	6006.21.00	Rp 1,657/meter	Rp 1,599/meter	Rp 1,542/meter
94	6006.22.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
95	6006.23.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
96	6006.24.00	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
97	6006.31.90	Rp 1,657/meter	Rp 1,599/meter	Rp 1,542/meter
98	6006.32.10	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
99	6006.32.20	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
100	6006.32.90	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
101	6006.33.10	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
102	6006.34.10	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
103	6006.42.10	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
104	6006.42.90	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
105	6006.43.90	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
106	6006.44.10	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter
107	6006.44.90	Rp 5,131/meter	Rp 4,950/meter	Rp 4,776/meter

**10. If the notification relates only to a finding of serious injury or threat thereof, and does not relate to a decision to apply or extend a safeguard measure.**

Pursuant to Article 7.2 and Article 12.1(b) of the WTO Agreement on Safeguards, The Government of the Republic of Indonesia, hereby notifies on the investigation findings concerning the extension of safeguard measures against the importation of Fabrics. This notification is only made for the findings of the investigation. Once the decision to extend the safeguard measure is made, it will be notified under Article 12.1(c) of the Agreement on Safeguards.

**11. Information relating to the extension of a safeguard measure**

**11.1. Evidence that the industry concerned is adjusting and that the safeguard measure continues to be necessary to prevent or remedy serious injury.**

Although the definitive safeguard measure has been imposed on the Subject Good, the fact is that the imports are still increasing both in absolute and relative terms in 2021 and the volume of imports will increase significantly if the safeguard measure is not extended.

In addition, the Applicant's performance data shows a serious injury as evidenced by a downward trend in several performance indicators of the Applicant, such as production, domestic sales, productivity, utilization capacity, and employment, as well as an increase in inventories and financial



losses. If the safeguard measure is not extended, the Applicant's serious injury will continue to occur and may even lead to bankruptcy. There is a causal link between the serious injury suffered by the Applicant as a result of the increase in the number of imports of the Subject Good and not caused by other factors.

The Applicant has completed some of the structural adjustment programs, however, the Applicant still needs additional time to complete the programs. If the safeguard measure is not extended, the Applicant will not be able to complete the structural adjustment program and will be difficult in competing with imported goods.

### **11.2. Reference to the WTO document that notified the initial application of the measure.**

Pursuant to Article 12.4 of the WTO Agreement on Safeguards, on 13 November 2019, The Government of the Republic of Indonesia notified the Committee on Safeguards regarding the imposition of a provisional safeguard measure on the imports of Fabrics on 9 November 2019 (G/SG/N/7/IDN/2/Suppl.1 - G/SG/N/11/IDN/18/Suppl.1).

Pursuant to Article 12.1(c) of the WTO Agreement on Safeguards, on 3 June 2020 The Government of the Republic of Indonesia notified the Committee on Safeguards regarding the decision to impose a safeguard measure on the imports of Fabrics on 27 May 2020 (G/SG/N/10/IDN/23/Suppl.1 - G/SG/N/11/IDN/18/Suppl.2).

### **11.3. Duration of the measure from initial application till the date at which it will be extended**

The duration of the provisional safeguard measure was 200 days from 9 November 2019 until 26 May 2020 and the initial definitive safeguard measure was imposed from 27 May 2020 until 8 November 2022. The extension of the safeguard measure is proposed to be imposed for 3 years, until 8 November 2025.

### **11.4. Precise description of the measure in place prior to the date of extension**

The latest version of the measure in place can be found in Indonesia's notification of 19 July 2021 (G/SG/N/11/IDN/18/Suppl.3). The original measure was notified on 3 June 2020 (G/SG/N/10/IDN/23/Suppl.1 - G/SG/N/11/IDN/18/Suppl.2).

## **12. Information relating to exporting members**

### **12.1. The major exporting Members of imports of the product involved**

No	Major Exporting Members	Unit	Year		
			2019	2020	2021
1.	People's Republic of China	%	70.17	53.79	48.87
2.	Republic of Korea	%	10.08	12.74	12.99
3.	Socialist Republic of Vietnam	%	3.33	5.90	9.98
4.	Hong Kong	%	5.70	7.68	9.45
5.	Chinese Taipei	%	4.86	6.29	7.03
6.	Malaysia	%	0.34	7.23	5.58
7.	Other Countries (< 3%)	%	5.53	6.37	6.10
<b>Total</b>		%	<b>100</b>	<b>100</b>	<b>100</b>

The main exporting countries of the product concerned are People's Republic of China, Republic of Korea, Viet Nam, Hong Kong, Chinese Taipei, and Malaysia.

### **12.2. If there are any exporting Members to which the measure does not apply for any reason other than the application of Article 9.1, the names of such exporting Members and reasons for non-application of the measure**

Not applicable.

### **13. Invitation of Consultations**

Members who have a substantial interest in 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 a 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 2 September 2022.

The contact information for correspondence is:

**DIRECTORATE OF WORLD TRADE ORGANIZATION NEGOTIATIONS, MINISTRY OF TRADE**

Jl. M.I. Ridwan Rais No.5, Building 2, 9<sup>th</sup> floor, Jakarta 10110

Phone: (62-21) 3840139

Fax: (62-21) 3840139

E-mail: dit.multilateral.ppi@kemendag.go.id

### **14. Members are encouraged to attach, in an electronic form, publicly available document(s) containing the relevant decision(s) made by the competent authority**

The non-confidential version of the Final Report of this investigation, can be found on the website of the Indonesian Safeguard Committee: [www.kppi.kemendag.go.id](http://www.kppi.kemendag.go.id)

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**Annex-I****Applicant's Indicators of Injury and Economic Indicators  
of the Product Categories****1. Cotton Fabrics**

Description	Unit	Year			Changes (%)		Trend (%)
		2019	2020	2021	19-20	20-21	19-21
Production	Index	100	83.12	81.55	(16.88)	(1.89)	(9.69)
Domestic Sales	Index	100	82.23	87.89	(17.77)	6.88	(6.25)
Productivity	Index	100	97.70	91.18	(2.30)	(6.67)	(4.51)
Capacity Utilization	Index	100	82.13	80.55	(17.87)	(1.93)	(10.25)
Profit/Loss	Index	(100)	(256.41)	(318.47)	156.41	24.20	78.46
Employment	Index	100	85.08	89.44	(14.92)	5.12	(5.43)
Inventory	Index	100	133.61	143.83	33.61	7.65	19.93
Market share of Imports	Index	100	61.04	56.28	(38.96)	(7.81)	(24.98)
Market Share of Applicant	Index	100	110.93	108.90	10.93	(1.83)	4.36

**2. Staple Fabrics**

Description	Unit	Year			Changes (%)		Trend (%)
		2019	2020	2021	19-20	20-21	19-21
Production	Index	100	87.88	87.43	(12.12)	(0.51)	(6.50)
Domestic Sales	Index	100	94.66	87.85	(5.34)	(7.19)	(6.27)
Productivity	Index	100	92.86	94.09	(7.14)	1.32	(3.00)
Capacity Utilization	Index	100	87.70	87.25	(12.30)	(0.51)	(6.59)
Profit/Loss	Index	(100)	(334.56)	(653.03)	234.56	95.19	96.21
Employment	Index	100	94.63	92.92	(5.37)	(1.81)	(3.61)
Inventory	Index	100	114.41	122.44	14.41	7.01	10.65
Market share of Imports	Index	100	69.73	49.54	(30.27)	(28.95)	(29.62)
Market Share of Applicant	Index	100	111.85	108.95	11.85	(2.59)	4.38

**3. Filament Fabrics**

Description	Unit	Year			Changes (%)		Trend (%)
		2019	2020	2021	19-20	20-21	19-21
Production	Index	100	73.70	80.02	(26.30)	8.57	(10.55)
Domestic Sales	Index	100	73.40	83.14	(26.60)	13.26	(8.82)
Productivity	Index	100	83.33	89.00	(16.67)	6.80	(5.66)
Capacity Utilization	Index	100	71.16	76.97	(28.84)	8.17	(12.27)
Profit/Loss	Index	100	(208.42)	(156.66)	(308.42)	24.84	(59.83)
Employment	Index	100	88.44	89.91	(11.56)	1.66	(5.18)

Description	Unit	Year			Changes (%)		Trend (%)
		2019	2020	2021	19-20	20-21	19-21
Inventory	Index	100	110.41	119.49	10.41	8.23	9.31
Market share of Imports	Index	100	69.59	54.13	(30.41)	(22.22)	(26.43)
Market Share of Applicant	Index	100	120.20	132.12	20.20	9.92	14.95

#### 4. Special and Embroidery Fabrics

Description	Unit	Year			Changes (%)		Trend (%)
		2019	2020	2021	19-20	20-21	19-21
Production	Index	100	73.59	83.41	(26.41)	13.35	(8.67)
Domestic Sales	Index	100	63.51	60.03	(36.49)	(5.48)	(22.52)
Productivity	Index	100	87.47	93.18	(12.53)	6.53	(3.47)
Capacity Utilization	Index	100	69.05	77.17	(30.95)	11.76	(12.15)
Profit/Loss	Index	100	(42.11)	(33.94)	(142.11)	19.39	(76.02)
Employment	Index	100	84.13	89.51	(15.87)	6.40	(5.39)
Inventory	Index	100	112.15	111.22	12.15	(0.83)	5.46
Market share of Imports	Index	100	63.32	65.87	(36.68)	4.03	(18.84)
Market Share of Applicant	Index	100	178.67	161.33	78.67	(9.71)	27.01

#### 5. Knitted Fabrics

Description	Unit	Year			Changes (%)		Trend (%)
		2019	2020	2021	19-20	20-21	19-21
Production	Index	100	84.00	88.61	(16.00)	5.49	(5.87)
Domestic Sales	Index	100	83.54	87.82	(16.46)	5.11	(6.29)
Productivity	Index	100	91.10	97.19	(8.90)	6.68	(1.41)
Capacity Utilization	Index	100	84.38	89.02	(15.62)	5.49	(5.65)
Profit/Loss	Index	100	52.33	71.29	(47.67)	36.23	(15.57)
Employment	Index	100	84.00	88.61	(16.00)	5.49	(5.87)
Inventory	Index	100	83.54	87.82	(16.46)	5.11	(6.29)
Market share of Imports	Index	100	94.98	109.59	(5.02)	15.39	4.69
Market Share of Applicant	Index	100	95.23	86.58	(4.77)	(9.09)	(6.95)

**Annex-II****Increased Imports of the Product Categories**

Products Categories	Imports	Unit	Year			Changes (%)		Trend (%)
			2019	2020	2021	19-20	20-21	19-21
Cotton Fabrics	Absolute	Ton	47,980	21,711	21,792	(54.75)	0.38	(32.61)
	Relative to Domestic Production	Index	100	54.60	57.54	(45.39)	5.40	(24.13)
Staple Fabrics	Absolute	Ton	48,949	28,885	19,552	(40.99)	(32.31)	(36.80)
	Relative to Domestic Production	Index	100	67.18	44.00	(32.84)	(34.46)	(33.65)
Filament Fabrics	Absolute	Ton	168,737	71,709	57,471	(57.50)	(19.86)	(41.64)
	Relative to Domestic Production	Index	100	58.13	43.06	(41.88)	(25.93)	(34.38)
Special and Embroidery Fabrics	Absolute	Ton	22,441	5,051	5,500	(77.49)	8.90	(50.49)
	Relative to Domestic Production	Index	100	28.07	28.30	(71.93)	0.83	(46.80)
Knitted Fabrics	Absolute	Ton	146,984	122,473	163,388	(16.68)	33.41	5.43
	Relative to Domestic Production	Index	100	101.27	124.25	1.27	22.70	11.47
<b>Total</b>	<b>Absolute</b>	<b>Ton</b>	435,091	249,828	267,704	(42.58)	7.16	(21.56)
	<b>Relative to Domestic Production</b>	<b>Index</b>	100	70.45	72.38	(29.54)	2.74	(14.92)

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

**Annex-III****The Proposed Subject Goods Categories**

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	Ex 5407.10.20, 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 and Embroidery 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 the Indonesian Customs Tariff Book (BTKI) 2022