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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

Articles of Apparel and Clothing Accessories

The following communication, dated and received on 22 February 2021, 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 "Articles of Apparel and Clothing Accessories" 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 9 September 2020, an application for a safeguard measures 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 1 October 2020, the Investigating Authority initiated a safeguard investigation on the import of "Articles of Apparel and Clothing Accessories". The commencement of the investigation was announced in the *Bisnis Indonesia* newspaper on 1 October 2020 and the Ministry of Trade's website on 1 October 2020. The said initiation was also notified in the WTO document G/SG/N/6/IDN/36, circulated on 2 October 2020.

2. PERIOD OF INVESTIGATION

The period of investigation covers 2017 to 2019.

3. MAJOR PROPORTION

The total production of the Applicant is 54.86% of the total domestic production of the Subject Goods. Therefore, it represents a major proportion as required by Article 4.1(c) of the WTO Agreement on Safeguards.

4. 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 20 November 2020. (The said public hearing was also notified in the WTO document G/SG/N/6/IDN/36/Suppl.1, circulated on 3 November 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 | | |
|-------------------|------|--------|--------|--------|
| | | 2017 | 2018 | 2019 |
| Volume of Imports | Ton | 44,095 | 48,522 | 52,546 |
| Growth | % | | 10.04 | 8.29 |
| Trend | % | | 9.16 | |

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

The volume of imports increased each year from 44,095 ton in 2017 to 48,522 ton in 2018 or by 10.04% and increased again to 52,546 ton or by 8.29% in 2019. During the period of 2017-2019 imports increased in absolute terms with a trend of 9.16%.

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 | | |
|---|-------|--------|--------|--------|
| | | 2017 | 2018 | 2019 |
| Volume of Imports | Ton | 44,095 | 48,522 | 52,546 |
| Total Domestic Production | Index | 100 | 92.41 | 87.46 |
| Imports Relative to the Domestic Production | Index | 100 | 119.07 | 136.25 |
| Growth | % | | 19.07 | 14.43 |
| Trend | % | | 16.73 | |

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 2017 to 119.07 indexed points in 2018, and continued to increase to 136.25 indexed points in 2019. During 2017-2019, imports relative to the national production was increased with trend of 16.73%.

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

3. IMPORTS FROM MAIN COUNTRIES

Table 3. Import Shares

| Country | 2019 | |
|----------------------------------|---------------|----------------------|
| | Volume (Ton) | Share of imports (%) |
| People's Republic of China (PRC) | 39,203 | 74.61 |
| Bangladesh | 3,122 | 5.94 |
| Viet Nam | 1,802 | 3.43 |
| Singapore | 1,636 | 3.11 |
| Developing Countries under 3% | 6,123 | 11.65 |
| Other Countries | 661 | 1.26 |
| World | 52,546 | 100 |

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

From the table above, the biggest shares of import in 2019 was PRC, which its shares of import in 2019 accounted for 74.61%. Other countries with share of imports above 3% during 2019 are Bangladesh (5.94%), Viet Nam (3.43%), and Singapore (3.11%). Developing countries members with less than 3% imports share collectively above 9% of total imports of the product concerned for 11.65%.

Imports shares of each product categories are listed in Annex II.

4. UNFORESEEN DEVELOPMENT

The increased imports of the Subject Goods from the exporting countries were unforeseeable. This is caused the trade war between PRC and the United States (US), which made a significant impact on the rapid supply of imported goods from PRC for textile and apparel and clothing accessories. US imposed an additional 15% tariff for Textile and Apparel. The additional tariffs imposed by the US for apparel products from PRC have created a gap. PRC is diverting exports of its clothing products to other countries, including Indonesia, which has a large market potential. This situation poses a big threat to domestic apparel and clothing accessories manufacturers in domestic market.

In the other hand, increased production and investment of the apparel and clothing accessories in Viet Nam from 2017 to 2018 had a significant impact on the increase imports volume of the apparel and clothing accessories in Indonesia from Viet Nam.

Moreover, the export incentives of the Government of Bangladesh and India for the apparel and clothing accessories also had significant impact on the increase imports volume of the apparel and clothing accessories in Indonesia from Bangladesh and India.

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 III.

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

| No. | Description | Unit | Year | | | Trend (17-19) |
|-----|--------------------------------|-------|--------|--------|--------|------------------|
| | | | 2017 | 2018 | 2019 | |
| 1. | National Consumption | Index | 100 | 99.75 | 99.21 | (0.39) |
| 2. | Volume of Imports | Ton | 44,095 | 48,522 | 52,546 | 9.16 |
| 3. | Applicant's Domestic Sales | Index | 100 | 92.64 | 86.45 | (7.02) |
| 4. | Non-Applicant's Domestic Sales | Index | 100 | 96.83 | 92.32 | (3.91) |
| 5. | Import's market share | Index | 100 | 110.32 | 120.11 | 9.60 |
| 6. | Applicant's market share | Index | 100 | 92.88 | 87.14 | (6.65) |
| 7. | Non-Applicant's market share | Index | 100 | 97.07 | 93.06 | (3.53) |

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 taken the domestic market share of both the Applicant and the Non-Applicant.

From 2017 to 2019 national consumption has decreased with a trend of 0.39%. On the contrary, volume of imports increased with a trend of 9.16% in the same period. The increase in the imports of the Subject Goods resulted in a decline in the market share of the Applicant and Non-Applicant with a trend of 6.65% and 3.53%, respectively. Meanwhile, in the same period the market share of imports increased with a trend of 9.60%.

Table 5. The Applicant's Indicators of Injury

| No. | Description | Unit | Year | | | Trend (17-19) |
|-----|----------------------|-------|------|--------|--------|------------------|
| | | | 2017 | 2018 | 2019 | |
| 1. | Production | Index | 100 | 92.10 | 87.85 | (6.27) |
| 2. | Domestic Sales | Index | 100 | 92.64 | 86.45 | (7.02) |
| 3. | Productivity | Index | 100 | 97.23 | 97.08 | (1.47) |
| 4. | Utilization Capacity | Index | 100 | 94.38 | 85.82 | (7.36) |
| 5. | Profit | Index | 100 | 84.23 | 57.55 | (24.14) |
| 6. | Employment | Index | 100 | 94.72 | 90.50 | (4.87) |
| 7. | Inventory | Index | 100 | 149.51 | 204.90 | 43.14 |

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 6.27% during 2017-2019, from 100 indexed points in 2017 to 92.10 indexed points in 2018 and decreased again to 87.85 indexed points in 2019.
- b) Domestic Sales decreased with a trend of 7.02% during 2017-2019, from 100 indexed points in 2017 to 92.64 indexed points in 2018 and then decreased again to 86.45 indexed points in 2019.
- c) The applicant's productivity has decreased with a trend of 1.47% during 2017-2019. Productivity in 2017 was 100 indexed points, declined to 97.23 indexed points in 2018 and 97.08 indexed points in 2019.
- d) Utilization Capacity experienced a decrease during 2017-2019 with a trend of 7.36% from 100 indexed points in 2017 to 94.38 indexed points in 2018 and 85.82 indexed points in 2019.
- e) Applicant's profit experienced a significant decrease during 2017-2019 with a trend of 24.14% from 100 indexed points in 2017 to 84.23 indexed points in 2018 and 57.55 indexed points in 2019.
- f) The Applicant's Employment decreased during 2017-2019 with trend of 4.87% from 100 indexed points in 2017 to 94.72 indexed points in 2018 and 90.50 indexed points in 2019.

- g) The Applicant's Inventory increased during 2017-2019 with a trend of 43.14% from 100 indexed points in 2017 to 149.51 indexed points in 2018 and 204.90 indexed points in 2019.
- h) Based on the explanation above, it can be concluded that during the investigation period, the Applicant experienced threat of serious injury based on the Applicant's performance that indicated a downward trend in production, domestic sales, productivity, utilization capacity, profit, employment and increased of inventories.

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 III.

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 Goods. 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

| Description | Unit | Year | | | Trend 2017-2019 |
|------------------------------|-------|------|--------|--------|--------------------|
| | | 2017 | 2018 | 2019 | |
| Imports' Market Share | Index | 100 | 110.32 | 120.11 | 9.60 |
| Applicant's Market Share | Index | 100 | 92.88 | 87.14 | (6.65) |
| Non-Applicant's Market Share | Index | 100 | 97.07 | 93.06 | (3.53) |

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

As shown in Table above, during period of 2017 to 2019 the Applicant's market share decreased from 100 indexed points in 2017 to 92.88 indexed points in 2018 and 87.14 indexed points in 2019. In line with the Applicant's market share, the Non-Applicant's market share also decreased from 100 indexed points in 2017 to 97.07 indexed points in 2018 and 93.06 indexed points in 2019. As oppose, during the same period the import market share increased significantly from 100 indexed points in 2017 to 110.32 indexed points in 2018 and 120.11 indexed points in 2019. This proves that the competition between the Applicant and Non-Applicant is not a factor that causes a threat of serious injury to the Applicant.

Based on the facts of 2.a. to c. above, it can be concluded that during the period of investigation there were no other factors that caused a threat of serious injury to the Applicant other than 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 threat of serious injury suffered by the Applicant mainly caused by significant increased volume of imports and not due to the other factors, as follows:

- a) There was a surge increase of Subject Goods in absolute terms in 2017-2019 with a trend of 9.16%.
- b) There was a surge increase of Subject Goods in relative to domestic production in 2017-2019 with a trend of 16.73%.
- c) Import's market share has increased with a trend of 9.60% in 2017-2019.
- d) The Applicant's market share has decreased with a trend of 6.65% and the Non-Applicant's market share has also decreased with a trend of 3.53% during 2017-2019.
- e) Downward trend in production, domestic sales, productivity, utilization capacity, employment, profit, and increased of inventories.
- f) There were no other factors that caused a threat of serious injury to the Applicant other than increased volume of imports of the Subject Goods.

D. DESCRIPTION OF THE PROPOSED SUBJECT GOODS

Articles of Apparel and Clothing Accessories, Excluding apparels made from Celliant Fabric Technology, under Harmonized System (HS.) codes ex.6101.20.00, ex.6101.30.00, ex.6101.90.00, ex.6102.20.00, ex.6102.30.00, ex.6102.90.00, 6103.10.00, 6103.22.00, 6103.23.00, 6103.29.00, 6103.32.00, 6103.33.00, 6103.39.90, ex.6103.42.00, ex.6103.43.00, ex.6103.49.00, 6104.13.00, 6104.19.20, 6104.19.90, 6104.22.00, 6104.23.00, 6104.29.00, 6104.32.00, 6104.33.00, 6104.39.00, 6104.43.00, 6104.44.00, 6104.49.00, 6104.52.00, 6104.53.00, 6104.59.00, ex.6104.62.00, ex.6104.63.00, ex.6104.69.00, 6105.10.00, 6105.20.10, 6105.20.20, 6105.90.00, 6106.10.00, 6106.20.00, 6106.90.00, ex.6109.10.10, ex.6109.10.20, ex.6109.90.20, ex.6109.90.30, ex.6110.20.00, ex.6110.30.00, 6110.90.00, 6111.20.00, 6111.30.00, 6111.90.90, 6117.10.10, 6117.10.90, 6201.12.00, 6201.13.00, 6201.19.20, 6201.19.90, ex.6201.92.00, ex.6201.93.00, 6201.99.20, 6201.99.90, 6202.12.00, 6202.13.00, 6202.19.20, 6202.19.90, ex.6202.92.00, ex.6202.93.00, 6202.99.20, ex.6202.99.90, 6203.12.00, 6203.19.11, 6203.19.19, 6203.19.90, 6203.22.10, 6203.22.90, 6203.23.00, 6203.29.90, 6203.32.10, 6203.32.90, 6203.33.00, 6203.39.00, ex.6203.42.10, ex.6203.42.90, ex.6203.43.00, ex.6203.49.90, 6204.12.10, 6204.12.90, 6204.13.00, 6204.19.90, 6204.22.10, 6204.22.90, 6204.23.00, 6204.29.90, 6204.32.10, 6204.32.90, 6204.33.00, 6204.39.90, 6204.42.10, 6204.42.90, 6204.43.00, 6204.44.00, 6204.49.10, 6204.49.90, 6204.52.10, 6204.52.90, 6204.53.00, 6204.59.10, 6204.59.90, ex.6204.62.00, ex.6204.63.00, ex.6204.69.00, 6205.20.10, 6205.20.90, 6205.30.90, 6205.90.91, 6205.90.99, 6206.30.10, 6206.30.90, 6206.40.00, 6206.90.00, 6209.20.30, 6209.20.40, 6209.20.90, 6209.30.10, 6209.30.30, 6209.30.40, 6209.30.90, 6209.90.00, 6214.30.10, 6214.30.90, 6214.40.10, 6214.40.90, 6214.90.10, 6214.90.90.

The product categories and 134 8-digit HS that are subject to the proposed safeguard measures are listed in Annex IV.

E. DESCRIPTION OF THE PROPOSED MEASURE

In a view of the aforementioned findings, a safeguard measures 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 Measures

| No | Products Categories | Specific Duty (Rupiah/Piece) | | |
|----|---|------------------------------|-----------|------------|
| | | Period I | Period II | Period III |
| 1. | Top Garments-Casual | 45,499 | 42,305 | 39,335 |
| 2. | Top Garments-Formal | 156,979 | 145,959 | 135,713 |
| 3. | Bottom Garments | 90,346 | 84,004 | 78,107 |
| 4. | Suits, Ensembles and Dresses | 159,143 | 147,971 | 137,584 |
| 5. | Outerwear | 138,930 | 129,177 | 120,109 |
| 6. | Babies' garments and clothing accessories | 32,034 | 29,785 | 27,694 |
| 7. | Headwear and Neckwear | 6,231 | 5,794 | 5,387 |

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 measures on the importation of the Subject Goods for three periods.

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

According to article 9.1 of the WTO Agreement on Safeguards, developing country Members with less than 3% import share collectively account for not more than 9% of total imports in the Headwear and neckwear category of subject goods are excluded from the safeguard measures (Annex II).

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 measures 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, email 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 19 March 2021.

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ANNEX-I**INCREASED IMPORTS OF THE PRODUCT CATEGORIES**

| Products Categories | Imports | Unit | Year | | | Trend (%) |
|--|--|--------------|---------------|---------------|---------------|--------------|
| | | | 2017 | 2018 | 2019 | 17-19 |
| Top Garments-Casual | Absolute | Ton | 4,621 | 5,985 | 6,323 | 16.98 |
| | Relative to Domestic Production | Index | 100 | 139.15 | 156.28 | 25.01 |
| Top Garments-Formal | Absolute | Ton | 9,203 | 7,824 | 9,730 | 2.83 |
| | Relative to Domestic Production | Index | 100 | 91.56 | 117.79 | 8.53 |
| Bottom Garments | Absolute | Ton | 11,094 | 9,879 | 11,979 | 3.91 |
| | Relative to Domestic Production | Index | 100 | 95.53 | 119.61 | 9.37 |
| Suit, ensemble, dresses | Absolute | Ton | 4,521 | 4,108 | 5,289 | 8.15 |
| | Relative to Domestic Production | Index | 100 | 102.29 | 146.40 | 21.00 |
| Outerwear | Absolute | Ton | 4,522 | 6,168 | 6,941 | 23.90 |
| | Relative to Domestic Production | Index | 100 | 144.01 | 174.25 | 32.00 |
| Babies's garments and clothing accessories | Absolute | Ton | 544 | 765 | 801 | 21.44 |
| | Relative to Domestic Production | Index | 100 | 160.89 | 194.84 | 39.58 |
| Headwear and neckwear | Absolute | Ton | 9,591 | 13,794 | 11,483 | 9.42 |
| | Relative to Domestic Production | Index | 100 | 158.64 | 144.23 | 20.09 |
| Total | Absolute | Ton | 44,095 | 48,522 | 52,546 | 9.16 |
| | Relative to Domestic Production | Index | 100 | 119.07 | 136.25 | 16.73 |

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

ANNEX-II**IMPORT SHARES OF THE PRODUCT CATEGORIES****1. Top Garments-Casual**

| Country | 2019 | |
|----------------------------------|--------------|----------------------|
| | Volume (Ton) | Share of Imports (%) |
| People's Republic of China (PRC) | 3,461 | 54.74 |
| Bangladesh | 1,235 | 19.53 |
| Viet Nam | 435 | 6.88 |
| Turkey | 224 | 3.54 |
| India | 205 | 3.25 |
| Developing Countries under 3% | 597 | 9.44 |
| Other Countries | 166 | 2.62 |
| World | 6,323 | 100 |

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

2. Top Garments-Formal

| Country | 2019 | |
|----------------------------------|--------------|----------------------|
| | Volume (Ton) | Share of Imports (%) |
| People's Republic of China (PRC) | 7,267 | 74.69 |
| Singapore | 517 | 5.31 |
| Bangladesh | 366 | 3.76 |
| Malaysia | 321 | 3.30 |
| Developing Countries under 3% | 1,127 | 11.59 |
| Other Countries | 132 | 1.36 |
| World | 9,730 | 100 |

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

3. Bottom Garments

| Country | 2019 | |
|----------------------------------|---------------|----------------------|
| | Volume (Ton) | Share of imports (%) |
| People's Republic of China (PRC) | 8,337 | 69.60 |
| Bangladesh | 853 | 7.12 |
| Viet Nam | 656 | 5.48 |
| Cambodia | 396 | 3.31 |
| Turkey | 370 | 3.09 |
| Developing Countries under 3% | 1,179 | 9.84 |
| Other Countries | 188 | 1.57 |
| World | 11,979 | 100 |

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

4. Suits, Ensembles and Dresses

| Country | 2019 | |
|----------------------------------|--------------|----------------------|
| | Volume (Ton) | Share of Imports (%) |
| People's Republic of China (PRC) | 4,622 | 87.39 |
| Developing Countries under 3% | 623 | 11.78 |
| Other Countries | 44 | 0.83 |
| World | 5,289 | 100 |

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

5. Outerwear

| Country | 2019 | |
|----------------------------------|--------------|----------------------|
| | Volume (Ton) | Share of imports (%) |
| People's Republic of China (PRC) | 4,302 | 61.98 |
| Singapore | 636 | 9.17 |
| Bangladesh | 440 | 6.35 |
| Viet Nam | 433 | 6.24 |
| Turkey | 213 | 3.06 |
| Developing Countries under 3% | 798 | 11.49 |
| Other Countries | 119 | 1.71 |
| World | 6,941 | 100 |

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

6. Babies' garments and clothing accessories

| Country | 2019 | |
|----------------------------------|--------------|----------------------|
| | Volume (Ton) | Share of imports (%) |
| People's Republic of China (PRC) | 349 | 43.52 |
| Bangladesh | 182 | 22.73 |
| India | 126 | 15.70 |
| Turkey | 33 | 4.09 |
| Cambodia | 24 | 3.00 |
| Developing Countries under 3% | 80 | 10.00 |
| Other Countries | 8 | 0.96 |
| World | 801 | 100 |

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

7. Headwear and Neckwear

| Country | 2019 | |
|----------------------------------|---------------|----------------------|
| | Volume (Ton) | Share of Imports (%) |
| People's Republic of China (PRC) | 10,865 | 94.62 |
| Developing Countries under 3% | 613 | 5.34 |
| Other Countries | 4 | 0.04 |
| World | 11,483 | 100 |

ANNEX-III

GENERAL ECONOMIC INDICATORS AND APPLICANT'S INDICATORS
OF INJURY OF THE PRODUCT CATEGORIES

1. Top Garments-Casual

| Indicators | Unit | Year | | | Trend (%) 17-19 |
|-------------------------------|-------|------|--------|--------|--------------------|
| | | 2017 | 2018 | 2019 | |
| Market share of Imports | Index | 100 | 125.78 | 136.44 | 16.81 |
| Market Share of Applicant | Index | 100 | 90.31 | 85.67 | (7.44) |
| Market Share of Non-Applicant | Index | 100 | 94.54 | 93.03 | (3.55) |
| Production | Index | 100 | 92.81 | 87.10 | (6.67) |
| Domestic Sales | Index | 100 | 92.99 | 85.91 | (7.31) |
| Productivity | Index | 100 | 99.09 | 96.19 | (1.92) |
| Capacity Utilization | Index | 100 | 94.57 | 91.38 | (4.41) |
| Profit | Index | 100 | 88.06 | 61.73 | (21.43) |
| Employment | Index | 100 | 93.67 | 90.55 | (4.84) |
| Inventory | Index | 100 | 150.73 | 202.60 | 42.34 |

Source: As verified by the Investigating Authority.

2. Top Garments-Formal

| Indicators | Unit | Year | | | Trend (%) 17-19 |
|-------------------------------|-------|------|--------|--------|--------------------|
| | | 2017 | 2018 | 2019 | |
| Market share of Imports | Index | 100 | 91.90 | 108.76 | 4.29 |
| Market Share of Applicant | Index | 100 | 100.64 | 91.31 | (4.44) |
| Market Share of Non-Applicant | Index | 100 | 107.92 | 101.67 | 0.83 |
| Production | Index | 100 | 93.11 | 90.64 | (4.79) |
| Domestic Sales | Index | 100 | 93.11 | 88.76 | (5.79) |
| Productivity | Index | 100 | 99.93 | 101.87 | 0.93 |
| Capacity Utilization | Index | 100 | 93.43 | 91.66 | (4.26) |
| Profit | Index | 100 | 84.28 | 59.49 | (22.87) |
| Employment | Index | 100 | 93.17 | 88.98 | (5.67) |
| Inventory | Index | 100 | 152.22 | 210.15 | 44.96 |

3. Bottom Garments

| Indicators | Unit | Year | | | Trend (%) 17-19 |
|-------------------------------|-------|------|--------|--------|--------------------|
| | | 2017 | 2018 | 2019 | |
| Market share of Imports | Index | 100 | 94.48 | 110.12 | 4.94 |
| Market Share of Applicant | Index | 100 | 100.02 | 93.09 | (3.52) |
| Market Share of Non-Applicant | Index | 100 | 105.13 | 99.20 | (0.40) |
| Production | Index | 100 | 92.69 | 91.76 | (4.21) |
| Domestic Sales | Index | 100 | 94.27 | 91.28 | (4.46) |
| Productivity | Index | 100 | 96.62 | 98.50 | (0.75) |
| Capacity Utilization | Index | 100 | 92.87 | 92.56 | (3.79) |
| Profit | Index | 100 | 83.57 | 57.80 | (23.98) |
| Employment | Index | 100 | 95.93 | 93.15 | (3.48) |
| Inventory | Index | 100 | 146.45 | 202.03 | 42.14 |

4. Suits, Ensembles and Dresses

| Indicators | Unit | Year | | | Trend (%) 17-19 |
|-------------------------------|-------|------|--------|--------|--------------------|
| | | 2017 | 2018 | 2019 | |
| Market share of Imports | Index | 100 | 100.73 | 126.05 | 12.27 |
| Market Share of Applicant | Index | 100 | 98.73 | 84.26 | (8.21) |
| Market Share of Non-Applicant | Index | 100 | 100.67 | 88.92 | (5.70) |
| Production | Index | 100 | 87.60 | 78.92 | (11.16) |
| Domestic Sales | Index | 100 | 89.07 | 78.20 | (11.57) |
| Productivity | Index | 100 | 90.53 | 89.54 | (5.37) |
| Capacity Utilization | Index | 100 | 87.84 | 79.32 | (10.94) |
| Profit | Index | 100 | 84.89 | 55.54 | (25.48) |
| Employment | Index | 100 | 96.76 | 88.14 | (6.12) |
| Inventory | Index | 100 | 143.64 | 191.09 | 38.23 |

5. Outerwear

| Indicators | Unit | Year | | | Trend (%) 17-19 |
|-------------------------------|-------|------|--------|--------|--------------------|
| | | 2017 | 2018 | 2019 | |
| Market share of Imports | Index | 100 | 123.48 | 136.62 | 16.88 |
| Market Share of Applicant | Index | 100 | 85.15 | 76.13 | (12.75) |
| Market Share of Non-Applicant | Index | 100 | 82.55 | 73.61 | (14.20) |
| Production | Index | 100 | 92.50 | 87.06 | (6.69) |
| Domestic Sales | Index | 100 | 94.05 | 85.52 | (7.52) |
| Productivity | Index | 100 | 95.69 | 93.35 | (3.38) |
| Capacity Utilization | Index | 100 | 92.85 | 87.92 | (6.24) |
| Profit | Index | 100 | 77.00 | 41.55 | (35.54) |
| Employment | Index | 100 | 96.67 | 93.26 | (3.43) |
| Inventory | Index | 100 | 140.75 | 196.58 | 40.21 |

6. Babies' garments and clothing accessories

| Indicators | Unit | Year | | | Trend (%) 17-19 |
|-------------------------------|-------|------|--------|--------|--------------------|
| | | 2017 | 2018 | 2019 | |
| Market share of Imports | Index | 100 | 142.52 | 157.25 | 25.40 |
| Market Share of Applicant | Index | 100 | 83.34 | 77.44 | (12.00) |
| Market Share of Non-Applicant | Index | 100 | 97.36 | 96.64 | (1.69) |
| Production | Index | 100 | 84.83 | 73.96 | (14.00) |
| Domestic Sales | Index | 100 | 82.20 | 72.51 | (14.85) |
| Productivity | Index | 100 | 94.28 | 91.95 | (4.11) |
| Capacity Utilization | Index | 100 | 84.75 | 76.54 | (12.52) |
| Profit | Index | 100 | 83.04 | 23.52 | (51.50) |
| Employment | Index | 100 | 89.97 | 80.44 | (10.31) |
| Inventory | Index | 100 | 154.90 | 199.54 | 41.26 |

7. Headwear and Neckwear

| Indicators | Unit | Year | | | Trend (%) 17-19 |
|-------------------------------|-------|------|--------|--------|--------------------|
| | | 2017 | 2018 | 2019 | |
| Market share of Imports | Index | 100 | 119.56 | 118.42 | 8.82 |
| Market Share of Applicant | Index | 100 | 75.49 | 77.57 | (11.92) |
| Market Share of Non-Applicant | Index | 100 | 77.29 | 77.89 | (11.74) |
| Production | Index | 100 | 92.82 | 82.77 | (9.02) |
| Domestic Sales | Index | 100 | 90.80 | 78.43 | (11.44) |
| Productivity | Index | 100 | 97.88 | 97.60 | (1.21) |
| Capacity Utilization | Index | 100 | 92.85 | 82.98 | (8.91) |
| Profit | Index | 100 | 81.96 | 66.71 | (18.32) |
| Employment | Index | 100 | 94.84 | 84.81 | (7.91) |
| Inventory | Index | 100 | 170.61 | 257.65 | 60.51 |

ANNEX-IV**THE PROPOSED SUBJECT GOODS**

| No | Product Categories | HS Codes* |
|-----------|---|---|
| 1. | Top Garments-Casual | ex.6109.10.10, ex.6109.10.20, ex.6109.90.20, ex.6109.90.30 |
| 2. | Top Garments-Formal | 6105.10.00, 6105.20.10, 6105.20.20, 6105.90.00, 6106.10.00, 6106.20.00, 6106.90.00, 6205.20.10, 6205.20.90, 6205.30.90, 6205.90.91, 6205.90.99, 6206.30.10, 6206.30.90, 6206.40.00, 6206.90.00 |
| 3. | Bottom Garments | ex.6103.42.00, ex.6103.43.00, ex.6103.49.00, 6104.52.00, 6104.53.00, 6104.59.00, ex.6104.62.00, ex.6104.63.00, ex.6104.69.00, ex.6203.42.10, ex.6203.42.90, ex.6203.43.00, ex.6203.49.90, 6204.52.10, 6204.52.90, 6204.53.00, 6204.59.10, 6204.59.90, ex.6204.62.00, ex.6204.63.00, ex.6204.69.00. |
| 4. | Suits, Ensembles and Dresses | 6103.10.00, 6103.22.00, 6103.23.00, 6103.29.00, 6104.13.00, 6104.19.20, 6104.19.90, 6104.22.00, 6104.23.00, 6104.29.00, 6104.43.00, 6104.44.00, 6104.49.00, 6203.12.00, 6203.19.11, 6203.19.19, 6203.19.90, 6203.22.10, 6203.22.90, 6203.23.00, 6203.29.90, 6204.12.10, 6204.12.90, 6204.13.00, 6204.19.90, 6204.22.10, 6204.22.90, 6204.23.00, 6204.29.90, 6204.42.10, 6204.42.90, 6204.43.00, 6204.44.00, 6204.49.10, 6204.49.90. |
| 5. | Outerwear | ex.6101.20.00, ex.6101.30.00, ex.6101.90.00, ex.6102.20.00, ex.6102.30.00, ex.6102.90.00, 6103.32.00, 6103.33.00, 6103.39.90, 6104.32.00, 6104.33.00, 6104.39.00, ex.6110.20.00, ex.6110.30.00, 6110.90.00, 6201.12.00, 6201.13.00, 6201.19.20, 6201.19.90, ex.6201.92.00, ex.6201.93.00, 6201.99.20, 6201.99.90, 6202.12.00, 6202.13.00, 6202.19.20, 6202.19.90, ex.6202.92.00, ex.6202.93.00, 6202.99.20, ex.6202.99.90, 6203.32.10, 6203.32.90, 6203.33.00, 6203.39.00, 6204.32.10, 6204.32.90, 6204.33.00, 6204.39.90 |
| 6. | Babies' garments and clothing accessories | 6111.20.00, 6111.30.00, 6111.90.90, 6209.20.30, 6209.20.40, 6209.20.90, 6209.30.10, 6209.30.30, 6209.30.40, 6209.30.90, 6209.90.00. |
| 7. | Headwear and neckwear | 6117.10.10, 6117.10.90, 6214.30.10, 6214.30.90, 6214.40.10, 6214.40.90, 6214.90.10, 6214.90.90. |

*HS Codes are based on Indonesian Customs Tariff Book (Buku Tarif Kepabeanan Indonesia/BTKI) 2017.