

COMMISSION OF THE EUROPEAN COMMUNITIES

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REPORT FROM THE COMMISSION TO THE COUNCIL

on the negotiations with Indonesia under Article XXVIII of GATT on the modification of the tariff concessions included in its Schedule XXI following the revision of the Indonesian customs tariff

Recommendation for a

COUNCIL DECISION

concerning the conclusion of the Agreement between the European Economic Community and Indonesia negotiated under Article XXVIII of the General Agreement on Tariffs and Trade (GATT)

(submitted to the Council by the Commission)

EXPLANATORY MEMORANDUM

RENEGOTIATIONS WITH INDONESIA UNDER ARTICLE XXVIII OF GATT

The renegotiations with Indonesia under Article XXVIII of GATT were concluded on 17 November 1981 in Brussels.

The GATT Contracting Parties had, by decision of 22 November 1976, authorized Indonesia to suspend its obligations under Article II of GATT (Schedules of Concessions) with a view to enabling it to renegotiate the whole of its schedule of tariff concessions following the introduction of a new tariff. The Tokyo Round multilateral negotiations, which had taken place in the meantime, caused a considerable delay in the conclusion of the Agreement in question, which sets out Indonesia's new obligations vis-à-vis the Community in respect of the binding in duties.

Conclusion of an Agreement resulting from the
negotiations entered into with Indonesia under
Article XXVIII of GATT

(Communication from the Commission to the Council)

The Commission hereby presents to the Council:

- (i) a report on the outcome of the negotiations entered into with Indonesia under Article XXVIII of GATT regarding the renegotiation by Indonesia of the whole of the tariff concessions included in its Schedule XXI (Annex I);
- (ii) a draft Agreement negotiated between Indonesia and the Community under Article XXVIII of GATT (Annex II).

On 13 November 1981 the Article 113 Committee approved the results of the negotiations referred to above.

The Commission recommends that the Council approve the Agreement initialled with Indonesia (Annex II).

It accordingly presents a draft Decision concluding the Agreement (Annex III).

REPORT FROM THE COMMISSION TO THE COUNCIL

on the negotiations with Indonesia under Article XXVIII of GATT on the modification of the tariff concessions included in its Schedule XXI following the revision of the Indonesian customs tariff

1. On 22 November 1976 Indonesia's Permanent Mission in Geneva informed the Director-General of GATT of its intention to modify, in accordance with Article XXVIII of the General Agreement on Tariffs and Trade, the tariff concessions included in its Schedule following the revision of the Indonesian customs tariff and its alignment on the Brussels Nomenclature.
2. Indonesia pointed out in this communication that it was willing to enter into negotiations or consultations with the Contracting Parties with which such concessions were initially negotiated or which have a principal or substantial supplying interest. The European Community has availed itself of its rights and asked to negotiate with Indonesia, which stated its readiness to conduct negotiations with the Community.
3. In view of the priority given to the Tokyo Round multilateral trade negotiations, it was not until 5 May 1981 that negotiations with the Indonesian authorities were able to commence in Brussels. The Members of the Article 113 Committee were kept regularly informed and consulted regarding these negotiations.
4. The negotiations centred on the whole of Indonesia's Schedule XXI of tariff concessions. These concessions had been negotiated prior to Indonesia's independence and no longer reflected the country's real economic situation. Indonesia had therefore asked, when it revised its customs tariff and aligned it on the Brussels Nomenclature, to be able to renegotiate this schedule under Article XXVIII but submit offers as in the case

of accession to GATT. These negotiations therefore started from scratch, since it was not possible on the basis of any recent statistics associated with the former nomenclature to define exactly the previous entitlements of the Community and its Member States.

5. The volume of trade from the Member States of the Community, Indonesia's second largest supplier, that was offered for binding is comparable to that offered to Japan and the United States, its principal and third largest suppliers.

The binding of duties was based on a two-tier principle (the same as that applied to Indonesia's other two main trading partners):

- (i) duty bound at 30% for products currently offered which are subject to a duty of 30% or less;
- (ii) duty bound at 50% for all other products offered for binding.

The principal difficulty, as in all Article XXVIII renegotiations with the Community, was in obtaining compensatory adjustment between Member States that was satisfactory in qualitative terms and suitably balanced. Following lengthy negotiations, the final offer was considered satisfactory and acceptable to the Community.

6. The Article 113 Committee approved the conclusion of the negotiations on this basis at its meeting on 13 November 1981.

7. The documents setting out the results of the negotiations were initialled on 17 November 1981.

ARTICLE XXVIII NEGOTIATIONS

Schedule XXI - Indonesia

The delegations of Indonesia and of the Commission of the European Communities have concluded their negotiations under Article XXVIII as part of the establishment of a new Schedule XXI - Indonesia as set out in the report attached.

Paul Luyten

Signed for the delegation
of Indonesia

Signed for the delegation
of the Commission of the
European Communities

SCHEDULE XXI INDONESIA - EEC

<u>CCCN</u>	<u>DESCRIPTION</u>	<u>BINDING RATE (%)</u>
10.01.190	Other wheat	30
28.17.100	Sodium hydroxide (caustic soda) solid	30
28.17.200	Sodium hydroxide in aqueous solution	30
28.17.300	Potassium hydroxide (caustic potash) peroxide of sodium or potassium	30
28.23.100	Iron oxides	30
28.30.110	Ammonium chlorides, for fertilizers	30
28.30.190	Other ammonium chlorides	30
28.30.200	Calcium chloride	30
28.30.900	Other chlorides	30
29.08.900	Other ethers	30
29.14.100	Acetic acid and its salts	30
29.14.910	Formic acid	30
29.16.100	Lactic acid	30
29.16.200	Calcium citrated	30
29.16.900	Other carboxylic acids	30
29.25.900	Other carboxamide function compounds	30
29.35.100	(	30
29.35.920	(Nucleic acids and other heterocyclic compounds	30
29.35.930	(except mercurochrome	30
29.35.990	(	30
29.36.000	Sulphonamides	30
29.38.100	(	30
29.38.200	(	30
29.38.310	(	30
29.38.320	(	30
29.38.370	(Provitamins and vitamins	30
29.38.390	(	30
29.38.400	(	30
29.38.500	(	30
29.38.900	(	30
29.42.900	Other vegetable alkaloids	30
30.03.100	Anti pregnancy medicaments	30
20.03.200	Vitamin preparations whether or not containing hormone, mineral, including their oils	50

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<u>CCCN</u>	<u>DESCRIPTION</u>	<u>BINDING RATE (%)</u>
30.03.300	Preparations mainly comprising vegetable, animal and mineral substances, not listed in the Indonesian Pharmacopeia Other:	50
	Veterinary medicaments:	
30.03.911	Containing antibiotics	30
30.03.912	Containing sulphonamides	30
30.03.913	Containing anthelminitics	30
30.03.914	Containing vitamins	30
30.03.919	Other	
	Human medicaments:	
30.03.921	Containing antibiotic	30
30.03.922	Containing sulphoramide	30
30.03.929	Other	30
31.02.900	Mineral or chemical fertilizers, nitrogenous (other)	30
31.03.900	Mineral or chemical fertilizers, phosphatic (other)	30
31.04.900	Mineral or chemical fertilizers, potassic (other)	30
32.05.110	(Synthetic organic dyestuffs	30
32.05.190	(
33.04.000	Mixtures of two or more odoriferous substances (natural or artificial) and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in the perfumery, food, drink or other industries	30
37.01.900	Other photographic plates and film in the flat	30
48.01.942	Other cigarette paper	50
73.13.110	Whether or not lacquered tinned plates and sheets	30
73.14.910	Wire for making bicycles spokes	30
73.14.920	Bead wire for making tyre	30
73.14.990	Other	30
73.17.110	Pipes with a diameter of not more than 10 cm	50
73.17.120	Pipes with a diameter of more than 10 cm but more than 25 cm	30
73.17.130	Pipes with a diameter more than 25 cm	30
73.17.900	Other	30
73.19.000	High-pressure hydro-electric conduits of steel, whether or not reinforced	30

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<u>CCCN</u>	<u>DESCRIPTION</u>	<u>BINDING RATE (%)</u>
74.10.000	Stranded wire, cables, cordage, ropes, plaited bands and the like of copper wire, but excluding insulated electric wires and cables	50
76.02.911	(Wrought bars, etc ... of aluminium, not	30
76.02.919	(surface treated	30
76.04.100	Plain, not surface treated aluminium foil	30
	Embossed, cut to shape, perforated, printed, backed with paper or other reinforcing material polished or otherwise machined or surface-treated:	
76.04.221	For electric wire/cable industry (printed or backed with polyethylene)	30
76.04.229	Other	30
76.12.000	Stranded wire, cables, cordage, ropes, plaited bands and the like of aluminium wire, but excluding insulated electric wires and cables	50
82.03.100	Wrenches and spanners	50
82.03.210	Files	50
82.03.220	Rasps	50
82.03.910	Perforating punches	50
82.03.920	Pliers (including cutting pliers)	50
82.03.930	Pipe cutters	50
82.03.940	Tweezers	50
82.03.990	Other	50
84.01.113	(Hybrid boilers and super-heated water boilers	30
84.01.120	(	30
84.02.111	(	30
84.02.112	(Auxiliary plant for use with boilers of	30
84.02.113	(heading N° 84.01	30
84.02.114	(
84.02.119	(
84.02.120	Condensers for vapour engines and power units	30
84.08.919	(	30
84.08.922	(Parts of other engines and motors	30
84.08.929	(	50
84.08.999	(
84.20.190	Other weighing machinery	30
84.30.600	Machinery for sugar manufacture	30
84.34.290	Other printing blocks, plates, cylinders and lithographic stones	30

<u>CCCN</u>	<u>DESCRIPTION</u>	<u>BINDING RATE (%)</u>
84.35.100	Rotary presses	30
84.35.200	Platen presses	30
84.35.300	Other printing machinery	30
84.35.400	Machinery for uses ancillary to printing	30
84.37.100	Weaving machines	30
84.56.100	(	30
84.56.200	(	30
84.56.310	(Machines for sorting, washing, crushing earth	30
84.56.390	(and stones, etc.	30
84.56.410	((position 84.56 as a whole)	30
84.56.490	(	30
84.56.900	(	30
84.59.200	(	30
84.59.300	(	30
84.59.400	(Machinery, NES	30
84.59.600	(	30
84.59.700	(	30
85.13.122	Printer type telegraphic receivers	30
85.13.129	Other telegraphic apparatus	30
89.05.000	Floating structures other than vessels	30
90.20.000	X-Ray apparatus	30

RECOMMENDATION FOR A COUNCIL DECISION

concerning the conclusion of the Agreement between the European Economic Community and Indonesia negotiated under Article XXVIII of the General Agreement on Tariffs and Trade (GATT)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof;

Having regard to the Recommendation from the Commission;

Whereas Indonesia, under Article XXVIII of the General Agreement on Tariffs and Trade (GATT), has announced its intention to unbind the whole of the tariff concessions included in its Schedule XXI, following the revision of the Indonesian customs tariff;

Whereas the Commission has entered into negotiations with Indonesia under Article XXVIII of GATT, the Community being a direct beneficiary or the principal supplier in the case of certain of those concessions; whereas a satisfactory agreement has been reached with that country;

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement between the European Economic Community and Indonesia, negotiated under Article XXVIII of GATT on the modification of the tariff concessions included in Indonesia's Schedule XXI is hereby approved on behalf of the Community.

The text of the agreement is annexed to this Decision.

Article 2

The President of the Council is hereby authorized to designate the person empowered to sign the Agreement in order to bind the Community.

Done at Brussels,

For the Council
The President

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