

# GENERAL AGREEMENT ON

# TARIFFS AND TRADE

RESTRICTED

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## INDONESIA - IMPORT RESTRICTIONS AND CHARGES ON BOUND ITEMS

### Request for Consultations under Article XXIII:1 by the United States

The following communication, dated 5 February 1991, sent by the United States Trade Representative in Geneva to the Permanent Representative to GATT of the Republic of Indonesia in Geneva, is circulated in accordance with paragraph C.3 of the CONTRACTING PARTIES' 1989 Decision on Improvements to the GATT Dispute Settlement Rules and Procedures (BISD, 36S/62).

On behalf of the Government of the United States of America, I wish to request consultations with the Government of Indonesia under Article XXIII:1 of the General Agreement concerning Indonesia's (1) quantitative restrictions on imports, (2) import charges applied on certain bound items, and (3) incomplete notification pursuant to Article XVIII of quantitative restrictions on imports.

It is my understanding that Indonesia maintains quantitative restrictions on certain items with bound tariff rates for which the United States negotiated concessions. The attachment to this letter contains an illustrative list of these items. Indonesia maintains quantitative restrictions on other items as well. These quantitative restrictions appear to be inconsistent with Article XI of the General Agreement, which provides that no prohibition or restriction other than duties, taxes, or other charges, whether made effective through quotas, import or export licenses, or other measures, shall be maintained on the importation of any product.

It is also my understanding that Indonesia maintains import charges on certain items that exceed the rate specified in Schedule XXI, the schedule of tariffs Indonesia has submitted to the GATT. These charges appear to be inconsistent with Article II of the General Agreement, which provides that such products shall be exempt from all duties or charges of any kind imposed on or in connection with importation in excess of those provided for in Indonesia's schedule of tariffs submitted to the GATT.

The United States believes that these actions nullify or impair benefits accruing to it under the General Agreement.

Further, Indonesia has not provided full information to the GATT Secretariat with respect to quantitative restrictions maintained on imports. This appears to be inconsistent with the requirements of Article XVIII of the General Agreement.

The United States Government requested consultations under Article XXII:1 of the General Agreement on the above matters on April 7, 1989. Representatives of our two governments have held two sets of consultations under Article XXII:1, in July 1989 in Geneva and in March 1990 in Jakarta. These consultations have not resulted in a mutually satisfactory resolution of the issues raised. Accordingly, the United States hereby requests consultations on these matters pursuant to the provisions of Article XXIII:1 of the General Agreement, and the procedures agreed at Montreal (L/6489), to be held within a reasonable period.

I am advised that my Government already has proposed bilateral consultations on a number of outstanding trade issues in Jakarta in late February. We propose holding the above-requested consultations under Article XXIII:1 at that time.

Attachment

Illustrative List of Bound Tariff Items  
for which Indonesia Maintains Quantitative Restrictions

<u>HS Number</u>	<u>Description</u>
0704.300	garlic, dry
0802.310	lemons and limes, fresh
0802.320	lemons and limes, dried
0802.410	grapefruit, fresh
0802.420	grapefruit, dried
0802.500	pomelos
0802.900	other citrus fruit, fresh or dried
0804.100	grapes, fresh
0804.200	grapes, dried
1201.410	soybeans, yellow
2304.200	soybean cake/residue