

## Indonesia: The Imposition of Safeguard Import Duties on Apparel and Its Accessories

### In brief

In response to an Indonesian Trade Security Committee (*Komite Pengamanan Perdagangan Indonesia*) report that shows that local manufacturers are threatened by the increased import of apparel and its accessories, the Ministry of Finance has imposed a safeguard duty on imports of those products. Minister of Finance Regulation Number 142 of 2021 on the Imposition of Safeguard Duty on the Import of Apparel and Its Accessories ("MOF Regulation 142") became effective on 12 November 2021.

Article 1 number 3 of Government Regulation No. 34 of 2011 on Anti-dumping, Reciprocal and Safeguard Measures ("GR 34") describes safeguard measures as actions taken by the Indonesian government to make local manufacturers more competitive by imposing a safeguard import duty on imported goods that are similar to the goods of local manufacturers. Article 1 number 1 of GR 34 defines anti-dumping measures as actions taken by the Indonesian government to impose anti-dumping import duty on dumped goods. Those two different duties serve a similar purpose for the government, which is to protect local industries.

### Contents

<a href="#">Goods imposed with safeguard measures</a>
<a href="#">Safeguard import duty exception</a>
<a href="#">Key takeaways</a>
<a href="#">Appendix I</a>
<a href="#">Appendix II</a>

### Goods imposed with safeguard measures

The safeguard import duty has been imposed on the types of apparel listed in Article 1 of MOF Regulation 142. The detailed list of HS Codes is set out in Appendix 1 of this alert. The following are the main categories of apparel subject to the safeguard import duty measures:

- Men's or boys' overcoats, car-coats, capes, cloaks, anoraks
- Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts
- Men's or boys' shirts
- Women's or girls' blouses, shirts and shirt-blouses, knitted or crocheted
- Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided skirts, trousers, bib and brace overalls, breeches and shorts
- T-shirts, singlets and other vests, knitted or crocheted
- Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or crocheted
- Babies' garments and clothing accessories, knitted or crocheted
- Shawls, scarves, mufflers, mantilla



For example, the products under HS Code 6101.20.00 have an import duty rate of 25%. Those products are also subject to safeguard duty of IDR 63,000 per piece for 12 months after they are first imported. If the customs value is IDR 100,000 and the import duty is IDR 25,000, then the total payable import duty would be IDR 88,000. The calculation is as follows:

Normal import duty	:	IDR 100,000 * 25% = IDR 25,000
Safeguard duty	:	IDR 63,000
Total payable duty	:	IDR 25,000 + IDR 63,000 = 88,000

Article 5 of MOF Regulation 142 provides that the safeguard import duty referred to in Article I applies to the following:

1. Imported apparel and its accessories the import customs declaration document of which has been registered in the customs office (if the customs obligations are settled at the same time as the submission of customs declaration)
2. Imported apparel and its accessories the tariff and customs value of which are determined by the respective customs office where the customs obligations are settled (if the settlement is conducted without submitting a customs declaration)

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## Safeguard import duty exception

The safeguard import duty measures are imposed on apparel imported from every country. According to Article 4 paragraph 1 of MOF Regulation 142, headwear and neckwear products that are produced in countries listed under the Appendix of MOF Regulation 142 (please refer to Appendix II below) are exempted from safeguard import duty measures. Importers are required to submit a certificate of origin to support exemptions. Safeguard import duty measures will not be imposed on goods under the following HS codes:

- 6117.10.10 = shawls, scarves, mufflers, mantillas, veils - of cotton
- 6117.10.90 = shawls, scarves, mufflers, mantillas, veils - other
- 6214.30.10 = shawls, scarves, mufflers, mantillas, veils - printed by the traditional batik process
- 6214.30.90 = shawls, scarves, mufflers, mantillas, veils - other
- 6214.40.10 = shawls, scarves, mufflers, mantillas, veils - printed by the traditional batik process
- 6214.40.90 = shawls, scarves, mufflers, mantillas, veils - other
- 6214.90.10 = shawls, scarves, mufflers, mantillas, veils - printed by the traditional batik process
- 6214.90.90 = shawls, scarves, mufflers, mantillas, veils - other

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## Key takeaways

The safeguard import duty measures on apparel and its accessories will be imposed for three years and applies to 134 HS codes. This provision will be imposed on imports from all countries, except for apparel products and their accessories such as headwear and neckwear products produced in certain countries.

This regulation can be seen as a measure to help local manufacturers compete with imported goods in the future. It also aims to suppress the spike of imports of apparel products and accessories that cause significant losses for local manufacturers.

On the other hand, end consumers of apparel with 'premium' brands will pay higher prices because the selling price may also be increased by the distributors.

## Appendix I

No	HS Code	Safeguard Import Duty Amount (Rupiah/Piece)		
		Year 1	Year 2	Year 3
1.	6101.20.00	63.000	59.850	56.858
2.	6101.30.00	63.000	59.850	56.858
3.	6101.90.00	63.000	59.850	56.858
4.	6102.20.00	63.000	59.850	56.858
5.	6102.30.00	63.000	59.850	56.858
6.	6102.90.00	63.000	59.850	56.858
7.	6103.10.00	59.400	56.430	53.609
8.	6103.22.00	59.400	56.430	53.609
9.	6103.23.00	59.400	56.430	53.609
10.	6103.29.00	59.400	56.430	53.609
11.	6103.32.00	63.000	59.850	56.858
12.	6103.33.00	63.000	59.850	56.858
13.	6103.39.90	63.000	59.850	56.858
14.	6103.42.00	58.500	55.575	52.796
15.	6103.43.00	58.500	55.575	52.796
16.	6103.49.00	58.500	55.575	52.796
17.	6104.13.00	59.400	56.430	53.609
18.	6104.19.20	59.400	56.430	53.609
19.	6104.19.90	59.400	56.430	53.609
20.	6104.22.00	59.400	56.430	53.609
21.	6104.23.00	59.400	56.430	53.609
22.	6104.29.00	59.400	56.430	53.609
23.	6104.32.00	63.000	59.850	56.858
24.	6104.33.00	63.000	59.850	56.858
25.	6104.39.00	63.000	59.850	56.858
26.	6104.43.00	59.400	56.430	53.609
27.	6104.44.00	59.400	56.430	53.609
28.	6104.49.00	59.400	56.430	53.609
29.	6104.52.00	58.500	55.575	52.796
30.	6104.53.00	58.500	55.575	52.796
31.	6104.59.00	58.500	55.575	52.796
32.	6104.62.00	58.500	55.575	52.796
33.	6104.63.00	58.500	55.575	52.796
34.	6104.69.00	58.500	55.575	52.796
35.	6105.10.00	36.360	34.542	32.815
36.	6105.20.10	36.360	34.542	32.815
37.	6105.20.20	36.360	34.542	32.815
38.	6105.90.00	36.360	34.542	32.815
39.	6106.10.00	36.360	34.542	32.815
40.	6106.20.00	36.360	34.542	32.815
41.	6106.90.00	36.360	34.542	32.815
42.	6109.10.10	27.900	26.505	25.180
43.	6109.10.20	27.900	26.505	25.180
44.	6109.90.20	27.900	26.505	25.180
45.	6109.90.30	27.900	26.505	25.180
46.	6110.20.00	63.000	59.850	56.858
47.	6110.30.00	63.000	59.850	56.858
48.	6110.90.00	63.000	59.850	56.858
49.	6111.20.00	19.260	18.297	17.382
50.	6111.30.00	19.260	18.297	17.382
74.	6203.22.10	59.400	56.430	53.609
75.	6203.22.90	59.400	56.430	53.609
76.	6203.23.00	59.400	56.430	53.609
77.	6203.29.90	59.400	56.430	53.609
78.	6203.32.10	63.000	59.850	56.858
79.	6203.32.90	63.000	59.850	56.858
80.	6203.33.00	63.000	59.850	56.858
81.	6203.39.00	63.000	59.850	56.858
82.	6203.42.10	58.500	55.575	52.796
83.	6203.42.90	58.500	55.575	52.796
84.	6203.43.00	58.500	55.575	52.796

51.	6111.90.90	19.260	18.297	17.382	85.	6203.49.90	58.500	55.575	52.796
52.	6117.10.10	19.800	18.810	17.870	86.	6204.12.10	59.400	56.430	53.609
53.	6117.10.90	19.800	18.810	17.870	87.	6204.12.90	59.400	56.430	53.609
54.	6201.12.00	63.000	59.850	56.858	88.	6204.13.00	59.400	56.430	53.609
55.	6201.13.00	63.000	59.850	56.858	89.	6204.19.90	59.400	56.430	53.609
56.	6201.19.20	63.000	59.850	56.858	90.	6204.22.10	59.400	56.430	53.609
57.	6201.19.90	63.000	59.850	56.858	91.	6204.22.90	59.400	56.430	53.609
58.	6201.92.00	63.000	59.850	56.858	92.	6204.23.00	59.400	56.430	53.609
59.	6201.93.00	63.000	59.850	56.858	93.	6204.29.90	59.400	56.430	53.609
60.	6201.99.20	63.000	59.850	56.858	94.	6204.32.10	63.000	59.850	56.858
61.	6201.99.90	63.000	59.850	56.858	95.	6204.32.90	63.000	59.850	56.858
62.	6202.12.00	63.000	59.850	56.858	96.	6204.33.00	63.000	59.850	56.858
63.	6202.13.00	63.000	59.850	56.858	97.	6204.39.90	63.000	59.850	56.858
64.	6202.19.20	63.000	59.850	56.858	98.	6204.42.10	59.400	56.430	53.609
65.	6202.19.90	63.000	59.850	56.858	99.	6204.42.90	59.400	56.430	53.609
66.	6202.92.00	63.000	59.850	56.858	100.	6204.43.00	59.400	56.430	53.609
67.	6202.93.00	63.000	59.850	56.858	101.	6204.44.00	59.400	56.430	53.609
68.	6202.99.20	63.000	59.850	56.858	102.	6204.49.10	59.400	56.430	53.609
69.	6202.99.90	63.000	59.850	56.858	103.	6204.49.90	59.400	56.430	53.609
70.	6203.12.00	59.400	56.430	53.609	104.	6204.52.10	58.500	55.575	52.796
71.	6203.19.11	59.400	56.430	53.609	105.	6204.52.90	58.500	55.575	52.796
72.	6203.19.19	59.400	56.430	53.609	106.	6204.53.00	58.500	55.575	52.796
73.	6203.19.90	59.400	56.430	53.609					
107.	6204.59.10	58.500	55.575	52.796	119.	6206.40.00	36.360	34.542	32.815
108.	6204.59.90	58.500	55.575	52.796	120.	6206.90.00	36.360	34.542	32.815
109.	6204.62.00	58.500	55.575	52.796	121.	6209.20.30	19.260	18.297	17.382
110.	6204.63.00	58.500	55.575	52.796	122.	6209.20.40	19.260	18.297	17.382
111.	6204.69.00	58.500	55.575	52.796	123.	6209.20.90	19.260	18.297	17.382
112.	6205.20.10	36.360	34.542	32.815	124.	6209.30.10	19.260	18.297	17.382
113.	6205.20.90	36.360	34.542	32.815	125.	6209.30.30	19.260	18.297	17.382
114.	6205.30.90	36.360	34.542	32.815	126.	6209.30.40	19.260	18.297	17.382
115.	6205.90.91	36.360	34.542	32.815	127.	6209.30.90	19.260	18.297	17.382
116.	6205.90.99	36.360	34.542	32.815	128.	6209.90.00	19.260	18.297	17.382
117.	6206.30.10	36.360	34.542	32.815	129.	6214.30.10	19.800	18.810	17.870
118.	6206.30.90	36.360	34.542	32.815	130.	6214.30.90	19.800	18.810	17.870
					131.	6214.40.10	19.800	18.810	17.870
					132.	6214.40.90	19.800	18.810	17.870
					133.	6214.90.10	19.800	18.810	17.870
					134.	6214.90.90	19.800	18.810	17.870



## Appendix II

1.	Afghanistan	24.	Colombia
2.	Albania	25.	Congo
3.	Angola	26.	Costa Rica
4.	Antigua dan Barbuda	27.	Cote d'Ivoire
5.	Argentina	28.	Cuba
6.	Armenia	29.	Democratic Republic of the Congo
7.	Bahrain, Kingdom of	30.	Djibouti
8.	Bangladesh	31.	Dominica
9.	Barbados	32.	Dominican Republic
10.	Belize	33.	Ecuador
11.	Benin	34.	Egypt
12.	Bolivia, Plurinational State of	35.	El Salvador
13.	Botswana	36.	Eswatini
14.	Brazil	37.	Fiji
15.	Brunei Darussalam	38.	Gabon
16.	Burkina Faso	39.	Gambia
17.	Burundi	40.	Georgia
18.	Cabo Verde	41.	Ghana
19.	Cambodia	42.	Grenada
20.	Cameroon	43.	Guatemala
21.	Central African Republic	44.	Guinea
22.	Chad	45.	Guinea-Bissau
23.	Chile	46.	Guyana





47.	Haiti	82.	Pakistan
48.	Honduras	83.	Panama
49.	India	84.	Papua New Guinea
50.	Israel	85.	Paraguay
51.	Jamaica	86.	Peru
52.	Jordan	87.	Philippines
53.	Kazakstan	88.	Qatar
54.	Kenya	89.	Russian Federation
55.	Kuwait, the State of	90.	Rwanda
56.	Kyrgyz Republic	91.	Saint Kitts and Nevis
57.	Lao People's Democratic Republic	92.	Saint Lucia
58.	Lesotho	93.	Saint Vincent & the Grenadines
59.	Liberia	94.	Samoa
60.	Liechtenstein	95.	Saudi Arabia, Kingdom of
61.	Macao, China	96.	Senegal
62.	Madagascar	97.	Seychelles
63.	Malawi	98.	Sierra Leone
64.	Malaysia	99.	Singapore
65.	Maldives	100.	Solomon Islands
66.	Mali	101.	South Africa
67.	Mauritania	102.	Sri Lanka
68.	Mauritius	103.	Suriname
69.	Mexico	104.	Tajikistan
70.	Moldova, Republic of	105.	Tanzania
71.	Mongolia	106.	Thailand
72.	Montenegro	107.	The former Yugoslav Republic of Macedonia (FYROM)
73.	Morocco	108.	Togo
74.	Mozambique	109.	Tonga
75.	Myanmar	110.	Trinidad and Tobago
76.	Namibia	111.	Tunisia
77.	Nepal	112.	Turkey
78.	Nicaragua	113.	Uganda
79.	Niger	114.	Ukraine
80.	Nigeria	115.	United Arab Emirates

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