

### 3.1.7 Standards and technical regulations

3.53. There have been no changes to the institutions responsible for the setting of national standards (Standard Nasional Indonesia (SNI)) since Indonesia's previous Review, or to the procedures to be followed. The authorities indicated that a Standardization and Conformity Assessment Act is being drafted.

3.54. The National Standardization Agency of Indonesia (Badan Standardisasi Nasional, BSN) remains the governmental institution responsible for coordinating and facilitating standard setting. BSN is also the contact point for cooperation with international standard setting bodies. BSN establishes guidelines for standard development approved by the Technical Management Board for Standard Development (MTPS).<sup>25</sup> This Board comprises experts as well as representatives from regulators, and consumer and producer associations. Technical Committees (TCs) within specific ministries are responsible for the drafting of standards within their spheres competence; the TC chairs and secretariats are appointed by BSN.<sup>26</sup> TCs comprise representatives from government, consumer associations, experts, and industry. The Indonesia Standardization Society (MASTAN) is an independent body open to public membership, whose objective is to broaden stakeholders' participation in the development of national standards.

3.55. The process of developing SNIs generally follows five phases: programming; drafting; national consensus and finalization; the establishment of the SNI; and maintenance of the SNI.<sup>27</sup> The TC submits proposals for new or revised standards to the BSN based on its stakeholder's needs. The BSN reviews the proposal and, if necessary, coordinates with the TC to ensure it is aligned with the TC's scope, before submitting it to the MTPS for approval. Approved proposals are put on the National Programme for Standard Development (PNPS). A draft SNI is then prepared by the TC, which may invite other stakeholders to provide inputs, and is sent to the BSN for circulation to solicit comments, and is posted on the BSN website for comments by MASTAN members (draft (unless draft standards that are identical to international standards are directly subject to ballot approval). Technical experts and other interested parties are invited to examine draft standards and their opinions are taken into account in the redrafting stage for voting on the BSN website. The final draft is subject to electronic ballot approval by the BSN, and information about the issuance of the standard is published on the BSN website (<http://websisni.bsn.go.id>). The authorities indicated that they have been making efforts to align national standards with international ones and that more than 50% of Indonesian standards are now harmonized.

3.56. The relevant TCs are responsible for periodic reviews of standards. The authorities noted that standards should be reviewed no longer than five years after they are issued. Following the review, the TC may propose revision or withdrawal of a standard if necessary.

3.57. SNIs are voluntary. However those related to national security requirements, the prevention of deceptive practices, protection of human health or safety, animal or plant life or health, and the environment may be adopted to be mandatory.

3.58. Responsibility for the formulation of mandatory SNIs (technical regulations) is with the ministry or agency in charge of the area to be regulated. This ministry/agency is responsible for undertaking a cost/benefit analysis of developing a technical regulation, considering its proposed objectives, consumer needs, and technical infrastructure requirements. It submits the proposal for a technical regulation to BSN to be adopted in the National Programme for Technical Regulations by a Board comprising members from different ministries and associations. There follows a drafting period, involving relevant stakeholders. The draft technical regulation is then notified to BSN and forwarded to the WTO Secretariat. Technical regulations are issued by the relevant ministry or agency and enter into force six months after notification to the WTO.

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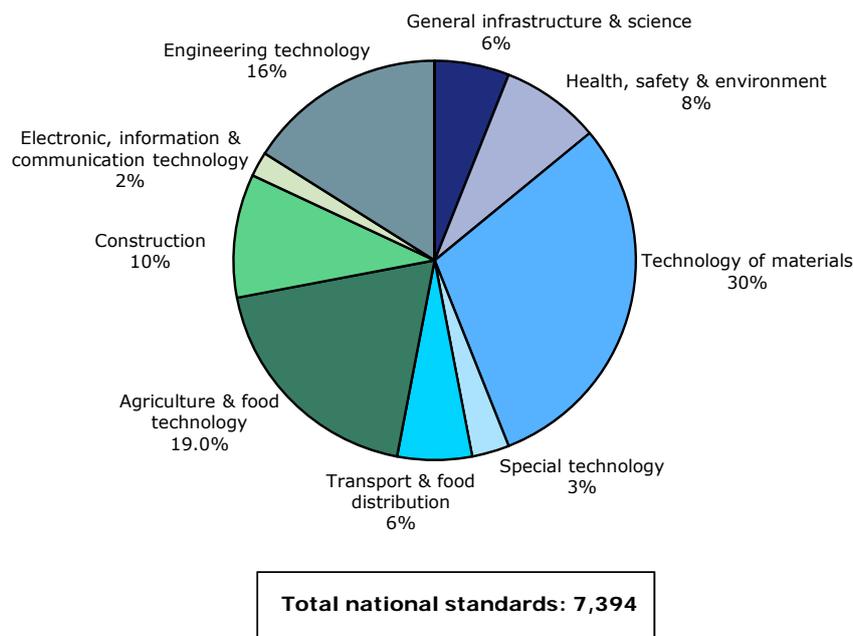
<sup>25</sup> As at end 2012, ten guidelines had been approved. The authorities noted that these are all based on international directives.

<sup>26</sup> The authorities noted that the main Ministries involved in standard setting are: Industry, Agriculture, Energy and Mineral Resources, Forestry, Fisheries and Marine Affairs, the Environment, and the National Agency for Drug and Food Control within the Department of Health.

<sup>27</sup> These steps are set out in National Standardization Guideline (PSN 01:2007 The Development of SNI).

3.59. As at December 2012, there were 7,394 approved SNIs (Chart 3.3): 97% voluntary, and 3% (i.e. 254) mandatory technical regulations (there were 211 technical regulations at the time of Indonesia's previous Review). The 254 technical regulations are from the Ministry of Industry (79); Ministry of Energy and Mineral Resources (19); Ministry of Marine and Fisheries (80); Ministry of Public Works (57); Ministry of Transportation (14); NFADC (4); and Ministry of Agriculture (1). The authorities indicated that all SNIs are published on the SNI Information System (SISNI) (<http://websisni.bsn.go.id>).

**Chart 3.3 Composition of Indonesian National Standards, 2007-12**



Source: Indonesian authorities.

### 3.1.7.1 Notifications and specific trade concerns

3.60. The BSN is Indonesia's enquiry point and notification body responsible for the implementation of the WTO TBT Agreement. Over the review period, Indonesia made 52 notifications to the TBT Committee of proposed and adopted technical regulations (excluding revisions and addenda). The BSN has established a database for the submission of online enquiries from domestic and foreign stakeholders, as well as a TBT information system. The latter includes Indonesian notifications, incoming notifications from WTO Members, and a list of technical regulations.<sup>28</sup>

3.61. Most of the specific concerns about Indonesia's measures were raised over the current review period (9 during 2007-12, out of 11 since 1995); these related to:

- a new requirement for rubber hoses for LPG gas stoves to be orange. This was raised by the European Union;
- whether a new regulation on zinc coated steel sheet, intended to protect consumers, should apply to certain intermediate goods used in car manufacturing and consumer electronic goods. This was raised by the Republic of Korea;
- the introduction of mandatory certification for hot-rolled steel sheets and coils and zinc-aluminium-coated steel plates and electrolysis-tin-coated thinsteel sheets. Concerns were

<sup>28</sup> BSN online information. Viewed at: <http://tbt.bsn.go.id/index.php/notif/usulan/pub/en>.

raised by Japan, the Republic of Korea, the European Union, and Chinese Taipei about the rationale for the measure and its implementation, including conformity assessment procedures;

- transparency in the development of a new regulation regarding trade in Halal products, and the absence of a notification to the TBT Committee before its entry into force. Raised by the United States;
- a new requirement limiting the granting of distribution licenses for food, food supplements, drugs, and cosmetics sourced from or contained "un-halal" substances and/or alcohol to emergency situations only. This was raised by the United States and the European Union, which also observed that the measure was not notified to the TBT Committee before entering into effect. The measure was later replaced by a labelling requirement, which was not contested;
- labelling requirements for certain imported goods prior to their entry into the Indonesian customs area, including a requirement for importers (and domestic producers) to submit a sample label to the Ministry of Trade in order to obtain a certification of labelling in the Indonesian language. The European Union, Australia, and the United States argued that these measures were more burdensome than necessary to achieve the stated objectives of surveillance and consumer information, and asked Indonesia to consider other options. Concern was also expressed that this measure had not been notified to the TBT Committee prior to its entering into effect;
- a draft modification to the technical regulation on food categories, raised by Mexico and South Africa; and
- a draft technical specification and mandatory SNI for toy safety raised by the United States and the EU. Both Members raised issues relating to conformity assessment procedures and transparency.
- Import permit regulations for horticultural products from the ministries of Agriculture and Trade raised by the European Union, the United States and South Africa.

### 3.1.7.2 Testing, inspection, and certification

3.62. Standards are implemented through conformity assessment procedures, including accreditation and certification systems. The National Accreditation Body (Komite Akreditasi Nasional (KAN)) is responsible for accrediting conformity assessment bodies, including laboratories, inspection bodies, and certification bodies.

3.63. KAN is a signatory member of various regional and international mutual recognition agreements (MRAs) such as the Asia Pacific Laboratory Accreditation Cooperation (APLAC), Pacific Accreditation Cooperation (PAC), International Laboratory Accreditation Cooperation (ILAC) and International Accreditation Forum (IAF). Through these MRAs, the equivalence of accredited test reports and certifications from overseas partners are recognized.

3.64. Domestic or overseas producers may apply to product certification bodies within Indonesia accredited by KAN (and, if applicable, appointed by the ministry responsible for the respective technical regulation). For a sub-licence to use the SNI mark, foreign companies also have the option of applying for sub-licences to foreign product certification bodies (FPCBs) within their own country that have been accredited by their domestic accreditation bodies, when there exist a Mutual Recognition Agreement (MRA) between Indonesia and the respective country. The authorities indicated that as at January 2012, 360 producers from 33 overseas jurisdictions held such sub-licences.<sup>29</sup>

<sup>29</sup> These jurisdictions are: Australia; Bangladesh; Brazil; Belarus; Belgium; China; Fiji; Hong Kong, China; Chinese Taipei; Germany; Hungary; India; Italy; Japan; Jordan; the United Kingdom; Malaysia; Egypt; Norway; France; Poland; Portugal; Russia; Singapore; South Korea; Spain; Switzerland; Sri Lanka; Thailand; Turkey; Ukraine; United States; and Viet Nam.

### 3.1.7.3 Market surveillance

3.65. In general, market surveillance is carried out by the Directorate of Supply Goods and Services within the Ministry of Trade. However for technical regulations, market surveillance is the responsibility of the institution which is designated in the technical regulation itself. These individually designated institutions must coordinate their activities with the Ministry of Trade and must also comply with the rules on Ministry of Trade market surveillance procedures.<sup>30</sup>

### 3.1.8 Sanitary and Phytosanitary Measures

3.66. There have been no changes to Indonesia's five main regulators for food safety, animal health and plant health since 2007. The Indonesian Agricultural Quarantine Agency (IAQA), the Directorate-General of Livestock and Animal Health, and the Directorate-General of Horticulture fall under the responsibility of the Ministry of Agriculture. The Fish Quarantine and Inspection Agency (FQIA) is part of the Ministry of Marine Affairs and Fisheries. The National Agency for Drug and Food Control (BPOM) falls under the President's responsibility.

3.67. All SPS-related regulations are issued at central government level, following coordination with sub-national governments. The IAQA is Indonesia's national enquiry point and national notification authority for SPS matters. The IAQA has 52 animal and plant quarantine stations at 151 entry points, while the FQIA has 47 fish quarantine stations at 77 entry points throughout the country.

3.68. The main laws concerned with food safety, and animal and plant health are: Law No. 16/1992 on Animal, Fish and Plant Quarantine; Law No. 7/1996 on Food; Law No. 31/2004 on Fisheries; Law No. 18/2009 on Animal Husbandry and Animal Health; and, Law No. 13 of 2010 on Horticulture. A new food law has been drafted and is expected to receive Presidential assent by end 2012. Information was not available on the main changes likely to be introduced.

3.69. Over the period January 2007 to October 2012, Indonesia made 26 notifications to the SPS Committee (excluding revisions), most of which were regular notifications (Table 3.11). Seven regular notifications were notified after the SPS measure had entered into force.<sup>31</sup>

**Table 3.11 SPS measures notified by Indonesia, 2007-12**

	No. of notifications to the SPS Committee
Total regular and emergency notifications	26
Regular notifications	23
Emergency notifications	3
Objective of notifications <sup>a</sup>	
Food safety	9
Animal health	12
Plant protection	10
Protect humans from animal/plant pest or disease	14
Protect territory from other damage from pests	15

a Most notifications contain more than one objective.

Source: WTO online SPS Information Management System. Viewed at: <http://spsims/.wto.org>.

3.70. Over the review period, specific concerns have been raised in the SPS Committee about: import restrictions on pork products due to influenza A/H1N1 (raised by Mexico and supported by Australia, Brazil, Canada, the Dominican Republic, and the United States); new meat import conditions (raised by the European Union); import restrictions on poultry meat (raised by Brazil); import restrictions on beef and recognition of the principle of regionalization (raised by Brazil); and

<sup>30</sup> These procedures are set out in Ministry of Trade Regulation No. 20/M/-DAG/PER/5/2009.

<sup>31</sup> See WTO documents G/SPS/N/IDN/44, 1 March 2011; G/SPS/N/IDN/46, 7 May 2012; G/SPS/N/IDN/47, 7 May 2012; G/SPS/N/IDN/48, 7 May 2012; G/SPS/N/IDN/49, 7 May 2012; G/SPS/N/IDN/53, 13 July 2012; G/SPS/N/IDN/54, 13 July 2012.

Indonesia's port closure (raised by the United States and supported by Australia, Canada, Chile, the EU, Japan, the Republic of Korea, New Zealand, and South Africa).

### **3.1.8.1 Selected SPS-related import requirements and restrictions**

#### **3.1.8.1.1 Processed food**

3.71. All processed food products (imports and domestic production) for trade in retail packaging must be registered with the National Agency for Drug and Food Control (BPOM) to ensure that they comply with regulations relating to safety, quality, nutrition, and labelling. Registration involves submission to BPOM of product information as well as samples for testing by either government laboratories or laboratories accredited by (or institutions acknowledged by) the national Accreditation Committee. Since 2008, import approval from the head of BPOM has been required for each imported shipment of processed food, raw food materials, food additives, processing aids, and food ingredients.

#### **3.1.8.1.2 Live animals, meat and dairy products**

3.72. Imports of live animals and animal products are governed by Law No. 18/2009 on Animal Husbandry and Animal Health and its implementing regulations (Minister of Agriculture Regulations Nos. 50/2011, 51/2011 and 52/2011, as well as Minister of Trade Regulation No. 24/2011). Indonesia requires foreign companies that export animal derived products to Indonesia to prelist their establishments with the Indonesian Ministry of Agriculture. All imported meat and dairy products (except pork) must be accompanied by a halal certificate issued by an approved halal certifying body. The Indonesian Islamic Council (MUI) is responsible for approving Islamic certifying centres in foreign countries. This involves the submission of an application followed by an on-site review by the Indonesian authorities.

#### **3.1.8.1.3 Horticulture**

3.73. In 2010, Indonesia enacted a new Law on Horticulture (Law No. 13/2010). According to an external source, the law requires importers of horticultural products to ensure the safety aspect of the imported food, the stock availability of domestic products, and the production and consumption targets of horticultural products. In addition, importers must meet standards for packaging and labelling, and requirements for safety and protection for the health of humans, animals, plants, and the environment.<sup>32</sup>

3.74. Regulations to implement the new law have tightened up import quarantine procedures to prevent the spread of fruit fly. Under previous rules (from 2006), importers of fruit and vegetables had to submit an import plan to the Head of Operational Plant Quarantine prior to loading the goods in the country of origin.<sup>33</sup> In addition, imports of fresh fruit could only enter Indonesia through one of seven designated ports. New regulations relating to fresh fruit and vegetables (MOA Regulation 42/2012) and on bulbs (MOA Regulation 43/2012) limit the number of permitted entry points to three sea ports (in Makassar (Soekarno-Hatta port), Surabaya (Tanjung Perak port) and Medan (Belawan port), one international airport, and free-trade zones. Responding to certain exporter concerns that Jakarta's main port (Tanjung Priok) was excluded from the permissible list of entry ports, port restrictions do not apply to products imported from fruit fly-free sites, and countries with recognized food safety systems (Australia, Canada, New Zealand, and the United States).<sup>34</sup> Recognition of food safety systems for fresh foods of plant origin is governed by Minister of Agriculture Regulation No. 88/PP.340/12/2011. The authorities noted that in order for a country's food safety control system to be recognized by Indonesia, the competent authority from that country must apply to the Indonesian Minister of Agriculture (the application form is annexed to the regulation), who will appoint a team to review the application and conduct on-site verification in the applicant country.

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<sup>32</sup> USDA Foreign Agricultural Service GAIN Report No. ID1031, 5 November 2010. Viewed at: <http://gain.fas.usda.gov>.

<sup>33</sup> The import plan had to contain details of the amount, type of product, brand, type of packaging, type of transportation, container information, country of origin, entrance port.

<sup>34</sup> Ministry of Agriculture Regulation Nos. 42/2012 and 43/2012.