

**ACTION PLAN 2012 OF THE EU-INDONESIA BUSINESS DIALOGUE  
ON AUTOMOTIVE**

**Adopted on 14<sup>th</sup> May 2012, Hotel Ramada Bintang, Bali**

The present Action Plan adopted by members of the EU-Indonesia Business Dialogue (EIBD) on Automotives issues that gathered on 14<sup>th</sup> May 2012 in Ramada Bintang Hotel aims at strengthening industrial cooperation between the European Union (EU) and the Indonesian automotive industries and increasing bilateral trade and investment flows in the sector. For that purpose, members of the EIBD recommend the following to the European Union and the Government of Indonesia (GoI):

1. CEPA (Comprehensive Economic Partnership Agreement) should be further pursued by the GoI and EU in order to strengthen the economic links between the two economies by institutionalizing the bilateral commercial relations.
2. Whenever possible, GoI should aim to consult industry prior to issuing SNI for automotive products and implement UN/ECE regulation as foreseen in the ASEAN roadmap for harmonisation. Therefore the EIBD recommends:
  - GoI to sign the 1958 UN Agreement on automotive regulation in 2012;
  - That GoI will adopt the “marketed” option when it comes to recognition of products manufactured by members of UN Agreement on Automotive; this means accepting test reports of other contractual parties of the Agreement (including ASEAN MRA)
  - That the EU will provide capacity building to the IASIF (Indonesia Automotive Standardization International Forum).
3. GoI should adopt the draft regulations in the following areas:
  - Harmonizing 0% IKD Scheme applicable to all types of vehicles
  - Inclusion of OEMs into exemption from import duty (revision of Ministry of Finance Regulation No. 176/2009)
  - Separation of regulatory framework for low cost and green cars
  - Improvement of fuel quality standards (EURO 4) and move towards bio fuel mixings. In this context, GoI should not issue import licenses to import CBU used trucks
  - Income tax facilities for investment of OEM manufacturers as well as assembling plants
  - technology neutral and emission-based vehicle incentive programme
4. The implementation of Minister of Trade Regulation 27/2012 on import licences has to consider industry concerns and issue written regulations confirming any exemption for the automotive sector
5. Minister of Finance should revise Minister of Finance Regulation No. 147/PMK.04/2011 on Bonded Zone, as amended lastly by Minister of Finance Regulation No. 44/PMK.04/2012, and remove domestic sales limitation for products processed in bonded zone.
6. Based on the issues addressed during the EIBD 2010 and within the framework of the ACTIVE project, EKONID, in collaboration with EuroCham, KADIN, GAIKINDO and GIAMM, proposes to implement a capacity building program based on:
  - the training of the Indonesian labor force (in the industry and in laboratories) in all fields where required (technical, environment requirements, smart management)
  - the support to the adoption of the UN/ECE 1958 Agreement (technical explanations about the standards, introduction to the new technologies)
  - the answer to the Indonesian needs in technical equipment through the development of EU-Indonesian cooperation programs in machinery and laboratory equipment.
7. Acceleration of infrastructure development and competitiveness of the transportation sector, as outlined by the MP3EI.
8. Three sub working groups will be created on implementation of SNI and UN/ECE regulations, investment issues, and environmental standards to prepare for EIBD in November 2012 and the CEPA negotiations.

Signed by:

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