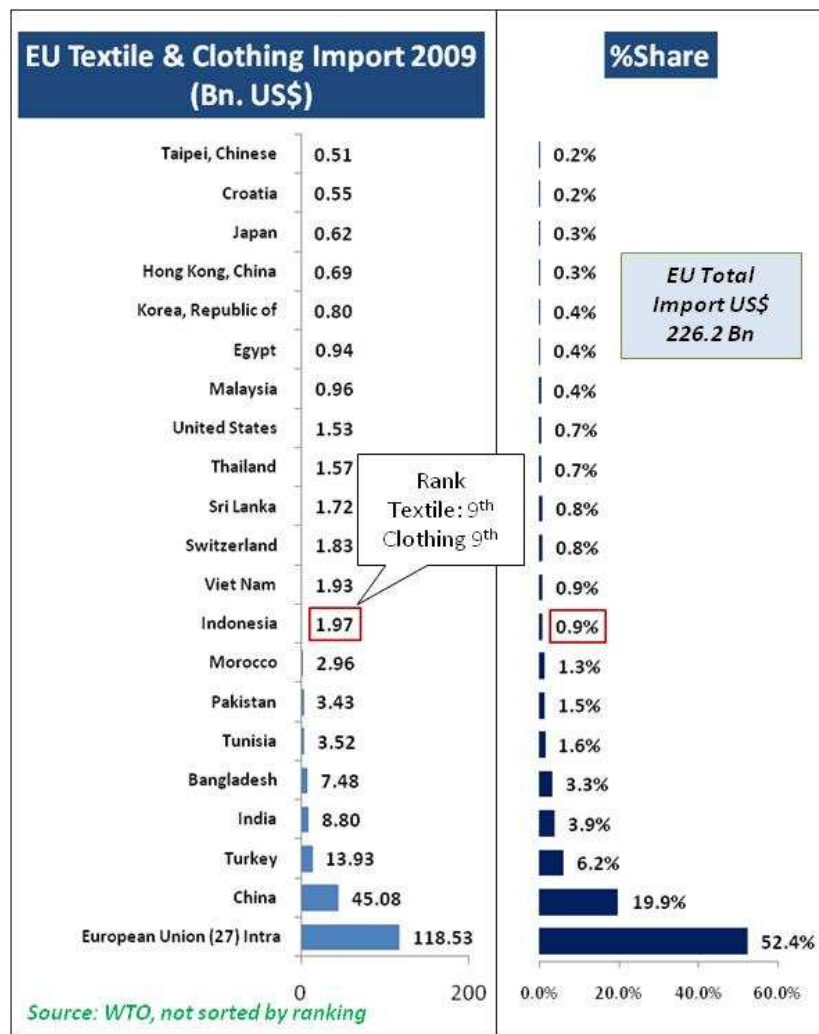


Indonesia – EU Textile & Clothing Cooperation

Background

- The position of Indonesian textile and garment in the European Union market is **increasing weakly near to negative trend**.
- Indonesia's market share was taken over by North Africa countries (i.e. Morocco and Tunisia) who have tariff preferences, as well as by textile and garment producers from South Asia such as India, Pakistan and Bangladesh



Cooperation

- European Union provides tariff preferences (Tariff Waiver) to Indonesia due to disasters occurred.
- Tariff preferences to LDC countries in ASEAN (Cambodia and Laos) using Rules of Origin system which enforced Two Step Process. In means raw materials must originate from ASEAN countries and processed in ASEAN Countries. The same as Rules of Origin is also applied in ASEAN-Japan agreement.
- Capacity Building and Assistance for Standardization of Product (Market Access) and Registration, Evaluation, Authorization and Restriction of Chemical (REACH Regulation).
- Increasing economic and trade cooperation through agreement of Economic Partnership (EPA) or the Free Trade Agreement (FTA).