

DRAFT BILL ON TRADE (RUU PERDAGANGAN)

Apr 09, 2013

The Draft Bill on Trade covers ten main issues in all aspects of trading which are currently under separate regulations, ie domestic trade, micro-small-medium business empowerment, products and services standardization, international trade, export improvement, trade protection, international trade cooperation, trading in border areas, electronic trading, and trading supervision.

There are four ways of distributing goods/services in domestic trade: general trading, franchising, direct sales and other marketing systems.

The draft bill includes general articles on increasing the use of local products in order to strengthen local businesses. It also emphasizes the requirement that all goods/services traded must meet the Indonesian National Standards (Standar Nasional Indonesia – SNI).

The bill also covers cross border trading (perdagangan perbatasan) which only applies to ground based cross border trading and is subject to bilateral agreements with the respective countries.

As to export import related provisions, we can expect that these will be designed to protect national interests as the bill emphasizes the authority of the government to interfere in export-import activities under certain circumstances to boost exports and reduce imports.