PRELIMINARY EVIDENCE OF THE APPLICATION FOR INVESTIGATION IN THE CONTEXT OF IMPOSING TRADE SECURITY MEASURES AGAINST THE SURGE IN THE NUMBER OF IMPORTS OF BENANGKAPAS GOODS ENTERED INTO HS NUMBERS:

5204.11.10, 5204.19.00, 5204.20.00,5205.11.00,

5205.12.00, 5205.21.00, 5205.22.00, 5205.24.00,

5205.26.00, 5205.32.00, 5205.41.00, 5205.42.00,

5205.43.00, 5205.47.00, 5205.48.00, 5206.11.00,

5206.12.00, 5206.14.00, 5206.21.00, 5206.23.00,

5206.24.00, 5206.25.00, 5206.31.00, 5206.32.00,

5206.33.00, 5206.42.00, and 5206.45.00

UNSECRET

PRESENTED BY

INDONESIAN TEXTILE ASSOCIATION (API)

IN 2023

**A. GENERAL**

The Indonesian Textile Association (API), hereinafter referred to as the Applicant representing as many as 15 (fifteen) Cotton Yarn Industry companies, hereby submits an application to the Indonesian Trade Security Committee (KPPI) to conduct an investigation in the framework of Trade Security Measures (Safeguards)against the import of Cotton Yarn goods that result in serious losses or threats of serious losses.

Our request is based on a surge in the volume of imports of cotton yarn goods with tariff post numbers (*Harmonized System*): HS. 5204.11.10, 5204.19.00, 5204.20.00, 5205.11.00, 5205.12.00, 5205.21.00, 5205.22.00, 5205.24.00, 5205.26.00, 5205.32.00, 5205.41.00, 5205.42.00, 5205.43.00, 5205.47.00, 5205.48.00, 5206.11.00, 5206.12.00, 5206.14.00, 5206.21.00, 5206.23.00, 5206.24.00, 5206.25.00, 5206.31.00, 5206.32.00, 5206.33.00, 5206.42.00, and 5206.45.00, in accordance with the Indonesian Customs Tariff Book (BTKI) 2022. The surge in the volume of imported goods has had an impact on the decline in the performance of the Applicant as a Domestic Industry (IDN) that produces similar goods or that directly competes with imported goods.

To support the application submitted, we hereby submit the completeness of the initial evidence of the application and supported by the required documents in accordance with the provisions of Government Regulation Number 34 of 2011 (PP 34/2011) concerning Anti-Dumping Measures, Reward Measures and Trade Security Measures and Decree of the Minister of Industry and Trade of the Republic of Indonesia Number 85 of 2003 (Kepmenperindag 85/2003) concerning Procedures and Requirements for Investigation Applications for Safeguarding the Domestic Industry from the Surge in Imports.

B. APPLICANT

|  |  |
| --- | --- |
| Name | : Indonesian Textile Association (API) |
| Address | : Graha Surveyor Indonesia lt.16  Jl. Gen. Gatot Subroto Kav. 56, South Jakarta |
| Tel/Fax  E-mail | : 021-5272171 / 021-5272166  : [sekretariat@bpnapi.org](mailto:sekretariat@bpnapi.org) |

|  |  |
| --- | --- |
| Chairman | : Jemmy Kartiwa Sastraatmadja |
| Contact Person | : Andrew Purnama |
| Position | : API Secretary General |

The list of company names represented by the Applicant in this investigation is as follows:

Table 1. List of Manufacturers Represented by the Applicant

|  |  |  |  |
| --- | --- | --- | --- |
| **Company Name** | **Address** | **Phone & Email** | |
| 1. PT. Bitratex  Industries | Jl. Taman Curie No.3, Pasir Kaliki, Kec. Cicendo, Kota Bandung, Jawa Barat 40171 | (022)4266592  [bitrasmg@bitratex.com](mailto:bitrasmg@bitratex.com) |
| 2. PT. Delta Merlin  Sandang Tekstil | Jl. Raya Timur,  Kenatan, Bumiaji, Kec. Sragen, Kabupaten Sragen, Jawa Tengah 57254 (KM 10) | (0271)887008 [duniatex@gmail.com](mailto:duniatex@gmail.com) |
| 3. PT. Delta Dunia  Sandang Tekstil | Jl. Raya Semarang-  Demak Km.14,Tambakroto,Say ung, Batu Lor, Batu, Kec. Demak, Kabupaten Demak, Jawa Tengah 59563 | (024) 6514232 deltaduniasandang@gm  ail.com |
| 4. PT. Delta Dunia  Tekstil | Jl. Maospati - Solo, Gerdu, Jetis, Kec. Jaten, Kabupaten Karanganyar, Jawa Tengah 57731 | (0271)622878 personaliaddtpondok@g mail.com |
| 5. PT. Dunia Setia  Sandang Asli Tekstil | Jl. H. Fachrudin No.36, RT.9/RW.5, Petamburan, Kecamatan Tanah  Abang, Kota Jakarta  Pusat, Daerah Khusus Ibukota Jakarta 10250 | (0271)827623 [penjualan@duniatex.co](mailto:penjualan@duniatex.co)m |
| 6. PT. Delta Merlin  Dunia Tekstil | Pd. III, Pondok, Kec.  Grogol, Kabupaten  Sukoharjo, Jawa  Tengah 57552,  Indonesia | (0271)653113  personaliadmdt5@gmail .com |
| 7. PT. Damaitex | Jl. Simongan No.100, Ngemplak Simongan, Kec. Semarang Barat, Kota Semarang, Jawa Tengah 50148 | (024)7605804 ptdamirex\_smg@yahoo. co.id |
| 8. PT. Embee Plumbon | Jl. KH. Mas Mansyur Kav. 126, Jakarta Pusat 10220 | (021)29529456  [embee@embee.co.id](mailto:embee@embee.co.id) |

|  |  |  |
| --- | --- | --- |
| **Company Name** | **Address** | **Phone & Email** |
| 9. PT. Lotus Indah  Textile Industries | Jl. Prof. Dr. Sutami No.111 B, Sukarasa, Kec.  Sukasari, Kota Bandung, Jawa Barat 40153 | (022)2004450  [litingn@lotusindah.co.id](mailto:litingn@lotusindah.co.id) |
| 10. PT. Gokak Indonesia | Jalan Ateng Ilyas No 1 RT 02/08, Kampung Muhara, Citeurep, Bogor 16810,  West Java | (081)5107-44377  factory@gokakindonesia.com |
| 11. PT. Kewalram Indonesia | Jalan Raya Rancaekek  KM 25, Kab. Sumedang | (+62-22) 7798346  [info@kewalram.co.id](mailto:info@kewalram.co.id) |
| 12. PT. Primayudha Mandirijaya | Dusun 3, Ngadirojo, Kec.  Ampel, Kabupaten  Boyolali, Jawa Tengah  57352 | (021)57903640  marketing@primayudha.com |
| 13. PT. Sariwarna Asli | Jl. Hos Cokroaminoto no. 28 Pucang Sawit,  Surakarta, Jawa Tengah. Indonesia 57125 | +62 271 648747  [publikasi.swag@gmail.co](mailto:publikasi.swag@gmail.co) m |
| 14. PT. Sinar Pantja Djaja | Jl. Condrokusumo Raya No.1, Bongsari, Kec.  Semarang Barat, Kota  Semarang, Jawa Tengah 50148 | (024)7603888  [spd\_smg@sritex.co.id](mailto:spd_smg@sritex.co.id) |
| 15. PT. Sri Rejeki Isman, Tbk. | Jl. KH. Samanhudi 88, Jetis, Sukoharjo, Solo - Central Java, Indonesia | (62-71)593188 [hrd@sritex.co.id](mailto:hrd@sritex.co.id) |

Source: Applicant, processed

1. **PROPORTION OF APPLICANT'S PRODUCTION**

Table 2. Total Production and Proportion of Production in 2022

|  |  |
| --- | --- |
| **Description** | **Proportion (%)** |
| Applicant Production | 67,60 |
| Non Applicant Production | 32,40 |
| National Production | 100 |

Source: IDN and Applicant, processed

The Applicant's total production in 2022 is 67.60% of the total national production. Based on the data in table 2 above, this is in accordance with the provisions of Government Regulation (PP) 34 of 2011 concerning AntiDumping Measures, Subsidy Measures, and Trade Security Measures Chapter I Article I paragraph 18, where the Applicant's production constitutes a large proportion of the total cotton yarn production in Indonesia so that it qualifies as IDN in terms of Security Measures.

1. **ITEMS REQUESTED FOR PROTECTION**
2. **Description of Checked Imported Goods**

Based on BTKI in 2022, the *Harmonized System* (HS) number and description of the Goods Investigated are as follows:

Table 3. Complete Description of Imported Goods Examined

|  |  |  |  |
| --- | --- | --- | --- |
| **No** | **HS Number** | **Uraian Barang** | ***Description of Goods*** |
|  | **52.04** | **Benang jahit dari kapas, disiapkan untuk penjualan eceran maupun tidak.** | ***Cotton sewing thread, whether or not put up for retail sale*** |
|  |  | - Tidak disiapkan untuk  penjualan eceran : | *- Not put up for retail sale* |
| 1 | 5204.11 | - - Mengandung kapas 85 %  atau lebih menurut beratnya | *Containing 85 % or more by weight of cotton :* |
| 2 | 5204.11.10 | — Tidak dikelanta ng | *Cotton sewing thread; not put up for retail sale; containing 85 % or more by weight of cotton; unbleached* |
| 3 | 5204.19.00 | — Lain-lain | *cotton sewing thread; not put up for retail sale;*  *containing less than 85 % by weight of cotton* |
| 4 | 5204.20.00 | - Disiapkan untuk penjualan  eceran | *cotton sewing thread; put up for retail sale* |
|  | **52.05** | **Benang kapas (selain benang jahit), mengandung kapas 85 % atau lebih menurut beratnya, tidak disiapkan untuk penjualan eceran.** | ***Cotton yarn (other than sewing thread), containing 85 % or more by weight of cotton, not put up for retail sale.*** |
|  |  | - **Benang tunggal, dari serat**  **tidak disisir:** | ***Single yarn, of uncombed fibres*** |
| 5 | 5205.11.00 | - - Ukuran 714,29 desiteks  atau lebih (tidak melebihi nomor metrik 14) | *single yarn, of uncombed fibres; measuring 714.29 decitex or more (not exceeding 14 metric number)* |
| 6 | 5205.12.00 | - - Ukuran kurang dari 714,29  desiteks tetapi tidak kurang dari 232,56 desiteks  (melebihi nomor metrik 14 tetapi tidak melebihi nomor metrik 43) | *single yarn, of uncombed fibres; measuring less*  *than 714.29 decitex but not less than 232.56 decitex (exceeding 14*  *metric number but not exceeding 43 metric*  *number)* |
| **No** | **HS Number** | **Uraian Barang** | ***Description of Goods*** |
|  |  | - **Benang tunggal, dari serat**  **disisir :** | ***Single yarn, of combed fibres*** |
| 7 | 5205.21.00 | - - Ukuran 714,29 desiteks  atau lebih (tidak melebihi nomor metrik 14) | *single yarn, of combed fibres; measuring 714.29 decitex or more (not*  *exceeding 14 metric*  *number)* |
| 8 | 5205.22.00 | - - Ukuran kurang dari 714,29  desiteks tetapi tidak kurang dari 232,56 desiteks  (melebihi nomor metrik 14 tetapi tidak melebihi nomor metrik 43) | *single yarn, of combed fibres; measuring less*  *than 714.29 decitex but not less than 232.56 decitex (exceeding 14*  *metric number but not exceeding 43 metric*  *number)* |
| 9 | 5205.24.00 | - - Ukuran kurang dari 192,31  desiteks tetapi tidak kurang dari 125 desiteks (melebihi nomor metrik 52 tetapi tidak melebihi nomor metrik 80) | *single yarn, of combed fibres; measuring less*  *than 192.31 decitex but*  *not less than 125 decitex (exceeding 52 metric*  *number but not*  *exceeding 80 metric*  *number)* |
| 10 | 5205.26.00 | - - Ukuran kurang dari 125  desiteks tetapi tidak kurang dari 106,38 desiteks  (melebihi nomor metrik 80 tetapi tidak melebihi nomor metrik 94) | *single yarn, of combed fibres; measuring less*  *than 125 decitex*  *(exceeding 80 metric*  *number)* |
|  |  | - **Benang rangkap (dilipat)**  **atau benang kabel, dari serat tidak disisir :** | ***Multiple (folded) or cabled yarn, of uncombed fibres*** |
| 11 | 5205.32.00 | - - Ukuran tiap benang tunggal  kurang dari 714,29 desiteks tetapi tidak kurang dari 232,56 desiteks (melebihi nomor metrik 14 tetapi tidak melebihi nomor metrik 43 tiap benang tunggal) | *multiple (folded)/ cabled yarn, of uncombed fibres; measuring per single*  *yarn < 714.29 decitex but > 232.56 decitex*  *(exceeding 14 metric*  *number but not*  *exceeding 43 metric*  *number per single yarn)* |
|  |  | - **Benang rangkap (dilipat)**  **atau benang kabel, dari serat disisir :** | ***Multiple (folded) or***  ***cabled yarn, of combed fibres*** |
|  | 5205.41.00 | - - Ukuran tiap benang tunggal  714,29 desiteks atau lebih (tidak melebihi nomor metrik 14 tiap benang tunggal) | *multiple (folded) or*  *cabled yarn, of combed fibres; measuring per*  *single yarn 714.29*  *decitex or more (not* |

|  |  |  |  |
| --- | --- | --- | --- |
| **No** | **HS Number** | **Uraian Barang** | ***Description of Goods*** |
|  |  |  | *exceeding 14 metric*  *number per single yarn)* |
| 12 | 5205.42.00 | - - Ukuran tiap benang tunggal  kurang dari 714,29 desiteks tetapi tidak kurang dari 232,56 desiteks (melebihi nomor metrik 14 tetapi tidak melebihi nomor metrik 43 tiap benang tunggal) | *multiple (folded) or*  *cabled yarn, of combed fibres; measuring per single yarn < 714.29*  *decitex but > 232.56*  *decitex (exceeding 14*  *metric number but not exceeding 43 metric*  *number per single yarn)* |
| 13 | 5205.43.00 | - - Ukuran tiap benang tunggal  kurang dari 232,56 desiteks tetapi tidak kurang dari 192,31 desiteks (melebihi nomor metrik 43 tetapi tidak melebihi nomor metrik 52 tiap benang tunggal) | *multiple (folded) or*  *cabled yarn, of combed fibres; measuring per single yarn < 232.56*  *decitex but > 192.31*  *decitex (exceeding 43*  *metric number but not exceeding 52 metric*  *number per single yarn)* |
| 14 | 5205.47.00 | - - Ukuran tiap benang tunggal  kurang dari 106,38 desiteks tetapi tidak kurang dari  83,33 desiteks (melebihi  nomor metrik 94 tetapi tidak melebihi nomor metrik 120 tiap benang tunggal) | *multiple (folded) or*  *cabled yarn, of combed fibres; measuring per*  *single yarn < 106.38*  *decitex but > 83.33*  *decitex (> 94 metric*  *number but <120 metric number per single yarn)* |
| 15 | 5205.48.00 | - - Ukuran tiap benang tunggal  kurang dari 83,33 desiteks (melebihi nomor metrik 120 tiap benang tunggal) | *multiple (folded) or*  *cabled yarn, of combed fibres; measuring per*  *single yarn less than 83.33 decitex (exceeding 120 metric number per single yarn)* |
|  | **52.06** | **Benang kapas (selain**  **benang jahit),**  **mengandung kapas**  **kurang dari 85 % menurut beratnya, tidak disiapkan untuk penjualan eceran.** | ***Cotton yarn (other than sewing thread),***  ***containing less than***  ***85% by weight of***  ***cotton, not put up for retail sale.*** |
|  |  | - **Benang tunggal, dari serat**  **tidak disisir :** | ***Single yarn, of***  ***uncombed fibres*** |
| 16 | 5206.11.00 | - - Ukuran 714,29 desiteks  atau lebih (tidak melebihi nomor metrik 14) | *single yarn, of uncombed fibres; measuring 714.29 decitex or more (not*  *exceeding 14 metric*  *number)* |

|  |  |  |  |
| --- | --- | --- | --- |
| **No** | **HS Number** | **Uraian Barang** | ***Description of Goods*** |
| 17 | 5206.12.00 | - - Ukuran kurang dari 714,29  desiteks tetapi tidak kurang dari 232,56 desiteks  (melebihi nomor metrik 14 tetapi tidak melebihi nomor metrik 43) | *single yarn, of uncombed fibres; measuring less*  *than 714.29 decitex but not less than 232.56 decitex (exceeding 14*  *metric number but not exceeding 43 metric*  *number)* |
| 18 | 5206.14.00 | - - Ukuran kurang dari 192,31  desiteks tetapi tidak kurang dari 125 desiteks (melebihi nomor metrik 52 tetapi tidak melebihi nomor metrik 80) | *single yarn, of uncombed fibres; measuring less*  *than 192.31 decitex but*  *not less than 125 decitex (exceeding 52 metric*  *number but not*  *exceeding 80 metric*  *number)* |
|  |  | - **Benang tunggal, dari serat**  **disisir :** | ***Single yarn, of combed fibres*** |
| 19 | 5206.21.00 | - - Ukuran 714,29 desiteks  atau lebih (tidak melebihi nomor metrik 14) | *single yarn, of combed fibres; measuring 714.29 decitex or more (not*  *exceeding 14 metric*  *number)* |
| 20 | 5206.23.00 | - - Ukuran kurang dari 232,56  desiteks tetapi tidak kurang dari 192,31 desiteks  (melebihi nomor metrik 43 tetapi tidak melebihi nomor metrik 52) | *single yarn, of combed fibres; measuring less*  *than 232.56 decitex but not less than 192.31*  *decitex (exceeding 43*  *metric number but not exceeding 52 metric*  *number)* |
| 21 | 5206.24.00 | - - Ukuran kurang dari 192,31  desiteks tetapi tidak kurang dari 125 desiteks (melebihi nomor metrik 52 tetapi tidak melebihi nomor metrik 80) | *single yarn, of combed fibres; measuring less*  *than 192.31 decitex but*  *not less than 125 decitex (exceeding 52 metric*  *number but not*  *exceeding 80 metric*  *number)* |
| 22 | 5206.25.00 | - - Ukuran kurang dari 125  desiteks (melebihi nomor metrik 80) | *single yarn, of combed fibres; measuring less*  *than 125 decitex*  *(exceeding 80 metric*  *number)* |
|  |  | - **Benang rangkap (dilipat)**  **atau benang kabel, dari serat tidak disisir :** | ***Multiple (folded) or***  ***cabled yarn, of***  ***uncombed fibres*** |

|  |  |  |  |
| --- | --- | --- | --- |
| **No** | **HS Number** | **Uraian Barang** | ***Description of Goods*** |
| 23 | 5206.31.00 | - - Ukuran tiap benang tunggal  714,29 desiteks atau lebih (tidak melebihi nomor metrik 14 tiap benang tunggal) | *multiple (folded) or*  *cabled yarn, of*  *uncombed fibres;*  *measuring per single*  *yarn 714.29 decitex or more (not exceeding 14 metric number per single yarn)* |
| 24 | 5206.32.00 | - - Ukuran tiap benang tunggal  kurang dari 714,29 desiteks tetapi tidak kurang dari 232,56 desiteks (melebihi nomor metrik 14 tetapi tidak melebihi nomor metrik 43 tiap benang tunggal) | *multiple (folded) or*  *cabled yarn, of*  *uncombed fibres;*  *measuring per single*  *yarn< 714.29 decitex but > 232.56 decitex*  *(exceeding 14 metric*  *number but not*  *exceeding 43 metric*  *number per single yarn)* |
| 25 | 5206.33.00 | - - Ukuran tiap benang tunggal  kurang dari 232,56 desiteks tetapi tidak kurang dari 192,31 desiteks (melebihi nomor metrik 43 tetapi tidak melebihi nomor metrik 52 tiap benang tunggal) | *multiple (folded) or*  *cabled yarn, of*  *uncombed fibres;*  *measuring per single*  *yarn < 232.56 decitex but > 192.31 decitex*  *(exceeding 43 metric*  *number but not*  *exceeding 52 metric*  *number per single yarn)* |
|  |  | - **Benang rangkap (dilipat)**  **atau benang kabel, dari serat disisir :** | ***Multiple (folded) or***  ***cabled yarn, of combed fibres*** |
| 26 | 5206.42.00 | - - Ukuran tiap benang tunggal  kurang dari 714,29 desiteks tetapi tidak kurang dari 232,56 desiteks (melebihi nomor metrik 14 tetapi tidak melebihi nomor metrik 43 tiap benang tunggal) | *multiple (folded) or*  *cabled yarn, of combed fibres; measuring per single yarn < 714.29*  *decitex but > 232.56*  *decitex (exceeding 14*  *metric number but not exceeding 43 metric*  *number per single yarn)* |
| 27 | 5206.45.00 | - - Ukuran tiap benang tunggal  kurang dari 125 desiteks (melebihi nomor metrik 80 tiap benang tunggal) | *multiple (folded) or*  *cabled yarn, of combed fibres; measuring per single yarn less than 125 decitex (exceeding 80*  *metric number per single yarn)* |

Source: BTKI 2022

1. **Complete Description of Similar Goods or Goods That Directly Compete with Examined Goods**

**a. Physical Characteristics**

**Imported Goods:**

Imported goods have the following physical characteristics:

1. Cotton sewing thread is a double thread (folded) or cable thread from cotton fiber rolled on *reels* or *tubes* weighing not more than 1,000 grams, given *finishing treatment* for sewing purposes and with a "Z" twist, consisting of:
2. Sewing thread from cotton, not prepared for retail sale.
3. Sewing thread from cotton, prepared for retail sale (single, double (folded) thread or cable rolled on a thread reel tool).
4. Cotton thread (other than sewing thread), not prepared for retail sale, consists of:
5. Single threads are threads composed of one filament (monofilament), or two/more filament threads (multifilament), joined together with twisted *or* untwisted



1. Double (folded) yarn is a thread formed from two or more single threads, including those obtained from monofilaments (twofold, threefold, fourfold, etc.) twisted together in a twisted process. However, monofilament threads that are joined separately with twists are not included as double (folded) threads.



**Figure 6. Double thread**

Consists of two thread threads Single/more doubled together

c). Cable yarn is yarn formed from two or more threads, one of which is double (folded), twisted together in one or more folds.



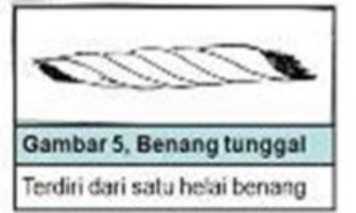
Figure 7. Twisted thread

**Twisting two strands of single thread in opposite directions with a single thread twist and stronger**

**Goods produced by the applicant**:

The Applicant's manufactured goods have the following physical characteristics:

1. Cotton sewing thread is a double thread (folded) or cable thread from cotton fiber rolled on *reels* or *tubes* weighing not more than 1,000 grams, given finishing treatment for sewing purposes and with a "Z" twist, consisting of:
2. Sewing thread from cotton, not prepared for retail sale.
3. Sewing thread from cotton, prepared for retail sale (single, double (folded) thread or cable rolled on a thread reel tool).
4. Cotton thread (other than sewing thread), not prepared for retail sale, consists of: a) Single threads are threads composed of one filament (monofilament), or two/more filament threads (multifilament), joined together with twisted *or* untwisted*.*



b) Double (folded) yarn is a thread formed from two or more single threads, including those obtained from monofilaments (*twofold, threefold, fourfold, etc*.) twisted together in a twisted process.

However, monofilament threads that are joined separately with *twists* are not included as double (folded) threads.

Consists of two strands of thread Single/more doubled together



Gambar 6. Ben a ng rangkap

1. Cable yarn is yarn formed from two or more threads, one of which is double (folded), twisted together in one or more folds.

**Twisting two strands of single thread in opposite directions with a single thread twist and stronger**



1. **Technical Specifications**

**Imported Goods:**

Technical specifications of imported goods are as follows:

1. Cotton sewing thread:
2. Judging by the cotton content:

* Contains 85% cotton or more by weight
* Contains less than 85% cotton by weight

1. Judging from the process, unbleached sewing thread is a sewing thread that has a natural color from the forming fibers, has not been bleached, dyed or printed.
2. Cotton thread (other than sewing thread) is seen from the cotton content:
3. Contains 85% cotton or more by weight
4. Contains less than 85% cotton by weight

**Goods produced by the applicant:**

The technical specifications of the Applicant's manufactured goods are:

1. Cotton sewing thread:
2. Judging by the cotton content:

* Contains 85% cotton or more by weight
* Contains less than 85% cotton by weight

1. Judging from the process, unbleached sewing thread is a sewing thread that has a natural color from the forming fibers, has not been bleached, dyed or printed.
2. Cotton thread (other than sewing thread) is seen from the cotton content:
3. Contains 85% cotton or more by weight
4. Contains less than 85% cotton by weight
5. **Raw Materials**

**Imported Goods:**

Raw materials of imported goods are as follows:

1. The raw material for sewing thread from cotton is a single thread from cotton, including those obtained from monofilaments ( *twofold, threefold, fourfold, etc*.) and given *finishing treatment*.
2. The raw materials of cotton thread (other than sewing thread) are:
3. Carded fibers: the main purpose of *carding* is to separate the cotton fibers, lay the fibers more or less aligned, and clean the fibers of any content other than cotton fibers for most or all of the fibers.
4. Combed fiber is the process of cleaning uncombed fibers from the remnants of content outside the fiber and removing short fibers, so that only long fibers from cotton fibers are placed parallel.

**Goods produced by the applicant:**

The Applicant's Production Goods have the same raw materials as imported goods, namely:

1. The raw material for sewing thread from cotton is a single thread from cotton, including those obtained from monofilaments (*twofold, threefold, fourfold, etc*.) and given *finishing treatment*.
2. The raw materials of cotton thread (other than sewing thread) are:
3. Carded fibers: the main purpose of *carding* is to separate the cotton fibers, lay the fibers more or less aligned, and clean the fibers of any content other than cotton fibers for most or all of the fibers.
4. Combed fiber is the process of cleaning uncombed fibers from the remnants of content outside the fiber and removing short fibers, so that only long fibers from cotton fibers are placed parallel.
5. **Uses**

**Imported Goods:**

The uses of imported goods are as follows:

1. Sewing thread from cotton is for sewing.
2. Cotton thread (other than sewing thread) is cotton thread that is not intended for sewing, but rather for woven or knitted into fabric.

**Goods produced by the applicant:**

The Applicant's manufactured goods have the same uses as imported goods, namely:

1. The use of cotton sewing thread is for sewing.
2. The use of cotton thread (other than sewing thread) is to be woven or knitted into fabric.

**3.Statement of Similar Goods or Goods that Directly Compete**

Based on the explanation submitted in letters a-d above, the Applicant believes that the goods produced by the Applicant are **similar goods** to imported goods, in terms of **physical characteristics, technical specifications, raw materials, and uses.**

**E. INFORMATION ON THE SURGE IN THE NUMBER OF IMPORTED GOODS**

1. **Import Amount**

**Table 4. Absolute and Relative Import Amounts**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Description** | **Unit** | **Year** | | | | **Change (%)** | | | **Trend 2019- 2022 (%)** |
| **2019** | **2020** | **2021** | **2022** | **20192020** | **2020- 2021** | **2021-2022** |
| Import Amount | Ton | 14.843 | 12.588 | 20.873 | 29.908 | (15,19) | 65,82 | 43,28 | 29,79 |
| National Production | Index | 100 | 66,40 | 82,65 | 72,55 | (33,60) | 24,46 | (12,22) | (7,17) |
| Imports Relative to National Production | Index | 100 | 127,71 | 170,15 | 277,73 | 27,71 | 33,23 | 63,23 | 39,81 |
| Source: Statistics Indonesia (BPS), | | | Applicant, | processed | | | | | |

As seen in Table 4 above, the number of imports in absolute terms experienced a surge with a trend of 29.79% during the 2019-2022 period. In 2020, the number of imports decreased to 12,588 tons from the previous 14,843 tons in 2019 or decreased by 15.19%. In 2021, the number of imports increased to 20,873 tons from the previous 12,588 tons in 2020, or an increase of 65.82%. In 2022, the number of imports increased to 29,908 tons from the previous 20,873 tons in 2021, or an increase of 43.28%.

The number of imports has surged relatively with a trend of 39.81% during the 2019-2022 period. In 2020, the number of imports increased to 127.71 index points from the previous 100 index points in 2019 or an increase of 27.71%. In 2021, the number of imports increased to 170.15 index points from the previous 127.71 index points in 2020, or an increase of 33.23%. In 2022, the number of imports increased to 277.73 index points from the previous 170.15 index points in 2021, or an increase of 63.23%.

1. **Import Share**

**Table 5. Share of Import Country of Origin**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Country** | **Year** | | | | | | | |
| **2019** | | **2020** | | **2021** | | **2022** | |
| **Volume (Ton)** | **Share (%)** | **Volume (Ton)** | **Share (%)** | **Volume (Ton)** | **Share (%)** | **Volume (Ton)** | **Share (%)** |
| Vietnamese | 5.307 | 35,75 | 3.670 | 29,15 | 9.574 | 45,87 | 13.652 | 45,65 |
| PRC | 5.633 | 37,95 | 4.554 | 36,18 | 5.569 | 26,68 | 8.314 | 27,80 |
| India | 1.628 | 10,97 | 1.736 | 13,79 | 1.887 | 9,04 | 2.452 | 8,20 |
| Turkish | 0,04 | 0,00 | 623 | 4,95 | 414 | 1,99 | 2.201 | 7,36 |
| Pakistan | 628 | 4,23 | 334 | 2,65 | 1.167 | 5,58 | 1.165 | 3,89 |
| Thailand | 521 | 3,51 | 577 | 4,58 | 627 | 3,00 | 1.056 | 3,53 |
| Country  Other | 1.126 | 7,58 | 1.095 | 8,7 | 1.636 | 7,84 | 1.069 | 3,57 |
| **Total** | **14.843** | **100** | **12.588** | **100** | **20.873** | **100** | **29.908** | **100** |

Source : BPS, processed

Based on table 5 above, in 2022 the import market share of cotton yarn products in the domestic market is dominated by Vietnam with an import market share of 45.65%, followed by China with an import market share of 27.80%, India with an import market share of 8.20%, Turkey with an import market share of 7.36%, Pakistan with an import market share of 3.89%, Thailand with an import market share of 3.53%, and Other Countries < 3% of 3.57%.

1. **APPLICANT'S LOSS INFORMATION**

**Table 6. Applicant Performance Indicators**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **No** | **Description** | **Unit** | **Year** | | | | **Growth (%)** | | | **Trend 2019-2022 (%)** |
| **2019** | **2020** | **2021** | **2022** | **19-20** | **20-21** | **21-22** |
| 1 | Production | Index | 100 | 85,98 | 90,78 | 78,41 | (14,02) | 5,59 | (13,63) | (6,53) |
| 2 | Domestic Sales | Index | 100 | 85,44 | 99,23 | 79,19 | (14,56) | 16,13 | (20,19) | (5,36) |
| 3 | Productivity | Index | 100 | 107,85 | 110,95 | 109,02 | 7,85 | 2,87 | (1,74) | 2,91 |
| 4 | Used Capacity | Index | 100 | 86,23 | 91,05 | 78,64 | (13,77) | 5,59 | (13,63) | (6,45) |
| 5 | Advantages / Disadvantages | Index | 100 | 7,83 | 38,45 | 8,01 | (92,17) | 391,11 | (79,17) | (45,02) |
| 6 | Workforce | Index | 100 | 79,72 | 81,83 | 71,92 | (20,28) | 2,65 | (12,11) | (9,18) |

Source: Applicant, processed

1. **Production**

During the period 2019-2022, Applicant's production decreased with a trend of 6.53%. In 2019, the Applicant's production of 100 index points decreased to 85.98 index points or 14.02% in 2020. Furthermore, in 2021, Applicant's production increased by 5.59%, then in 2022 Applicant's production again decreased by 78.41 index points or 13.63% when compared to the previous year. The decline in production occurred due to a decrease in demand for the products produced because imported goods flooded the domestic market.

1. **Domestic sales**

Domestic sales during the 2019-2022 period decreased with a trend of 5.36%. In 2019, domestic sales amounted to 100 index points, decreasing to 85.44 index points or 14.56% in 2020. In 2021, domestic sales increased by 16.13%, then in 2022 domestic sales again decreased by 79.19 index points or 20.19% when compared to the previous year. This is due to the flood of imported goods that dominate the domestic market.

1. **Productivity**

In 2019, productivity increased by 100 index points to 107.85 index points or 7.85% in 2020. Furthermore, in 2021, productivity increased to 110.95 index points or 2.87% while in 2022 productivity decreased slightly to 109.02 index points. During the 2019-2022 period, productivity increased with a trend of 2.91% due to a large reduction in the number of workers.

1. **Used Capacity**

During the period 2019-2022, the Applicant's used capacity decreased with a trend of 6.45% due to a surge in the number of imports during the period. The largest decrease in used capacity occurred in 2020 by 13.77% when compared to 2019. Furthermore, in 2021, used capacity increased by 5.59% while in 2022 used capacity decreased by 13.63%.

1. **Advantages/Disadvantages**

Applicants experienced a decline in profits with a trend of 45.02% during the period 2019-2022. In 2019, the Applicant's profit was 100 index points and then in 2020 the Applicant experienced a decrease in profit of 92.17% which in the same year reduced domestic sales and increased the number of imports on the product. In 2021, the Applicant experienced an increase in profit of 38.45 index points and is still below the previous year. Meanwhile, in 2022, the Applicant again experienced a decrease in profits by 79.17%.

1. **Workforce**

There has been a reduction in the number of workers with a trend of 9.18% during the 2019-2022 period. In 2019, the number of workers was 100 index points, decreasing to 79.72 index points or 20.28% in 2020. Then in 2021 the number of workers increased to 81.83 index points and in 2022 the number of workers again decreased to 71.92 index points.

**G. Market Share**

**Table 7. National Installed Capacity, National Consumption and Market Share**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Indicators** | **Unit** | **2019** | **2020** | **2021** | **2022** | **Change (%)** | | | **Trend 20192022 (%)** |
| **20192020** | **20202021** | **20212022** |
| 1 | National Consumption | Index | 100 | 85,80 | 99,36 | 85,14 | (14,20) | 15,80 | (14,31) | (3,30) |
| 2 | Domestic Sales  Applicant | Index | 100 | 85,44 | 99,23 | 79,19 | (14,56) | 16,13 | (20,19) | (5,36) |
| 3 | Non Applicant Domestic Sales | Index | 100 | 86,69 | 89,31 | 66,59 | (13,31) | 3,03 | (25,45) | (11,22) |
| 4 | Import Amount | Ton | 14.843 | 12.588 | 20.873 | 29.908 | (15,19) | 65,82 | 43,28 | 29,79 |
| 5 | Applicant Market Share | Index | 100 | 99,58 | 99,86 | 93,01 | (0,42) | 0,29 | (6,87) | (2,12) |
| 6 | Non Applicant Market Share | Index | 100 | 101,03 | 89,89 | 78,21 | 1,03 | (11,03) | (12,99) | (8,19) |
| 7 | Import Market Share | Index | 100 | 98,84 | 141,53 | 236,65 | (1,16) | 43,19 | 67,21 | 34,22 |

Source: Applicant, IDN and BPS, processed

The market share of applicants and non-applicants during 2019-2022 continues to decline with trends of 2.12% and 8.19%. Conversely, the import market share during 2019-2022 increased with a trend of 34.22%. Thus, during 2019-2022, the import market share has taken over the market share of Applicants and Non-applicants.

**H .** **UNFORESEEN DEVELOPMENT**

1. **Vietnamese**

The surge in the number of cotton yarn imports from Vietnam is *unpredictable (unforeseenable/unexpected*), this is because there has been a significant increase in investment and expansion in the yarn industry in Vietnam since 2019. The additional investment is the increase in spindle installations which increased by 250,000 spindle points in 2021 compared to 2020 with a capacity of 2,600,000 tons and continues to increase in 2022 by 100,000 spindle points compared to 2021 with a capacity of 2,700,000 tons, as can be seen in the following table:

**Table 8. Investment and Addition of Fixed Assets in the Cotton Yarn Industry in Vietnam**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Description** | **Unit** | **2019** | **2020** | **2021** | **2022** |
| Number of spindles | (000) | 8.250 | 8,250 | 8,500 | 8,600 |
| Number of Rotors | (000) | 138 | 138 | 138 | 138 |
| Cotton yarn production capacity | Ton | 2.500.000 | 2.500.000 | 2.600.000 | 2.700.000 |
| Cotton yarn production | Ton | 2.500.000 | 2.500.000 | 2.600.000 | 2.700.000 |

**Source: *Vietnam Customs, Trade Association and Post's estimate***

Based on Table 8 above, it can be seen that investment in Vietnam's textile industry sector increased annually during the period 2019-2022 which led to the increasing addition of new fixed assets and production capacity in the same period. In addition to increasing production capacity, the State of Vietnam also produces *full capacity* in the entire spinning industry as a result of increased Investment and Fixed Assets in the spinning industry sector in Vietnam. This is an unexpected condition (*unforeseen*) which indirectly causes an increase in exports of cotton yarn products from Vietnam to other countries, including Indonesia.

1. **China**
2. **Transfer of export destinations from China to Indonesia due to import ban policy in the United States**

On June 21, 2022, the United States issued a policy to ban imports from China, especially from Xinjiang (China's largest producer of cotton and its derivative products) if the products are made by Uyghur workers in Xinjiang, China. The regulation is regulated in *section* 2  *of public law* No. 117-78, *An Act to ensure thet goods made with forced labor in the Xinjiang Uyghur Autonomous Region of the People's Republic of China do not enter the United States America, and for other purposes (the Uyghur* *Forced Labor Prevention Act*). With the enactment of the regulation, imports of cotton yarn products from China in the United States have decreased drastically so that China shifted the destination of cotton yarn exports to other countries, one of which is to Indonesia and caused a surge in imports as shown in the table below.

**Table 1. Cotton yarn export data from China**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Description** | **Unit** | **Year** | | | | **Change (%)** | **Trend 19-22 (%)** |
| **2019** | **2020** | **2021** | **2022** | **21-22** |
| American Imports  Union from  China | Ton | 391 | 386 | 381 | 267 | (29,92) | (10,93) |
| Indonesian imports from China | Ton | 5.633 | 4,554 | 5,569 | 8,313 | 49.29 | 14,67 |

Source: Trade map

Based on table 10 above, the regulation prohibiting the import of cotton products and derivatives in the United States from China caused a drastic decrease in imports in 2022 to only 267 tons, while on trend there was a decrease of 10.93% during 2019-2022. Furthermore, with the transfer of exports previously to the United States to the State of Indonesia, it resulted in a significant surge in imports in Indonesia in 2022 compared to 2021, which was 49.29% and trendingly increased by 14.67%.

With the provision of subsidies for the export of Chinese cotton yarn products and the transfer of export destinations previously from China to the United States to the State of Indonesia is an unexpected condition (*unforeseen development*) that causes a surge in imports of cotton yarn products in Indonesia.

**I. WILLINGNESS TO COOPERATE**

The applicant is willing to cooperate fully throughout the investigation process in the framework of the imposition of Trade Safeguards against *the* surge in the number of imports of Cotton Yarn goods.

Jakarta, 16th September 2023

**ASOSIASI PERTEKSTILAN INDONESIA**

**INDONESIAN TEXTILE ASSOCIATION**

**Jemmy Kartiwa**

***Chairman***

**APPENDIX 1:**

**NAME AND ADDRESS OF IMPORTER**

|  |  |  |
| --- | --- | --- |
| **NO** | **COMPANY NAME** | **ADDRESS** |
| 1 | PT. Primarindo Asia Infrastructure | Jl. Tanjung Karang 3-4A Jakarta |
| 2 | PT. Indonesian Amefird Yarn | Jl. Cisirung No.105 Cangkuang Wetan, Bandung |
| 3 | PT. Surya Berkat Indonesia | Jl. Delanggu Polanharjo Km. 2.6 Klaten Central Java |
| 4 | PT. Greentex Indonesia Utama II | Jl. Raya Banjaran Barat Km. 16,5 Batukarut, Bandung |
| 5 | PT. Mega Foamworks Indonesia | GIIC Block Area. CF Cikarang Pusat, Bekasi |
| 6 | PT. Ihchi Textile Mills & Machinery | Jl. Cibaligo No. 149A Cimahi, Bandung |
| 7 | PT. Winnersumbiri Knitting Factory | Jl. KH. Agus Salim No.18 Cipondoh, Tangerang |
| 8 | PT. Kurabo Manunggal Textile Industries | Menara Cakrawala 7th Floor Jl. MH Thamrin 9 Jakarta |
| 9 | PT. Triputra Textile Industry | Jl. Raya Laswi No.8 Majalaya Bandung |
| 10 | PT. Textile One Indonesia | Gintungtengah Klari Hamlet, Karawang, West Java |
| 11 | PT. Wintai Garment | Jl. Tanah Abang IV No. 31 South Petojo |
| 12 | PT. Ocean Asia Industry | Jl. Raya Serang Km. 62 No. 178 Cikande, Serang Banten |
| 13 | PT. Jiale Indonesia Textile | Jl. Pecangaan Bate No. 288 Ds. Gemulung, Jepara |
| 14 | PT. Sejahtera Bintang Abadi Textile Tbk | Jl. Raya Cicalengka Majalaya Km.5 Bandung |
| 15 | PT. Soljer Abadi | Jl. Raya Rancaekek Majalaya Bandung |
| 16 | PT. Indo Taichen Textile Industry | Jl. Gatot Subroto Km. 3 Jatiuwung Tangerang |
| 17 | PT. Prime Firsta Garment | Jl. Raya Batujajar Km.1,2 Padalarang Bandung |
| 18 | PT. PAN Pacific Jakarta | Jl. Kalimantan Block D-27 Cilincing Jakarta |
| 19 | PT. Micro Garment | Jl. Raya Rancaekek Majalaya Bandung |
| 20 | PT. Multindo Velvet Industries | Wahyu Sejahtera Industrial Area Block E Bogor |

**NAME AND ADDRESS OF IMPORTERS' ASSOCIATION**

|  |  |  |
| --- | --- | --- |
| **NO** | **ASSOCIATION** | **ADDRESS** |
| 1 | GINSI (Association of National Importers throughout Indonesia) | Jl. Raya Kelapa Nias No.27, RT.1/RW.12, Pegangsaan Dua, Kec. Klp. Gading, North Jkt City, Special Capital Region of Jakarta 14240, Indonesia |

**APPENDIX 2:**

**NAME AND ADDRESS OF EXPORTER/SUPPLIER OF EXPORTING COUNTRY**

|  |  |  |
| --- | --- | --- |
| **NO** | **COMPANY NAME** | **ADDRESS** |
| 1 | Huafang Group of China | VGCX+V74, Chengbei Rd, Zhangjiagang, Suzhou, Jiangsu, China, 215638 |
| 2 | Weiqiao Textile Company Limited | No. 1, Wei Fang Road, Economic Development Zone, Zouping County, Shandong Province |
| 3 | Shijiazhuang Changshan Textile Co., Ltd. | 183 Heping E Rd, Chang'An, Shijiazhuang, Hebei, China, 050010 |
| 4 | Lu Thai Textile Co. Ltd. | no 81 Songling East Rd, Zibo, Shandong, 255100, China |