

2 December 2025

(25-8028)

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Committee on Safeguards

Original: English

**NOTIFICATION UNDER ARTICLE 12.1(B) OF THE AGREEMENT ON
SAFEGUARDS ON FINDING A SERIOUS INJURY OR THREAT
THEREOF CAUSED BY INCREASED IMPORTS****NOTIFICATION OF A PROPOSAL TO IMPOSE A MEASURE**

INDONESIA

Linear Low-Density Polyethylene having a specific gravity of less than 0.94, in other than liquid or paste or powder form

The following communication, dated and received on 2 December 2025, is being circulated at the request of the delegation of Indonesia.

Pursuant to Articles 12.1(b) of the Agreement on Safeguards, the Government of the Republic of Indonesia submits a notification on finding serious injury or threat thereof, to the domestic industries producing "Linear Low-Density Polyethylene having a specific gravity of less than 0.94, in other than liquid or paste or powder form" hereinafter referred to as "LLDPE" and a notification of proposed safeguard measures. This notification contains all pertinent information relating to the proposed safeguard measures in accordance with Article 12.2 of the Agreement on Safeguards and an offer of consultations pursuant to Article 12.3 of the Agreement on Safeguards.

A. GENERAL BACKGROUND**1. Initiation of Investigation**

On 12 August 2024, the Investigating Authority received an application for the imposition of a safeguard measure from the Indonesia Olefin, Aromatic & Plastic Industry Association (INAPLAS), hereinafter referred to as "the Applicant," concerning imports of the product under investigation. Upon review of the duly documented application, the Investigating Authority concluded that there was sufficient evidence to justify the initiation of a safeguard investigation.

Subsequently, on 9 September 2024, the Investigating Authority initiated a safeguard investigation on the import of LLDPE. The commencement of the investigation was announced in the *Bisnis Indonesia* newspaper and the Ministry of Trade's website on the same day of the initiation. The said initiation was also notified in the WTO document [G/SG/N/6/IDN/44](#), circulated on 11 September 2024.

2. Period of Investigation

The initial period of investigation covers 2021 to 2023 and then updated to July 2021 - June 2024 during the investigation.

3. Major Proportion

The production share of the Applicant is 100% of the total domestic production of the Subject Goods in July 2023 – June 2024. Therefore, it represents a major proportion as required by Article 4.1(c) of the WTO Agreement on Safeguards.

4. Views and Comments of the Interested Parties

In accordance with Article 3.1 of the WTO Agreement on Safeguards, during the process of investigation, the Investigating Authority has provided opportunities to all interested parties, to submit their views, evidence, comments, and responses concerning the investigation. In light of the aforementioned, the Investigating Authority has held public hearings on 5 November 2024. (The invitation to the public hearing was notified in the WTO document [G/SG/N/6/IDN/44](#), circulated on 11 September 2024). Furthermore on 7 August 2025, the investigating authority notified to the WTO in regard the additional HS of the subject good and also provide opportunity for the interested party to give views and comments through notification of article 12.1 supplement ([G/SG/N/6/IDN/44/Suppl.1](#)).

B. INFORMATION ON WHETHER THERE IS AN ABSOLUTE INCREASE IN IMPORTS OR AN INCREASE IN IMPORTS RELATIVE TO DOMESTIC PRODUCTION

In the light to provide evidence whether there is an absolute increase in imports or an increase in imports relative to domestic production, the Investigating Authority has analysed import data of the Subject Goods during the period of investigation.

1. Absolute Increase in Imports

Table 1. Volume of Imports

Description	Unit	Year		
		July 2021 – June 2022	July 2022 – June 2023	July 2023 – June 2024
Volume of Imports	Ton	238,921	266,064	334,920
Growth	%		11.36	25.88
Trend	%		18.40	

Source: Directorate General of Customs and Excise, Proceed.

During the period of July 2021 - June 2024, import volumes demonstrated an overall upward trend by 18.40%. In absolute terms, imports rose significantly from 238,921 tons in July 2021 – June 2022 to 266.064 tons in July 2022 – June 2023, marking a 11.36% increase. Furthermore, in July 2023 - June 2024 imports continued to increase to 334,920 tons or increase by 25.88%.

2. Relative Increase in Imports to Total Domestic Production

Table 2. Volume of Imports, National Production, and Relative to Total Domestic Production

Description	Unit	Period		
		July 2021 – June 2022	July 2022 – June 2023	July 2023 – June 2024
Volume of Imports	Ton	238,921	266,064	334,920
National Production	Index	100	92.20	84.33
Imports Relative to the Domestic Production	Index	100	120.78	166.22
Growth	%		20.78	37.62
Trend	%		28.93	

Source: Directorate General of Customs and Excise and as verified by Investigating Authority.

As seen in Table above, there was a surge increased in imports relative to the national production during the investigation period, from 100 indexed points in July 2021 - June 2022 to 120.78 indexed points in July 2022 – June 2023, and continue increase to 166.22 indexed points in July 2023 – June 2024. During July 2021 - June 2024, imports relative to the national production was increased with trend of 28.93%.

3. Imports from Main Countries

Table 3. Import Shares

Country	July 2023 – June 2024	
	Volume (Ton)	Share of imports (%)
Malaysia	105,804	31.59
Thailand	82,673	24.69
Singapore	35,684	10.65
United States	28,846	8.61
Saudi Arabia, Kingdom of	27,897	8.33
Developing countries < 3%	45,852	13.69
Other countries	8,162	2.44
World	334,920	100

Source: Directorate General of Customs and Excise, WTO, Proceed.

From the table above, the biggest shares of import in July 2023 - June 2024 was Malaysia, which its shares of import accounted for 31.59%. Other countries with share of imports above 3% are Thailand (24.69%), Singapore (10.65%), United States (8.61%), Saudi Arabia, Kingdom of (8.33%), other developing countries with a cumulative shares of 13.69%, and other countries members with the share of 2.44%.

4. Unforeseen Development

The surge in import volumes of the Investigated Goods from exporting countries caused by numerous unforeseen developments such as the India's LLDPE Certification Requirement, Malaysia export diversion from India to Indonesia, and overcapacity in Thailand.

a. India's LLDPE Certification Requirement

On 5 April 2022, India enforced mandatory LLDPE certification (IS 7328:2020). The regulation is regulated in Bureau of Indian Standards Polyethylene Material for Moulding and Extrusion (Quality Control) number CG-DL-E-06042022-234916. With the enactment of this regulation, imports of LLDPE products in India have decreased 22% drastically from July 2022 - June 2024, proving that the exporting country has shifted its LLDPE export destination from India to other countries, one of which is Indonesia. This then unexpectedly caused a spike in imports of LLDPE in Indonesia.

b. Malaysia export diversion from India to Indonesia

As a consequence of the implementation of LLDPE quality standards in India in 2022, there are strong indications that Malaysia has unexpectedly diverted its exports from India to Indonesia, resulting in a surge of imports into Indonesia.

c. Overcapacity in Thailand

Based on data from the Thailand Petrochemical Country Report 2024 and Trade Map, Thailand's LLDPE production capacity significantly exceeds its export volume to other countries. This is reflected in the fact that exports accounted for approximately 50% of Thailand's total LLDPE production capacity during the period July 2022 – June 2024. This indicates the existence of an LLDPE overcapacity in Thailand, which has driven increased exports to other countries, including Indonesia, and has resulted in an unforeseen surge in imports.

5. The Effect of the GATT 1994 Obligation

Indonesia has reduced import tariffs in many sectors, including HS No. 3901.10.92 with a Most-Favoured-Nation (MFN) rate of 10% and HS No. 3901.40.00 with an MFN rate of 5% during the period of investigation. Pursuant to Article XIX of the GATT 1994 concerning "the effect of the obligations incurred," the maximum bound tariff rate for Indonesia is 40% ad valorem. Accordingly,

the surge of imports of the Product Under Investigation is attributable to the effects of Indonesia's WTO commitments and unforeseen developments.

C. EVIDENCE OF SERIOUS INJURY OR THREAT THEREOF CAUSED BY INCREASED IMPORTS

To determine the existence of serious injury or threat of serious injury that is caused by increased imports, the Investigating Authority has analyzed and made an evaluation of all relevant factors in an objective and quantifiable nature. The following analyses are based on data provided by the Applicant, which has been verified by the Investigating Authority.

1. Evidence of Serious Injury or Threat of Serious Injury

The macroeconomic indicators related to Subject Goods in the safeguard investigation are presented at the table below:

Table 4. National Consumption, Volume of Imports, and Market Shares

No.	Description	Unit	Period			Trend (%)
			July 2021 – June 2022	July 2022 – June 2023	July 2023 – June 2024	July 2021 – June 2024
1.	National Consumption	Index	100	101.05	106.49	3.20
2.	Applicant's market share	Index	100	94.17	81.93	(9.48)
3.	Import's market share	Index	100	110.21	131.63	14.73

Source: Ministry of Industry, and as verified by the Investigating Authority.

Based on the table above, it can be concluded that during the investigation period the surge in market share of imports has taken the Applicant's market share.

During the period of July 2021 to June 2024, national consumption showed an increasing trend of 3.20%, with the highest growth occurring during the period of July 2022 to June 2024, which rose by 5.39% compared to the previous period, from an index point of 101.05 to 106.49. As a result of the increase in the import market share by a trend of 14.73%, the Applicant's market share experienced a declining trend of 9.48%.

Table 5. The Applicant's Indicators of Injury

No.	Description	Unit	Period			Trend (%)
			July 2021 – June 2022	July 2022 – June 2023	July 2023 – June 2024	July 2021 – June 2024
1.	Production	Index	100	92.20	84.33	(8.17)
2.	Domestic Sales	Index	100	95.16	87.25	(6.59)
3.	Productivity	Index	100	95.93	86.25	(7.13)
4.	Utilization Capacity	Index	100	92.20	84.33	(8.17)
5.	Financial Losses	Index	(100)	(191.99)	(270.90)	64.59
6.	Employment	Index	100	96.11	97.78	(1.12)

Source: As verified by the Investigating Authority.

As shown in Table 5, the performance of the Applicant can be seen as follows:

- a. Production experienced a decrease with a trend of 8.17% during the investigation period, from 100 indexed points in the period of July 2021 – June 2022 to 92.20 indexed points in the period of July 2022 – June 2023, and continuously decreased to 84.33 indexed points in July 2023 – June 2024.
- b. Domestic Sales experienced a decrease with a trend of 6.59% during the investigation period, from 100 indexed points in the period of July 2021 – June 2022 to 95.16 indexed points in the period of July 2022 – June 2023, and continuously decreased to 87.25 indexed points in July 2023 – June 2024.

- c. Productivity experienced a decrease with a trend of 7.13% during the investigation period, from 100 indexed points in the period of July 2021 – June 2022 to 95.93 indexed points in the period of July 2022 - June 2023, and continuously decreased to 86.25 indexed points in July 2023 - June 2024.
- d. Utilization Capacity experienced a decrease with a trend of 8.17% during the investigation period, from 100 indexed points in the period of July 2021 – June 2022 to 92.20 indexed points in the period of July 2022 - June 2023, and continuously decreased to 84.33 indexed points in July 2023 - June 2024.
- e. Applicant's Financial Losses experienced an increase with a trend of 64.59% during the investigation period, from (100) indexed points in the period of July 2021 – June 2022 to (191.99) indexed points in the period of July 2022 - June 2023, and continuously increased to (270.90) indexed points in July 2023 - June 2024.
- f. The Employment experienced a slightly decrease with a trend of 1.12% during the investigation period, from 100 indexed points in the period of July 2021 – June 2022 to 96.11 indexed points in the period of July 2022 - June 2023, and increased slightly to 97.78 indexed points in July 2023 - June 2024.
- g. Based on the explanation above, it can be concluded that during the investigation period, the Applicant experienced a serious injury based on the Applicant's performance that indicated a downward trend in production, domestic sales, productivity, utilization capacity, employment, and an upward trend in financial losses.

2. Other Factors That May Contribute to Injury

To ensure that the serious injury is only caused by increased imports, the Investigating Authority has examined the following other known factors:

a. Technology

The investigation confirms that PT Chandra Asri Pacific Tbk. operates production facilities based on UNIPOL™ PE technology from Univation Technologies, a state-of-the-art gas-phase fluidized-bed process widely recognized for its optimal temperature and particle distribution control, high energy efficiency, and flexibility in producing various polyethylene grades, including HDPE, LLDPE, and mLLDPE. This technology enables the manufacture of internationally compliant, high-quality resins with diverse density and melt flow characteristics.

PT Lotte Chemical Titan Nusantara utilizes the Innovene™ G process in combination with INEOS catalysts, equivalent to Ziegler-Natta catalyst technology, which supports the production of LLDPE with narrow molecular weight distribution, high energy efficiency, and stable quality performance. This process yields LLDPE with enhanced mechanical strength, chemical resistance, and clarity, suitable for applications ranging from thin flexible packaging to heavy-duty industrial bags. The resulting products meet international quality standards and are competitive with imported LLDPE.

Accordingly, the investigation concludes that the applicant's serious injury was not attributable to technological shortcomings.

b. Quality

The investigation shows that the applicant's products conform to national and international quality requirements, as demonstrated by certifications such as ASTM standards for LLDPE, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, SNI 7808:2012, and Halal certification. These certifications confirm that the applicant maintains robust quality, environmental, and safety management systems and that its LLDPE products meet recognized performance and compliance benchmarks. Therefore, the applicant's products are fully competitive with imports in terms of quality and standard compliance.

d. Scheduled Maintenance Shutdowns

Based on the verification results, it was found that during the period July 2021 – June 2024, machine shutdowns showed a declining trend, whereas import volumes recorded an increasing trend. This demonstrates that the injury suffered by the Applicant was caused solely by the surge in imports of the Product Under Investigation and not by maintenance shutdowns.

e. Operational Costs and Raw Material Costs

The investigation indicates that, over the period July 2021 to June 2024, the applicants experienced reductions in both operational expenses and raw material costs, decreasing trend by 1.85% and 2.73%, respectively. These findings confirm that the serious injury suffered by the Applicant cannot be attributed to rising operational or raw material costs.

Based on the facts of 2.a. to 2.e. above, it can be concluded that during the period of investigation there were no other factors that caused a serious injury to the Applicant other than increased volume of imports of the Subject Goods.

3. Causal Link

The Investigating Authority has examined all relevant factors having a bearing in the Applicant situation, and came into a conclusion that serious injury suffered by the Applicant mainly caused by increased volume of imports and not due to the other factors, as follows:

- a) There was a surge increase of Subject Goods in absolute terms with a trend of 18.40% during the period of investigation.
- b) There was a surge increase of Subject Goods in relative to domestic production with a trend of 28.93% during the period of investigation.
- c) Import's market share has increased with a trend of 14.73% during the period of investigation.
- d) It is observed that while the national consumption and market share of imports increased yet the market share of the Applicant declined by a trend of 9.48%.
- e) The downward trend in production, domestic sales, productivity, utilization capacity, employment, and upward trend in financial losses.
- f) There were no other factors that caused a serious injury to the Applicant other than increased volume of imports of the Subject Goods.

D. DESCRIPTION OF THE PROPOSED SUBJECT GOODS

Linear Low-Density Polyethylene having a specific gravity of less than 0.94, in other than liquid or paste or powder form, containing:

- Polyethylene with butene alpha-olefin monomers, or
- Polyethylene with hexene alpha-olefin monomers.

This is included in tariff headings ex3901.10.92 and ex3901.40.00.

E. DESCRIPTION OF THE PROPOSED MEASURE

In a view of the findings, a safeguard measures have been proposed in form of specific duty with exHS code, proposed date of introduction, and expected duration of the measure as follow:

Table 7. The Proposed Safeguard Measures

Specific Duty (Rupiah/Ton)		
Period I	Period II	Period III
2,753,544	2,528,579	2,321,994

In view of the conclusion of the causal link, the Investigating Authority has proposed to the Government of the Republic of Indonesia to impose a safeguard measure on the importation of the Subject Goods for three periods.

The imposition of the safeguard measures will be carried out in accordance with the Article 2.2 and Article 9 of the WTO Agreement on Safeguards.

According to Article 9.1 of the WTO Agreement on Safeguards, developing country Members with less than 3% import share collectively account for not more than 9% of total imports in the subject goods are excluded from the safeguard measures. The results of the investigation show that developing countries with individual import shares below the 3% threshold collectively accounted for 13.69% of total imports. Therefore, pursuant to Article 9.1 of the WTO Agreement on Safeguards, no developing country Member is eligible for exclusion from the application of the safeguard measure.

F. PROVIDE PROPOSED DATE OF THE APPLICATION OF THE MEASURE

The safeguard measure is proposed to enter into force after the publication of the decree of the Minister of Finance of the Republic of Indonesia, which will be promulgated at the Official Gazette.

G. CONSULTATIONS

Members who have a substantial interest of the Subject Goods, shall submit a written request of consultation within a period of 7 days from the date of circulation of this notification. All written requests must be sent both in written letter and in electronic format, and must indicate the name, address, e-mail address, and phone fax number of the Members.

In Accordance with Article 12.3 WTO Agreement on Safeguard, the Government of the Republic of Indonesia is open for consultation in order to provide opportunities for those Members, consultation is scheduled to be held virtually.

The contact information for correspondence is:

DIRECTORATE OF WTO NEGOTIATIONS, MINISTRY OF TRADE

Jl. M.I. Ridwan Rais No.5, Building 2, 9th floor, Jakarta 10110

Phone: (62-21) 3840139

Fax: (62-21) 3840139

E-mail: dpopd@kemendag.go.id
