

**Asian  
Shipowners'  
Association**



30 April 2018

H.E. Enggartiasto Lukita  
Minister of Trade  
Ministry of Trade (Indonesia)  
M.I. Ridwan Rais Road  
No.5 Central Jakarta, 10110  
Indonesia

**Re: Regulation on the Minister of Trade of the Republic of Indonesia Number 82 of 2017  
Indonesian New Cargo Reservation Rule on Export of Coal and Crude Palm Oil(CPO)  
and Import of Rice and Goods for Government Procurement**

Dear Minister Lukita,

On behalf of the Asian Shipowners' Association (ASA) we respectfully convey our members' views and concerns regarding the captioned new regulation.

The ASA is a voluntary organisation of the shipowner associations from Australia, China, Chinese Taipei, Hong Kong, India, Japan, Korea and the Federation of ASEAN Shipowners' Associations. The aim of the ASA is to promote the interests of Asian shipowners. ASA shipowners and managers control and operate around 50% of the world's cargo carrying fleet.

The ASA is of the view that this Ministerial Decree will affect international maritime trade and the competitive edge of Indonesian industry, especially in the coal/CPO industry, which currently retains the lion's share in the world.

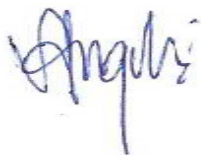
Similarly, this Decree, would be contrary to long-standing international practice and maritime free trade principles. It may also breach international agreements which Indonesia is a member of such as the obligations under the General Agreement on Trade in Service (GATS).

The introduction of a measure such as Article 3 in the regulation will lead to unfair competition and market distortion, an uneven playing field and potentially deter international shipping companies from investing in business in Indonesia. Thereby, there is a grave and imminent risk that this Ministerial Decree would affect both the international shipping markets and the Indonesian economy, despite the Decree's objective: the promotion of Indonesian trade and industry.

We are also concerned that as Indonesia is a one of the leading countries in Asia with a population of more than 250 million, such a protectionist measure could be emulated in other countries. Similarly, some countries affected by the Decree may adopt a retaliatory measure which restricts the shipment of certain export cargoes to their domestic shipping companies, and this will in turn disrupt efficient, reliable and reasonable world trade.

The ASA firmly believes that the international seaborne exportation and importation of any goods and products to and from any country should be based on the principle of free and fair market competitive conditions. The ASA is pleased to note the new Ministerial Regulation No. 48/2017 to postpone the application of the rules and if it allows the Government of Indonesia to deliberate and reconsider the implementation of this Ministerial Decree.

Respectfully yours



Secretary General  
Asian Shipowners' Association

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