



PRESS CONFERENCE

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KPPI Starts Investigation of Safeguards Security Measures Trade Over Surge in Imports of Cotton Yarn

Jakarta, 27 October 2023 – The Indonesian Trade Safeguards Committee (KPPI) has initiated an investigation into Trade Safeguards Measures regarding the surge in the number of imports of goods in the form of cotton yarn today, Friday, (27/10). The commodity in question includes 27 8-digit Harmonized System (HS) numbers, namely 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 based on the 2022 Indonesian Customs Tariff Book (BTK).

Pt. KPPI Chairman Nugraheni Prasetya Hastuti revealed that the investigation was based on a request from the Indonesian Textile Association (API), which represents the domestic yarn producing industry. KPPI received the application from API on September 18 2023.

"From the initial evidence of the application submitted by API, KPPI found that there was a surge in the number of imports of cotton yarn. In addition, there are initial indications of serious losses or the threat of serious losses experienced by domestic industry. These indicators include a decline in production volume, domestic sales, used capacity, profits; reduced workforce; as well as the decline in the domestic industry's market share in the domestic market," explained Nugraheni.

Based on data from the Central Statistics Agency (BPS) in the last four years (2019-2022), there has been an increase in the number of imports of cotton yarn with a trend of 29.79 percent. In 2019 the amount of imports was 14,843 tons. In 2020 it will be 12,588 tons. Then in 2021 it will increase by 65.82 percent to 20,873 tons. Furthermore, in 2022 it will increase by 43.28 percent to 29,908 tons.

Countries of origin for imports of cotton thread goods are Vietnam at 45.65 percent, People's Republic of China (27.80 percent), India (8.20 percent), Turkey (7.36 percent), Pakistan (3.89 percent), Thailand (3.53 percent), and other countries amounted to (3.57 percent).

KPPI invites all interested parties to register as Yang Parties
Interested parties no later than 15 days from the date of this announcement and submitted in writing
to:

Indonesian Trade Security Committee

Ministry of Trade of the Republic of Indonesia

Jl. M. H. Ridwan Rais No. 5, Building I, Floor 5, Jakarta 10110

Tel/Fax: (021) 3857758

E-mail: kppi@kemendag.go.id

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More information contact:

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of the Ministry of Trade**

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Indonesian Trade Security Committee Email:

kppi@kemendag.go.id

**INITIAL EVIDENCE FOR INVESTIGATION REQUESTS
IN THE FRAMEWORK OF IMPOSITION OF MEASURES
TRADE SAFEGUARDS
SURGE IN THE NUMBER OF IMPORTS OF YARN GOODS
COTTON THAT COMES 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, 5 205.41.00, 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, 5206.31.0 0, 5206.32.00,
5206.33.00, 5206.42.00, and 5206.45.00**

NOT SECRET

**DELIVERED BY
INDONESIAN TEXTILE ASSOCIATION (API)
YEAR 2023**

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

The list of names of companies 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, Bandung City, West Java 40171	(022) 4266592 bitrasmg@bitratex.com
2. PT. Delta Merlin Clothing Textiles	Jl. Raya Timur, Kenatan, Bumiaji, District. Sragen, Sragen Regency, Central Java 57254 (KM 10)	(0271) 887008 duniatex@gmail.com
3. PT. Textile Clothing World Delta	Jl. Raya Semarang-Demak Km. 14, Tambakroto, Sayung, Batu Lor, Batu, Kec. Demak, Demak Regency, Central Java 59563	(024) 6514232 deltaduniasandang@gmail.com
4. PT. Textile World Delta	Jl. Maospati - Solo, Gerdu, Jetis, Kec. Jaten, Karanganyar Regency, Central Java 57731	(0271) 622878 personaliaddtpondok@gmail.com
5. PT. Faithful World of Original Textile Clothing	Jl. H. Fachrudin No.36, RT.9/ RW.5, Petamburan, Tanah Abang District, Central Jakarta City, Special Capital Region of Jakarta 10250	(0271) 827623 sales@duniatex.com
6. PT. Delta Merlin Textile World	Pd. III, Pondok, Kec. Grogol, Sukoharjo Regency, Central Java 57552, Indonesia	(0271) 653113 personneladmdt5@gmail.com
7. PT. Damaitex	Jl. Simongan No. 100, Ngemplak Simongan, Kec. West Semarang, Semarang City, Central Java 50148	(024) 7605804 ptdamirex_smg@yahoo.co.id
8. PT. Embee Plumbon	Jl. KH. Mas Mansyur Kav. 126, Central Jakarta 10220	(021) 29529456 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, Bandung City, West Java 40153	(022) 2004450 litingn@lotusindah.co.id
10. PT. Gokak Indonesia Jalan Ateung	Jl. Ilyas No 1 RT 02/08, Kampung Muhara, Citeurep, Bogor 16810, West Java	(081) 5107-44377 factory@gokakindonesia.com uncle
11. PT. Kewalram Indonesia	Jalan Raya Rancaekek KM 25, Kab. Sumedang	(+62-22) 7798346 info@kewalram.co.id
12. PT. Primayudha Mandirijaya	Hamlet 3, Ngadirojo, District. Ampel, Boyolali Regency, Central Java 57352	(021) 57903640 marketing@primayudha.com uncle
13. PT. Original Sariwarna	Jl. Hos Cokroaminoto no. 28 Pucang Sawit, Surakarta, Central Java. Indonesia 57125	+62 271 648747 publications.swag@gmail.com
14. PT. Sinar Pantja Djaja	Jl. Condrokusumo Raya No.1, Bongsari, Kec. West Semarang, Semarang City, Central Java 50148	(024) 7603888 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

Source: Applicant, processed

C. APPLICANT'S PROPORTION OF PRODUCTION

Table 2. Total Production and Production Proportion 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 Anti-Dumping Measures, Subsidy Measures, and Trade Security Measures Chapter I Article I paragraph 18, where the Applicant's production constitutes a large proportion of overall cotton yarn production in Indonesia so that it qualifies as an IDN in terms of Security Measures.

D. GOODS FOR WHICH PROTECTION IS REQUESTED**1. Description of Imported Goods Investigated**

Based on BTKI 2022, *the Harmonized System* (HS) numbers and the description of the Items Investigated is as follows:

Table 3. Complete description of imported goods investigated

No	HS Number	Description of goods	Description of Goods
	52.04	Cotton sewing thread, whether or not put up for retail sale.	Cotton sewing thread, whether or not put up for retail sale
		- Not prepared for retail sale:	- Not put up for retail sale :
1	5204.11	-- Contains 85% or more cotton by weight :	Containing 85% or more by weight of cotton:
2	5204.11.10 - - -	Unbleached	Cotton sewing thread; not put up for retail sale; containing 85 % or more by weight of cotton; unbleached
3	5204.19.00 - -	Etc	cotton sewing thread; not put up for retail sale; containing less than 85 % by weight of cotton
4	5204.20.00 -	Prepared for sale retail	cotton sewing thread; put up for retail sale
	52.05	Cotton thread (other than sewing thread), containing 85% or more cotton by weight, is not put up for retail sale.	Cotton yarn (other than sewing thread), containing 85 % or more by weight of cotton, not put up for retail sale.
		- Single yarn, from uncombed fiber:	Single yarn, of uncombed fibers
5	5205.11.00 - -	Measurement 714.29 decitex or more (not exceeding metric number 14)	single yarn, of uncombed fibers; measuring 714.29 decitex or more (not exceeding 14 metric number)
6	5205.12.00 - -	Measurement less than 714.29 decitex but not less than 232.56 decitex (exceeding metric number 14 but not exceeding metric number 43)	single yarn, of uncombed fibers; 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	Description of goods	Description of Goods
		- Single yarn, from combed fibers:	Single yarn, of combed fibers
7	5205.21.00 - -	Measurement 714.29 decitex or more (not exceeding metric number 14)	<i>single yarn, of combed fibers; measuring 714.29 decitex or more (not exceeding 14 metric number)</i>
8	5205.22.00 - -	Measurement less than 714.29 decitex but not less than 232.56 decitex (exceeding metric number 14 but not exceeding metric number 43)	<i>single yarn, of combed fibers; measuring less than 714.29 decitex but not less than 232.56 decitex (exceeding 14 metric number but not exceeding 43 metric number)</i>
9	5205.24.00 - -	Measurement less than 192.31 decitex but not less than 125 decitex (exceeding metric number 52 but not exceeding metric number 80)	<i>single yarn, of combed fibers; measuring less than 192.31 decitex but not less than 125 decitex (exceeding 52 metric number but not exceeding 80 metric number)</i>
10	5205.26.00 - -	Measurement less than 125 decitex but not less than 106.38 decitex (exceeding metric number 80 but not exceeding metric number 94)	<i>single yarn, of combed fibers; measuring less than 125 decitex (exceeding 80 metric number)</i>
		- Double (folded) yarn or cable yarn, of uncombed fibers:	Multiple (folded) or cabled yarn, of uncombed fibers
11	5205.32.00 - -	The size of each single thread is less than 714.29 decitex but not less than 232.56 decitex (exceeding metric number 14 but not exceeding metric number 43 per single thread)	<i>multiple (folded)/ cabled yarn, of uncombed fibers; measuring per single yarn < 714.29 decitex but 232.56 decitex ÿ (exceeding 14 metric number but not exceeding 43 metric number per single yarn)</i>
		- Double (folded) yarn or cable yarn, from combed fibers:	Multiple (folded) or cabled yarn, of combed fibers
	5205.41.00 - -	The size of each single thread is 714.29 decitex or more (not to exceed metric number 14 per single thread)	<i>multiple (folded) or cabled yarn, of combed fibers; measuring per single 714.29 yarn decitex more (not</i>

No	HS Number	Description of goods	<i>Description of Goods</i>
12	5205.42.00 - -	The size of each single thread is less than 714.29 decitex but not less than 232.56 decitex (exceeding metric number 14 but not exceeding metric number 43 per single thread)	<i>exceeding 14 metric numbers per single yarn) multiple (folded) or cabled yarn, of combed fibers; measuring per single yarn < 714.29 decitex but ÿ 232.56 decitex (exceeding 14 metric number but not exceeding 43 metric number per single yarn)</i>
13	5205.43.00 - -	The size of each single thread is less than 232.56 decitex but not less than 192.31 decitex (exceeding metric number 43 but not exceeding metric number 52 each single thread)	<i>multiple (folded) or cabled yarn, of combed fibers; measuring per single yarn < 232.56 decitex but ÿ 192.31 decitex (exceeding 43 metric number but not exceeding 52 metric number per single yarn)</i>
14	5205.47.00 - -	The size of each single thread is less than 106.38 decitex but not less than 83.33 decitex (exceeding metric number 94 but not exceeding metric number 120 per single thread)	<i>multiple (folded) or cabled yarn, of combed fibers; measuring per single yarn < 106.38 decitex but ÿ 83.33 decitex (> 94 metric number but ÿ 120 metric number per single yarn)</i>
15	5205.48.00 - -	The size of each single thread is less than 83.33 decitex (exceeds metric number 120 per single thread)	<i>multiple (folded) or cabled yarn, of combed fibers; measuring per single yarn less than 83.33 decitex (exceeding 120 metric number per single yarn)</i>
	52.06	Cotton thread (other than sewing thread), containing less than 85 % cotton by weight, is not put up for retail sale.	Cotton yarn (other than sewing thread), containing less than 85% by weight of cotton, not put up for retail sale.
		Single yarn, of uncombed fiber:	Single yarn, of uncombed fibers
16	5206.11.00 - -	Measurement 714.29 decitex or more (not exceeding metric number 14)	<i>single yarn, of uncombed fibers; measuring 714.29 decitex or more (not exceeding 14 metric number)</i>

No	HS Number	Description of goods	Description of Goods
17	5206.12.00 - -	Measurement less than 714.29 decitex but not less than 232.56 decitex (exceeding metric number 14 but not exceeding metric number 43)	<i>single yarn, of uncombed fibers; measuring less than 714.29 decitex but not less than 232.56 decitex (exceeding 14 metric number but not exceeding 43 metric number)</i>
18	5206.14.00 - -	Measurement less than 192.31 decitex but not less than 125 decitex (exceeding metric number 52 but not exceeding metric number 80)	<i>single yarn, of uncombed fibers; measuring less than 192.31 decitex but not less than 125 decitex (exceeding 52 metric number but not exceeding 80 metric number)</i>
		Single yarn, from combed fibers:	Single yarn, of combed fibers
19	5206.21.00 - -	Measurement 714.29 decitex or more (not exceeding metric number 14)	<i>single yarn, of combed fibers; measuring 714.29 decitex or more (not exceeding 14 metric number)</i>
20	5206.23.00 - -	Measurement less than 232.56 decitex but not less than 192.31 decitex (exceeding metric number 43 but not exceeding metric number 52)	<i>single yarn, of combed fibers; measuring less than 232.56 decitex but not less than 192.31 decitex (exceeding 43 metric number but not exceeding 52 metric number)</i>
21	5206.24.00 - -	Measurement less than 192.31 decitex but not less than 125 decitex (exceeding metric number 52 but not exceeding metric number 80)	<i>single yarn, of combed fibers; measuring less than 192.31 decitex but not less than 125 decitex (exceeding 52 metric number but not exceeding 80 metric number)</i>
22	5206.25.00 - -	Size less than 125 decitex (exceeds metric number 80)	<i>single yarn, of combed fibers; measuring less than 125 decitex (exceeding 80 metric numbers)</i>
		Double (folded) yarn or cable yarn, of uncombed fibers:	Multiple (folded) or cabled of yarn of combed fibers

No	HS Number	Description of goods	Description of Goods
23 5	206.31.00 - -	The size of each single thread is 714.29 decitex or more (not to exceed metric number 14 per single thread)	<i>multiple or cabled (folded) or uncombed fibers; measuring per single yarn 714.29 decitex or more (not exceeding 14 metric number per single yarn)</i>
24 5	206.32.00 - -	The size of each single thread is less than 714.29 decitex but not less than 232.56 decitex (exceeding metric number 14 but not exceeding metric number 43 per single thread)	<i>multiple (folded) or fibers; of cabled, uncombed measuring per single yarn < 714.29 decitex but ≥ 232.56 decitex (exceeding 14 metric number but not exceeding 43 metric number per single yarn)</i>
25 5	206.33.00 - -	The size of each single thread is less than 232.56 decitex but not less than 192.31 decitex (exceeding metric number 43 but not exceeding metric number 52 per single thread)	<i>multiple (folded) or cabled of yarn, uncombed fibers; measuring per single yarn < 232.56 decitex but 192.31 decitex (exceeding 43 ≥ metric number but not exceeding 52 metric number per single yarn)</i>
		Double (folded) yarn or cable yarn, from combed fibers:	Multiple (folded) or cabled yarn, of combed fibers
26 5	206.42.00 - -	The size of each single thread is less than 714.29 decitex but not less than 232.56 decitex (exceeding metric number 14 but not exceeding metric number 43 each single thread)	<i>multiple (folded) or cabled yarn, of combed fibers; measuring per single yarn < 714.29 decitex but ≥ 232.56 decitex (exceeding 14 metric number but not exceeding 43 metric number per single yarn)</i>
27 5	206.45.00 - -	The size of each single thread is less than 125 decitex (exceeds metric number 80 per single thread)	<i>multiple (folded) or cabled yarn, of combed fibers; measuring per single yarn less than 125 decitex (exceeding 80 metric number per single yarn)</i>

Source: BTKI 2022

2. Complete description of similar goods or direct goods

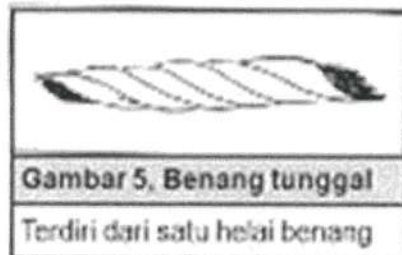
Compete with Researched Items

a. Physical Characteristics

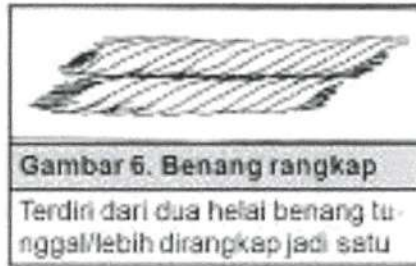
Imported Goods:

Imported goods have the following physical characteristics:

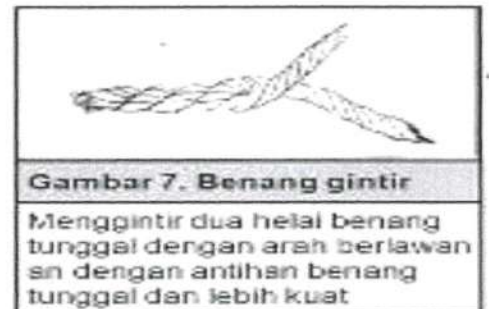
- 1) Cotton sewing thread is a double (folded) thread or thread cables of cotton fiber rolled on *reels* or *tubes* with weight not exceeding 1,000 grams, given *finishing treatment* for the purpose sewing and with a "Z" twist, consisting of:
 - a) Cotton sewing thread, not put up for retail sale.
 - b) Cotton sewing thread, prepared for retail sale (single, double (folded) thread or coiled cable thread winding tool).
- 2) Cotton thread (other than sewing thread), not prepared for sale retail, consisting of:
 - a) Single thread is a thread composed of one filament (monofilament), or two/more filament threads (multifilament), combined into one with a twist (*twisted*) or without twist (*untwisted*).



- b) Double (folded) thread is a thread formed from two or more single threads, including those obtained from monofilament (*twofold*, *threefold*, *fourfold*, etc.) twisted together (*twisted together*) in one twisting process. Nevertheless, monofilament threads are combined separately with twists (*twisted*) not included as thread double (folded).



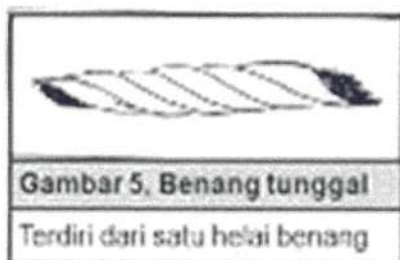
- c) Cable thread is a thread formed from two threads or more, one of which is a double (folded) thread, twisted (*twisted*) together in one or more folds.



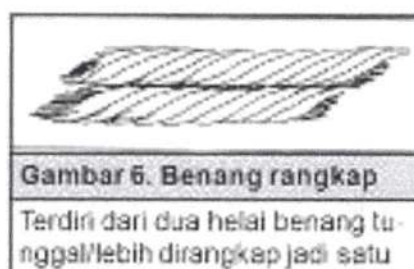
Applicant's Production Goods:

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

- 1) Cotton sewing thread is a double (folded) thread or thread cables of cotton fiber rolled on *reels* or *tubes* with weight not exceeding 1,000 grams, given finishing treatment for the purpose sewing and with a "Z" twist, consisting of:
 - a) Cotton sewing thread, not put up for retail sale.
 - b) Cotton sewing thread, prepared for retail sale (single, double (folded) thread or coiled cable thread winding tool).
- 2) Cotton thread (other than sewing thread), not prepared for sale retail, consisting of:
 - a) Single thread is a thread composed of one filament (monofilament), or two/more filament threads (multifilament), combined into one with a twist (*twisted*) or without twist (*untwisted*).



- b) Double (folded) thread is a thread formed from two or more single threads, including those obtained from monofilament (twofold, threefold, fourfold, etc.) twisted together (*twisted together*) in one twisting process. Nevertheless, monofilament threads are combined separately with twists (*twisted*) not included as thread double (folded).



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



b. Technical specifications

Imported Goods:

The technical specifications of imported goods are as follows:

1) Cotton sewing thread:

a) Judging from the cotton content:

- Contains 85% or more cotton by weight

- Contains less than 85% cotton by weight
 - b) Judging from the process, unbleached sewing thread is sewing thread that has the natural color of the fibers that form it, has not been bleached, dyed or printed.
- 2) Cotton thread (other than sewing thread) in terms of cotton content:
- a) Contains 85% or more cotton by weight
 - b) Contains less than 85% cotton by weight

Applicant's Production Goods:

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

- 1) Cotton sewing thread:
- a) Judging from the cotton content:
 - Contains 85% or more cotton by weight
 - Contains less than 85% cotton by weight
 - b) Judging from the process, unbleached sewing thread is sewing thread that has the natural color of the fibers that form it, has not been bleached, dyed or printed.
- 2) Cotton thread (other than sewing thread) in terms of cotton content:
- a) Contains 85% or more cotton by weight
 - b) Contains less than 85% cotton by weight

c. Raw material

Imported Goods:

The raw materials for imported goods are as follows:

- 1) The raw material for cotton sewing thread is single thread cotton, including those obtained from monofilament (*twofold yarn, threefold, fourfold, etc.*) and given *finishing treatment*.
- 2) Raw materials for cotton thread (other than sewing thread) are:
- a) Uncombed fiber (*carded*): the main purpose of *carding* is separate the cotton fibers, laying the fibers more or less parallel, and clean the fiber from ingredients other than cotton fiber for most or all of the fiber.
 - b) Combed fiber *is* the process of cleaning unfinished fibers combed from the remaining content outside the fibers and removed short fibers, so that only the long fibers remain of the fiber

cotton wool placed parallel.

Applicant's Production Goods:

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

- 1) The raw material for cotton sewing thread is single thread cotton, including those obtained from monofilament (*twofold yarn, threefold, fourfold, etc.*) and given *finishing treatment*.
- 2) Raw materials for cotton thread (other than sewing thread) are:
 - a) Uncombed fiber (*carded*): the main purpose of *carding* is separate the cotton fibers, laying the fibers more or less parallel, and clean the fiber from ingredients other than cotton fiber for most or all of the fiber.
 - b) Combed fiber *is* the process of cleaning unfinished fibers combed from the remaining content outside the fibers and removed short fibers, so that only the long fibers remain of the fiber cotton wool placed parallel.

d. Utility

Imported Goods:

The uses of imported goods are as follows:

- 1) Cotton sewing thread is for sewing.
- 2) cotton thread (other than sewing thread) is thread made from cotton not intended for sewing, but rather for weaving or knitting into cloth.

Applicant's Production Goods:

The Applicant's Production Goods have the same use as goods import, namely:

- 1) The use of cotton sewing thread is for sewing.
- 2) the use of cotton thread (other than sewing thread) is for weaving or knitted into cloth.

3. Statement of Similar Goods or Goods that Directly Compete

Based on the explanation provided in letter ad above, the Petitioner believes that the goods produced by the Applicant are **similar goods**

with imported goods, seen from **physical characteristics, technical specifications, raw materials, and uses.**

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

1. Number of Imports

Table 4. Absolute and Relative Import Amounts

Description	Unit	Year				Change (%)			Trends 2019-2022 (%)
		2019	2020	2021	2022	2019-2020	2020-2021	2021-2022	
Import Amount	Tons	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)
Relative Import Against Production National	Index	100	127.71	170.15	277.73	27.71	33.23	63.23	39.81

Source: Central Statistics Agency (BPS), Applicant, processed

As can be seen in Table 4 above, the absolute amount of imports experienced a spike 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 down amounting to 15.19%. In 2021 the number of imports will increase to 20,873 tons from the previous 12,588 tons in 2018 2020, or up 65.82%. In 2022 the number of imports will increase an increase to 29,908 tons from the previous 20,873 tons in 2021, or an increase of 43.28%.

The relative amount of imports experienced a surge with a trend of 39.81% during the 2019-2022 period. In 2020 the number of imports experienced an increase of 127.71 index points from the previous amount 100 index points in 2019 or an increase of 27.71%. In the year of In 2021, the number of imports will increase to 170.15 points index from the previous 127.71 index points in 2020, or up 33.23%. In 2022 the number of imports will increase to amounting to 277.73 index points from the previous 170.15 index points in In 2021, or an increase of 63.23%.

2. Import Share

Table 5. Share of Import Origin Countries

Country	Year													
	2019		2020		2021		2022							
	Volume Share (Tons) (%)		Volume Share (Tons) (%)		Volume Share (Tons) (%)		Volume Share (Tons) (%)							
Vietnam	5,307	35.75	5,633	3,670	29.15	4,554	9,574	45.87	5,569	13,652	45.65			
PRC	37.95	1,528	10.97	36.18	1,736	13.79	26.68	1,887	9.04	8,314	27.80			
India	0.04	0.00	628	4.23	623	4.95	334	2.65	414	1.99	1,167	5.58	2,452	8.20
	521	3.51	1,126	7.58	577	4.58	1,095	8.7	627	3.00	1,636	2,201	7.36	
Türkiye							7.84					1,165	3.89	
Pakistan												1,056	3.53	
Thailand												1,069	3.57	
Other Countries														
Total	14,843	Source:	100	12,588	100	20,873	100	29,908	100				100	

BPS, processed

Based on table 5 above, in 2022 the market share of product imports

Cotton yarn in the domestic market is dominated by Vietnam with market share imports amounted to 45.65%, followed by China with an import market share of 27.80%, India with an import market share of 8.20%, Turkey with a share import market 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% namely 3.57%.

F. INFORMATION ON THE APPLICANT'S LOSSES

Table 6. Applicant Performance Indicators

No	Description	Unit	Year				Growth (%)			Trends 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	Sale Domestic	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	Profit / Loss	Index	100	7.83	38.45	8.01	(92.17)	391.11	(79.17)	(45.02)
6	Labor	Index	100	79.72	81.83	71.92	(20.28)	2.65	(12.11)	(9.18)

Source: Applicant, processed

a. Production

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

b. Domestic sales

Domestic sales during the 2019-2022 period experienced a decline with a trend of 5.36%. In 2019 domestic sales were 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 decreased again amounted to 79.19 index points or 20.19% compared to the previous year.

This is caused by the flood of imported goods which dominate the domestic market.

c. Productivity

In 2019, productivity was 100 index points, increasing to 107.85 index points or 7.85% in 2020. Furthermore, in 2021, productivity increased to 110.95 index points or 2.87% Meanwhile, in 2022 productivity will experience a slight decline 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.

d. Used Capacity

During the 2019-2022 period, the Applicant's used capacity decreased with a trend of 6.45% due to a surge in imports during that period. The largest decrease in used capacity occurred in 2020 amounting to 13.77% when compared to 2019.

Furthermore, in 2021, used capacity increased by 5.59%, while in 2022 used capacity decreased by 13.63%.

e. Advantages/Disadvantages

The applicant experienced a decline in profits with a trend of 45.02% during the 2019-2022 period. In 2019, the Applicant's profit was 100 index points and then in 2020 the Applicant experienced a decrease in profits of 92.17%, where in the same year domestic sales decreased and the number of imports of these products increased. In 2021 the Applicant experienced an increase in profits of 38.45 index points and was still below the previous year. Meanwhile, in 2022, the Petitioner will again experience a decrease in profits of 79.17%.

f. Labor

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 decreased again to 71.92 index points.

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

No.	Indicator	Unit	2019	2020	2021	2022	Change (%)			Trends 2019-2022 (%)
							2019-2020	2020-2021	2021-2022	
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	Domestic Sales Non Applicant	Index	100	86.69	89.31	66.59	(13.31)	3.03	(25.45)	(1.22)
4	Number of Imports	Tons	14,843	12,588	20,873	29,908	(15.19)	65.82	43.28	29.79
5	Market share Applicant	Index	100	99.58	99.86	93.01	(0.42)	0.29	(6.87)	(2.12)
6	Non Market Share Applicant	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

decreased with a trend of 2.12% and 8.19%. On the contrary

The import market share during 2019-2022 increased with the trend

amounting to 34.22%. Thus, during 2019-2022 market share

Imports have taken over the market share of applicants and non-applicants.

H. UNEXPECTED DEVELOPMENT (*Unforeseen Development*)

1. Vietnam

There has been no increase in the number of cotton yarn imports from Vietnam can be predicted beforehand (*unforeseeable/unexpected*), this is because there has been a significant increase in investment and expansion in yarn industry in Vietnam since 2019. Additional investment namely the increase in spindle installation which increased by 250,000 points spindles in 2021 compared to 2020 with a capacity of 2,600,000 Tons and will continue to increase in 2022 by 100,000 spindles compared to 2021 with a capacity of 2,700,000 tons, as can be seen in the following table:

Table 8. Investment and Additional 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	Tons	2,500,000	2,500,000	2,600,000	2,700,000
Cotton thread production	Tons	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 the Vietnamese textile industry sector increases every year during the 2019-2022 period, which causes an increase in the addition of new fixed assets and production capacity in the same period. Apart from increasing production capacity, Vietnam also produces *full capacity* in the entire spinning industry as a result of increasing investment and fixed assets in the spinning industry sector in Vietnam. This was an unexpected condition *which* indirectly caused an increase in exports of cotton yarn products from Vietnam to other countries, including Indonesia.

2. China

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

On June 21 2022, the United States issued a policy to prohibit imports from China, especially from the country of Xinjiang (the region in China that produces the largest cotton and its derivative products) if these products are made

by Uyghur workers in Xinjiang, China. These regulations are regulated in *section 2 of public law no. 117-78, An Act to ensure that 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 this regulation, imports of cotton yarn products from China in the United States experienced a drastic decline, so that China shifted the destination of cotton yarn exports to other countries, one of which was Indonesia, causing a surge in imports, as can be seen in the table below.

Table 1. Cotton yarn export data from China

Description	Unit	Year				Change (%)	Trends 19-22 (%)
		2019	2020	2021	2022	21-22	
American import States of China	Tons	391	386	381	267	(29.92)	(10.93)
Indonesian imports from China	Tons	5,633	4,554	5,569	8,313	49.29	14.67

Source: Trade map

Based on table 10 above, the existence of regulations prohibiting imports of cotton products and their derivatives in the United States from China has resulted in a drastic decline in imports in 2022 to only 267 tonnes, whereas in trend there has been a decline of 10.93% during 2019-2022. Furthermore, the transfer of exports from previously to the United States to Indonesia resulted in a significant surge in imports in Indonesia in 2022 compared to 2021, namely 49.29% and an increasing trend of 14.67%.

The provision of subsidies for exports of Chinese cotton yarn products and the transfer of export destinations from China to the United States to Indonesia are unexpected conditions (*unforeseen development*) which have caused 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 context of the imposition of Trade Security Measures (*Safeguards*) against the surge in the number of imports of Cotton Yarn goods.

Jakarta, 16 September 2023



ASOSIASI PERTEKSTILAN INDONESIA
INDONESIAN TEXTILE ASSOCIATION
Jemmy Kartiwa
Chairman

ANNEX 1:

IMPORTER'S NAME AND ADDRESS

NO	COMPANY NAME	ADDRESS
1	PT. Primarindo Asia Infrastructure	Jl. Tanjung Karang 3-4A Jakarta
2	PT. Amefird Indonesia Yarn 3 PT.	Jl. Cisirung No. 105 Cangkuang Wetan, Bandung
	SuryaThanks to 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 6 PT.	GIIC Block area. CF Cikarang Pusat, Bekasi
	Ihchi Textile Mills & Machinery 7 PT.	Jl. Cibaligo No. 149A Cimahi, Bandung
	Winnersumbiri Knitting Factory 8 PT. Kurabo	Jl. KH. Agus Salim No. 18 Cipondoh, Tangerang
	Manunggal Textile Industries	Cakrawala Tower Fl. 7 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 Etc. Gemulung, Jepara
14	PT. Sejahtera Bintang Abadi Textile Tbk	Jl. Raya Cicalengka Majalaya Km.5 Bandung
15	PT. Soljer Abadi 16	Jl. Raya Rancaekek Majalaya Bandung
	PT. Indo Taichen Textile Industry	Jl. Gatot Subroto Km. 3 Jatiuwung Tangerang
17	PT. Perdana 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 Garments	Jl. Raya Rancaekek Majalaya Bandung
20	PT. Multindo Velvet Industries	Wahyu Sejahtera Industrial Area Block E Bogor

NAME AND ADDRESS OF IMPORTER ASSOCIATION

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

APPENDIX 2