

GATS 2000

REQUEST FROM THE EC AND ITS MEMBER STATES (HEREAFTER THE EC)

TO

INDONESIA

GENERAL REMARKS

At the WTO Ministerial Conference in Doha in November 2001, Ministers agreed that initial requests for specific commitments should be submitted by 30 June 2002.

In line with this decision, and committed to the objectives and principles stated in the GATS, in particular Article IV and XIX GATS, as well as the negotiating guidelines agreed by the Council for Trade in Services on 29 March 2001, the EC encourages Indonesia to participate actively in the negotiations.

The EC consider that the progressive liberalisation of services is of benefit for all members, including developing and least developed countries. The EC recognises the importance of liberalisation being underpinned by domestic regulatory frameworks designed to ensure the achievement of public policy objectives.

This request covers horizontal commitments, MFN exemptions and the following service sectors:

- Professional services
- Business services (other than professional services)
- Postal and courier services
- Telecommunications services
- Construction and related engineering services
- Distribution services
- Environmental services
- Financial services
- Tourism and travel related services
- News agency services
- Transport services
- Energy services

The EC proposes that Indonesia's current GATS commitments are revised in accordance with this request. The EC is both seeking improved commitments and clarification of existing commitments as set out in this Request. The EC is

ANNEX 2 FACILITATING AIR TRANSPORT SERVICES

Ground-handling Services

Efficient ground-handling is essential to the proper functioning of air transport and competition between operators in this area ensures that proper use is made of air transport infrastructure. It helps reduce the operating costs of airlines and improves the quality of service for airport users.

For specialised groundhandling suppliers the following activities are requested:

Ground Administration – supervision and administration at the airport (CPC 7461);
Passenger Handling – assisting arriving, departing and transfer passengers (CPC 7461);
Baggage Handling – handling baggage in the sorting area (CPC 7461);
Freight and Mail Handling – physical handling of freight and mail, dealing with security and customs procedures (CPC 74110 (container handling services) and 74190 (other cargo handling services));
Ramp Handling – marshalling and moving the aircraft, loading and unloading of aircraft, transport of passengers, freight, supplies (CPC 7469).
Aircraft Services – cleaning the aircraft, heating and cooling, removal of snow and ice (CPC 7469);
Fuel and Oil Handling – organisation and provision of fuel and oil;
Aircraft Maintenance – covered specifically by the Annex as above;
Flight Operations and Crew Administration – preparation of the flight, inflight and post-flight assistance, crew administration;
Surface Transport – organisation and execution of transport within airport – except to and from aircraft;
Catering Services (CPC 6423).addressed under the EC request on tourism and travel related services

Airport management services

Airport management services constitute the core activities of airport services providers and cover: Airport operation services (excl. cargo handling), including passenger air terminal services and ground services on air fields, including runway operating services, on a fee or contract CPC 74610. Activities are also related to “other management consulting services” (CPC 86509) and activities separately specified under “other management services not elsewhere classified”(CPC 86609). A commitment will allow services suppliers to take an equity stake in - and engage in the overall operation and management of - airports when these are open for investments from private operators. Thereby it will bind existing common practices in the sector.

ENERGY SERVICES

EC REQUEST TO INDONESIA

This request includes services that are listed under the negotiating proposal of the EU (S/CSS/W/60). The work on the classification of these services is still underway. For this reason, some activities therefore lacks reference to CPC.

The EC wishes to underline the significant contribution of an appropriate use of energy for the promotion of sustainable development.

The EC requests that this area is committed as follows:

A. SERVICES RELATED TO EXPLORATION AND PRODUCTION

CPC 883: Services incidental to mining

This sub-sector is not committed. **EC Request:**

- Mode 3: Take full commitments, i.e. schedule "none".
- Mode 4: Commit as referred in the section "Horizontal commitments".

CPC 8675: Related scientific and technical consulting services

This sub-sector is not committed. **EC Request:**

- Mode 3: Take full commitments, i.e. schedule "none".
- Mode 4: Commit as referred in the section "Horizontal commitments".

CPC 51110: Site investigation work and CPC 51130: Site formation and clearance work

These sub-sectors are not committed. **EC Request:**

- Mode 3: Take full commitments, i.e. schedule "none".
- Mode 4: Commit as referred in the section "Horizontal commitments".

CPC 513: General construction work for civil engineering

- Mode 3: MA and NT – Restrictions on forms of establishment (Joint Operation and Joint Venture). **EC Request:** Remove these restrictions and schedule “none” under MA and NT.

B. SERVICES RELATED TO THE CONSTRUCTION OF ENERGY FACILITIES

B.1 Construction of energy facilities

CPC 513: Construction work for civil engineering

CPC 51340: For long distance pipelines, communication and power lines (cables)

CPC 51350: For local pipelines and cables; ancillary works

CPC 51360: For constructions for mining and manufacturing

- Mode 3: MA and NT – Restrictions on forms of establishment (Joint Operation and Joint Venture). **EC Request:** Remove these restrictions and schedule “none” under MA and NT.

B.2 Installation and assembly work

CPC 516: Installation and assembly work

This sub-sector is not committed. **EC Request:**

- Mode 3: Take full commitments, i.e. schedule "none".
- Mode 4: Commit as referred in the section "Horizontal commitments".

C. SERVICES RELATED TO NETWORKS

C.1 Operation of transportation/transmission and distribution facilities

CPC 887: Services incidental to energy distribution (including operation of transmission/distribution of electricity)

This sub-sector is not committed. **EC Request:**

- Modes 3: Take commitments for operation of networks not part of the integrated system.
- Mode 4: Commit as referred in the section "Horizontal commitments".

CPC 71310: Transportation of petroleum and natural gas

This sub-sector is not committed. **EC Request:**

- Modes 3: Take commitments for operation of networks not part of the integrated system.
- Mode 4: Commit as referred in the section "Horizontal commitments".

D. STORAGE SERVICES

CPC 74220: Bulk storage services of liquids or gases

This sub-sector is not committed. **EC Request:**

- Mode 3: Take full commitments, i.e. schedule "none".
- Mode 4: Commit as referred in the section "Horizontal commitments".

E. SERVICES FOR THE SUPPLY OF ENERGY

E.1 Wholesale of energy products

CPC 62271: Wholesale trade services of solid, liquid and gaseous fuels and related products

This sub-sector is not committed. **EC Request:**

- Mode 3: Take full commitments for solid and liquid fuels and related products.

- Mode 4: Commit as referred in the section "Horizontal commitments".

Wholesale trade services of electricity

EC Request:

- Modes 3: Take commitments
- Mode 4: Commit as referred in the section "Horizontal commitments".

E.2 Retail sale of energy products

CPC 63297: Retail sale of fuel oil, bottled gas, coal and wood

This sub-sector is not committed. **EC Request:**

- Mode 3: Take full commitments, i.e. None.
- Mode 4: Commit as referred in the section "Horizontal commitments".

E.3 Trading of energy products

EC Request:

- Modes 1, 2, 3: Take full commitments for non-network energy products and commitments for network-energy products.
- Mode 4: Commit as referred in the section "Horizontal commitments".

E.4 Brokering of energy products

EC Request:

- Modes 1, 2, 3: Take full commitments for non-network energy products and commitments for network-energy products
- Mode 4: Commit as referred in the section "Horizontal commitments".

F. SERVICES FOR THE FINAL USE

F.1 Energy audit

CPC 86505: Production management consulting services

This sub-sector is not committed. **EC Request:**

- Mode 3: Take full commitments, i.e. None.
- Mode 4: Commit as referred in the section "Horizontal commitments".

F.2 Energy management

CPC 86505: Production management consulting services

This sub-sector is not committed. **EC Request:**

- Mode 3: Take full commitments, i.e. None.
- Mode 4: Commit as referred in the section "Horizontal commitments".

G. SERVICES RELATED TO DECOMMISSIONING

EC Request:

- Modes 3: Take full commitments, i.e. schedule "none".
- Mode 4: Commit as referred in the section "Horizontal commitments".

ANNEX 1: SCHEDULE ON MARITIME TRANSPORT SERVICES

SECTOR OR SUB-SECTOR	LIMITATIONS ON MARKET ACCESS	Limitations on National Treatment	ADDITIONAL COMMITMENTS
<p>TRANSPORT SERVICES MARITIME TRANSPORT SERVICES International Transport (freight and passenger) CPC 7211 and 7212 less cabotage transport (as defined below – 1)</p>	<p>1) (a) <u>Liner Shipping</u>: none (b) <u>Bulk, tramp, and other international shipping, including passenger transportation</u>; none</p> <p>2) None</p> <p>3) (a) Establishment of registered company for the purpose of operating a fleet under the national flag of the State of establishment: unbound (b) Other forms of commercial presence for the supply of international maritime transport services (as defined below – 2): none</p> <p>4) (a) Ships crews: unbound (b) Key personnel employed in relation to a commercial presence as defined under mode 3b) above: Unbound except as in horizontal section</p>	<p>1) (a) None (b) None</p> <p>2) None</p> <p>3) (a) Unbound</p> <p>(b) None</p> <p>4) (a) Unbound (b) Unbound except as in horizontal section</p>	<p>The following services at the port are made available to international maritime transport suppliers on reasonable and no discriminatory terms and conditions</p> <ol style="list-style-type: none"> 1. Pilotage 2. Towing and tug assistance 3. Provisioning, fuelling and watering 4. Garbage collecting and ballast waste disposal 5. Port Captain’s services 6. Navigation aids 7. Shore-based operational services essential to ship operations, including communications, water and electrical supplies 8. Emergency repair facilities 9. Anchorage, berth and berthing services

Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>MARITIME AUXILIARY SERVICES Maritime Cargo Handling Services (as defined below – 4)</p> <p>Storage and warehousing Services CPC 742</p> <p>Customs Clearance Services (as defined below – 5)</p> <p>Container Station and Depot Services (as defined below – 6)</p> <p>Maritime Agency Services (as defined below – 7)</p> <p>(Maritime) Freight Forwarding Services (as defined below – 8)</p>	<p>1) Unbound* except for – no limitation on transshipment (board to board or via the quay) and/or on the use of on-board cargo handling equipment 2) None 3) None**</p> <p>4) Unbound except as in horizontal section 1) Unbound* 2) None 3) None**</p> <p>4) Unbound except as in horizontal section 1) Unbound* 2) None 3) None**</p> <p>4) Unbound except as in horizontal section 1) Unbound* 2) None 3) None**</p> <p>4) Unbound except as in horizontal section 1) None 2) None 3) None</p> <p>4) Unbound except as in horizontal section 1) None 2) None 3) None 4) Unbound except as in horizontal section</p>	<p>1) Unbound* except for no limitation on transshipment (board to board or via the quay) and/or on the use of on-board cargo handling equipment 2) None 3) None</p> <p>4) Unbound except as in the horizontal section 1) Unbound* 2) None 3) None</p> <p>4) Unbound except as in the horizontal section 1) Unbound* 2) None 3) None</p> <p>4) Unbound except as in the horizontal section 1) Unbound* 2) None 3) None</p> <p>4) Unbound except as in the horizontal section 1) None 2) None 3) None</p> <p>4) Unbound except as in the horizontal section 1) None 2) None 3) None 4) Unbound except as in the horizontal section</p>	

* A commitment on this mode of delivery is not feasible.

** Public utility concession or licensing procedures may apply in case of occupation of the public domain.

NOTE TO THE SCHEDULE

Where road, rail, inland waterways (and) (related) (auxiliary) services are not otherwise fully covered in (this) (a Member's) schedule, a multimodal transport operator shall have the ability to rent or lease trucks, railway carriages or barges, and related equipment, for the purpose of inland forwarding of cargoes, or have access to, and use of, these forms of multimodal activities on reasonable and non-discriminatory terms and conditions for the purpose of carrying out multimodal transport operations. (« Reasonable and non-discriminatory terms and conditions » means, for the purpose of (multimodal transport operations), (this additional commitment), the ability of the multimodal transport operator to arrange for the conveyance of its merchandise on a timely basis, including priority over other merchandise which has entered the port at a later date).

DEFINITIONS

1. Without prejudice to the scope of activities which may be considered as « cabotage » under the relevant national legislation, this schedule does not include « maritime cabotage services », which are assumed to cover transportation of passengers or goods between a port located in ... (name of country or, for EEC, « a Member State ») and another port located in ... (name of the country or, for EEC, « the same Member State ») and traffic originating and terminating in ... the same port located in (name of country, or for the EEC, « a Member State ») provided that this traffic remains within ... (name of country or « this Member State »)'s territorial waters.

2. « Other forms of commercial presence for the supply of international maritime transport services » means the ability for international maritime transport service suppliers of other Members to undertake locally all activities which are necessary for the supply to their customers of a partially or fully integrated transport service, within which the maritime transport constitutes a substantial element. (This commitment shall however not be construed as limiting in any manner the commitments undertaken under the cross-border mode of delivery).

These activities include, but are not limited to:

(a) marketing and sales of maritime transport and related services through direct contact with customers, from quotation to invoicing, these services being those operated or offered by the service supplier itself or by service suppliers with which the service seller has established standing business arrangements;

(b) the acquisition, on their own account or on behalf of their customers (and the resale to their customers) of any transport and related services, including inward transport services by any mode, particularly inland waterways, road and rail, necessary for the supply of the integrated services;

(c) the preparation of documentation concerning transport documents, customs documents, or other documents related to the origin and character of the goods transported;

(d) the provision of business information by any means, including computerised information systems and electronic data interchange (subject to the provisions of the annex on telecommunications);

(e) the setting up of any business arrangements (including participation in the stock of a company) and the appointment of personnel recruited locally (or, in the case of foreign personnel, subject to the horizontal commitment on movement of personnel) with any locally established shipping agency;

(f) acting on behalf of the companies, organising the call of the ship or taking over cargoes when required.

3. « Multimodal transport operators » means the person on whose behalf the bill of lading /multimodal transport document, or any other document evidencing a contract of multimodal carriage of goods, is issued and who is responsible for the carriage of goods pursuant to the contract of carriage.

4. « Maritime cargo handling services » means activities exercised by stevedore companies, including terminal operators, but not including the direct activities of dockers, when this workforce is organised independently of the stevedoring or terminal operator companies. The activities covered include the organisation and supervision of:

- the loading/discharging of cargo to/from a ship;
- the lashing/unlashing of cargo;
- the reception/delivery and safekeeping of cargoes before shipment or after discharge.

5. « Customs clearance services » (alternatively « customs house brokers' services ») means activities consisting in carrying out on behalf of another party customs formalities concerning import, export or through transport of cargoes, whether this service is the main activity of the service provider or a usual complement of its main activity.

6. « Container station and depot services » means activities consisting in storing containers, whether in port areas or inland, with a view to their stuffing/stripping, repairing and making them available for shipments.

7. « Maritime agency services » means activities consisting in representing, within a given geographic area, as an agent the business interests of one or more shipping lines or shipping companies, for the following purposes:

- marketing and sales of maritime transport and related services, from quotation to invoicing, and issuance of bills of lading on behalf of the companies, acquisition and resale of the necessary related services, preparation of documentation, and provision of business information;
- acting on behalf of the companies organising the call of the ship or taking over cargoes when required.

8. « Freight forwarding services » means (the activity consisting of organising and monitoring shipment operations on behalf of shippers, through the acquisition of transport and related services, preparation of documentation and provision of business information).

furthermore looking for a reduction in scheduled limitations whether these are horizontal or sector specific in nature. In so doing, the EC is not seeking the dismantling of public services nor the privatisation of state owned companies.

In conformity with the objectives set out in the EC's overall approach to services negotiations (document S/CSS/W/15), the EC reiterates its commitment to promote regulatory disciplines in accordance with Article VI:4 of the GATS. The EC, however, reserves its right to address at any time to Indonesia specific requests concerning regulatory issues.

The EC further requests that commitments are entered in accordance with the scheduling guidelines adopted by the Council of Trade in Services on 23 March 2001 (S/L/92). In particular, for each commitment or limitation entered the EC requests:

- that the sector and sub-sector are clearly identified in accordance with the classification list in Document MTN.GNS/W/120 or other internationally recognised classification (e.g. Financial Services Annex) and/or corresponding CPC number. If there is no appropriate classification, the schedule should contain a sufficiently detailed definition to avoid any ambiguity as to the scope of the commitment. In that respect, the EC would like to recall the classification or list of activities proposed in its negotiating proposals with regard to postal and courier, environmental and energy services. While discussions on classification in these sectors are still ongoing, the EC would like to invite Indonesia to present its offer in accordance with this approach.
- that any remaining limitation on market access (hereafter "MA") or on national treatment (hereafter "NT") are clearly described and only be inscribed in the market access or national treatment columns if the measure is of a nature foreseen by Articles XVI-XVII GATS.

The EC remains available to provide any clarification and answer any question on this request. Questions can be addressed to the European Commission via the EC contact point (mailbox address: TRADE-GATS-CONTACT-POINTS@cec.eu.int), via the Delegation of the European Commission in Geneva, or directly to the European Commission (Directorate-General Trade, Unit D2 (Trade in services, including e-commerce), Brussels, B-1049, Belgium, fax 32-2-299 24 35).

Note : The EC reserves the right to revise and/or supplement this request. For each service sector, W120 classification has been followed unless expressly indicated and CPCs refer to the Provisional CPC classification. The precise scope for each sector is without prejudice to the EC's final positions on classification issues and to the EC's classification of their existing commitments.

HORIZONTAL COMMITMENTS

EC REQUEST TO INDONESIA

MODE 3

- **Establishment of foreign firms** limited to joint ventures and/or representative offices. Joint ventures have a 49% foreign ownership limitation and required to be as Limited Liability Enterprise form. **EC request:** Remove limitations on foreign ownership and allow branches.
- **Non-resident tax-payers** are subject to withholding tax of 20% for repatriation of certain income (interests, dividend, royalties, dividend, fees). **EC request:** remove restrictions.
- **Acquisition of land (NT)**. Foreigners not allowed to own land. Joint ventures may get building and rights of use, and may rent/lease land and property. **EC request:** Clarify how restrictions are currently applied.
- **The schedule** underlines (NT) that any juridical and natural personas should meet professional qualifications requirements. **EC request:** eliminate this discriminatory measure.

MODE 4

Intra-corporate transferees

An intra-corporate transferee (ICT) is an employee of a foreign firm, who is temporarily transferred to an affiliate of that firm (branch, subsidiary, office, joint venture etc) in your country.

The EC considers that Indonesia's horizontal Mode 4 commitments cover intra-corporate transfers of "directors", "managers", and/or "technical experts/advisors".

EC Request:

- Please confirm this understanding and clarify whether there are any limitations in relation to the degree of affiliation which must exist between companies, the length of stay or minimum prior employment requirements.
- Eliminate the economic needs test applied to managers and technical experts.
- The EC also requests that a commitment be made to allow as intra-corporate transferees without requiring an economic needs test « persons with a university degree or equivalent technical qualification who are transferring for career development purposes or to obtain training in business techniques or methods ». The maximum prior employment requirement should be one year.

Business Visitors

A Business Visitor is a representative of a foreign services supplier who is seeking temporary entry into your country for one of the following purposes: (a) to hold meetings and/or negotiate the sale of services; (b) to conclude contracts to sell services; or (c) to set up a Mode 3 presence. A Business Visitor does not himself directly provide services or sell to the public.

The EC considers that Indonesia's horizontal Mode 4 commitments cover Business Visitors who are "directors", "managers", and/or "technical experts/advisors". **EC Request:**

- Please confirm this understanding and indicate whether any quantitative restrictions or economic needs tests are required.
- For Type (a) and (b) Business Visitors extend the commitment to all such Business Visitors. The maximum length of stay should be at least 90 days in any 12 month period.
- For Business Visitors, clarify whether there are any limitations on the length of stay.

Other

The EC considers that Indonesia's horizontal Mode 4 commitments cover the provision of services under contract where the service supplier has no commercial presence in Indonesia and where that service is provided by "directors", "managers", and/or "technical experts/advisors". **EC request:**

- Please confirm this understanding and clarify whether there are any limitations on the length of stay and whether economic needs tests are applied.

National treatment

- Reference to « expatriate charges ». **EC request** : Clarify purpose and indicate to what extent the charges applied to foreigners differ from those applied to nationals.
- Requirement to hold a work permit. **EC request** : Clarify criteria used in considering applications for work permits.

Additional commitments.

- Difficulties are experienced as a result of the length of time taken to process permits and the specification applying to photographs which must accompany applications. The EC wishes to discuss the possibility of taking additional commitments to address these issues.

Note: Mode 4 is covered horizontally in this part for all service sectors. The sectoral requests in the following pages only refer to mode 4 when specifically related to one particular service sector.

PROFESSIONAL SERVICES

EC REQUEST TO INDONESIA

Indonesia has committed this sector only partially. The EC requests that this sector is committed as follows:

A. LEGAL SERVICES (CPC 861)

This sub-sector is not committed. **EC Request:**

- Commit covering at least consultancy on public international law and on law of jurisdiction where the service supplier or its personnel are qualified lawyers.
- Modes 1, 2, 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

B. ACCOUNTING, AUDITING AND BOOKKEEPING SERVICES (CPC 862)

This sub-sector is not committed. **EC Request:**

For accounting and bookkeeping services:

- Modes 1, 2, 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

For auditing services:

- Modes 2, 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

In addition, restrictions on advertising have been reported. The EC wishes to discuss with Indonesia the scope of this regulatory trade barrier and the solution to be given to this issue.

D. ARCHITECTURAL SERVICES (CPC 8671)

- Mode 1: MA and NT – This mode remains unbound. **EC Request:** Take full commitments, i.e. schedule “none under MA and NT
- Mode 2: NT – This mode remains unbound. **EC Request:** Take full commitments, i.e. schedule “none under NT
- Mode 3: MA – Access restricted to joint operations or joint ventures. **EC Request:** Remove
- Mode 4: MA and NT – This mode remains unbound. **EC Request:** Commit as referred to in the section “Horizontal commitments”

E. ENGINEERING SERVICES (CPC 8672)

- This sub-sector is not committed for engineering design services (CPC 86726). **EC Request:** Extend sectoral coverage of commitments to this CPC
- Modes 1 and 2: MA - These modes remain unbound for government funded projects as regards advisory and consultative engineering services (CPC 86721) and engineering design services for industrial processes and production (CPC 86725), and totally unbound for the rest of CPCs. **EC Request:** Take full commitments, i.e. schedule “none under MA and NT for the entire CPC 8672
- Modes 1 and 2: NT- These modes remain unbound. **EC Request:** Take full commitments, i.e. schedule “none” under MA and NT
- Mode 3: MA – Access restricted to joint operations as regards advisory and consultative engineering services (CPC 86721) and engineering design services for industrial processes and production (CPC 86725), and restricted to joint operations or joint ventures for the rest of CPCs. **EC Request:** Remove

F. INTEGRATED ENGINEERING SERVICES (CPC 8673)

- Mode 1: MA and NT – This mode remains unbound. **EC Request:** Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 2: NT – This mode remains unbound. **EC Request:** Take full commitments, i.e. schedule “none under NT
- Mode 3: MA – Access restricted to joint operations or joint ventures. NT-specific conditions on fees, duration of licence and membership of professional association. **EC Request:** Remove

The EC invites Indonesia to consider taking commitments in the sub-sector of taxation services and improving current commitments in the sub-sector of urban planning and landscape architectural services.

BUSINESS SERVICES (OTHER THAN PROFESSIONAL SERVICES)

EC REQUEST TO INDONESIA

GENERAL

For all sub-sectors where commitments have been taken:

- Modes 1 and 2 : MA – These modes remain unbound for government funded projects. Please clarify what the practical effect of this restriction is. The EC reserves the right to come back with a request in the light of Indonesia's response.
- Modes 1 and 2 : NT – These modes remain unbound. **EC request** : Take full commitments, i.e. schedule « none ».
- Mode 3 : MA – Form of establishment restriction. **EC request** : Eliminate.
- Mode 3 : NT – Licensing requirement for Indonesian joint operation partner. **EC request** : Eliminate.
- Mode 4 : MA – Commitment limited to directors and technical experts. **EC request** : Commit as referred to in the horizontal section.

B. COMPUTER AND RELATED SERVICES

This sub-sector has only been partially committed. **EC request**: Extend coverage and schedule commitments at the two-digit level as follows:

Computer and Related Services (CPC 84):

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none” under MA and NT;
- Mode 4: Commit as referred to in the horizontal section.

F. OTHER BUSINESS SERVICES

NB: Requests (if any) on (h) - services incidental to mining, and (j) - services incidental to energy distribution, are covered in those sections of the request dealing with Energy Services and Construction Services.

Indonesia has not committed the following sub-Sectors. The EC requests that they be committed as follows :

a. Advertising (CPC 871)

b. Market research and Public Opinion Polling (CPC 864)

c. Management consulting services (CPC 865)

m. Related scientific and technical consulting services (CPC 8675)

s) Convention Services (part of CPC 87909)

For each of the above sub-sectors :

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none" under MA and NT.
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

l) Security Services (CPC 87302 – 87309)

Indonesia has not committed this sub-Sector. The EC requests that it be committed as follows :

- Mode 3 : MA - Commit with no form of establishment or equity limitation. Full NT commitment - i.e. schedule "none".
- Mode 4 : Commit as referred to in the section "Horizontal commitments".

o) Building cleaning services

Indonesia has not committed this sub-sector. **EC request:**

- Mode 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

d) Services related to management consulting (CPC 866)

This sub-sector has only been committed for CPC 86601. **EC request** : extend sectoral coverage to all of CPC 866.

See general request for Business Services above.

e. Technical testing and analysis services (CPC 8676)

See general request for Business Services above.

n. Maintenance and Repair of Equipment (not including transport equipment) (CPC 633 + 8861-8866)

This sub-sector does not appear to have been committed for CPC 8862-8865. The EC seeks clarification as to whether this is a typographical error. If this is not the case, the EC requests that sectoral coverage be extended to CPCs 8862-8865 as well.

See general request for Business Services above.

Grounds maintenance (part of CPC 88110) and

Washing and Cleaning Services (CPC 97011-97014)

Indonesia has not committed these two sub-sectors. **EC Request:**

- Mode 3: Take full commitments, i.e. schedule “none” under MA and NT

- Mode 4: Commit as referred to in the section “Horizontal commitments”

The EC also invited Indonesia to consider taking commitments in Real Estate Services (CPC 82), Rental and Leasing Services without Operators (CPC 831), Placement and supply services of personnel (CPC 872), packaging services (CPC 876), printing and publishing services (CPC 88442) and translation services (CPC 87905), as well as improving existing commitments on Research and Development Services (CPC 85) .

POSTAL AND COURIER SERVICES

EC REQUEST TO INDONESIA

Indonesia has not undertaken commitments in postal and courier services. This request is based on the EC proposal for the classification of postal and courier services. While discussions on classification in this sector are still ongoing, the EC would like to invite Indonesia to present its offer in accordance with this proposal, without prejudice to the outcome of the discussion on the classification of postal and courier services:

SERVICES RELATING TO THE HANDLING¹ OF POSTAL ITEMS², WHETHER FOR DOMESTIC OR FOREIGN DESTINATIONS:

A. Handling of addressed written communications on any kind of physical medium³, including:

-Hybrid mail services

-Direct mail

B. Handling of addressed parcels and packages⁴

C. Handling of addressed press products⁵

D. Handling of items referred to in A. to C. above as registered or insured mail.

E. Express delivery services⁶ for items referred to in A. to C. above.

F. Handling of non-addressed items.

G. Document exchange.

H. Other services not elsewhere specified.

¹ The term "handling" should be taken to include clearance, sorting, transport and delivery.

² "Postal item" refers to items handled by any type of commercial operator, whether public or private.

³ E.g. letter, postcards.

⁴ Books, catalogues are included hereunder.

⁵ Journals, newspapers, periodicals.

⁶ Express delivery services may include, in addition to greater speed and reliability, value added elements such as collection from point of origin, personal delivery to addressee, tracing and tracking, possibility of changing the destination and addressee in transit, confirmation of receipt.

For sub-sectors B., C., E., F. and G. :

-Modes 1, 2 and 3 : Undertake full commitments for market access and national treatment.

Mode 4 : Commit as referred to in the section « Horizontal commitments ».

For sub-sectors A. and D. :

- Modes 1, 2 and 3: Undertake commitments for market access and national treatment.
- Mode 4 : Commit as referred to in the section « Horizontal commitments ».

TELECOMMUNICATION SERVICES

EC REQUEST TO INDONESIA

Indonesia has only partially committed this Sector. The EC requests that this Sector is committed as follows:

ALL MODES

There are no commitments in facsimile and private leased circuit services, On-line Information and Data Base Retrieval, Electronic Data Interchange (EDI), Enhanced/Value-Added Facsimile Services and Code and Protocol Conversion. **EC request:** Make full commitments in all those sub-sectors, i.e. schedule “None”.

MODE 1- CROSS-BORDER SUPPLY

For local, long distance, international services, Packet-switched public data network, telex, telegraph, Mobile cellular telephone services, Internet Access services, Regional and National Paging and Public payphone services, this mode is unbound for national treatment. **EC request:** Make full commitments in all those sub-sectors, i.e. schedule “None” under National Treatment.

MODE 2- CONSUMPTION ABROAD

For local, long distance, international services, Packet-switched public data network, telex, telegraph, Mobile cellular telephone services, Internet Access services, Regional and National Paging and Public payphone services, this mode is unbound for national treatment. **EC request:** Make full commitments in all those sub-sectors, i.e. schedule “None” under National Treatment.

MODE 3- ESTABLISHMENT

There are limitations on the number of operators:

- Local services are provided exclusively by PT Telkom and 5 regional joint operation scheme operators. **EC request:** Remove this limitation.
- Long distance services are provided exclusively by PT Telkom. **EC request:** Remove this limitation.
- International services are provided exclusively by PT Indosat and PT Satelindo and Callback is not permitted. **EC request:** Remove these limitations.
- For Mobile cellular telephone services, New entry is possible only through a joint venture with state-owned company. **EC request:** Remove this limitation.
- For Electronic mail, Voice mail, Computer sharing services, Videotex services, Electronic mail box, File transfer services, and Home telemetering alarm, Access was granted to five foreign service provider companies, in addition to existing companies. **EC request:** Remove this restriction on the number of suppliers.

- For Packet-switched public data network, telex, telegraph, Internet Access services, Regional and National Paging and Public payphone services, a number of service suppliers is quoted, while there is no exclusion. **EC request:** suppress these mentions.

There are limitations on the type of legal entity.

- For local, long distance, international, and Public payphone services one of three Types of legal entity is required: Joint venture, Joint operation, or Contract management. **EC request:** Remove this limitation.
- For Packet-switched public data network, telex, telegraph, Internet Access services, and Regional and National Paging Services one of two Types of legal entity is required: Joint venture or Joint operation. **EC request:** Remove this limitation.
- For Mobile cellular telephone services a Joint venture is required. **EC request:** Remove this limitation.

There are limitations on foreign ownership.

- For local, long distance, international services, Packet-switched public data network, telex, telegraph, Mobile cellular telephone services, Internet Access services, Regional and National Paging and Public payphone services, Foreign equity participation is limited to 35 per cent. **EC request:** Remove this limitation.

There are limitations on national treatment:

- For Electronic mail, Voice mail, Computer sharing services, Videotex services, Electronic mail box, File transfer services, and Home telemetering alarm, Higher paid-up capital is required of foreign service suppliers than of domestic service suppliers. **EC request:** Remove this restriction.

There are other restrictions scheduled under additional commitments:

- The foreign service supplier must be a worldclass operator with extensive international experience. **EC request:** Remove this restriction.
- The schedule states that all basic telecommunications services tariffs should be fixed by the government. **EC Request:** suppress this provision, the issue of maximum prices (if they are necessary) should be addressed by the universal service mechanism.

MODE 4- MOVEMENT OF NATURAL PERSONS

For local, long distance, international services, Packet-switched public data network, telex, telegraph, Mobile cellular telephone services, Internet Access services, Regional and National Paging and Public payphone services, “Natural person for management and technical expert is limited to 20 persons.” **EC Request:** suppress this restriction.

CONSTRUCTION AND RELATED ENGINEERING SERVICES

EC REQUEST TO INDONESIA

GENERAL

Indonesia has committed this Sector only partially. The EC requests that this Sector be committed as follows:

ALL SUB-SECTORS (CPC 511 TO CPC 518)

- Mode 3: MA and NT – Restrictions on forms of establishment (Joint Operation and Joint Venture). **EC Request:** Remove these restrictions and schedule “none” under MA and NT.

A. GENERAL CONSTRUCTION WORK FOR BUILDINGS (CPC 512)

This sub-sector is not committed for CPC 51210 (*construction work for one- and two-dwelling buildings*). **EC Request for this CPC:**

- Mode 3: Take full commitments, i.e. schedule “none” under MA and NT.
- Mode 4: Commit as referred in the section “Horizontal commitments”.

C. INSTALLATION AND ASSEMBLY WORK (CPC 514+516)

This sub-sector is not committed for CPC 516. **EC Request for this CPC:**

- Mode 3: Take full commitments, i.e. schedule “none” under MA and NT.
- Mode 4: Commit as referred in the section “Horizontal commitments”.

D. BUILDING COMPLETION AND FINISHING WORK (CPC 517)

This sub-sector is not committed. **EC Request:**

- Mode 3: Take full commitments, i.e. schedule “none” under MA and NT.
- Mode 4: Commit as referred in the section “Horizontal commitments”.

E. OTHER (CPC 511+515+518)

Extend commitments coverage to the whole sub-sector:

- Mode 3: Take full commitments, i.e. schedule “none” under MA and NT.
- Mode 4: Commit as referred in the section “Horizontal commitments”.

MFN EXEMPTION

- Measures relating to preferential shortlisting. **EC request** : eliminate.

DISTRIBUTION SERVICES

EC REQUEST TO INDONESIA

Indonesia has not committed this Sector. The EC requests that this Sector is committed as follows:

A. COMMISSION AGENTS' SERVICES (CPC 621, 6111+6113+6121)

B. WHOLESALE TRADE SERVICES (CPC 622, 6111+6113+6121)

C. RETAILING SERVICES (CPC 631+632, 6111+6113+6121+613)

D. FRANCHISING (CPC 8929)

For each of the above sub-sectors :

- Modes 1, 2, 3 : Take full commitments, i.e. schedule "none".
- Mode 4 : Commit as referred in the section "Horizontal commitments".

Note : The EC is prepared to discuss exceptions for a very limited number of extremely sensitive goods, such as arms, ammunitions and explosives.

Note : In accordance with the W120 classification, the EC Request on "Repair services of personal and household goods" (CPC 633) is included under "1. Business services / F. Other business / n. Maintenance and repair".

ENVIRONMENTAL SERVICES

EC REQUEST TO INDONESIA

Indonesia has not undertaken commitments in environmental services. This request is based on the EC proposal for the classification of environmental services. While discussions on classification in this sector are still ongoing, the EC would like to invite Indonesia to present in accordance with this proposal, without prejudice to the outcome of the discussion on classification of environmental services:

A. WATER FOR HUMAN USE & WASTEWATER MANAGEMENT

Water collection, purification and distribution services through mains, except steam and hot water

This sub-sector only concerns the distribution of water through mains' (i.e. urban sewage systems). This excludes any cross-border transportation either by pipeline or by any other means of transport, nor does it imply access to water resources.

Extend sectoral coverage to include the above services.

- Mode 3: Take commitments under MA and NT
- Mode 4: Commit as referred to in the section "Horizontal commitments"

Waste water services (CPC 9401)

- Mode 3: Take full commitments, i.e. schedule "none" under MA and NT
- Mode 4: Commit as referred to in the section "Horizontal commitments"

B. SOLID/HAZARDOUS WASTE MANAGEMENT

Refuse disposal services (CPC 94020)

Sanitation and similar services (CPC 94030)

C. PROTECTION OF AMBIENT AIR AND CLIMATE

Services to reduce exhaust gases and other emissions and improve air quality (CPC 94040)

D. REMEDIATION AND CLEANUP OF SOIL & WATER

Treatment, remediation of contaminated/polluted soil and water (part of CPC 94060)

E. NOISE & VIBRATION ABATEMENT

Noise abatement services (CPC 94050)

F. PROTECTION OF BIODIVERSITY AND LANDSCAPE

Nature and landscape protection services (part of CPC 94060)

G. OTHER ENVIRONMENTAL & ANCIALLARY SERVICES

Other environmental protection services not classified elsewhere (CPC 94090)

For each of the above sub-sectors :

- Modes 1 (where technically feasible), 2 and 3 : Undertake full commitments for market access and national treatment.
- Mode 4 : Refer to horizontal commitments.

FINANCIAL SERVICES

EC REQUEST TO INDONESIA

Indonesia has committed this sector only partially. The EC requests that it be committed as follows:

GENERAL

- **EC Request:** Undertake commitments in accordance with the Understanding on Commitments in Financial Services.
- **EC Request:** Follow the classification of the Annex on Financial Services.
- The share ownership of foreign suppliers is bound at the prevailing laws and regulations. **EC Request:** Eliminate all limits on foreign share holding.
- MA and NT – Reciprocity condition. **EC Request:** Eliminate the reciprocity condition.

INSURANCE

- Modes 1 and 2: MA and NT - MAT insurance is not committed. **EC Request:** Commit MAT insurance in accordance with the Understanding.
- Mode 2: NT – Unbound in reinsurance services. **EC Request:** Schedule “none”
- Modes 1 and 2: MA and NT – Unbound in insurance and reinsurance brokerage. **EC Request:** Take full commitments in brokerage of reinsurance and of MAT insurance in accordance with the Understanding.
- Mode 3: Direct branching is not allowed. **EC Request:** Clarify why this limitation has not been allowed.
- Mode 3: MA- The legal form of establishment is limited to companies. **EC Request:** Allow the establishment of associations of underwriters.
- Mode 3: MA- Social security business is restricted to State insurers. **EC Request:** Clarify why this limitation has not been scheduled.
- Mode 3: NT - Discrimination against joint ventures in regulation enforcement, for example tax audits. **EC Request:** Eliminate the discrimination.
- Mode 3: All direct insurance companies have to offer a share of their treaties to at least one other direct writing company and one national reinsurer. **EC Request:** Clarify why this limitation has not been scheduled.

BANKING AND OTHER FINANCIAL SERVICES

- Pension fund management, settlement and clearing services for financial assets and provision and transfer of financial information are not covered. **EC Request:** Take full commitments in modes 1,2 and 3 for provision and transfer of financial information, in modes 2 and 3 for the other subsectors, and commit as referred to in the section “Horizontal commitments” in mode 4.

- Advisory and other auxiliary services relating to banking and other financial services is not fully committed. **EC Request:** Take full commitments in modes 1, 2 and 3, and commit as referred in the section “Horizontal commitments” in mode 4.
- Mode 3: MA - Establishment of new branches in banking is not committed. **EC Request:** Commit new direct branching.
- Mode 3: Limits on foreign share holding in all financial institutions. **EC Request:** Remove these caps
- Mode 3: Numerical and geographical restrictions on branches of foreign banks. **EC Request:** Remove those restrictions.
- Mode 3: NT- Nationality requirements for executives and directors. **EC Request:** Eliminate these nationality requirements.
- Mode 3: Prohibition on foreign banks from attracting deposits from State or public enterprises. **EC Request:** Eliminate this prohibition.
- Mode 3: Any foreign securities firm that want to trade in Jakarta Stock Exchange must book the deal through a locally-registered brokerage house. **EC Request:** Eliminate this restriction.
- Mode 3: MA- Foreign securities companies cannot underwrite directly securities. **EC Request:** Clarify why this limitation has not been scheduled.
- Mode 3: Foreign banks’ branches are not allowed to use parent’s capital to meet prudential requirements, even if their home country’s regulation and supervision has implemented Basle or equivalent standards. **EC Request:** Allow branches to use parent’s capital to meet prudential requirements.
- Mode 3: Regulation on branch capital: the guarantee granted by the branch’s head office or by another foreign bank for additional lending volume is not taken into account. **EC Request:** Take into account the guarantee extended by the branch’s head office or by another foreign bank for additional lending volume.
- Mode 3: Foreign banks can attract international deposits only within 30% of their local capital and prior year unremitted profits. **EC Request:** Remove these restrictions.

MFN EXEMPTIONS

- Banking – Reciprocity condition. **EC Request:** Remove this reciprocity condition.

TOURISM AND TRAVEL RELATED SERVICES

EC REQUEST TO INDONESIA

Indonesia has committed this sector only partially. The EC requests that it be committed as follows:

The EC suggests to Indonesia to make reference to tourism and travel related services as classified in W/120 and refer to the relevant CPC codes.

A. HOTELS AND RESTAURANTS (INCL. CATERING) (CPC 641-643)

Extend sectoral coverage to include food serving services (642) and beverage serving services (CPC 643), and undertake full commitments.

Hotels

- Mode 3: Market access: Remove geographical limitation for unlimited foreign equity ownership.
- Mode 3: National treatment: a) Remove the requirement for 'higher paid-up capital' for foreign services suppliers; or bring forward the elimination planned for 2020. b) Remove limitation on hotel categories permitted.
- Mode 4- Commit as referred to in the section “Horizontal commitments”

B. TRAVEL AGENCIES AND TOUR OPERATORS SERVICES (CPC 7471)

- Mode 3: Market access: Remove limitation on number of travel agents and tour operators permitted.
- Mode 3: National treatment: Remove geographical limitation of location of travel agents.
- Mode 4: Commit as referred to in the section “Horizontal commitments”

C. TOURIST GUIDES SERVICES (CPC 7472)

Extend sectoral coverage to include tourist guide services, and undertake full commitments for mode 2 and 3.

- Mode 4: Commit as referred to in the section “Horizontal commitments”

D. OTHER

Tourist Resorts

- Mode 3: Market access: Remove geographical limitation for unlimited foreign equity ownership.
- Mode 3: National treatment: a) Remove the requirement for 'higher paid-up capital' for foreign services suppliers; or bring forward the elimination planned for 2020. b) Remove limitation on hotel categories permitted.
- Mode 4: Commit as referred to in the section “Horizontal commitments”

NEWS AGENCY SERVICES

EC REQUEST TO INDONESIA

GENERAL

Indonesia has not committed this sector (CPC 962). The EC requests that this Sector be committed as follows:

EC Request: CPC 962

- Modes 1-3: Take full commitments, i.e. schedule “none” under MA and NT.
- Mode 4: Commit as referred to in the section “Horizontal commitments”.

TRANSPORT SERVICES

EC REQUEST TO INDONESIA

A. MARITIME TRANSPORT

Indonesia has specific commitments with certain restrictions for maritime transport. Restrictions relate in particular to: national treatment (requires a local general agent), auxiliary services excluded, Mode 3 only as owners representative, limitations for key personnel (Mode 4).

EC request: Take commitments in accordance with the attached model schedule (Annex 1). In particular for the following areas:

- 1) **International transport (freight and passengers) CPC 7211 and 7212**
- 2) **Additional commitments for access to and use of ports facilities**
- 3) **Maritime auxiliary services (maritime cargo handling, storage and warehouse services, customs clearance services, container station and depot services, maritime agency services)**
- 4) **Multimodal activities: for inland forwarding of cargoes - commit the ability to rent or lease - or to have access to and use of multimodal facilities (as specified in the note to the schedule).**
- 5) **Definitions – commit definitions as specified in the model schedule.**

The EC also request the following additional maritime commitments from Indonesia:

- 6) **Equipment.** To facilitate planning of their businesses operators should be allowed to reposition their own equipment, such as empty containers, between ports of Indonesia, when it is not carried against payment. This is requested to be committed in a new footnote:

“9. Movement of own equipment. International maritime transport suppliers can move/reposition their own equipment (i.e. empty containers, flatbeds etc.) on their own vessels between ports of Indonesia.”

- 7) **International cargo.** With the development of containerisation and high frequency networking services and with the ever-larger vessels having to limit direct port calls for physical or economic reasons, the feeding of cargoes between main ports and way ports is becoming more important as an integral part of efficient international maritime transport. An international maritime transport supplier should be allowed to operate feeder services for its international cargo between ports of Indonesia. This is requested to be committed in a new footnote:

"10. International maritime transport suppliers can operate vessels of any flag for the purposes of pre- and onward carriage of the international cargo between ports of Indonesia."

In this context Indonesia may wish to take the one or more of the following principles into concern:

- Size of the port. Only valid for international cargo relayed between national ports handling more than [25.000 TEU] on an annual basis.
- Binding existing ad hoc practices. To the extent exceptions are already granted for use of foreign flagged vessels such practices could be bound to explicitly cover pre- and onward carriage of international cargo.
- Geographical limitations: Transport of international cargo between ports within the same province/district/special region [or other relevant regional entity] remains excluded.

A final request related to maritime transport is:

8) **Rental and leasing** of vessels with crew (CPC 7213, 7223).

EC request:

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as in horizontal commitments.

C. AIR TRANSPORT

1) Maintenance and repair of aircraft and parts thereof.

EC request:

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

2) Selling and marketing.

EC request:

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

3) Computer Reservation Systems.

EC request:

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

(4) Groundhandling services, as specified in the attached definitions (Annex 2).

EC request:

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

5) Airport management services, as specified in the attached definitions (Annex 2).

EC request:

- Mode 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

F. ROAD TRANSPORT

b) Freight Transportation (CPC 7123).

EC request:

- Mode 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

d) Maintenance and Repair of Road Transport Equipment (CPC 6112)

EC request:

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

H. SERVICES AUXILIARY TO ALL MODES OF TRANSPORT

b) Storage and Warehouse Services (CPC 742)

EC request:

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

c) Freight Transport Agency/Freight Forwarding Services (CPC 748) and Pre-Shipment Inspection (part of CPC 749)

EC request:

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”