

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

**5204.11.10, 5204.19.00, 5204.20.00, 5205.11.00,
5205.12.00, 5205.21.00, 5205.22.00, 5205.24.00,
5205.26.00, 5205.32.00, 5205.41.00, 5205.42.00,
5205.43.00, 5205.47.00, 5205.48.00, 5206.11.00,
5206.12.00, 5206.14.00, 5206.21.00, 5206.23.00,
5206.24.00, 5206.25.00, 5206.31.00, 5206.32.00,
5206.33.00, 5206.42.00, and 5206.45.00**

UNSECRET

**PRESENTED BY
INDONESIAN TEXTILE ASSOCIATION (API)
IN 2023**

A. GENERAL

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

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

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

B. APPLICANT

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

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

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

Table 1. List of Manufacturers Represented by the Applicant

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

Company Name	Address	Phone & Email
9. PT. Lotus Indah Textile Industries	Jl. Prof. Dr. Sutami No.111 B, Sukarasa, Kec. Sukasari, Kota Bandung, Jawa Barat 40153	(022)2004450 litign@lotusindah.co.id
10. PT. Gokak Indonesia	Jalan Ateng Ilyas No 1 RT 02/08, Kampung Muhara, Citeurep, Bogor 16810, West Java	(081)5107-44377 factory@gokakindonesia.com
11. PT. Kewalram Indonesia	Jalan Raya Rancaekek KM 25, Kab. Sumedang	(+62-22) 7798346 info@kewalram.co.id
12. PT. Primayudha Mandirijaya	Dusun 3, Ngadirojo, Kec. Ampel, Kabupaten Boyolali, Jawa Tengah 57352	(021)57903640 marketing@primayudha.com
13. PT. Sariwarna Asli	Jl. Hos Cokroaminoto no. 28 Pucang Sawit, Surakarta, Jawa Tengah Indonesia 57125	+62 271 648747 publikasi.swag@gmail.com
14. PT. Sinar Pantja Djaja	Jl. Condrokusumo Raya No.1, Bongsari, Kec. Semarang Barat, Kota Semarang, Jawa Tengah 50148	(024)7603888 spd_smg@sritex.co.id
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. PROPORTION OF APPLICANT'S PRODUCTION

Table 2. Total Production and Proportion of Production in 2022

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

Source: IDN and Applicant, processed

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

D. ITEMS REQUESTED FOR PROTECTION

1. Description of Checked Imported Goods

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

Table 3. Complete Description of Imported Goods Examined

No	HS Number	Uraian Barang	Description of Goods
	52.04	Benang jahit dari kapas, disiapkan untuk penjualan eceran maupun tidak.	Cotton sewing thread, whether or not put up for retail sale
		- Tidak disiapkan untuk penjualan eceran :	- Not put up for retail sale
1	5204.11	-- Mengandung kapas 85 % atau lebih menurut beratnya	Containing 85 % or more by weight of cotton :
2	5204.11.10	— Tidak dikelanting	Cotton sewing thread; not put up for retail sale; containing 85 % or more by weight of cotton; unbleached
3	5204.19.00	— Lain-lain	cotton sewing thread; not put up for retail sale; containing less than 85 % by weight of cotton
4	5204.20.00	- Disiapkan untuk penjualan eceran	cotton sewing thread; put up for retail sale
	52.05	Benang kapas (selain benang jahit), mengandung kapas 85 % atau lebih menurut beratnya, tidak disiapkan untuk penjualan eceran.	Cotton yarn (other than sewing thread), containing 85 % or more by weight of cotton, not put up for retail sale.
		- Benang tunggal, dari serat tidak disisir:	Single yarn, of uncombed fibres
5	5205.11.00	-- Ukuran 714,29 desiteks atau lebih (tidak melebihi nomor metrik 14)	single yarn, of uncombed fibres; measuring 714.29 decitex or more (not exceeding 14 metric number)
6	5205.12.00	-- Ukuran kurang dari 714,29 desiteks tetapi tidak kurang dari 232,56 desiteks (melebihi nomor metrik 14 tetapi tidak melebihi nomor metrik 43)	single yarn, of uncombed fibres; measuring less than 714.29 decitex but not less than 232.56 decitex (exceeding 14 metric number but not exceeding 43 metric number)

No	HS Number	Uraian Barang	Description of Goods
		Benang tunggal, dari serat disisir :	Single yarn, of combed fibres
7	5205.21.00	-- Ukuran 714,29 desiteks atau lebih (tidak melebihi nomor metrik 14)	single yarn, of combed fibres; measuring 714.29 decitex or more (not exceeding 14 metric number)
8	5205.22.00	-- Ukuran kurang dari 714,29 desiteks tetapi tidak kurang dari 232,56 desiteks (melebihi nomor metrik 14 tetapi tidak melebihi nomor metrik 43)	single yarn, of combed fibres; measuring less than 714.29 decitex but not less than 232.56 decitex (exceeding 14 metric number but not exceeding 43 metric number)
9	5205.24.00	-- Ukuran kurang dari 192,31 desiteks tetapi tidak kurang dari 125 desiteks (melebihi nomor metrik 52 tetapi tidak melebihi nomor metrik 80)	single yarn, of combed fibres; measuring less than 192.31 decitex but not less than 125 decitex (exceeding 52 metric number but not exceeding 80 metric number)
10	5205.26.00	-- Ukuran kurang dari 125 desiteks tetapi tidak kurang dari 106,38 desiteks (melebihi nomor metrik 80 tetapi tidak melebihi nomor metrik 94)	single yarn, of combed fibres; measuring less than 125 decitex (exceeding 80 metric number)
		Benang rangkap (dilipat) atau benang kabel, dari serat tidak disisir :	Multiple (folded) or cabled yarn, of uncombed fibres
11	5205.32.00	-- Ukuran tiap benang tunggal kurang dari 714,29 desiteks tetapi tidak kurang dari 232,56 desiteks (melebihi nomor metrik 14 tetapi tidak melebihi nomor metrik 43 tiap benang tunggal)	multiple (folded)/ cabled yarn, of uncombed fibres; measuring per single yarn < 714.29 decitex but > 232.56 decitex (exceeding 14 metric number but not exceeding 43 metric number per single yarn)
		Benang rangkap (dilipat) atau benang kabel, dari serat disisir :	Multiple (folded) or cabled yarn, of combed fibres

	5205.41.00	- -	Ukuran tiap benang tunggal 714,29 desiteks atau lebih (tidak melebihi nomor metrik 14 tiap benang tunggal)	<i>multiple (folded) or cabled yarn, of combed fibres; measuring per single yarn 714.29 decitex or more (not</i>
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No	HS Number	Uraian Barang	Description of Goods
			exceeding 14 metric number per single yarn)
12	5205.42.00	- - Ukuran tiap benang tunggal kurang dari 714,29 desiteks tetapi tidak kurang dari 232,56 desiteks (melebihi nomor metrik 14 tetapi tidak melebihi nomor metrik 43 tiap benang tunggal)	<i>multiple (folded) or cabled yarn, of combed fibres; measuring per single yarn < 714.29 decitex but > 232.56 decitex (exceeding 14 metric number but not exceeding 43 metric number per single yarn)</i>
13	5205.43.00	- - Ukuran tiap benang tunggal kurang dari 232,56 desiteks tetapi tidak kurang dari 192,31 desiteks (melebihi nomor metrik 43 tetapi tidak melebihi nomor metrik 52 tiap benang tunggal)	<i>multiple (folded) or cabled yarn, of combed fibres; measuring per single yarn < 232.56 decitex but > 192.31 decitex (exceeding 43 metric number but not exceeding 52 metric number per single yarn)</i>
14	5205.47.00	- - Ukuran tiap benang tunggal kurang dari 106,38 desiteks tetapi tidak kurang dari 83,33 desiteks (melebihi nomor metrik 94 tetapi tidak melebihi nomor metrik 120 tiap benang tunggal)	<i>multiple (folded) or cabled yarn, of combed fibres; measuring per single yarn < 106.38 decitex but > 83.33 decitex (> 94 metric number but <120 metric number per single yarn)</i>
15	5205.48.00	- - Ukuran tiap benang tunggal kurang dari 83,33 desiteks (melebihi nomor metrik 120 tiap benang tunggal)	<i>multiple (folded) or cabled yarn, of combed fibres; measuring per single yarn less than 83.33 decitex (exceeding 120 metric number per single yarn)</i>
	52.06	Benang kapas (selain benang jahit), mengandung kapas kurang dari 85 % menurut beratnya, tidak disiapkan untuk penjualan eceran.	<i>Cotton yarn (other than sewing thread), containing less than 85% by weight of cotton, not put up for retail sale.</i>
		- Benang tunggal, dari serat tidak disisir :	<i>Single yarn, of uncombed fibres</i>
16	5206.11.00	- - Ukuran 714,29 desiteks atau lebih (tidak melebihi nomor metrik 14)	<i>single yarn, of uncombed fibres; measuring 714.29 decitex or more (not exceeding 14 metric number)</i>

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

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

a. Physical Characteristics

Imported Goods:

Imported goods have the following physical characteristics:

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



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



Figure 6. Double thread

Consists of two thread threads
Single/more doubled together

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



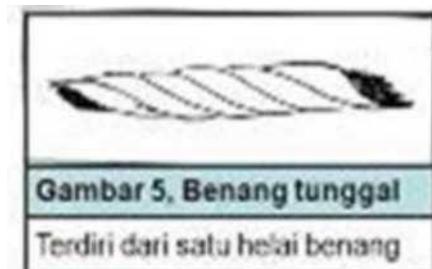
Figure 7. Twisted thread

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

Goods produced by the applicant:

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

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



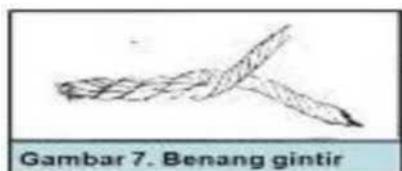
b) Double (folded) yarn is a thread formed from two or more single threads, including those obtained from monofilaments (*twofold, threefold, fourfold, etc.*) twisted together in a twisted process.

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



Consists of two strands of thread
Single/more doubled together

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



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

b. Technical Specifications

Imported Goods:

Technical specifications of imported goods are as follows:

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

Goods produced by the applicant:

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

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

c. Raw Materials

Imported Goods:

Raw materials of imported goods are as follows:

- 1) The raw material for sewing thread from cotton is a single thread from cotton, including those obtained from monofilaments (*twofold, threefold, fourfold, etc.*) and given *finishing treatment*.

- 2) The raw materials of cotton thread (other than sewing thread) are:
 - a) Carded fibers: the main purpose of *carding* is to separate the cotton fibers, lay the fibers more or less aligned, and clean the fibers of any content other than cotton fibers for most or all of the fibers.
 - b) Combed fiber is the process of cleaning uncombed fibers from the remnants of content outside the fiber and removing short fibers, so that only long fibers from cotton fibers are placed parallel.

Goods produced by the applicant:

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

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

d. Uses

Imported Goods:

The uses of imported goods are as follows:

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

Goods produced by the applicant:

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

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

fabric.

3. Statement of Similar Goods or Goods that Directly Compete

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

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

1. Import Amount

Table 4. Absolute and Relative Import Amounts

Description	Unit	Year				Change (%)			Trend 2019- 2022 (%)
		2019	2020	2021	2022	2019-2020	2020- 2021	2021- 2022	
Import Amount	Ton	14,843	12,588	20,873	29,908	(15,19)	65,82	43,28	29,79
National Production	Index	100	66,40	82,65	72,55	(33,60)	24,46	(12,22)	(7,17)
Imports Relative to National Production	Index	100	127,71	170,15	277,73	27,71	33,23	63,23	39,81

Source: Statistics Indonesia (BPS), Applicant, processed

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

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

2. Import Share

Table 5. Share of Import Country of Origin

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

Source : BPS, processed

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

E. APPLICANT'S LOSS INFORMATION

Table 6. Applicant Performance Indicators

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

Source: Applicant, processed

a. Production

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

b. Domestic sales

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

c. Productivity

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

d. Used Capacity

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

e. Advantages/Disadvantages

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

f. Workforce

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

G. Market Share

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

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

Source: Applicant, IDN and BPS, processed

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

H . UNFORESEEN DEVELOPMENT

1. Vietnamese

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

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

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

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

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

2. China

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

On June 21, 2022, the United States issued a policy to ban imports from China, especially from Xinjiang (China's largest producer of cotton and its derivative

products) if the products are made by Uyghur workers in Xinjiang, China. The regulation is regulated in section 2 of public law No. 117-78, *An Act to ensure 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 the regulation, imports of cotton yarn products from China in the United States have decreased drastically so that China shifted the destination of cotton yarn exports to other countries, one of which is to Indonesia and caused a surge in imports as shown in the table below.

Table 1. Cotton yarn export data from China

Description	Unit	Year				Change (%)	Trend 19-22 (%)
		2019	2020	2021	2022		
American Imports Union from China	Ton	391	386	381	267	(29,92)	(10,93)
Indonesian imports from China	Ton	5,633	4,554	5,569	8,313	49.29	14,67

Source: Trade map

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

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

I. WILLINGNESS TO COOPERATE

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

Jakarta, 16th September 2023

ASOSIASI PERTEKSTILAN INDONESIA
INDONESIAN TEXTILE ASSOCIATION

Jemmy Kartiwa
Chairman

APPENDIX 1:**NAME AND ADDRESS OF IMPORTER**

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

NAME AND ADDRESS OF IMPORTERS' ASSOCIATION

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

APPENDIX 2:**NAME AND ADDRESS OF EXPORTER/SUPPLIER OF EXPORTING COUNTRY**

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