



**Report of the Joint Study Group on the Feasibility of  
India-Indonesia Comprehensive Economic  
Cooperation Agreement (CECA)**

**15 September 2009**

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## Letter of Transmittal

1. H. E. Dr. Manmohan Singh, Prime Minister of India and H. E. Dr. H. Susilo Bambang Yudhoyono, in November 2005, declared initiation of a New Strategic Partnership between India and Indonesia and had agreed to take the bilateral trade to US\$ 10 billion by 2010. The Leaders also signed a MoU to set up a Joint Study Group to examine the feasibility of a Comprehensive Economic Cooperation Agreement (CECA) between the two countries.
2. The Joint Study Group was constituted comprising government officials and economists from India and Indonesia and it held 4 meetings to finalise the Study. The Study demonstrates that significant economic complementarities exist between the Indian and Indonesian economies and evolving bilateral CECA could provide opportunities to tap immense potential for goods' trade and welfare gains that could be further enhanced by including trade in services and fostering investment cooperation.
3. The Joint Study Group recommends launching of negotiations between the two countries towards the proposed CECA by constituting a Trade Negotiating Committee (TNC) covering substantially all trade in goods and services; investment; trade facilitation; and other areas of economic cooperation, as a 'single undertaking'.
4. We, the Co-Chairs of the Joint Study Group, hereby submit our Report to the Governments of India and Indonesia.
5. Done on 15<sup>th</sup> September 2009 in Jakarta, Indonesia

for India <b>(R. Gopalan)</b> Co-Chair, India	for Indonesia <b>(Marwoto Hadi Soesastro)</b> Co-Chair, Indonesia
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## *Executive Summary*

1. India and Indonesia have had historical cultural and economic linkages. Both are dynamic market economies and have undertaken wide-ranging economic reforms. Recognising that the present economic linkages between the two are important yet below their potential both the governments agreed to undertake this joint study for exploring the feasibility of a bilateral Comprehensive Economic Cooperation Agreement (CECA). To this end, they set up a Joint Study Group (JSG). The terms of reference for the JSG have been laid down as shown at Annex I. The JSG met four times in India and Indonesia and worked inter-sessionally. It also held various rounds of stakeholders' consultations to reflect an all-encompassing view.

2. The study conducted by the JSG provides brief overviews of the economic profiles, the trade and investment policies and the trade and investment profiles of India and Indonesia. It also analyses the trends in bilateral goods and services trade, the investment relationship and several other areas. The study identifies several existing barriers to trade and investment flows and other issues that might be addressed in bilateral CECA.

3. Furthermore, it assesses the potential economic impact both in terms of trade and welfare gains arising out of the reduction of trade barriers that could occur under the proposed CECA. The different empirical estimates made by the JSG indicate that trade can increase manifold between the two countries. Detailed Computable General Equilibrium (CGE) modelling estimates and other methodologies of export projection suggest impressive trade and welfare gains that can result from trade liberalisation under the proposed CECA. In a partial-equilibrium framework, the projection-estimates of India's exports to Indonesia could reach to as high as US\$ 7.8 billion by the year 2020. The estimates of exports from Indonesia to India could increase to US\$ 9.7 billion by 2020. In order to complement these estimated trade gains, welfare gains of the proposed FTA in goods have been estimated using a multi-sector computable general equilibrium (CGE) model. According to which the welfare gains accruing to India could be to the tune of 1.0 percent of GDP and to Indonesia to the extent of 1.4 percent of GDP under the scenario of full tariff liberalisation along with setting in place trade facilitating infrastructure.

4. These estimates were complemented with some other estimates identifying potential products having comparative advantages, trade complementarities, intra-industry trade etc. which could be focused upon for bilateral trade expansion. Overall, the analysis of the various dimensions of trade in goods between India and Indonesia suggests that there is ample potential for bilateral trade expansion in a mutually beneficial manner for which adequate institutional mechanisms need to be put in place. These aspects build a strong case for setting in place an FTA in goods under the proposed bilateral CECA.

5. The proposed CECA also aims at setting in place trade facilitation architecture by focusing on greater cooperation on customs facilitation, standards, mutual recognition agreements, SPS measures and trade remedial measures.

6. According to the study, the CECA is also expected to enable additional market access for service providers in both countries, across a broad range of service sectors and in all modes of service supply. In respect of trade in services, the JSG has identified possible services sectors for enhanced cooperation between India and Indonesia and these include IT, telecommunications, financial, audio-visual, education, health, tourism and travel, construction, professional services, and transportation. The proposed bilateral CECA needs to include sectors of export interest of both the countries covering all the four modes of supply. To this end, the study concludes that it is important to develop rules and disciplines on trade in services based on GATS provisions and improving on them further wherever possible including disciplines on domestic regulation. It further suggests facilitating increased dialogue between the regulatory bodies of the two countries for possible Mutual Recognition Agreements (MRAs).

7. The JSG noted that while India and Indonesia are destinations of FDI inflows, both countries have also emerged as sources of outward investment in different sectors. The JSG further concludes that the proposed CECA would facilitate more conducive investment in a cooperative framework to support increased investment flows between the two countries alongside stronger investment facilitation and protection provisions. Some of the sectors amenable for investment from Indonesia into India include Hybrid-seeds, Processed Food, Electrical and Non-electrical machinery, Chemicals, Infrastructure, Hotel, Hospitality and Tourism, among others whereas Indian investment into Indonesia could be tapped in areas such as Food Processing, Textile fibre, Plastics, Wood Products, Agri-biotech, Pharmaceuticals, Light engineering, Audio-visual, Telecommunications, IT and Education among others. Some of the other areas that were identified by the JSG for a more intensive

cooperation include sharing of successful developmental experiences, capacity-building, people-to-people contacts, among others. Specific areas of economic cooperation of mutual interest which both India and Indonesia can exploit and foster closer collaborations include energy (oil and gas exploration), power, agriculture and fisheries, forestry, human resource development, transportation, SEZs, mining, visa and work permits etc.

8. In a nutshell, the study demonstrates that significant economic complementarities exist between the Indian and Indonesia economies and evolving bilateral CECA has immense potential for trade and welfare gains that could be further enhanced by including services' trade and fostering investment cooperation.

9. The CECA should be built on, and should go beyond the agreement reached under, the ASEAN-India Free Trade Agreement.

10. To this end, the JSG recommends launching of negotiations between the two countries on the proposed CECA by constituting a Trade Negotiating Committee (TNC) covering substantially all trade in goods and services; investment; trade facilitation; and other areas of economic cooperation, as a 'single undertaking'.

## I. Overview

The bilateral relations between India and Indonesia go back in history. Both the countries have had very close historical and civilizational interaction and shared vision on various dimensions. Commonalities in terms of size, diversity (ethnic and religious) and multiculturalism need to be acknowledged.

Considerable economic reforms have been undertaken in both countries over time facilitating trade openness, investment liberalisation, fiscal and monetary policy reforms, infrastructural upgradation, among others. Both the economies have emerged as dynamic market economies.

Indian economy has remained on a high growth path, with some moderation in the recent growth projections, especially in the wake of the recent global financial meltdown. However, the economy is characterized by strong macroeconomic fundamentals and an expanding domestic market. As per projections by Goldman Sachs, India's GDP growth would remain higher than 8% until 2020 and it will become the world's 2nd largest economy by 2050. Similarly, McKinsey & Company projections suggest that India would become 5th largest consumer market by 2025 and India's aggregate consumption would quadruple in next 20 years. In the area of trade, sectors have emerged with significant cost competitiveness in diverse areas of both goods and services. India has also evolved as a preferred investment destination due to several locational and policy-induced factors.

Much of these have happened due to a mix of policy reforms and private sector initiatives. Reforms in the areas of Trade Liberalisation, FDI Openness, Deregulated Exchange Rate Management, Banking and Financial Sector Reforms, Trade Finance etc. are noteworthy. India is also considered as a country with immense demographic advantage with a large proportion of young population entering into the work-force. This is understood to contribute to the human capital base at differing levels of skills. However, several developmental challenges relating to these issues also remain in the areas of health and education and regional cooperation can play an important role in this regard.

Indonesian economy has displayed growth dynamism over decades. Its resilience in the wake of the current global economic crisis is also a matter of success, albeit problems

remain. One main challenge is the significant improvement of its infrastructure. This is one of the key requirements to return to a growth path of over 7 per cent per annum. The strengths of the Indonesian economy are enormous natural resources such as oil and gas, coal, copper, gold, forestry and plantation products and manufacturing for the domestic and export markets in sectors such as textiles, footwear, electronics, automobiles, pulp and paper. Major sectors of the economy include oil and gas, mining, agriculture, plantations, fisheries, transport and communications, banking and financial services and tourism.

Recognising that the economic policy regimes in the two countries are conducive for cooperation and that the present economic linkages between India and Indonesia are important yet below their potential both the governments agreed to undertake this joint study for exploring the feasibility of a bilateral Comprehensive Economic Cooperation Agreement (CECA). To this end, they set up a Joint Study Group (JSG) in 2005. The JSG met four times in India and Indonesia and worked inter-sessionally. It also held various rounds of stakeholders' consultations to reflect an all-encompassing view.

The study conducted by the JSG provides in subsequent chapters brief overviews of the economic profiles, and the trade and investment profiles of India and Indonesia. It also analyses the trends in bilateral goods and services trade, the investment relationship and several other areas. The study identifies several existing barriers to trade and investment flows and other issues that might be addressed in bilateral CECA.

Furthermore, it assesses the potential economic impact both in terms of trade and welfare gains arising out of the reduction of trade barriers that could occur under the proposed CECA. It also identifies potential sectors for cooperation in trade in services and investment as well as other areas of cooperation.



## II. Trade in Goods

### II. 1. Introduction

India and Indonesia had historical trade ties. However, in order to induct dynamism in their bilateral trade concerted policy measures may be required. Such policy measures could aim at expanding the scope of trade basket by promoting business to business cooperation between the two countries. This requires a comprehensive policy treatment to the subject. Against this backdrop the present chapter aims at analyzing the feasibility of setting in place a free trade agreement (FTA) between India and Indonesia aiming at reduction in bilateral tariff and non-tariff barriers along with trade facilitation measures within a well structured institutional framework.

To this end, the present chapter analyses the level, trend and composition of India-Indonesia bilateral trade in recent times. The extent or strength of bilateral linkages also analyze along with the stability of bilateral trade linkages. An attempt has also been made with the help of computable general equilibrium modeling exercise to quantify the potential for bilateral trade exemption between the two countries under different scenario of tariff reduction. In the light of these the chapter attempt at identifying sectors and products for bilateral trade negotiations. This has been done with the help of comparative advantage analyses, degrees of attractiveness in each other markets, product lines with trade complementarity, products with possibilities of export competition, products enable to intra-industry trade and products of India's export interest facing differential level of tariff barriers in Indonesia.

Before undertaking the abovementioned analysis, it is important to highlight, at the very outset, the underlying vision and broad contours of India's trade policy strategy. As summarized in Box 1, the Indian trade policy strategy considers trade as not an end in itself, but a means to economic growth and national development. 'The primary purpose is not the mere earning of foreign exchange, but the stimulation of greater economic activity.' Any FTA between India and her partner country needs to be viewed with such a consideration. In addition, trade-related activities need to be viewed in a comprehensive manner by forging economic cooperation links with other countries that can help at various levels of developmental pursuits like employment generation, innovation, infrastructural improvements and so on.

### **Box: 1 India's Trade Policy Strategy**

#### **Context**

For India to become a major player in world trade, an all encompassing, comprehensive view needs to be taken for the overall development of the country's foreign trade. While increase in exports is of vital importance, we have also to facilitate those imports which are required to stimulate our economy. Coherence and consistency among trade and other economic policies is important for maximizing the contribution of such policies to development. Thus, while incorporating the existing practice of enunciating an annual Exim Policy, it is necessary to go much beyond and take an integrated approach to the developmental requirements of India's foreign trade. This is the context of the new Foreign Trade Policy.

#### **Objectives**

Trade is not an end in itself, but a means to economic growth and national development. The primary purpose is not the mere earning of foreign exchange, but the stimulation of greater economic activity. The Foreign Trade Policy is rooted in this belief and built around two major objectives. These are:

(i) To double our percentage share of global merchandise trade within the next five years; and (ii) To act as an effective instrument of economic growth by giving a thrust to employment generation.

#### **Strategy**

These objectives are proposed to be achieved by adopting, among others, the following strategies:

- (i) Unshackling of controls and creating an atmosphere of trust and transparency to unleash the innate entrepreneurship of our businessmen, industrialists and traders.
- (ii) Simplifying procedures and bringing down transaction costs.
- (iii) Neutralizing incidence of all levies and duties on inputs used in export products, based on the fundamental principle that duties and levies should not be exported.
- (iv) Facilitating development of India as a global hub for manufacturing, trading and services.
- (v) Identifying and nurturing special focus areas which would generate additional employment opportunities, particularly in semi-urban and rural areas, and developing a series of 'Initiatives' for each of these.
- (vi) Facilitating technological and infrastructural upgradation of all the sectors of the Indian economy, especially through import of capital goods and equipment, thereby increasing value addition and productivity, while attaining internationally accepted standards of quality.
- (vii) Upgrading our infrastructural network, both physical and virtual, related to the entire Foreign Trade chain, to international standards.
- (viii) Activating our Embassies as key players in our export strategy and linking our Commercial Wings abroad through an electronic platform for real time trade intelligence and enquiry dissemination.

**Source:** Department of Commerce, 'Preamble', *Foreign Trade Policy: 2004-2009*, Ministry of Commerce and Industry, Government of India

## **II. 2. Recent Trends in Bilateral Trade**

### **II. 2.1. Trends**

India's trade with Indonesia has shown dynamism both in terms of exports and imports. As evident from Table 1 India's exports to Indonesia have made a quantum jump from US \$ 50 million in 1980 to US \$92 million in 1990. It is important to highlight that India's exports increased by more than three times between 1990 and 2000 and 3.7 times between 2000 and 2007, reaching US \$1,463 million.

## **Box 2 : Indonesia's Trade Policy Strategy**

### **Background**

Indonesia has continuously undertaken trade reforms as a means to enhance the international competitiveness of the economy. This began in the mid 1980s in response to a big drop in oil prices in the international market. Oil exports contributed to a very large proportion of total export earnings. The oil boom since the mid 1970s has resulted in a loss of competitiveness of the non-oil sector in the economy due to the so-called Dutch disease phenomenon. In the late 1970s and early 1980s the government attempted to correct this situation through significant devaluations of the currency. However, the effects on the country were each time only short-lived. A realization that structural reforms were called for resulted in the introduction of policy packages to eliminate economic distortions and to open up the economy. The policy packages promoted the liberalization of trade and investment. Tariffs and non-tariff barriers to trade were gradually removed and more sectors were opened up to foreign direct investment.

The response to these policy changes was almost instantaneous as resources began to be allocated to non-oil production sectors in which Indonesia clearly exhibit a comparative advantage. Non-oil exports grew rapidly and labor-intensive manufacturing became buoyant, resulting in significant creation of jobs. This process has its ups and downs as the reforms often came to a halt when they affected powerful interest groups. A reform fatigue started to emerge in the early 1990s. This was subsequently overcome by a determination to engage in cooperation efforts to strengthen the regional economy in Southeast Asia by first removing trade barriers amongst members of ASEAN (Association of Southeast Asian Nations). A second wave of trade reforms was introduced in 1995 and 1996 in large part to implement Indonesia's commitments under the agreement to form an ASEAN Free Trade Area (AFTA) to be completed in 2003.

The reduction of preferential tariffs under AFTA was accompanied by a reduction of MFN tariffs under a general schedule of tariff reduction program that was undertaken unilaterally. Several products have been excluded from this program. These included certain agricultural products (rice, sugar), chemicals, plastics, metals and automotive sectors in addition to alcoholic beverages and products related to moral and security items. However, in implementing its commitments under the WTO, following the Uruguay Round, a major reform took place in agricultural trade by transforming all non-tariff barriers into tariffs ("tariff-ication"), resulting in greater transparency of protection measures.

### **Developments since the Financial Crisis**

The financial crisis in 1997/98 did not slow down tariff reforms in Indonesia. Several measures were included in the recovery and reform policy packages under the IMF (International Monetary Fund) program. This has also resulted in the liberalization of key services, notably financial services, telecommunications, and shipping. In addition, ASEAN members decided to bring forward the completion date of AFTA by one year to 2002. By 2003, the Indonesian average rates of tariffs had fallen to 7.2% from 15.6% in

1995. Overall, non-tariff measures, in particular the use of import licensing, have been progressively eliminated. Several such measures still exist: (i) the regulation of timing of the import of rice and sugar; (ii) verification and other requirements for the export of tin and granite; and (iii) the ban on the export of logs and sands.

As part of Indonesia's commitment under AFTA in 2004, it adopted a new tariff classification under "ASEAN Harmonized Tariff Nomenclature". A major purpose of this program is to reduce inter-sectoral distortions while at the same time lowering and harmonizing tariffs. With the new classification, the total tariff lines increased from 7,540 to 11,163, with 75% of tariff lines with rates between 0 and 10%. Subsequently, in 2005 Indonesia introduced a Tariff Harmonization program for the period 2005-2010. The first phase of the plan aims at setting tariff lines for most products at a uniform rate of 5% by 2010.

In the two decades since embarking on an open trade policy orientation in the mid 1980s, Indonesia has come a long way. Based on a measure known as the Trade Tariff Restrictiveness Index (TTRI)<sup>1</sup>, Indonesia (4.5% in 2006) ranks 50 out of 125 countries, which is better than both the average for East Asia and Pacific (4.9%) and the average for the lower-middle-income country group (8.7%). For 2007, Indonesia's MFN applied simple (6.9%) and trade-weighted (3%) tariffs are all below those of an average EAP or lower-middle-income country.

Country	TTRI (MFN	Market Access TTRI
	applied tariff)* All goods	(incl. preferences)* All goods
Indonesia	50 ( 4.5)	71 ( 4.3)
China	57 ( 5.3)	59 ( 3.7)
South Africa	62 ( 5.7)	49 ( 3.0)
Russian Federation	72 ( 6.6)	30 ( 1.7)
Brazil	92 ( 9.4)	63 ( 3.8)
India	117 (15.1)	59 ( 3.7)

Source: World Bank, *World Trade Indicators 2008*.

\* Rankings and figures in parentheses are values.

Table above lists the TTRI for the group of BRIICS countries (Brazil, Russian Federation, India, Indonesia, China and South Africa). Indonesia has the lowest restrictiveness index amongst this group of countries. However, it faces the highest Market Access TTRI, i.e. the equivalent tariffs on its exports globally, including preferential tariffs). This suggests the need for Indonesia to push for lower tariffs from other countries through negotiations. The Indonesian Minister of Trade, Mari Pangestu, has recently stated that this will be pursued primarily under the WTO, but that Indonesia needs to get lower tariffs not only from developed countries, but also from such countries as India and Brazil.<sup>2</sup>

#### **Opening Export Markets**

Bilateral agreements, specifically bilateral FTAs (Free Trade Agreements), are currently seen as a means to open export markets. Indonesia has not been an active promoter and participant in forming bilateral FTAs as some of its neighbors in Southeast Asia. This has been the result of a long-held view that beyond ASEAN (and the ASEAN Free Trade Area or AFTA), efforts to liberalize trade should be undertaken at the multilateral level. Indonesia also strongly supports unilateral liberalization efforts under the APEC framework of “concerted unilateral liberalization.”

As of the end of July 2008, Indonesia has signed five FTAs that are being implemented, namely: (a) the ASEAN Free Trade Area (AFTA); (b) the ASEAN-China FTA; (c) the ASEAN-Korea FTA; (d) the Indonesia-Japan EPA (Economic Partnership Agreement); and the ASEAN-Japan FTA. They are at different stages of implementation.<sup>3</sup>

Indonesia considers the ASEAN+1 agreements to be consistent with its overall external economic policy that focuses on cooperation and integration in ASEAN and the wider region. It appears that each bilateral agreement will by necessity be tailor made to the interests and needs as well as the circumstances of the parties concerned. It will not be easy, therefore, to amalgamate the many bilateral FTAs involving countries in the region into a region-wide FTA. It is likely that a region-wide FTA will have to be negotiated separately (and independently) from the existing ones. This was the rationale behind the recommendation of the Joint Expert Group on EAFTA. Indonesia and several other ASEAN countries are of the opinion that for the foreseeable future they should still focus on the separate ASEAN+1 agreements rather than on a region-wide agreement. In addition to signing a framework agreement with China, Korea and Japan, ASEAN is currently negotiating similar agreements with Australia and New Zealand, India, and the European Union.

So far, the only bilateral arrangement that Indonesia has finalized is with Japan. Being the first for Indonesia, the bilateral agreement with Japan may be used as a model for Indonesia in the development of other FTAs in the future. The Indonesia-Japan EPA is rather comprehensive. This EPA contains elements that are not usually seen in an FTA, and are also new for Japan. These are the chapters on “Improvement of Business Environment and Promotion of Business Confidence” and “Energy and Mineral Resources”. The former is of interest to Indonesia and has been included by Indonesia to seek support from Japan in the improvement of Indonesia’s investment climate. The latter is of particular interest to Japan. In fact under this agreement, Indonesia will hold prior consultation with Japan about restricting oil and gas exports in the event of a surge in domestic demand. Indonesia also pledges to fully implement existing bilateral energy supply contracts even when export restrictions are invoked. In return Japan will increase technical assistance in such areas as coal-to-liquid technologies and energy-saving measures.

The EPA also gives some weight to “Technical Cooperation and Capacity Building.” From the outset,

Indonesia has stressed that the agreement must be designed and negotiated on the basis of the three pillars of the agreement, namely market access, trade and investment facilitation, and cooperation for capacity building. Each of these pillars is seen as having its own and equal importance.

Indonesia has a Preferential Trading Arrangement (PTA) with Pakistan, and currently negotiations are undertaken to broaden it to become a FTA. Other potential partners are India, Australia, and Iran. However, it does not appear that Indonesia is rushing into the bandwagon of forming bilateral FTAs.

Source: Center for Strategic and International Studies (CSIS), Jakarta

<sup>1</sup> TTRI is the equivalent tariff rate that would maintain the country's aggregate import volume at its current level (given heterogeneous tariffs). It captures the trade distortions that each country's MFN tariffs impose on its import bundle using estimated elasticities to calculate the impact of a tariff schedule on a country's imports. These measures are based on actual or current trade patterns and thus do not capture restrictions facing new or potential trade. They also do not take into account domestic subsidies or export taxes. See, World Bank, *World Trade Indicators 2008*.

<sup>2</sup> *The Jakarta Post*, July 16, 2008.

<sup>3</sup> In the ASEAN context, besides AFTA, members have also signed the ASEAN Framework Agreement on Services (AFAS), the Agreement on the ASEAN Investment Area (AIA), and a Framework Agreement on Intellectual Property Cooperation. AFTA and these other agreements will be incorporated in a comprehensive Blueprint for achieving an ASEAN Economic Community in 2015. This Blueprint is currently being finalized for endorsement at the ASEAN Summit in November 2007. Under the Framework Agreement with China, the following separate (sequential) agreements have been signed: an Early Harvest on agricultural trade; a FTA in goods: Rules of Origin; Dispute Settlement; and an Agreement on Services. Other agreements, such as on investment, are being negotiated or will be negotiated at a later stage. With Korea, ASEAN has signed an agreement on FTA in goods and services.

India's imports from Indonesia have displayed a greater dynamism rising from a mere US \$25 million (1980) to US \$5,438 million (2007). Thus it is discernable that Indonesia has remained a more attractive imports source for India as compared to India's export destination. Consequently, India's trade balance with Indonesia got converted from a surplus of US \$ 26 million in 1980 to a trade deficit of US \$ 3,975 in 2007.

<b>Table 1. India's Trade with Indonesia (US\$ Million)</b>			
<b>Year</b>	<b>India' Exports to Indonesia</b>	<b>India's Import from Indonesia</b>	<b>Trade Balance</b>
1980	50.36	24.59	25.77
1981	74.51	22.08	52.43
1982	96.17	15.90	80.27
1983	26.99	17.05	9.94
1984	38.54	42.15	-3.61
1985	10.72	37.88	-27.16
1986	16.53	77.25	-60.73
1987	20.22	51.67	-31.45
1988	25.43	56.25	-30.82
1989	49.81	53.20	-3.38
1990	92.25	172.94	-80.69
1991	145.09	67.26	77.84
1992	143.50	73.45	70.05
1993	200.27	87.72	112.55

1994	252.62	283.20	-30.58
1995	500.69	383.67	117.02
1996	569.04	578.35	-9.30
1997	475.93	698.38	-222.45
1998	248.45	804.73	-556.28
1999	290.73	926.38	-635.65
2000	385.80	922.35	-536.55
2001	442.05	1159.33	-717.28
2002	753.80	1294.86	-541.06
2003	1053.10	1936.78	-883.68
2004	1251.22	2412.06	-1160.84
2005	1361.73	2854.61	-1492.88
2006	1279.48	3729.87	-2450.39
2007	1463.28	5438.30	-3975.02
2008*	1,816.07	5,042.00	-3,225.93
Note * Ap-Dec *Source : Ministry of Commerce and Industry, Government of India			
Source: IMF DOTS Yearbook, February 2009			

The above observation is corroborated from figures presented in Table 2 suggesting that mostly exports have been increasing with two digit growth rates, often registering high growth rate such as 48 per cent (1981) 96 per cent (1989), 85 per cent (1990), 98 per cent (1995) and 70 per cent (2002). On the front of imports the higher levels reached were on account of even greater growth rates including 147 per cent (1984), 104 per cent (1986), 225 per cent (1990) and 223 per cent (1994). However, there are several years that are characterised by negative growth rates both in exports as well as imports.

<b>Table 2. Growth of India's Bilateral Trade with Indonesia</b>					
<b>Year</b>	<b>Growth in Exports (Annual % Change)</b>	<b>Growth in Imports (Annual % Change)</b>	<b>Year</b>	<b>Growth in Exports (Annual % Change)</b>	<b>Growth in Imports (Annual % Change)</b>
1995	98.20	35.48	1981	47.95	-10.21
1996	13.65	50.74	1982	29.07	-28.01
1997	-16.36	20.75	1983	-71.93	7.27
1998	-47.80	15.23	1984	42.77	147.18
1999	17.02	15.12	1985	-72.18	-10.13
2000	32.70	-0.43	1986	54.15	103.95
2001	14.58	25.69	1987	22.36	-33.12
2002	70.52	11.69	1988	25.77	8.87
2003	39.70	49.57	1989	95.87	-5.43
2004	18.81	24.54	1990	85.18	225.09
2005	8.83	18.35	1991	57.29	-61.11
2006	-6.04	30.66	1992	-1.10	9.21
2007	14.36	45.80	1993	39.56	19.42
2008*	24.11	-7.29	1994	26.14	222.85
Note: * Ap-Dec * Source : Ministry of Commerce and Industry, Government of India					
Source: Calculated from IMF, DOTS Yearbook, February 2009					

## II.2.2. Volatility

This fluctuation is more visible in Chart 1. It is very clear for Chart 1 that both exports and imports have shown volatilities in their patterns between 1981 and 2006. It can also be seen that the peaks in import pattern are manifolds higher than exports.

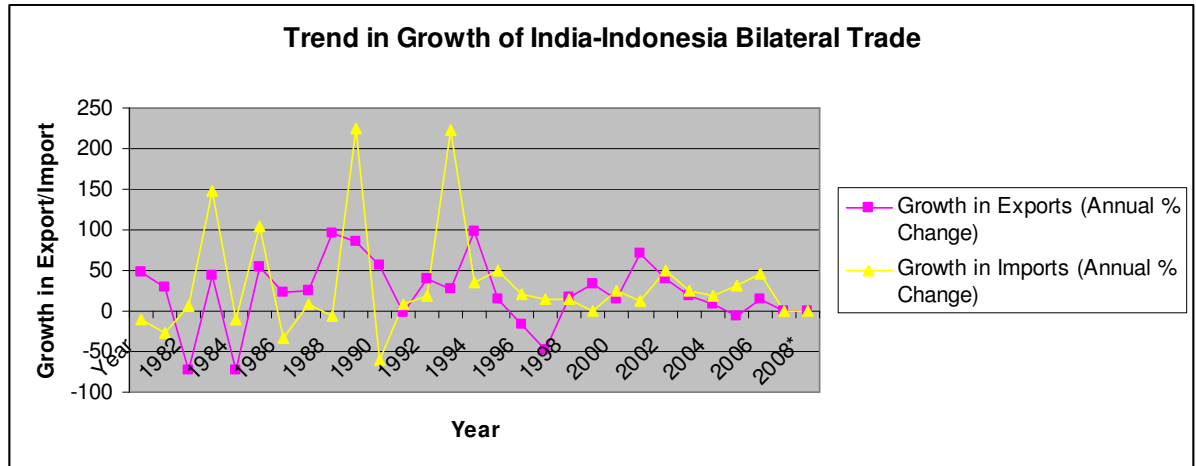


Chart 1

Quite often, an analysis of trade patterns and bilateral trade trends ignore the merits of a stable bilateral trade relation. To underscore this point coefficient of variation has been calculated as a measure of instability in bilateral linkages between India and Indonesia over 1980-2006. The results are presented in Table 3. Two points needs to be highlighted at this stage. Firstly, both exports and imports display high levels of instability and second imports have remained more volatile as compared to fluctuation in exports.

Table 3. Instability in India-Indonesia Bilateral Trade		
Measures	Coefficient of Variation: Exports	Coefficient of Variation: Imports
Standard Deviation	459.76	965.13
Mean	379.87	690.48
Coefficient of Variation	121.03	139.78

### II.3. Relative Importance in Mutual Trade

It is noticeable from Table 4 that the relative importance of India in Indonesia trade basket is in a similarity with the relative importance of Indonesia in India's trade basket. While India's exports to Indonesia as percentage of India's total exports to world has hovered around 121.5 per cent, Indonesia's imports from India as a percentage of Indonesia's total imports from world has remained at a relatively higher level. Similarly a similarity is evident when India's imports from Indonesia as percentage of India's total imports from world is compared with Indonesia's exports to India's as percentage of Indonesia's total exports to world. While India has been more important both in terms of exports and imports for Indonesia, converse is not equally true in the same measure. Nevertheless, it must be highlighted that both India and Indonesia have increasingly become relatively more important in each other trade baskets.

<b>Table 4. Relative Importance of India and Indonesia in Mutual Trade</b>			
<b>Indonesian Imports from India and the World (US\$ Million)</b>			
<b>Year</b>	<b>Imports from India (1)</b>	<b>Imports from the World (2)</b>	<b>(3) (1)/(2) (%)</b>
1984	58.4	13,880.2	0.42
1985	15.1	10,274.8	0.15
1986	24.6	10,724.5	0.23
1987	30.0	12,855.4	0.23
1988	45.7	13,488.9	0.34
1989	93.6	16,470.0	0.57
1990	151.2	22,005.0	0.69
1991	226.4	25,928.5	0.87
1992	215.6	27,279.7	0.79
1993	335.4	28,327.9	1.18
1994	318.3	32,013.0	0.99
1995	478.9	40,629.2	1.18
1996	866.2	42,902.2	2.02
1997	697.4	41,698.3	1.67
1998	292.9	27,349.3	1.07
1999	275.5	24,003.3	1.15
2000	524.8	33,514.6	1.57
2001	486.3	30,961.5	1.57
2002	637.8	31,288.8	2.04
2003	665.6	32,549.1	2.04
2004	1,102.4	46,523.9	2.37
2005	1,052.2	57,699.9	1.82
2006	1,407.4	61,065.0	2.30



<b>Table 4. Relative Importance of India and Indonesia in Mutual Trade</b>					
<b>Indonesian Imports from India and the World (US\$ Million)</b>					
<b>Year</b>	<b>Imports from India (1)</b>		<b>Imports from the World (2)</b>		<b>(3) (1)/(2) (%)</b>
2007	1,609.6		74,473.2		2.16
2008*	2,659.3		128,790.9		1.41

Source: IMF DOTS, 2008

\*Republic of Indonesia, Badan Pusat Statistik

## II. 4. Composition of Goods Traded

In order to expand the trade basket between India and Indonesia it is important to study the composition of exports and imports between the two. The average share of India's exports to Indonesia at HS two-digit level was calculated and the shares are presented in table A.I.1 in Annexure I. It is noticed that around 51 per cent of total exports are accounted for by just four sectors. Such sectors with high share include: Mineral fuels, oils, distillation products, etc ; Organic chemicals; Residues, wastes of food industry, animal fodder; and, Iron and steel. Sectors with medium share include, among others: Cereals; Oil seed, oleagic fruits, grain, seed, fruit, etc, nes; Nuclear reactors, boilers, machinery, etc.; Sugars and sugar confectionery; Cotton; Plastics and articles thereof; Manmade filaments. Most of the sectors fall in the category of low share sectors such as: Manmade staple fibres; Raw hides and skins (other than furskins) and leather; Articles of apparel, accessories, not knit or crochet; Articles of apparel, accessories, knit or crochet; Lac, gums, resins, vegetable saps and extracts nes; Salt, sulphur, earth, stone, plaster, lime and cement; Aluminium and articles thereof.

Similar is the situation with respect to India's imports from Indonesia. Sectors with high share are only three of them and account for almost 68 per cent of total imports and these include: Animal, vegetable fats and oils, cleavage products, etc.; Mineral fuels, oils, distillation products, etc; and, Ores, slag and ash. Sectors with medium share include the following: Miscellaneous chemical products; Organic chemicals; Manmade filaments; Edible fruit, nuts, peel of citrus fruit, melons; Pulp of wood, fibrous cellulosic material, waste etc.; Nuclear reactors, boilers, machinery, etc. Just like exports, the composition of imports is spread over a large number of low share sectors including: Wood and articles of wood, wood charcoal; Iron and steel; Rubber and articles thereof; Glass and glassware; Aircraft,

spacecraft, and parts thereof; Ships, boats and other floating structures; Residues, wastes of food industry, animal fodder; Manmade staple fibres.

## II.5. Analysis of Tariff Structure vis-à-vis Imports

**Table 5. Tariff Profile of India-Indonesia Trade, 2007**

Tariff Rate	India's Imports from Indonesia, 2007				Indonesia's imports from India, 2007			
	Tariff lines		Value (US\$Mil)		Tariff lines		Value (US\$Mil)	
	No	%		%	No	%		%
0	53	3.6	47.8	1.1	553	27.8	1,031.31	64.1
>0-5	21	1.4	1,019.6	24.2	830	41.7	436.68	27.1
>5-10	14	0.9	54.2	1.3	286	14.4	53.14	3.3
>10-15	1,273	85.8	1,651.8	39.3	275	13.8	19.16	1.2
>15-20	32	2.2	91.3	2.2	32	1.6	35.23	2.2
>20-25	3	0.2	76.1	1.8	7	0.4	8.38	0.5
>25-30	64	4.3	168.5	4.0	4	0.2	0.02	0.0
>30-35	-	-	-	-	1	0.1	25.41	1.6
>35-40	-	-	-	-	2	0.1	0.25	0.0
>40-45	3	0.2	1.3	0.0	-	-	-	-
>45-50	3	0.2	0.0	0.0	-	-	-	-
>50	18	1.2	1,097.3	26.1	1	0.1	0.01	0.0
<b>Total</b>	<b>1,484</b>	<b>100.0</b>	<b>4,207.9</b>	<b>100.0</b>	<b>1,991</b>	<b>100.0</b>	<b>1,609.61</b>	<b>100.0</b>

Source: WITS

The tariff is India's main trade policy measures. Most imports enter India are subject to tariff which are accounted for 1,484 number of tariff lines. Most imports are highly concentrated on tariff line between 10 -15 percent which is amounted for US\$1,651.8 million in 2007 or 39.3 percent of India's imports from the world. Value of imports for the tariff above 50 percent is amounted for US\$1,097.3 million or has taken 26.1 percent of India's imports from the world. The third highest value of imports is in the span of 0-5 percent tariff which has absorbed 24.2 percent of India's imports in 2007.

Nevertheless, distribution of tariff line is quite different than Indonesia's tariff structure. It is almost 41.7 percent of Indonesia's tariff line is in the span of 0-5 percent in 2007. Highest value of imports is allocated in 553 tariff lines under zero tariff which are amounted for 64.1 percent of Indonesia's total imports from the world.

## **II.6. Non-Tariff Barriers<sup>1</sup>**

Non-tariff barriers on the following Indian products have been imposed by Indonesia:

- Carbon Black – *11%*
- Bovine Meat – *Banned*
- Wheat Flour – *11.4% till the end of 2010*
- Uncoated Writing Paper and Printing Paper – *6.19% to 40.13% till November 2009*
- Skimmed Milk Products – *Banned because of FMD*

Indonesia has banned India's bovine meat products and milk products on the ground that India is not free from Foot & Mouth Disease (FMD) even though India is one of the largest exporters of halal bovine meat in the world and exports deboned and deglanded frozen bovine meat to 64 countries including several which are FMD-free such as Mauritius, Philippines, Indonesia in South-East Asia. As per the OIE guidelines, international trade in deboned and deglanded frozen bovine meat prepared in accordance with the International Animal Health Code ensures against any risk of transmission of FMD virus. The OIE Charter is signed by 164 member countries including India and Indonesia. Each signatory is obliged to practice OIE tenets and avoid insertion of its own phyto sanitary conditions. Similarly, Indonesia banned import of Skimmed Milk Products (SMP) from India in 2005 on the similar grounds that India is not free from FMD. FMD virus is not transmitted through milk products and India has been exporting SMP to several countries including Indonesia in the past.

According to the EOI or WHO (World Health Organization) which has the authority to inform on the status and condition of infected animals in one country, India is one of the countries that is not yet free from Foot & Mouth Disease (PMK/FMD). In relation to this, the Ministry of Agriculture has released regulation No.64/permentan/OT.140/12/2006 about the entry and circulation of certain meat products, including carcasses, meats and innards from outside the country. A new regulation<sup>1</sup> was released to revise the previous regulation from the Ministry of

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<sup>1</sup> Based on Embassy of India (2007), 'India-Indonesia: Trade and Economic Relations', November, Jakarta.

Agriculture NO.27/permentan/OT. 140/3/2007 dated 1 March 2007. Up to the present, Indonesia still does not allow Indian meat to enter the Indonesian market.

Indonesia has imposed an anti-dumping duty of 11.40% on the sourcing of wheat flour from India over and above 5% duty on the product from India. This additional tariff of 11.40% will be operative till the end of 2010 which has practically dried up sourcing of Indian wheat flour in Indonesian market.

An anti-dumping duty of 6.19% to 40.13% has been imposed on uncoated writing and printing paper from November 2004 till November 2009. However, India is importing large quantities of waste paper, pulp and paper & paper board from Indonesia. There is also an anti-dumping duty of 11% on import of Carbon Black from India.

Non-tariff barriers on the following Indonesian products have been imposed by India:

- Palm oil – The Indian government forbids the importation of all palm oil products through all ports in Kerala.

The Government of India has released notification No. 63(RE-2007)/2004-2009 on 24 December 2007 which prohibits the importation of palm oil products through all ports in Kerala. The reason for this import prohibition is to protect the marginal farmers and agricultural labourers dependent on coconut plantations in Kerala.

## **II.7. Trade Facilitation Measures**

Trade linkages between the two countries could be intensified not only through tariff liberalisation but also by adopting various trade facilitation measures. These measures could, *inter alia*, include entering into mutual recognition agreements (MRAs), to deal with issues of technical barriers to trade (TBT) and sanitary and phytosanitary measures (SPS); Customs cooperation; harmonisation of standards and conformity assessment; and enhancing business to business dialogue. It is also necessary to put in place various trade remedial measures, and rules of origin, as mutually acceptable, designed in such a way as to facilitate trade creation between the two countries.

### *II.7.1. Rules of Origin*

Rules of origin (ROO) are a central component of preferential trading arrangements in determining the origin of goods for tariff preferences. It is obvious that a country would like to allow goods from a partner country on a preferential duty basis under a trade agreement provided the goods have originated in the partner country. However, there is always a possibility that third-country goods enter a country's markets through the partner country and that too, on a preferential basis. This phenomenon is well known as 'trade deflection,' which has the potential to undermine a country's MFN-customs regime. Thus, one of the prime objectives of ROO is to check trade deflection. It is also important to bear in mind that ROO are not to safeguard against imports *per se* instead they are to check deflected imports from third countries.

There are various ways of determining this. First, there is a change in tariff-heading test, implying that the tariff-heading of the final product is different from the tariff-headings of its inputs. Second, a percentage test is applied, according to which a minimum percentage of total value addition should be achieved with the help of domestic inputs. Finally, specified process tests require a product to undergo certain stipulated processes. However, consensus on applications of these rules is often difficult to achieve. For example, the extent of 'substantial transformation' for different products depends on the level of disaggregation, at HS 4- or 6-digit level, on which tariff-shift is technically possible. In addition, percentages of minimum value addition also vary from product to product, depending on the prevailing exchange rates, labour costs and the product-specific import dependence of the country in terms of raw materials and intermediates.

The ROO have both trade and developmental effects. These rules should be designed in a manner that is not trade restrictive. They should not become trade barriers due to their complex methods of implementation. These issues and specifically the developmental role of ROO need to be given adequate importance under the CECA. Therefore, it is necessary to have close cooperation in the matter of verification of the certificates of origin, which is required to check trade deflection and circumvention of ROO.

It may be highlighted that it is not true that rules of origin would be redundant once a country, which is a member of different trade agreements, reduces its MFN-tariffs considerably to very low levels. In fact, there is evidence to suggest that stringent rules of

origin and liberal tariff regimes are inversely related. The natural question arises as to why is that so?

The answer possibly lies in the fact that rules of origin are not just trade policy instruments aimed at preventing trade deflection. They are used as a developmental tool. These rules, executed through different modalities like change in tariff classification, value-addition norms, specific process tests and non-qualifying operations, enforce domestic manufacturing that is in essence substantial in nature. The three modalities of determining origin of a product aim at substantial transformation in inputs. Thus, rules of origin together, facilitate value-addition in the country of manufacturing. Such requirements, checking the import content of value addition, have the potential for generating backward and forward linkages in a country adhering to the rules. Thus, a member country is prevented from becoming a mere trading country as these requirements act as a deterrent to assembly kind of production activities. The ROO can have important implications for the development of the manufacturing sector as a whole, which in turn, contributes towards enhancing the export supply capabilities of the member country.

Since its involvement in the ASEAN Free Trade Area (AFTA), Indonesia has adopted a policy of liberal ROO.

#### *II.7.2. Customs Cooperation*

A lack of adequate Customs cooperation can become a major hindrance to preferential trade flows. It is for this reason that Customs cooperation need to be strengthened to enhance trade flows and reduce business costs. In this regard, Customs processes and procedures have to be standardised, harmonised and benchmarked against international best practices. The scope of this cooperation could extend to various Customs related procedures and valuation methods. An important aspect of Customs cooperation in the context of trade facilitation is to facilitate clearance of consignments through increasing use of electronic means.

Both parties may explore the feasibility of custom cooperation agreement.

In an effort to create an ASEAN Single Window, in 2008 Indonesia has operationalized its National Single Window to simplify, harmonize and standardize trade and customs, processes, procedures and the application of ICT in all areas related to trade facilitation.

### *II. 7. 3. TBT, Sanitary and Phytosanitary Measures (SPS), Harmonisation of Standards and Conformity Assessment*

To facilitate trade between two partners, mutual recognition of standards and conformity assessment procedures through cooperative arrangements is important. In this context, it is imperative to have clear and transparent rules with respect to harmonisation of standards, equivalence principle, and criteria for risk assessment. In terms of implementation, it is also necessary that issues relating to, *inter alia*, approval procedures, inspection requirements, testing, and certification are also addressed. The TBT and SPS measures put in place should be practical and consistent with the TBT and SPS Agreements in the WTO. Enhanced consultations leading to cooperation between regulatory agencies would need to be evolved. This cooperation could also be extended to include activities for development of capacity of institutions in both countries in identified priority sectors.

Under the ASEAN Economic Community Blueprint, Indonesia has committed to promote transparency in the development and application of standards, technical regulations and conformity assessment procedures in line with the requirements of the WTO Agreement on Technical Barriers to Trade and the ASEAN Policy Guideline on Standards and Conformance. These improvements will apply to Indonesia's trade with the rest of the world as well, including India.

### *II. 7. 4. Mutual Recognition Agreements (MRAs)*

MRAs are one of the means to facilitate trade through agreement to eliminate duplicative conformity assessment and approvals. MRAs can also lead to harmonisation of each other's regulations and measures. In pursuing these objectives, it should be noted that regional and international agreements between conformity assessment and accreditation bodies would provide a good basis for formal recognition of approvals by regulatory agencies in the two countries. It would be appropriate to pursue closer cooperation between regulatory agencies in order to develop initiatives for mutual acceptance of regulations, enhance acceptance of results of conformity assessment and capacity building.

### *II.7.5. Dispute Settlement Mechanism and Trade Remedies*

It has been the experience that in any trade and economic agreement disputes may arise. A speedy redressal of disputes within specified timeframe becomes important for a smooth functioning of the agreement and further intensification of economic linkages between partner countries. This involves devising mechanisms for consultations, assessment of the problem in terms of its economic impact and a process of arbitration. The rules and mechanisms for trade dispute and trade remedial measures need to be open, transparent and consistent with global best practices.

## **II.8. Modelling Potentials for Expansion in Bilateral Trade (Including CGE Estimates)**

### *II.8.1. Forecasting India's exports to Indonesia and Indonesia's exports to India*

With the data from 1980 to 2006, the projection for bilateral exports of India and Indonesia has been made. For this, three methodologies have been applied: (a) Linear Trend; (b) Growth Trend; and (c) Exponential Smoothing so that a range of projections could be indicated.

On the basis of above methodologies, ranges of projections of India's export to Indonesia and Indonesia's exports to India are given in Table 6

**Table 6 Projections of Additional Bilateral Trade**  
(US \$ million)

Year	India's Xs to Indonesia		Indonesia's Xs to India	
	Range		Range	
2010	1197.48	2669.44	2355.60	3953.18
2015	1437.95	6064.45	2850.98	4111.37
2020	1678.42	7777.25	3346.37	9660.91

Based on CGE modeling, India's and Indonesia's trade will accelerate continuously over each period. Indonesia will enjoy larger export range from US\$2355.60-7953.18 million in 2010 than that of India. India remains to have moderate result than that of Indonesia under this simulation.



## II.8.2. CGE Simulations

To complement the above estimates the economic gains of the proposed CECA have been estimated using a multi-sector computable general equilibrium (CGE) model. This is the standard Global Trade Analysis Project (GTAP) model, coordinated by the Center for Global Trade Analysis, Purdue University. The data is obtained from the GTAP database (version 7). The estimations were made for two scenarios (Table 7).

**Table 7. Economic Gains**

	<b>Scenario I</b>	<b>Scenario II</b>
Indicator	50% import tariff reduction and trade facilitation	100% import tariff reduction and trade facilitation
<b>Welfare Gains (%)</b>		
<b>India</b>	0.5	1.0
<b>Indonesia</b>	0.7	1.4
<b>Bilateral Exports (US\$ million)</b>		
<b>India</b>	15.49	30.98
<b>Indonesia</b>	16.04	32.08

Under Scenario I with 50 per cent import tariff liberalization and trade facilitation measures; the estimated welfare gains are 0.5 per cent for India and 0.7 per cent for Indonesia. It increases to 1.0 per cent for India and 1.4 per cent for Indonesia in Scenario II which is 100 per cent tariff liberalization along with trade facilitation.

The CGE simulations suggest that in Scenario I India's exports to Indonesia would increase by 15.49 per cent whereas Indonesia's exports to India would increase by 16.04 per cent. Under Scenario II, the respective figures are 30.98 per cent for India and 32.08 per cent for Indonesia.

## II.9. Identifying Sectors and Products for Negotiations

With a view to help exploring the feasibility of an FTA between India and Indonesia as also to provide inputs for negotiations, this section attempts at identifying products and sectors where bilateral cooperation could have a trade-augmenting effect.

Two sectors of particular interest in which Indonesia seeks to cooperate with India are:

- a) textile and textile products;
- b) iron and steel.

The following boxes describe Indonesia's policy and strategy to develop these two sectors.

### **Box 3 : Indonesia -- Textile and Textile Products Industry**

#### **Background**

In the framework of increasing the country's *Manufacturing Industrial Base* over the medium-term, the efforts undertaken include industrial restructuring and consolidation and improvement of efficiency and international competitiveness. In long term, efforts will focus on improving the national capability in research and development, technology and industrial design.

In improving the competitiveness of the national textile and textile products industry, the appropriate approach is through the development of industrial clusters, taking into consideration the inter-linkages between the up-stream and the down-stream industries. The up-stream, intermediate and down-stream industries are usually agglomerated in certain areas so as to minimize the cost of transportation (*lead-time delivery*),

#### **Objectives**

In the medium term the textile and textile product industry needs stronger supporting industries, especially textile machineries and chemicals, through increased investments. In addition, efforts will be made to develop Indonesian trademarks for export destination. The long term objective is to improve competitiveness through specialization in high value added textile and textile products and high fashion, including from various local materials.

#### **Strategy and Policy**

Measures will be taken to continuously improve the investment climate and access to financial resources for players in the industry.

In addition, efforts will be taken to continuously increase the efficiency in energy use as well as energy conservation and diversification.

Furthermore, the improvement of skills will be focused on design, merchandizing, marketing, as well as processing technology and management. Efforts will also be made to strengthen the institutions for certification and technical unit.

1. Specifically in the area of technology development, the restructuring and modernization of textile and textile product machineries will focus on the development of environmentally-friendly manufacturing technologies, strengthening research and product development capabilities and institutions, developing domestic fiber raw materials (PTA, MEG, Dissolving Pulp, cotton, jute, silk, etc).

Source: Ministry of Industry, Indonesia

### **Box 4 : Indonesia -- Iron and Steel Industry**

#### **Background**

The steel industry is one of the strategic industries that are important for the development of infrastructure and manufacturing industries. The national steel industry develops its competitive advantages by creating specific steel products in response to the needs of the consumers. The priority is on the domestic market.

The steel industry has experienced a decline due to various factors such as the dependence on imported raw materials, lack of supply of energy, illegal imports, environmental problems and changes in the international market situation.

**Objectives**

The national steel industry will develop its competitive advantages through specializing in high value added products to meet the needs of the domestic market.

**Strategy and Policy:**

A major effort is to improving the capability of the national steel industry to meet international standards although it mainly supplies the domestic market. International standards will be used as benchmark in the development of Indonesian National Standards for the steel industry.

Efforts will also be taken to reach global competitiveness in the following aspects: cost, quality, delivery time, skills, technology, and optimal utilization of local natural resources.

Modernization of the steel industry will focus on the use of environmentally-friendly technologies.

International cooperation is sought to expand markets.

Source: Ministry of Industry, Indonesia

*II.9.1. Comparative Advantage Analysis*

An analysis of comparative advantage measured by the revealed comparative advantage index (RCA) in a dynamic setting over the period of 2001-2005 suggests that there are several Highly Dynamic Comparative Advantage Sectors for India. The sectors include: Meat, fish and seafood food preparations nes; Zinc and articles thereof; Lead and articles thereof; Copper and articles thereof; Furniture, lighting, signs, prefabricated buildings; Ores, slag and ash, Ships and boats. There are several sectors displaying moderate levels of comparative advantage such as other base metals, cermets, articles thereof; Vehicles other than railway, tramway; Mineral fuels, oils, distillation products, etc; Dairy products, eggs, honey, edible animal product nes. (Table A.II.1).

In the case of Indonesia, the list of sectors in the category of Highly Dynamic Comparative Advantage includes Aircraft, spacecraft, and parts thereof; Milling products, malt, starches, inulin, wheat gluten; Ships, boats and other floating structures; Nickel and articles thereof; Vegetable textile fibres nes, paper yarn, woven fabric; Tin and articles thereof; and Railway, tramway locomotives, rolling stock, equipment. The following sectors belong to the group displaying moderate levels of comparative advantage: Oil seed, oleagic fruits, grain, seed, fruit, etc, nes; Vehicles other than railway, tramway; Albuminoids, modified starches, glues, enzymes; Animal, vegetable fats and oils, cleavage products, etc; Meat, fish and seafood food preparations nes (Table A.II.2).

## II.9.2. Degrees of Attractiveness in Each Other's Markets

An attempt has been made to categorise different products with different degrees of attractiveness, measured as a change in shares of Indonesia in India's total exports to world between 2001 and 2005 (Table A.III.1). Similarly, another exercise has been undertaken by calculating changes in share of Indonesia in India's total imports from the world between 2001 and 2005 (Table A.III.2). In the CECA, products with declining attractiveness for both countries can be given special emphasis including through faster tariff liberalization, in the non-sensitive categories.

**Table 8. Bilateral Trade Intensity**

HS code	Indonesia	India
Animal & Animal Products	3.8	0.3
Vegetable Products	14.5	2.9
Foodstuffs	2.6	6.8
Mineral Products	4.3	1.1
Chemicals & Allied Industries	5.7	4.7
Plastics / Rubbers	2.3	1.2
Raw Hides, Skins, Leather, & Furs	6.7	1.3
Wood & Wood Products	1.9	1.0
Textiles	1.4	0.9
Footwear / Headgear	0.7	1.3
Stone / Glass	0.3	0.5
Metals	0.9	2.4
Machinery / Electrical	0.8	1.0
Transportation	2.0	2.1
Miscellaneous	0.7	0.7
Explanatory notes		
Maximum value	Unbounded	
Minimum value	0	
Critical point	Intense = >1	
<i>Data source: UNCOMTRADE</i>		

Based on the attractiveness of both countries trade, each country has a different rate of trade intensity. Indonesia has highly trade intensity in vegetable product and India has been engaged intensively in foodstuff. Similar structures of trade intensity between two countries favor bilateral trade and further trade cooperation.

**Table 9. Trade Complementarities Indices Among Trading Partners of Indonesia and India**

		Indonesia		India	
		Export complementari	Import complementari	Export complementari	Import complementari
1	Indonesia	Na	Na	58	58
2	India	58	58	Na	Na
3	China	50	46	49	43
4	Singapore	50	53	47	52
5	United States	57	57	58	51
6	Australia	50	49	54	54
7	Germany	51	53	55	45
8	Japan	69	47	60	44

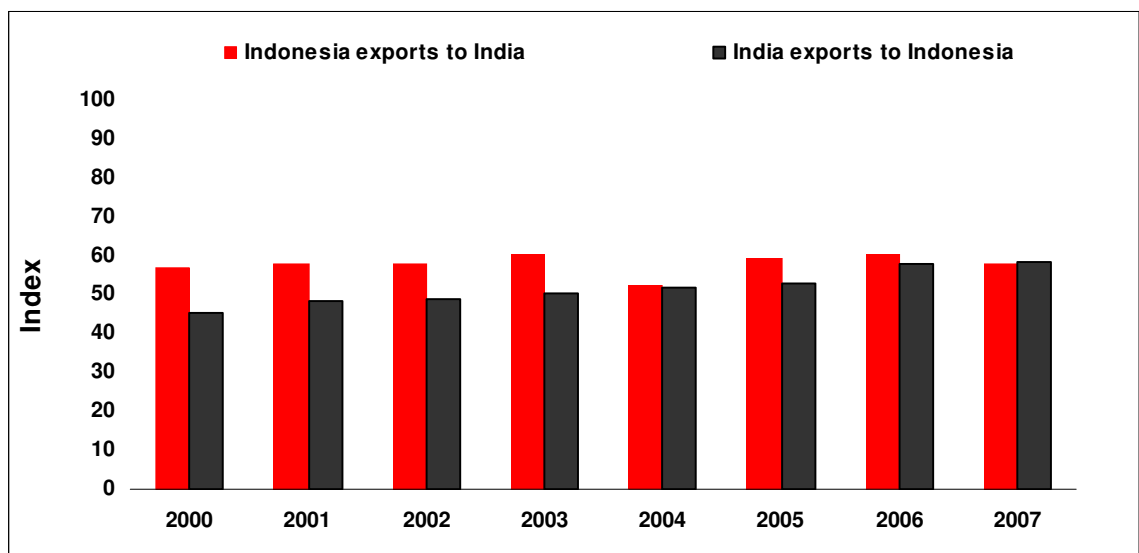
Note: Critical value is 40. A TCI greater than 40 indicates that the economies are highly complementary.  
Data source: UNCOMTRADE

Trade complementarity between India and Indonesia is quite strong, as reflected by the same value of the trade complementarity index at 58.

### VIII.3 Products with Trade Complementarity

Products with trade complementarity both from the point of view of India's exports and Indonesia's exports have been listed in Tables A.IV.1 and A.IV.2 at HS 6-digit level.

**Figure 1. Trade Complimentary Index between Indonesia and India**



Source: WITS (computed)

Indonesia and India have been recognized for its complementary since 2000-2007. Indonesia's potential exports correspond highly to India's world import and are greater than 40 which indicate high complementarity. India has similar condition towards Indonesia. Economic performance of both countries has driven both economies to become more complementary in 2007

#### II.9.4. Export Competition

Similarly, products wherein both the countries compete with each other have been identified in Table A.V.1 at HS 6-digit level. Such products can be focused upon for joint export activities in the global market, a dimension often missed out in FTA negotiations.

#### II.9.5. Items for Intra-Industry Trade

Items at HS 6-digit level that are amenable to intra-industry trade are listed in Table A.VI.1. These can be focused upon in FTA as such products would receive the least resistance from domestic stakeholders due to both countries considering full-reciprocity in giving market access to each other.

**Table 10. Indonesia and India's Intra Industry Trade Index**

HS code	Indonesia	India
Animal & Animal Products	0.2	0.0
Vegetable Products	0.0	0.0
Foodstuffs	0.0	0.1
Mineral Products	0.0	0.2
Chemicals & Allied Industries	0.5	0.5
Plastics / Rubbers	0.3	0.4
Raw Hides, Skins, Leather, & Furs	1.0	0.9
Wood & Wood Products	0.2	0.1
Textiles	0.3	0.3
Footwear / Headgear	0.2	0.2
Stone / Glass	0.8	0.2
Metals	0.5	0.4
Machinery / Electrical	0.7	0.8
Transportation	0.3	0.3
Miscellaneous	0.6	0.5
Explanatory notes		
Maximum value	1	
Minimum value	0	
Critical point	Intra-trade = 0.5+	
<i>Data source: UNCOMTRADE</i>		

Intra industry trade has been being occurred between two countries in some sectors such as chemical and allied industries, stone/glass, machinery/electrical, and metals.

*II.9.6. Items of Export Interest to India Subject to Varying Levels of Import Duty in Indonesia*

An attempt has been made to identify products at HS 6-digit level that are of export interest to India (Table VII.1), but the corresponding tariffs on them in Indonesia are mostly on the higher side (defined as > 5 %).

Overall, this chapter shows that the present level of trade in goods between the two countries is below its potential and an appropriate policy regime could provide an impetus to it with the help of tariff and non-tariff liberalization, trade facilitation infrastructure and cooperation in other mutually beneficial sectors.

## **Investment**

### **III.1. Introduction**

India and Indonesia are important destinations for foreign direct investment (FDI). Both countries have adopted proactive investment policies and measures to attract FDI inflows. Both countries are also becoming increasingly significant sources of outward investment. Although two way investment flows between India and Indonesia have so far been limited, the continuous investment flows and increase in bilateral trade in recent years indicate that there is potential for increased investment flows between the two countries.

Policy on FDI, namely ownership by foreign nationals including incorporated entities, determines sectors and extent to which foreign nationals are permitted in various economic activities. India and Indonesia have progressively liberalised their industrial sectors to foreign investment. However, restrictions on foreign ownership remain in some sectors/activities which are sensitive.

### **III.2. Investment Opportunities**

#### *III.2..1 India*

India offers immense investment opportunities in a variety of sectors, including manufacturing, infrastructure and services. Development of the infrastructure, i.e., power, roads, ports, telecommunication and civil aviation are given priority by the Government. India has the potential of absorbing high levels of FDI in the infrastructure sector in the next few years. The Government is undertaking major programmes in the infrastructure sector with private sector participation which can generate more investment opportunities. Indonesia has a good track record in the development of its infrastructure and Indonesian companies can participate actively in these infrastructure projects. FDI up to 100 per cent is already allowed in the development of power, roads, ports and airports. Manufacturing particularly skill intensive activities, and knowledge based industries are areas where India has strong competitive advantages. Collaboration between Indian and Indonesian companies can be a mutually beneficial exercise for investors from both countries.



India has improved its position by two places in World Economic Forum's 'Global Competitiveness Index (GCI) rankings for 2006-2007, coming in 43<sup>rd</sup>, well ahead of Brazil (65), China (54) and Russia (62).

India has retained the second place in AT Kearney's FDI Index (2007), a position it has held since 2005. The report predicts India to be on the cusp of FDI take off, in view of the Government maintaining focus on reforms infrastructure, logistics and regulatory barriers.

According to a survey conducted by Dun & Bradstreet the business optimism index for the quarter ending December 2007 recorded an increase of 14% to 177.1 from 155.3 in the quarter ending September. The quality of the business environment in India has improved tangibly in recent years.

FDI inflows depend on the decisions of foreign investors which in turn depend on a host of factors such as availability of natural resource, market size, infrastructure, political and general investment climate as well as macro-economic stability. Government of India has put in place a liberal and investor friendly FDI policy. However, FDI inflows into India are far less as compared to china where the FDI policy is highly regulatory. Investors have cited infrastructure bottlenecks, rigid labour regulations, high taxation and excessive regulation as major impediments to higher FDI inflows. India has also not been able to attract FDI in exports, as has been the case in China.

### *III.2.2. Indonesia*

The Indonesian government has ranked investment, including foreign direct investment (FDI), as a key component of its five-year development plan. For its five-year development (2004-2009), the Indonesian government estimated that it required US\$ 426 billion, including US\$ 150 billion for infrastructure development.

Indonesia offers several attractions to foreign investors, including:

- A large and rapidly growing domestic market of more than 220 million people and an industrious labour force;
- Abundant and diversified natural resources (estate agriculture, fisheries, forestry, and mining);
- Sound macroeconomic policies and an open capital account;

- Potential subcontractors for assembling firms in the engineering goods industry from the large pool of small- and medium-scale enterprises (SMEs);
- Strategic location between two continents (Asia and Australia) and two oceans (Indian Ocean and the Pacific Ocean) and straddling one of the busiest waterways in the world, the Straits of Malacca;
- Political stability and a democratically elected government, which has made Indonesia the third-largest democracy in the world (after India and the US);
- Particularly for Indian investors, cultural affinity between India and Indonesia due to the two thousand years of peaceful, cultural relations between India and the Indonesian archipelago.

Indian investors are very welcome to invest in the following fields:

- Agribusiness, including soybean, corn, rubber, oil palm, cocoa, coffee, tea, cashew nuts and sugar cane;
- Fisheries, including marine and brackish water fisheries;
- Manufacturing industries, including processed food, textiles (in which Indian investors have a strong competitive advantage), garments, wood products and furniture, pulp and paper, chemicals and pharmaceuticals (in which Indian investors have a strong competitive advantage), electronics (consumer electronics, office electronics, and electronic components, and the automotive industry (motor vehicle assembly and auto parts).
- Infrastructure and power plants, toll roads, airports, sea ports, telecommunications, and water plants;
- Services, including commerce, hotels and restaurants, warehouses, recreational and entertainment services (Indonesian co-production in audio-visual sector) technical and engineering services.
- Mining (a sector in which Indonesia has recently effected significant liberalization in its regulations).

### **III. 3. Investment Regimes**

#### *III.3.1.India*

Progressive reform measures undertaken since 1991, has resulted in more liberal and transparent FDI policy in India, where up to 100 per cent foreign equity ownership is allowed in most sectors/activities under the Automatic Route. In the limited number of sectors/activities requiring prior Government approval, proposals for FDI are considered by

the Government on the recommendation of the Foreign Investment Promotion Board (FIPB) in a time bound and transparent manner.

FDI policy in India is notified through Press Notes issued by the Department of Industrial Policy & Promotion, Ministry of Commerce & Industry. Foreign investment in India is subjected to Section 6 of Foreign Exchange Management Act (FEMA), 1999. FDI policy is provided under the Foreign Exchange Management (Transfer and Issue of Securities to a Person Resident outside India) Regulations, 2000. (See annexure A, B, C)

#### *III.3.1.1. Automatic Route*

Under the present policy, Foreign Direct Investment (FDI) up to 100 per cent is allowed under the Automatic Route in all sectors/ activities except:

- a) proposals where the foreign investor has an existing joint venture, technology transfer/trademark agreement in the 'same' field in India. Detailed guidelines issued vide Press Note 1 (2005 Series);
- b) where more than 24 % foreign equity is proposed to be inducted for manufacture of items reserved for the Small Scale Sector; and
- c) where sectoral policies limit FDI equity and/or access to Automatic Route.

FDI under the Automatic Route does not require any prior approval and only involves notification to the Reserve Bank of India within 30 days of inward remittances and/or issue of shares to non-residents.

In 2001, the Government carried forward the liberalisation process by opening new sectors or enhancing FDI limit in sectors such as Defence industries, Mass Rapid Transport System, Private product pipelines, Telecomm and e-Commerce. Further initiatives in policy liberalization during the past two years included:

- Enhancement of FDI cap in domestic scheduled airlines from 40 per cent to 49 per cent and allowing FDI under the automatic route with no direct or indirect participation of a foreign airline
- FDI up to 100 per cent has been allowed under the automatic route in development of townships, housing and construction development projects subject to minimum capitalization and minimum area development

- Procedural simplification has been carried out by placing transfer of shares from resident to non-resident under the automatic route
- Enhancement of FDI cap in basic and cellular telecom services from 49 per cent to 74 per cent
- Permitting FDI along with FII and portfolio investment within the ceiling of 20 per cent in the FM Radio Broadcasting services.

A comprehensive review of the FDI policy was undertaken in 2006 with a view to consolidating the liberalization already effected and further rationalized FDI policy governing various activities. As a result of this exercise, the following policy changes have been notified:

(A). FDI has been allowed up to 100% under the automatic route for distillation and brewing of potable alcohol:

- a) manufacture of industrial explosives
- b) manufacture of hazardous chemicals;
- c) manufacturing activities located within 25kms of the Standard Urban Area limits requiring Industrial licence under the IDR(Act), 1951
- d) setting up of Greenfield airport projects
- e) laying of Natural Gas/LNG pipelines, market study and formulation and Investment financing in the Petroleum sector
- f) cash and carry wholesale trading and export trading

(B). FDI caps have been increased to 100% and automatic route extended to

- a) coal & lignite mining for captive consumption
- b) setting up infrastructure relating to marketing in Petroleum & Natural Gas sector
- c) exploration and mining of diamonds and precious stones

©. FDI has been allowed up to 100% on the automatic route in Power trading and processing and warehousing of coffee and rubber

(D). FDI has been allowed up to 51% for 'single brand' product retailing which requires prior Government approval. Specific guidelines have been issued for governing FDI for 'single brand' product retailing

(E). Mandatory divestment condition for B2B e-commerce has been dispensed with

(F). Transfer of shares from resident to non-resident including acquisition of shares in an existing company has been placed on the automatic route subject to Sectoral policy on FDI

Government, on a review of the extant policy on Foreign Direct Investment, had further liberalised the following Sectors in January, 2008:

(i) FDI Policy for Credit Information Companies (CICs):

Foreign investment i.e. FDI+FII has been allowed up to 49% with prior approval of the Government and regulatory clearance from RBI under certain conditions.

(ii) FDI Policy for Commodity Exchanges:

Foreign investment has been allowed through a composite ceiling i.e. FDI + FII of 49% with FII investment limited to 23% and FDI limited to 26% under certain conditions.

(iii) FDI Policy for Industrial Parks:

Government has allowed FDI up to 100% under the automatic route both in setting up and in established industrial parks under certain conditions.

(iv) FDI Policy for Air Transport Services Sector:

Government has allowed the following:

- (a) No foreign airlines would be allowed to participate directly or indirectly in the equity of an Air Service Undertaking;
- (b) FDI up to 49% and investment by Non-resident Indians (NRI) up to 100% will be allowed on the automatic route in Domestic Scheduled Passenger Airline Sector;
- (c) FDI up to 74% and investment by Non-resident Indians (NRI) up to 100% will be allowed on the automatic route in Non Scheduled airlines, Chartered airlines, and Cargo airlines;
- (d) FDI up to 74% and investment by NRI up to 100% will be allowed on the automatic route in Ground Handling Services; and
- (e) FDI up to 100% will be allowed on the automatic route in Maintenance and

Repair organizations; flying training institutes; technical training institutions; and helicopter services/seaplane services.

(v) FDI Policy in Petroleum & Natural Gas Sector:

Government has deleted the condition of compulsory divestment of up to 26% equity within 5 years for actual trading and marketing of petroleum products. Government has further allowed FDI up to 49%, with prior approval of FIPB in petroleum refining by PSUs without involving any divestment or dilution of domestic equity in the existing PSUs.

(vi) FDI Policy for Titanium bearing minerals & Ores:

Government has allowed FDI up to 100% with prior approval of the Government in Titanium bearing minerals & ores subject to certain conditions. No FDI is permitted in mining of other atomic minerals.

*III.3.1.2. Prior Government Approval Route*

FDI in sectors/activities not covered under the Automatic Route requires prior Government approval. Such proposals are considered by the Government on the recommendations of the Foreign Investment Promotion Board (FIPB).

In a few sectors additional conditions for FDI, i.e., minimum capitalisation and investment lock-in period (e.g. defence production, built-up infrastructure projects, non-banking finance companies), and mandatory divestment condition (e.g., E-mail/voice mail/Internet Service Providers without gateway; tea plantation) apply.

*III.3.1.3. Prohibition on Investment*

FDI is not allowed in the following sectors:

- i. Retail Trading (except single brand product retailing)
- ii. Atomic Energy
- iii. Lottery Business
- iv. Gambling and Betting
- v. Business of chit fund
- vi. Nidhi Company
- vii. Trading in Transferable Development Rights (TDRs).
- viii. Activity/sector not opened to private sector investment

*III.3.1.4. Industrial Policy*

The Industrial Policy has been progressively liberalised dispensing with the requirement of industrial license in almost all sectors except a few retained under compulsory licensing on

public health safety and security considerations. An industrial license is required for manufacture only in the following cases:

a) Industries retained under compulsory licensing:

- i. distillation and brewing of alcoholic drinks;
- ii. cigars and cigarettes of tobacco and manufactured tobacco substitutes products;
- iii. electronic aerospace and defence equipment;
- iv. industrial explosives; and
- v. hazardous chemicals.

b) Manufacture by non-small scale units of items reserved for exclusive manufacture in the small-scale sector;

c) Where the proposed location attracts locational restrictions, i.e. within 25 Km of the standard urban area limit of 23 towns which had a population of 1 million in 1991 census; and

d) Rail transport, atomic energy and minerals as specified in Annexure are reserved for public sector.

#### *III.3.1.5. Investment under ADR/GDR*

An Indian company can issue Rupee denominated shares to a person resident outside India being a depository for the purpose of issuing Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs). There are no end use restrictions except for deployment/ investment of these funds in real estate and the stock market. There is no limit up to which an Indian company can raise ADRs/ GDRs.

A limited Two-way Fungibility Scheme is available under which a stockbroker in India, registered with SEBI, can purchase shares from the market for conversion into ADRs/GDR. Re-issuance of ADRs/GDR would be permitted to the extent of ADRs/GDRs, which have been redeemed into underlying shares and sold in the domestic market.

An Indian company can sponsor an issue of ADR/GDR by offering its resident shareholders a choice to submit their shares back to the company so that on the basis of such shares, ADRs/GDRs can be issued abroad. The proceeds of the ADR/GDR issue is remitted back to India and distributed among resident investors who had offered their rupee denominated shares for conversion.

### *III.3.1.6. Portfolio Investment*

With progressive economic reforms, the policy on portfolio investment has also been liberalised. Foreign Institutional Investors (FIIs) registered with Security Exchange Board of India (SEBI) are eligible to purchase shares and convertible debentures under the Portfolio Investment Scheme (PIS).

In the case of FIIs, total holding of each FII/SEBI approved sub-account shall not exceed 10 per cent of the total paid up capital or 10 per cent of the paid up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs/sub-accounts of FIIs put together can not exceed 24 per cent of the paid-up capital or paid-up value of each series of convertible debentures.

However, the limit of 24 per cent can be increased to the sectoral cap/ statutory limit, as applicable to the Indian company concerned, by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its General Body.

In comparison to India, until 1989 portfolio investment in Indonesia was strictly regulated with a view to keep the share prices from fluctuating too much. Entry into the stock exchange was limited to a limited number of companies. However, since the wide-ranging deregulation program following the end of the oil boom era, the policy on portfolio investment was deregulated in 1989. Following this liberalisation, the Jakarta Stock Exchange experienced a boom, which ended when Indonesia was hit by the Asian economic crisis in 1997/98. With Indonesia's economic recovery, Jakarta's Stock Exchange experienced another boom, as domestic and foreign investors purchased shares in the stock exchange. In 2007 the Jakarta Stock Exchange was one of the best performing stock exchanges in the region.

To give an idea of the portfolio investment flows entering the country, Table 11 presents the amount of portfolio investment flowing into Indonesia during the past five years.



**Table 11 Portfolio investment flows into Indonesia, 2004 – 2008(Q1)**

<b>Year</b>	<b>Portfolio investment flows (millions of US\$)</b>
<b>2004</b>	<b>4,409</b>
<b>2005</b>	<b>4,190</b>
<b>2006</b>	<b>4,174</b>
<b>2007</b>	<b>5,523</b>
<b>2008(Q1)</b>	<b>1,900</b>

**Source: Bank Indonesia: *Indonesian Financial Statistics*, Vol. X, no. 7, July 2008, Table VI.1, p. 105.**

### *III. 3.1.7. Outward Investment Policy*

With the objective of providing Indian industry access to new markets and technologies, increasing their competitiveness and promoting exports, policy on overseas investment by Indian corporates has also been progressively liberalised. Indian corporates can invest overseas under the following routes:

- a. Automatic Route: Indian corporate /Registered partnership firms can invest in entities abroad up to 400 per cent of their net worth in a year, without prior approval of Reserve Bank or Government of India. Such investments would only be reported post facto to the Reserve Bank of India.
- b. Normal Route: Proposals not covered under the automatic route are considered by the Special Committee on Overseas investments in RBI.

Compared to India, Indonesia has since the early 1970s had an open capital account, and it has not introduced restrictions on outward investment. In view of the great need to attract inward FDI to speed up economic growth, the Indonesian government has been preoccupied with improving the investment climate to attract more FDI into the country rather than with encouraging outward investment by Indonesian companies. For this reason there are no reliable data on the exact magnitude and pattern of Indonesia's outward investment by host country or by sector.

### *III.3.1.8. Modes of Establishing Presence in India*

A foreign company can operate in India as an incorporated entity (company with FDI) or as un-incorporated entity (Branch/liason office/project office) depending on the nature activity.

Branches and Liaison Offices can perform only specified functions and for undertaking other activities a Company has to be incorporated under the Indian Companies Act, 1956.

#### *III.3.1.9. Acquisition and Transfer of Immovable Property in India for Carrying On a Permitted Activity*

A foreign investor who establish a Company or a branch, excluding a liaison office, can acquire immovable property in India which is necessary for or incidental to carrying on his business activity in India subject to compliance with all applicable laws and reporting to the Reserve Bank of India within ninety days from the date of such acquisition.

#### *III.3.2. Indonesia*

On 26 April 2007 with the joint approval of the Indonesian Parliament and the President of the Republic of Indonesia Susilo Bambang Yudhoyono, a new Law on Investment was enacted. This new Investment Law replaced the old Foreign Investment Law of 1967 and the Domestic Investment Law of 1968, because these two latter Laws no longer suited the necessity to accelerate Indonesia's national economic and legal development, especially regarding investment. The specific considerations underlying this new Investment Law were that to accelerate national economic development, it was necessary to increase both domestic as well as foreign investment. To this end, it was necessary to create an investment climate which is conducive, promotional, legally certain, impartial and efficient, while taking into account the interest of the national economy.

This Law includes all direct investment activities in all sectors. While domestic investment may take the form of a corporation, non-corporation or individual business, foreign investment projects should be in the form of a limited liability company based on the law of the Republic of Indonesia.

A major difference with the two old investment laws is that the new Investment Laws provides *national treatment* that is it provides equal treatment to any investors from all countries as it provides to domestic investors. However, the principle of same treatment shall not apply to investors from certain countries that have received privileges by virtue of an agreement with Indonesia.

The new Investment Law provides a guarantee that the Indonesian government shall neither nationalize nor take over the ownership rights of investors, except through the law. In the

event that the government feels obliged to either nationalise or take over the ownership right of any investors, the government is required to pay compensation, the amount of which is stipulated based on the market price of the investment project. However, if any of the parties fails to reach agreement on the compensation or indemnity for the government's nationalisation or takeover shall be settled through arbitration.

Investors may also freely transfer their profits and dividends and any other revenue or repatriate their capital. Investors are also allowed to transfer their assets to another party in accordance with the rules of the law.

While investment companies in recruiting workers are expected to give priority to Indonesian workers, they are also entitled to employ foreign experts for certain positions and expertise. However, those investment companies employing foreign experts are required to provide training and transfer technology to the Indonesian workers.

### *III. 3.2.1. Fields closed to FDI or open with certain restrictions*

While in principle all business sectors are open to investment, the business sectors closed to foreign direct investment include the production of weapons, ammunition, explosive equipment and arms and a number of sectors explicitly closed to investment, domestic and foreign) (Table 12)

**Table 12 Business fields and sectors closed to investment**

<b>No.</b>	<b>Business Field</b>	<b>Sector</b>
1	Casino	Culture and Tourism
2	Historical and Archaeological Relics	Culture and Tourism
3.	Governmental Museum	Culture and Tourism
4.	Traditional/Customary Settlement	Culture and Tourism
5	Monuments	Culture and Tourism
6	Pilgrimage Objects	Culture and Tourism
7.	Utilisation (extraction) of Natural Coral	Forestry
8.	Fishing Species listed in appendix 1	Maritime Affairs and Fishery
9.	Management and Operation of Station Monitoring Soectrum	Communication and Information

No.	Business Field	Sector
	Radio Frequency and Satellite Orbit	
10.	Public Broadcasting Service of Radio and Television	Communication and Information
11.	Provider and Operator of Inland Terminal	Transportation
12.	Management and Operation of Weighing-Bridge	Transportation
13.	Operator of Motor Vehicle Type Test	Transportation
14.	Operator of Motor Vehicle Regular Test	Transportation
15.	Telecommunication/Marine Aids to Navigation	Transportation
16.	Vessel Traffic Information System	Transportation
17.	Air Traffic Service Provider	Transportation
18.	Chemical Industry Environmental Damageability	Industry
19.	Chemical Industry Schedule-1, Chemical Weapon Convention	Industry
20.	Alcoholic Beverage Industry	Industry
21.	Chlor Alkali Industry with Mercury-Contained Materials	Industry
22.	Cyclamate and Saccharin Industry	Industry
23.	Marijuana Cultivation	Agriculture

Source Appendix 1 to Presidential Regulation of the Republic of Indonesia no. 111/2007, 27 December 2007.

Presidential Regulation No. 111/207 also lists several fields which are open to investment with certain conditions, such as those reserved for micro, small and medium-sized enterprises and cooperatives; those only open if conducted as partnerships; those where there is a limitation of foreign capital ownership, ranging between a maximum of 49 to 95 foreign equity ownership; those for which a special permit is required; those where there is a limitation on capital ownership or location; and those where a special permit is required as well as a limitation on foreign equity ownership.

### *III.3.2.2. Industrial Policy*

Indonesia's industrial policy during the early Soeharto era (1967-1972) and the subsequent oil boom era (1973-1981) put a heavy emphasis on import-substitution which was

underpinned by high protection against imports. However, following the end of the oil boom era in 1982, the government shifted to a successful export-promoting industrial strategy, to a significant extent underpinned by FDI, particularly from the East Asian newly-industrialising economies (NIEs), in largely labour-intensive industries. The Asian economic crisis which hit Indonesia in 1997/98 has derailed industrial progress, as the focus of industrial policy shifted to saving the manufacturing sector through an Industrial Revitalisation Program.

In accordance with the National Medium-Term Development Program, the focus of industrial development for the medium-term (2004-2009) is on strengthening and developing core industrial clusters:

1. Food and beverages industry
2. Fishing industry
3. Textiles and textile products industry
4. Footwear industry
5. Palm oil industry
6. Timber industry (including rattan and bamboo)
7. Rubber and rubber-based products industry
8. Pulp and paper industry
9. Electrical engineering and electrical equipment industry
10. Petrochemical industry.

In the long term, industrial development should aim at strengthening competitiveness, the deepening of the domestic processing chain and motivating the growth of an industrial network in cluster formats suited to the following industry groups:

1. Agro industry
2. Transport industry
3. Information and communication industry
4. Basic Manufacturing industry
5. Certain Small and Medium-Scale industries (Department of Industry, R.I., June 2008).

In achieving the above objectives, FDI, including from India, in Indonesia's manufacturing industries is welcome, except in those industries closed to investment, as listed in Table 12.

### **III.4. Investment Flows**

#### *III.4.1. India*

##### *III.4.1.1. Inward FDI<sup>2</sup>*

The total FDI equity inflows into India since the onset of the liberalisation process are nearly US\$100.4 billion until December 2008. The FDI equity inflows increased from US\$3.2 billion (2004-05) to US\$5.5 billion (2005-06) which amounted to an increase by 72 per cent. FDI equity inflows were US\$15.73 billion (2006-07), US\$24.58 billion (2007-08) and US \$21.15 billion (April-December 2008). Cumulative amount of FDI equity inflows into India for the period April 2000 to December 2008 were US\$ 83.66 billion.

FDI reporting in India, since 1991, was capturing only the capital component provided by the investor in the form of equity. However, FDI, as per international practices of reporting, includes equity capital, reinvested earning and intra company loans. Government had undertaken an exercise for adoption of the International practice in compilation of FDI statistics. Based on the information collected, the RBI has revised the FDI inflow figures since 2001-02 according, to the revised inflow figures, FDI was US\$6.13 billion in 2001-02, US\$5.04 billion in 2002-03, US\$4.32 billion in 2003-04, US\$6.05 billion in 2004-05, US\$8.96 billion in 2005-06, US\$22.83 billion in 2006-07 and US \$34.36 billion in 2007-08.

Mauritius with a share of 43.79 per cent is the largest source, followed by Singapore at 8.04 per cent. The USA, United Kingdom, Netherlands, and Japan are the other main sources of investment into India. Indonesia's investment into India for the period August 1991 to December 2008 amounted to US\$ 40.10 million and it is 0.04 per cent of the total FDI inflows coming to India for the given period.

##### *III.4.1.2. FDI from Indonesia*

An analysis of the foreign collaborations and foreign direct investment (FDI) approved by the Government after the announcement of new industrial policy since August 1991 shows that FC approvals and investment from Indonesia has risen substantially.

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<sup>2</sup> Source: SIA, DIPP, India.

From August 1991 to December 2008, Government has approved 28,76 foreign collaborations (technical & financial) proposals with a corresponding foreign direct investment of Rs. 3,386.5 (US\$ 87.2) billion. Out of this, the total number of approvals with Indonesia have been of the order of 31 (0.11 per cent of the total approvals) with an equity participation of Rs. 5.27 (US\$ 0.15) billion (0.18 per cent of the total Investment), Indonesian companies rank 35<sup>th</sup> in the list of countries in terms of cumulative FDI approved from August 1991 to December 2008.

The tables below indicate the year-wise figures of foreign collaborations and Investment approved with Indonesians companies since 1991:

**Table 13 Foreign Direct Investment Approved**

Year (Jan-Dec)	Indonesia		All Countries		Percentage of Indonesia in total FDI approved
	Rupees	US \$	Rupees	US \$	
Aug. 1991 to Dec 2002	5,195.5	148.2	2,362,618.3	64,211.4	0
2003	73.8	1.6	54,165.9	1,177.5	0
2004	1.7	0	87,412.5	1,900.3	0
2005	0	0	78,995.3	1,775.3	0
2006	0	0	230,035.3	5,111.2	0
2007	0	0	199,111.1	4,772.8	0
2008	0	0	374,163.7	8,214.0	0
<b>Total (1991-2008)</b>	<b>5,271.0</b>	<b>149.8</b>	<b>3,386,502.1</b>	<b>87,162.5</b>	<b>0.18</b>

Source: DIPP, GOI

**Table 14 Foreign Direct Investment Inflows**

(Million)

Year (Jan-Dec)	From Indonesia		From all Countries		%age of Indonesia in total Inflows*
	Rupees	US \$	Rupees	US \$	
<b>Aug. 1991 to Dec. 2002</b>	1,246.4	27.2	1,050,091.4	26,411.8	-
<b>2003</b>	85.1	1.9	116,171.7	2,525.5	-
<b>2004</b>	12.8	0.3	172,665.2	3,753.4	-
<b>2005</b>	42.1	0.9	192,990.9	4,361.5	-
<b>2006</b>	16.7	0.4	503,572.7	11,119.5	-
<b>2007</b>	146.0	3.3	797,792.6	19,166.9	-
<b>2008</b>	245.1	6.1	1,397,254.7	33,028.8	-
<b>Total (1991-2008)</b>	<b>1,794.2</b>	<b>40.1</b>	<b>4,230,539.2</b>	<b>100,367.4</b>	<b>0.04</b>

**Note :** \*Percentage figures do not take into account the amount of FDI inflows for RBI's-NRI Schemes, stock swapped, acquisition of existing shares (upto1999), stock swapped & advance pending for allotment of shares, as these are not categorised Country-wise.

**Table 15 Foreign Collaborations (FC) Approved with Indonesia**

(No. of Approvals)

Year (Jan. – Dec)	No. of FC Cases Approved				%age of Indonesia in Total Approvals
	With Indonesian firms		With all Countries		
	Total	Financial	Total	Financial	
Aug. 1991 to Dec. 2002	23	21	23,044	15,816	0.09
2003	6	4	1,871	1,550	0.32
2004	2	2	1,551	1,436	0.13
2005	0	0	526	445	0
2006	0	0	336	266	0
2007	0	0	383	257	0
2008	0	0	321	239	0
<b>Total (1991-2008)</b>	<b>31</b>	<b>27</b>	<b>28,032</b>	<b>20,009</b>	<b>0.11</b>

### III.4.1.3. Sector-Wise Distribution of FDI Approvals & Inflows



A perusal of the sectoral break-up of technology and investment cases of Indonesian companies approved by the Government from 01.08.1991 to 31.12.2008 shows that the highest investment proposals have been in the Telecommunication Sector which accounts for 42.25% of investment approvals from Indonesia, followed by Chemicals (other than fertilizers) and Trading..

**Table 16 Major Sectors Attracting FDI Approvals from Indonesia  
(August 1991-December 2008)**

(Million)

Rank	Sector	No of FDI Approvals	Amount of FDI approved		% age with approved for Indonesia
			Rupees	US\$	
1.	Telecommunications	2	2,227.0	69.0	42.25
2.	Chemicals (other than fertilizer)	3	1,480.0	46.2	28.08
3.	Trading	6	1,253.1	26.2	23.77
4.	Electrical Equipments (including computer software & electrical)	2	200.5	5.8	3.80
5.	Hotel & Tourism	2	61.3	1.3	1.16
<b>Total of above</b>		<b>15</b>	<b>5,221.9</b>	<b>148.5</b>	<b>99.06</b>

**Table 17 Major Sectors Attracting FDI Inflows from Indonesia  
(January 2000-December 2008)**

(Million)

Rank	Sector	Amount of FDI inflows		% age with FDI inflows from Indonesia
		Rupees	US \$	
1.	Trading	1,020.2	21.3	65.29
2.	Construction Activities	190.7	4.8	12.20
3.	Agriculture Services	87.6	2.0	5.61
4.	Ceramics	54.4	1.2	4.13

**Notes :** (i) Amount includes the inflows received through FIPB/SIA route, acquisition of existing shares & RBI's automatic route only. (ii) The amount of FDI inflows in respect of the Country & Sector specific data is not provided by RBI, Mumbai prior to December 2000.

Thus, the top sectors attracting FDI inflows (from January 2000 to December 2008) from Indonesia are Trading (65.29%), Construction Activities (12.20%), Agriculture Services (5.61%), Ceramics (3.48%), Hotel & Tourism (2.65%) & Mining (0.52%).

As far as technology transfer is concerned, total numbers of 4 technical collaborations have been approved for Indonesia during August 1991 to December 2008. However, the total (overall) technical collaborations during the last sixteen years are 8,023 (in numbers.).

**Table 18 Top FDI Inflows Received from Indonesia through Indian Companies (January 2000-December 2008)**

Million)

Nos.	Name of the Indian company	Name of Foreign Collaborator	Sector	Amount of FDI inflows Rupees/(US \$)
1.	BGH Exim Ltd.	P.T. Indobharat Rayon	Trading Activities	Rs. 999.9 (US\$ 20.8)
2.	Punj Llyod Ltd.	Morgan Stanly Mauritius India Co. Ltd.	Roads & Highways	Rs. 133.1 (US\$ 3.3)
3.	Akasi Magnum Hoaspitality Pct. Ltd.	Bhavana Kilam	Others (Misc.)	Rs. 60.4 (US\$ 1.3)
4.	Japfa Comfeed (I) Ltd	Pt Gtuna Satwatama	Hybrid Seeds & Plant-ation	Rs.55.7 (US\$ 1.3)
5.	Restile Ceramics Ltd	Sarswath Kuppuswamii	Ceramics	Rs.54.4 (US\$ 1.2)

Source: **DIPP, GOI**

#### *III.4.1.4. Overseas Investment<sup>3</sup>*

Overseas investment by Indian companies has increased in recent years. Actual overseas investment during the period 1999-2000 to 2007-2008 has increased from US\$318 million to US\$18950 million. In terms of country of destination, Indian outward investment has been mainly to the Russia, USA, Mauritius, Sudan etc.

<sup>3</sup> Source: Reserve Bank of India

### III.4.2. Indonesia

Indonesia ranks 37<sup>th</sup> in terms of cumulative FDI inflows, which have amounted to US\$ 40.1 million (0.04%), excluding amount approved for acquisition of existing shares (upto 1999), RBI's-NRI Schemes, stock swapped & advance pending for issue of shares.

#### III.4.2.1. Approved FDI from India

Table 16 presents the data on *approved* Indian direct investment in Indonesia since 1990 up to the present.

**Table 19 Approved Indian direct investment and total FDI in Indonesia, 1990 – 2007**

Year	Number of Indian projects	Amount of approved Indian investment (millions of US\$)	Amount of total approved FDI (millions of US\$)
1990	2	4.1	8,750
1991	1	1.0	8,778
1992	1	7.9	10,323
1993	2	76.0	8,114
1994	2	1.9	23,724
1995	9	5.7	39,915
1996	14	21.8	29,931
1997	4	5.9	33,833
1998	20	14.9	13,563
1999	20	12.5	10,892
2000	31	59.0	15,284
2001	28	6.6	15,043
2002	37	5.4	10,019
2003	29	7.1	14,364.
2004	28	66.8	10,490.
2005	18	31.1	13,579
2006	38	113.1	15,659
2007 (Jan-Nov)	54	109.7	37,595

Source: Capital Investment Coordinating Board (BKPM), Jakarta.

The data in Table 19 show that approved direct investment in Indonesia has fluctuated over the past 17 years, from a modest amount in the early 1990s, and then slowly rising during the investment boom years of the mid-1990s, with a sharp decline in 1997 when the Asian economic crisis hit Indonesia in 1997, but then sharply rising again since 2004. These figures show a rising interest of Indian investors in investing in Indonesia. Compared with total approved FDI in Indonesia, however, Indian direct investment still plays a minor role.

Obviously, there is room for a considerable expansion of Indian direct investment in Indonesia.

However, a better and more accurate picture of *actual* Indian direct investment in Indonesia is reflected by *realized* Indian direct investment in Indonesia. The data in Table 20 show the number of realized Indian projects and realized amount of Indian investment in the various sectors of the Indonesian economy over the period 1 January 1997 through 31 May 2008.

**Table 20 Realised Indian direct investment in Indonesia by field of activity  
1 January 1997 – 31 May 2008**

Sector	Number of realized projects	Realised amount (thousands of US\$)
<b>Manufacturing sector</b>	<b>16</b>	<b>256,910.3</b>
Textile industry	6	49,632.8
Paper & paper products & printing industries	1	5,459.0
Basic chemicals, chemical products & pharmaceutical industries	2	1,528.9
Basic metals, metal goods, machinery & electronics industries	4	193,515.9
Transport equipment industries	1	6,383.9
Other industries	2	389.8
<b>Services sector</b>	<b>81</b>	<b>20,893.8</b>
Electricity, gas & water	1	1,000.0
Trade & reparation	75	17,413.8
Transport, storage & communications	1	300.0
Other services	4	2,180.0
<b>Total</b>	<b>97</b>	<b>277,804.2</b>

Source: Capital Investment Coordinating Board (BKPM), Jakarta (Continued Table 17)

The data in Table 20 show that in terms of realised Indian direct investment over the period 1 January 1997 through 31 May 2008 a total of 97 Indian FDI projects had actually been set up. A large majority of these Indian investment projects took place in the services sector, in fact more than four times the number of Indian projects in the manufacturing sector. However, in terms of the amount invested, the realised amount invested by Indian investors in the manufacturing sector was almost 13 times larger than the amount invested in the services sector. In terms of number of projects invested in the manufacturing sector, Indian investments in the textile industry were the largest, but in terms of the amount invested, the

largest Indian investments took place in the basic metals, metal goods machinery and electronics industries.

The overwhelming majority of the Indian realised projects during the period 1 January 1997 through 31 May 2008 were, not surprisingly, set up in Java, which is the most developed and populated island in Indonesia. Table 21 shows that out of the 97 realised Indian projects, no less than 93 are located in Java, while only four Indian projects are located outside of Java.

**Table 21 Realised Indian projects by location, 1 January 1997 – 31 May 2008**

Location	Number of projects	Amount invested (thousands of US\$)
<b>Sumatra</b>	<b>2</b>	<b>360.0</b>
West Sumatra	1	200.0
South Sumatra	1	160.0
<b>Java</b>	<b>93</b>	<b>277,048.3</b>
Special Capital Region, Jakarta	75	23,666.7
West Java	15	222,029.5
Central Java	1	139.8
Special Region, Yogyakarta	1	1,200.0
East Java	1	30,012.3
<b>Bali</b>	<b>1</b>	<b>120.0</b>
<b>Kalimantan</b>	<b>1</b>	<b>213.3</b>
South Kalimantan	1	213.3
<b>Total</b>	<b>97</b>	<b>277,804.2</b>

Source: Capital Investment Coordinating Board (BKPM), Jakarta (continued table 18)

While most Indian projects are concentrated in the Special Capital Region of Jakarta, the largest amount invested are in the province of West Java, almost all of which are manufacturing projects. However, these manufacturing projects are mostly located in the industrial belt along West Java's Northcoast to the east of Java.

#### *III.4.3. Potential Sectors for Bilateral Investment*

The study has identified various sectors for bilateral investment. For Indonesian investment in India they include Processed Food, Electrical and Non-electrical machinery, Chemicals, Infrastructure, Hotel, Hospitality and Tourism, among others. Similarly, for Indian investment in Indonesia prospects are good in areas such as Food Processing, Textile fibre, Plastics, Wood Products, Agri-biotech, Pharmaceuticals, Light engineering, Audio-visual, Telecommunications, IT and Education among others.

### III.5. Investment Incentives

#### III.5.1. India

India offers attractive investment incentives to all investors, including domestic and foreign, for investments in the development of infrastructure, special economic zones, industrialisation of industrially backward regions and export oriented investments. These incentives are primarily in the form of exemption/reduction from income tax, exemption from customs or central excise duties. The list of India's investment incentives appears in Annexure.

#### III.5.2, Indonesia

In order to support foreign and domestic investment in certain business fields and/or certain regions, investors investing or expanding their investments in certain business fields and/or certain regions will be given tax income facilities. The net income tax deduction facility shall be given for 6 (six) years from the year of commercial production of 5 (five) per cent of total investment in the form of fixed tangible assets, including land for main business activities. In addition, accelerated depreciation and amortisation facilities shall be given for fixed assets gained and used for investment. .

Foreign and domestic investments in certain business fields and certain regions which qualify for the above tax income facilities are listed in Table 22 below.

**Table 22 Investments in business fields and regions qualifying for tax income facilities**

Number	Business Field	Region/Province
1	Food Processing Industry: Fish & other waters biota canning industry	Maluku, North Maluku, Papua, West Papua, North Sulawesi, South Sulawesi, Central Sulawesi, Southeast Sulawesi, West Sulawesi, Gorontalo
2	Agro-Based Natural Resources Industries: a. Cooking oil from coconut oil industry b. Various kinds of flour from cereals, grains, tubers, etc c. granular sugar industry d. other sugar industries e. Tex tile fibre preparation industry	North Sulawesi, South Sulawesi, Central Sulawesi, Southeast Sulawesi, West Sulawesi, Southeast Sulawesi, Gorontalo  Provinces outside of Java  North Sulawesi, South Sulawesi, Central Sulawesi, Southeast Sulawesi, West Sulawesi, Gorontalo, West Nusatenggara, East Nusa Tenggara
3.	Packaging & Boxes made of Paper and Board Pape Industriesr	Provinces outside of Java
4.	Plastic Wares Industries	Provinces outside of Java

Number	Business Field	Region/Province
5.	Cement, Lime and Gypsum Industries	Papua, West Papua, Maluku, North Maluku, North Sulawesi, West Nusa Tenggara
6.	Furniture Industries:: a. Wood furniture b. Rattan and/or bamboo furniture	Provinces outside of Java
7.	Sea Fishing and Processing Integrated Business: canning, salting/drying, smoking, freezing, wet salting, processing/other preservation processes	All provinces bordering the Indian Ocean: Nangroe Aceh Darussalam, North Sumatra, West Sumatra, Bengkulu, Lampung, Banten, West Java, Central Javas, Special Region of Yogyakarta, East Java, Bali, West Nusa Tenggara, East Nusa Tenggara, Maluku, Papua

Source: Appendix II to Government Regulation no. 1, 2 January 2007.

### III.6. Investment Promotion and Facilitation

#### III.6.1. India

The Government of India extends investment guidance through the Secretariat for Industrial Assistance (SIA) in the Department of Industrial Policy & Promotion. Information on the investment policies and procedures, policies in the States and on the investment climate in India is made available through its website ([www.dipp.gov.in](http://www.dipp.gov.in)). The website also offers the facility of on line chat and bulletin board. Periodically investment promotion events are organised in association with the apex Industry Associations in potential investing countries. The Foreign Investment Implementation Authority (FIIA) has been established to assist foreign investors in obtaining the necessary approvals from the relevant authorities at the central, state and local government levels. FIIA also assist foreign investors in overcoming difficulties in the implementation of their projects. Destination India events are organized in various countries with FDI potential. This aims at reaching directly the potential investors and dissemination of information on investment climate and opportunities in India.

#### III.6.2. Indonesia

Detailed information on investment and promotion in Indonesia is provided by the government's Capital Investment Coordinating Board (*Badan Koordinasi Penanaman Modal, BKPM*) can be found on BKPM's website (<http://www.bkpm.go.id> or [sysadm@bkpm.go.id](mailto:sysadm@bkpm.go.id)). The following detailed information is provided:

1. Indonesia's Investment Law No. 25/2007;
2. The Criteria and Requirements for the Determination and List of Business Fields Closed and Open with Conditions to Investment;

3. The Government Regulations on Investment Facilities;
4. Investment Opportunities in Indonesia;
5. Investment Guide to Indonesia, specifically information on getting an entry visa, getting a work permit, the costs of doing business in Indonesia, and information on accounting and taxation.

### **III.7. Proposed Investment Framework of the CECA**

The proposed investment framework under the CECA should cover main areas of cooperation: investment liberalisation, promotion, facilitation and protection. Cooperation in these areas could be implemented through joint actions as well as individual actions.

Measures which could be considered under the main areas of cooperation could include but not limited to the following:

- Liberalisation:
  - as in the Indonesian Investment Law No. 25/2007, the general principle of non-discrimination should apply, and the standard of treatment could cover national treatment and / or most-favoured-nation (MFN) treatment. Exceptions for certain sensitive sectors or measures from national treatment and MFN commitments could be considered. Liberalisation of the services sector to be covered in the Services Chapter;
  - removal or reduction of other barriers to investment in order to increase the flow of investments; and
  - both sides could review the existing Bilateral Investment Promotion and Protection Agreement to improve its effectiveness towards facilitating and protecting investments of the nationals and enterprises of the two countries.
- Promotion and Facilitation:
  - organise joint investment promotion activities e.g., seminars, workshops, inbound familiarisation tours for investors, joint promotion of specific projects with active business sector participation;
  - conduct regular consultation between investment promotion agencies on investment promotion and facilitation matters;
  - organise investment-related training programmes for officials of investment promotion agencies of both countries; and



- identify target areas for technical co-operation and capacity building, e.g., development of human resources, infrastructure, supporting industries, small and medium-sized enterprises, information technology, industrial technology, R & D.
  
- Investment Protection
  - protection to be accorded to all assets of investors;  
provide adequate provisions relating to free transfers or repatriation of funds; and
  - both sides could review the existing DTAA (double taxation avoidance agreement) to facilitate greater flow of trade and investment.

## IV. Trade in Services

### IV.1. Introduction

Services are playing an important role in the economies of developed and developing countries alike. The importance of services is easily visible in the increasing growth in world trade in commercial services, which in the year 2005 was of the tune of US\$2,500 billion, which is roughly 1/4th of merchandise trade. In 2006, the world exports in services came close to US\$2.8 trillion (*IMF Balance of Payments Yearbook*). It was not only the value of services trade that was impressive, but also the pace of its growth. Today, more than half of annual world foreign direct investment (FDI) flows are in services. Services account for about 60 per cent of world output and a third of global employment. In India, services accounted for 54% of GDP in 2005-2006 and services exports accounted for 48 per cent of total exports in the same year. If India's exports continue to grow at the current rate, they will outstrip the quantum of merchandise exports by 2010. In Indonesia, services accounted for 48 per cent of GDP in 2006 and services exports accounted for 11 per cent of total exports in the same year. Indonesian services exports are lower than India's, but have been growing steadily. From 2004 to 2006, exports of services from Indonesia grew by 6 per cent annually according to UNCTAD international trade statistics, 2008.

Services not only contribute as inputs in the manufacturing sector but also in improving the overall efficiency and competitiveness of the economy. Services also have a labour-intensive character and a high export potential, which is of particular significance for developing countries such as India. Further, the technological advancements in telecommunications have widened the scope of tradable services and companies have increasingly digitized content on computers and are able to communicate and collaborate with people anywhere in the world. This has, in turn, led to the success of what in IT jargon is called the global delivery model. Indeed, trade in services has expanded to cover services that could not have been traded even ten years earlier.

While the law of comparative advantage applies to trade in services as well, there is a basic difference. In services trade, countries today are not limited by their borders in exploiting their comparative advantages. As a result, businesses typically look beyond locally available skills for supplementing their requirements. This has sparked off not only greater movement

of professionals from India but also led to an increased tendency to outsource the business activities which can be carried out effectively through more cost effective means from distant locations.

Some of the sectors in which India has shown high export growth are Information Technology and Information Technology Enabled services (IT and ITeS), professional services such as Medical and Dental services and Engineering services, Travel and Tourism services and some Financial services. An India-Indonesia Comprehensive Economic Cooperation Agreement (CECA) will harness the comparative advantage of India and Indonesia and facilitate easier market access in each other's market.

Indonesia is considered to be internationally competitive in many labour services in several sectors. Some of the key services sectors for labour services are construction services, tourism services, transport, and health services.

This chapter identifies the areas of sectors and modes of interest to India and Indonesia and the opportunities and issues for trade in services.

## **IV.2. Comparative macroeconomic and trade in services indicators of India and Indonesia**

### *IV.2.1. Share of Services in Export and Import*

Indonesia's service export is quite low as compared to India (See attachment Annex Figure 1). However, globally both India and Indonesia remain net importers of services. In 2003, exports of services from India grew by 16% according to WTO international trade statistics, 2007.

The service sector in India has been growing at an increasing rate and the average rate of growth is 9 per cent during the period 2003-2006 whereas in Indonesia the pace of growth was 7 per cent for the same period. As the services sectors account for a significant proportion of GDP and international trade for India it is likely that there may be much gain to India in services sector than in merchandise trade liberalisation.

In 2008, Indonesia's GDP based on purchasing power parity (PPP) was \$932.1 billion and the economy grew at 5.9 per cent. The services sector comprises 40, 8 per cent of GDP. It is

the largest sector in the economy and it has been growing in importance over time. Since the domestic market is not big enough the country needs to enhance its trade linkages with countries offering opportunities for investment and trade in services sectors of interest to Indonesia.

As in most other developing countries, Indonesia tends to import high value added services and export low and medium value added services. Total trade in services increased from US\$6 billion in 1980 to US\$38 billion in 2006. In 2006 Indonesia had a trade in services deficit of US\$12.6 billion. Indonesia's exports of services were US\$12.8 billion, while imports of services were US\$25.4 billion. Remittances from labour services were almost US\$ 5 billion in 2006.

#### *IV.2.2. India's and Indonesia's Share in World Trade in Services*

The table 23 in Annex shows the change in the shares of India and Indonesia in world services exports from 1995 to 2007. It is clear that the share of both India and Indonesia in world services exports has risen from 1995 to 2007. Further, India's share in world services exports has risen much faster than that of Indonesia's during the 1990s. In 2007, India's services export represents 10% of developing economies, 13% of developing Asia and 10.6% of whole Asia, and for Indonesia they were 1.4%, 1.9% and 1.5% respectively.

### **IV.3. Potential Sectors in Trade in Services**

The Report draws on works previously done by several academics, research and advisory as well as chambers of commerce and industry, and is based on interaction with government officials and interviews with firms such as IT software and services companies.

The services sectors covered include:

- 3.1. Computer and Related Services
- 3.2. Telecommunications Services
- 3.3. Financial Services
- 3.4. Audio visual Services
- 3.5. Distribution Services
- 3.6. Educational Services
- 3.7. Health Related and Social Service
- 3.8. Professional Services
- 3.9. Tourism and Travel Related Services

- 3.10. Construction and Related Engineering Services
- 3.11. Transport Services

#### **IV.4. Sectoral Analyses of Trade in Services Opportunities**

The following sectors should be explored as potential areas where India-Indonesia bilateral trade in services could be strengthened. Free movement and the recognition of qualifications and experience of professionals as well as exchanges of experts and provision of training and educational opportunities would supplement both Governments' efforts to improve access to the other country's market. In this regard, special care should be taken of the sensitivity involved in the public policy needs in immigration, employment and public health & safety.

##### **IV.4.1. Computers and Related Services**

###### *IV.4.1.1. Indonesia*

The Indonesian IT market is estimated to grow at around 11 per cent annually between 2007 and 2012. By 2011, the hardware-dominated IT market will approach a value of US\$5 billion as Indonesia is expected to achieve faster growth than many ASEAN neighbours. With Information and Communication Technology (ICT) penetration of only around 20 per cent and development restricted to richer areas such as Java, Indonesia's uneven development (and resultant digital divide) is a barrier to still faster growth within the potentially huge IT market.

A more active approach by the government, including the establishment of a new committee (*National ICT Council/ Dewan Teknologi Informasi dan Komunikasi (TIK) Nasional*) headed by President of the Republic of Indonesia, should stimulate spending through a series of infrastructure and education initiatives. Private enterprises, and particularly Small Medium Enterprises (SMEs), are expected to dominate Personal Computer (PC) sales, with Enterprise Resource Planning (ERP) and other business applications also finding increasing popularity. Government spending remains relatively small compared with regional neighbours such as Singapore and India.

A report by Indonesian Computer Industry Association (Apkomindo) concludes that tighter application of intellectual property rights with regard to IT products has not had a significant negative effect on computer sales volumes. There are signs that the government is beginning to take the issue more seriously, with millions of US dollars of pirated software seized in

raids last year. Meanwhile regional governments are being encouraged to adopt the new institution of a Chief Information Officer (CIO). According to the Director General of Telematics Applications at the Department of Communications and Information, the new CIO post is needed in every government institution. According to the government, e-government in Indonesia is still at an early stage. Promoting the new CIO position is being described as key to making e-government 'inseparable' from public service.

Vendors are stepping up initiatives to reach out to the Indonesian Small Medium Business (SMB) segment in a market where enterprises account for 70-80% of all sales in the country. IBM Indonesia recently launched a local version of its Express IT package, which offers a range of hardware, software and related services to SMBs. Prices range from US\$1000 to US\$150,000 and the new scheme offers various backup features. IBM Indonesia claims to service around 2,500 SMB clients in various industries. The fast growth of the Indonesian computer market is pushing vendors to focus more on a market which has previously been overshadowed by larger countries in the Asia Pacific region. Indonesia is becoming a more attractive market for leading vendors such as Hewlett Packard (HP) and Acer, which have been benefiting from rapid growth in PC sales. The top five vendors dominate the Indonesian market, with Acer the leader in the notebook sector and HP the overall leader.

Notebooks are now growing faster than the PC market as a whole and by 2009 are expected to account for around 20 per cent of annual unit sales. Demand for notebooks is being driven by falling prices as well as smaller and lighter form factors and entertainment and wireless networking features. Prices of both notebooks and desktops are falling with desktop prices now as low as US\$400 while notebooks start from around US\$700. While the consumer market is only around one quarter of the whole, it is growing fast and has become a growing focus of attention for some vendors. Around one-third of the market is accounted for by non-branded locally assembled PCs.

Hardware deployment services remain the largest Indonesian IT services category, with approximately a 20 per cent share. Currently, opportunities are mainly in fundamental services such as system integration, support systems, training, professional services, outsourcing and internet services. Sector Compound Annual Growth Rates (CAGR) over the 2005-2010 periods is expected to be around 13 per cent.

With an ICT penetration rate of around 20 per cent, only about 14 per cent of Indonesians have internet access currently, translating into around 32 million users. Low telephone line density, high charges and low PC penetration are all significant obstacles. Moreover, research last year indicated that only 42 per cent of those Indonesians with internet access have ever made purchases through the internet. However, the picture is not all bad, as there are signs of faster growth in user numbers, and recent surveys have shown that among a very small elite, there is fast adoption (by regional standards) of broadband and a willingness to pay for video conferencing, security and other additional features. BMI estimated that there were just under 1 million broadband users in 2007, representing a 0.4 per cent penetration rate. The government is encouraging fixed wireless deployments, including Worldwide Interoperability Microwave Access (WiMax) , to bring internet to more remote areas.

The government is also rolling out new e-learning initiatives, attempting to use IT as a means to close the national education gap. The new Internet-based National Education Network involves one thousand network points in five clusters nationwide and is designed to facilitate the use of internet in schools.

#### *IV.4.1.2. India*

Indian IT sectors have been the driving force of the service sector growth, contributing both in terms of output and foreign exchange earnings. Telecom sectors are also characterized by number of foreign companies encouraged by the liberal policies and other incentives. India depicts a strong revealed comparative advantage in IT sector (See attachment Annex Figure 3)

The IT industry has emerged as the fastest growing sector of the Indian industry both in terms of production and exports (See attachment Annex Figure 4). Balancing the continued growth in IT and ITeS exports is a growing domestic market. Strong demand over the past few years has placed India amongst the fastest growing IT markets in Asia-Pacific region. India maintains its distinctive lead amongst the off-shoring destination. It is taking a transition from outsourcing to global sourcing to drive the next phase of evolution in process of quality framework and practices. Having aligned their internal process and practices to international standards such as ISO, CMM, Six Sigma, etc. companies in India are seeking to further increase the quality and productivity benchmarks more suitable for remote service delivery. The Indian IT services market is ready to grow to \$10.73 billion in 2011 at a five years compounded growth rate of 23.4% from the 2007 level of \$5.03 billion, according to

Gartner. The market segment that is expected to witness the strongest growth are consulting, IT management and business process management (BPM) services with a five years compounded growth rates of 28.1, 23.8, and 27.1 per cent, respectively.

Indian companies are shifting from low-end business process to higher ones, expanding their service offerings and enabling customers to develop their offshore engagements. They are also enhancing their global service delivery capabilities through a combination of Greenfield initiatives, cross-border mergers & acquisitions, partnerships and alliances with local players. Exports contribute 63 per cent to Indian IT and ITES Sector. IT and ITES export rose from \$4 billion in 2000 to 17.9 per cent in 2005. Projected export by 2010 is \$60 billion. India needs to diversify its markets to Asian countries including Indonesia.

#### *IV.4.1.3. Recommendations*

Indonesia's IT sector is still in its early phases of development. On the other hand Indian market are expected to witness a strong growth in consulting, IT management and business process management (BPM) services. Indonesian IT market can easily be penetrated both by foreign investors and Indonesian people through educational activities to develop their IT awareness. Improvement in Mode 3, by removing or relaxing a foreign ownership limit in the Computer and Related Services sub-sector can be considered under CECA. Another major difficulty is the language. Indonesian official language is Bahasa so they face difficulty in understanding the software available in English language. Hence the two areas which need to be considered is training and standard as well as institutional and regulatory capacity. Indonesian Universities should start IT courses in affiliation with Indian Universities. Indonesian should also invite IT majors to develop businesses there and to absorb Indonesian IT personnel.

Indonesia should develop initiatives with India, which are internationally renowned for their computer and information technology expertise, to build the capacity of Indonesia's computer and information technology, including relevant creative services.

## **IV. 4.2 Telecommunications Services**

### *IV.4.2.1. Indonesia*

Indonesia has implemented a gradual approach to enhance telecommunications services, with the promotion of an anti-monopoly and pro-competition environment. Currently



telecommunication services in Indonesia are provided by multi operators and are open for foreign equity investment. The Indonesia Telecommunication Regulatory Agency has adopted equal treatment and ensures a level of playing field for all telecommunication operators according to their license(s), without any discrimination between foreign operators and national operators.

Indonesia's telecommunications market grows sharply and continues to expand until now. The number of fixed lines had risen to 18,3 million as per June 2008, equivalent to a ratio of eight lines per 100 people. By the end of 2007, the teledensity has reached 8.69 % in this local fixed telephony. Mobile cellular telephony has surpassed fixed telephony. The number of mobile subscribers has increased from 30,3 million in 2004 to 113,2 million in June 2008, equivalent to a teledensity of around 50.21 per cent.

1. The Government's current sector strategy is based on the 1999 Blueprint for Telecommunications Development published by the Ministry of Tourism, Posts and Telecommunications. The Blueprint's main objectives were to: improve telecommunications performance, so as to position the economy to face the challenges of globalization; establish the foundations for competition by eliminating all forms of monopoly by 2010; increase transparency and clarity of regulatory processes to enhance investor confidence; create opportunities for national operators to form international alliances, for medium and small enterprises to participate in the sector, and for expanded employment. Overall, in all but basic services delivery, Indonesia has made progress in making the telecom playing field more transparent and competitive. Today, there is very little that would impede a foreign investor from entering the Indonesian value-added telecoms market.
2. Indonesia has been undertaking significant reform of its telecom policy. Over the past decade, a set of first generation reforms has brought about increased private sector and foreign participation. The country's two main carriers – PT Telkom and PT Indosat, which are 65 per cent and 16 per cent state owned respectively, have been partially sold to private investors. Competitive licenses have been awarded for the provision of Global System Mobile (GSM) services, Internet services, and other value-added services. The private and competitive provision of cellular mobile services, in particular, has had a profoundly positive effect on the availability and use of telecommunications in Indonesia. The 1999 Telecommunications Law (No.

36/1999) also created the enabling environment for second generation reforms, which would eventually result in full competition in all market segments. The Government's priorities over the next few years include implementing the provisions of the 1999 law, in particular the development of the regulatory framework that is crucial for the success of the sector liberalization programme.

3. The Government ended the exclusive rights of PT Telkom for domestic long-distance service and local fixed-line service in August 2003, and of PT Indosat and Satelindo for international calling service in 2003. PT Telkom and PT Indosat were established as Indonesia's only full service providers, a move that ensured PT Telkom's survival in the face of increasing competition from Voice over Internet Protocol (VoIP) services. Since 2002, however, PT Telkom, through its subsidiary (PT Telkomsel) has focused most investment in the mobile cellular market.
4. The provisions of Indonesia's Telecommunications Law have guided reforms for antimonopoly and spirit toward competition in any telecommunications services and to end monopolies. Indonesia also has made some progress by opening of basic telecommunications services to majority foreign ownership. It lifted Telkom's and Indosat's respective monopolies on domestic and international services in 2002 as a first step towards introduction of full competition by end-2006, a target moved forward from 2010. Therefore the exclusivity rights have been terminated earlier in April 2004. Hence, the new law, Indonesia is a legal basis for fundamental change in telecommunication industry policy.

#### *IV.4.2.2. India*

Since 2000 the telecommunications sector in India has improved dramatically.

In 1982–85, before structural reform began, the annual growth rate of telephone penetration was about 7 per cent. In 1986 telecommunications services were separated from postal services and divided into three parts. Local service in Delhi and Mumbai was given to a corporatized state owned enterprise, Mahanagar Telephone Nigam Limited (MTNL), and the rest of local service plus domestic long-distance service was given to BSNL, which remained a part of the Department of Telecommunications. Minority interests in MTNL subsequently have been sold to private corporations, and today the government owns 56 per cent. Finally, Videsh Sanchar Nigam Limited (VSNL) was created as a government-owned corporation to

operate international telephone service. This reorganization increased the growth in telephone lines to slightly less than 10 percent a year.

The next major reform began in 1991 with the commitment to allow the private sector to provide some services, including both fixed and mobile wireless telephony. Procedures for granting private licenses were developed and implemented over several years, so private operators began to enter only at the end of 1995. During this period the state-owned enterprises (SOEs) continued to be monopolies but expected entry in the future. Performance improved, with the number of lines in service more than doubling in five years.

After 1995 the government set up TRAI (Telecom Regulatory Authority of India) which reduced the interference of Government in deciding tariffs and policy making. They split DoT in two- one policy maker and the other service provider (DTS) which was later renamed as BSNL. In April 2002, the government decided to cut its stake of 53 per cent to 26 per cent in VSNL and to throw it open for sale to private enterprises. From 2001 to mid-2005 total telephone lines grew from about 30–104 million, tripling again in only four years. An important change from the 1990s is that wireless telephony accounted for nearly all of this growth, and private carriers accounted for most of the growth in wireless telephony. Between March 2002 and June 2005 the number of fixed lines grew from 38.4 to 46.9 million, a gain of 8.5 million, while the number of mobile lines grew from 6.4 to 57.4 million, or by more than 50 million.<sup>2</sup> Moreover, as of June 2005, the SOEs served 40.75 million fixed-service lines, compared to 37.85 million in March of 2002—an increase of less than 3 million. Most of this increase occurred early in the period. Fixed-line penetration by the SOEs has been essentially constant since late 2003. Meanwhile, private fixed wireless carriers provided 0.6 million lines in March 2002 and 6.1 million lines in June 2005, an increase of 5.5 million. In mobile wireless, the SOEs, which were allowed to enter only at the beginning of the recent reform period, grew from 0.2 million to 12.0 million subscribers between March 2002 and June 2005, whereas the private carriers increased their penetration from 6.2 million to 45.4 million. Thus, an important part of the recent success of Indian telecommunications is the growth of wireless services provided by private companies. As of mid-2005 private companies provided 51.5 million lines, or nearly half of the total, compared with 15 per cent of all lines in March 2002. In June 2005 wireless telephony accounted for 63.5 million telephones, or 61 per cent of telephone penetration, compared with 16 per cent in March 2002.

#### *IV.4.2.3. Recommendation*

Foreign investment and ownership in telecommunications business in Indonesia is very common, without any specific economy partnership agreement with other countries. Indonesia has no specific preference to get more investments from a particular country. The authority of telecommunication sector in Indonesia encourages any foreign investment in infrastructure projects. With the expanding telecom market which is growing at the rate of 10 million connections per month, India provides an opportunity for the Indonesian investors to invest in this sector.

### **IV. 4.3 Financial Sector**

#### *IV. 4.3.1 Banking*

##### *IV.4.3.1.1. Indonesia*

The traumatic economic crisis in Indonesia has resulted in compelling fundamental changes in the Indonesian banking sector which has gone through a period of consolidation, restructuring, and increased efficiency. The Indonesian Bank Restructuring Agency (IBRA), under the auspices of the Ministry of Finance, was established in January 1998 to rescue from the economic crisis. Bank restructuring efforts by Bank Indonesia focused on achieving a mandatory minimum capital requirement ratio (CAR) of 8 per cent (up from 4 per cent), and a target of non-performing loans of 5 per cent initially, by the end of 2001. Since then there has been a steady reduction in non-performing assets and simultaneous increase in profit of both state and private banks. Indonesia currently has 127 banks, of which 47 banks has foreign shares. The top ten banks control about 60.75% of assets in the sector. Four state-owned banks (Bank Mandiri, BNI, BRI, BTN) continue to dominate the sector with approximately 34.24 per cent of assets.

The fundamental changes in the Indonesian banking sector has gone through a period of consolidation, restructuring, and increased efficiency. Indonesia encourages foreign bank investors by enhancing foreign participation in existing joint venture banks and increasing the number of branches operated by foreign-owned banks and joint-venture banks in Indonesia.

Third party funds going into banks have a positive trend during 2001-2005 and so are credit, assets and other fund. Banking activities are managed in accordance with the Indonesia

Banking Architecture (API). API sets the policy direction for the future development of the banking industry and is based on the vision of building a sound, strong and efficient banking system to create financial system stability for the promotion of national economic growth. To achieve this objective, one of the major aims of API is to strengthen domestic bank in order to enable domestic bank compete in domestic and regional market.

#### *IV.4.3.1.2. India*

India too has, the potential of developing as regional financial centre, given its sound financial system, well developed capital market, its advantageous locality between the financial centres of the east and west, availability of skilled, English speaking workforce, stable legal system etc. It also shows a high revealed comparative advantage in financial services in 2004-05 (See attachment annex Figure 5). Bank of India has emerged as the second Indian bank, after State Bank of India, to open its branch in Indonesia. India has proposed to raise the limit on the number of bank branches from 12 to 15 per year for new entrants and also for existing banks in its Revised Offers at the WTO. In India the licenses issued for ATMs installed by foreign banks are not included in this cap on licences. India has further increased the foreign cap up to 74 per cent in Private Banking sector under the automatic route including investments by FIIs, NRIs and OCBs. Foreign bank may operate in India through only one of the three channels viz. Branches, wholly owned subsidiary and subsidiary with aggregate foreign investment up to a maximum of 74 per cent in a private bank. Foreign Banks will be allowed to either have branches or subsidiaries, not both.

#### *IV. 4.3.2. Non-Bank Financial Sector*

Non-financial sectors like Insurance firms, Pension funds and Mutual funds are important institutional investors worldwide. It provides risk management and safety for the elderly and the vulnerable and also mobilizes long-term resources for domestic needs that are critically important in Indonesia. The size of Non-bank financial sector was around 50 per cent of GDP in 2006. These include, insurance, capital markets, which are crucial for supplying long-term capital for development and growth as well as for providing a stable source of financing for government deficits and refinancing debts.

The government of Indonesia is trying to diversify the financial sector that would help reduce the vulnerability to future volatility, improve intermediation between savings and

investments, and provide more long-term resources for large investments in areas such as infrastructure

#### ***IV. 4.3.2.1. Insurance***

##### *IV.4.3.2.1.1. Indonesia*

All insurance products are to be supplied through a locally incorporated insurance company that may be either Indonesian or foreign owned, except for products not available in the Indonesian market. Commercial presence in the insurance service sector can take place via a joint venture or through participation in the capital of a listed company

Indonesia has eliminated the discriminatory treatment in minimum capital requirements for foreign-owned insurance and reinsurance in 1999.

##### *IV.4.3.2.1.2. India*

In India, prior to 2000 all insurance companies were government-owned. On December 7, 1999, the Indian Parliament passed the Insurance Regulatory and Development Authority (IRDA) bill that ended the government monopoly and established an insurance regulator. The insurance industry has been opened recently for the private players and new license have been issued to private companies. FDI up to 26 per cent in the Insurance sector is allowed on the automatic route subject to obtaining license from Insurance Regulatory & Development Authority (IRDA). In addition, India committed to most-favoured nation (MFN) treatment effective from January 1999, for the financial sector, dropping all previous MFN exemptions. Since India has a strong revealed comparative advantage, Indians may have potential in accessing these sectors.

#### ***IV. 4 3.3. Recommendations***

India and Indonesia need to improve international competitiveness of the each other's financial service sectors through increased bilateral international trade in services. It should be noted that Indonesia's financial service sector has been greatly strengthened since the crisis in the late 1990s.

In general, non bank financial services have been liberalized. Foreign commercial presence in non bank financial services industries such as securities companies, insurance companies and multi-finance companies can take place via a joint venture or through participation in the capital of a listed company with different amount of the share owned of capital by foreigner.

Under the proposed CECA, there can be mutually beneficial cooperation in non bank financial services between Indonesia and India.

India too has the potential in financial sector given its sound financial system, well developed capital market, English speaking workforce, stable legal system etc. The Indian banking sector is guided by the Reserve Bank of India roadmap with regard to foreign bank presence in India. Since the period of the roadmap is coming to an end in April 2009, clarity needs to be provided for the future requirements for foreign bank presence in India.

#### **IV. 4.4. Audio-Visual Services**

##### *IV.4.4.1. Indonesia*

Indonesia is developing her film industry to international level. However, unlike India, the audio-visual sector in Indonesia is highly regulated. Indonesia prohibits foreign film and videotape distribution from establishing branches and subsidiaries. Indonesia would seek greater understanding of regulation and use of technology in the production of films in India so as to improve its film industry. Indonesia may learn from India on how to reform Indonesia's audio-visual service sector into a dynamic service sector and to support Indonesia's development of creative services. In that case, India may share her experiences in developing her worldwide film industry to Indonesia since there are many socio-cultural background similarities between the two countries. Indonesia is interested in learning from India on the policy of film/audio-visual, regulation, investment and other matters closely related to the film industry that India may share.

##### *IV.4.4.2. India*

Audio – visual sector is the one of the fastest growing sectors in India. India is the largest film producing country in the world, producing on an average 800 features film and 900 short films annually in 52 different languages. Given the large Indian Diaspora in Indonesia, India has the potential for exporting films and television software.

The government of India permits FDI of up to 49 per cent in Indian companies that uplink from India. Total foreign investment has been restricted to 49 per cent with an FDI ceiling of 20 per cent on investments by broadcasting companies and cable companies. News channels are permitted to have up to 26 per cent foreign equity investment. As of August 2003, they also have to ensure that a dominant Indian partner, i.e., one who has the financial strength to

hold 74 per cent equity, owns the 51 per cent Indian equity. In addition, operational control of the editorial content must be in Indian hands. The Indian government has also announced other minimum capitalization requirements.

#### *IV.4.4.3. Recommendations*

Given the large Indian Diaspora in Indonesia, India has the potential for exporting films and television software to Indonesia.

India's strength in this sector, especially for post-production activities including editing, sound mixing dubbing, animation and computer graphics has the potential for enhancing bilateral trade in this sector which would also include training and transfer of technology. Other areas of interest for both sides may be animation, video gaming, broadcasting and telecasting services.

Both countries offer diverse and interesting locations for the production and post-production of films. The locations for film shootings also have the potential for creating tourism flows. Both sides may explore possibilities for encouraging the expansion of trade in film industry services for production and post production.

#### **IV. 4.5. Distribution Services**

Both countries have domestic sensitivities in opening up this sector. However, they may consider for opening up in future keeping in view of the potential and the opportunities which exist in this sector in both countries.

#### **IV. 4.6. Educational services**

As per Law Number 20/2003 on National Education System, the Ministry of National Education (MoNE) Indonesia has determined the following mission:

1. To expand educational access to better quality of education
2. To help and facilitate the improvement the ability potential of community from the early child education quality and efficiency, and improve community participation. Therefore, the education policies should accommodate the rights and needs of children, and take into account their growth and development



3. To improve the professionalism and the accountability of education institutions as centre of knowledge, skills, experiences, attitudes, and values, derived from both national and global standard.
4. To empower the community participation in providing education based on the principles of decentralization within the unity in the republic of Indonesia

#### *IV.4.6.1. Recommendations*

Both countries have domestic sensitivities in opening up this sector. However, they may consider for opening up in future.

However, as Indonesia is focusing on quality and access in education, India may consider for providing training to Indonesian personnel in this sector through co-operation and collaboration.

### **IV.4.7. Health Related and Social Services**

#### *IV.4.7.1. Indonesia*

Indonesia's health sector consists of the public and private providers. Most providers are public hospitals and are located in all provinces and districts as well as townships. The involvement of private hospital has recently increased. Private investment in this area is beneficial and contributes to the improvement of the service to the peoples. International healthcare providers with joint partner are an example of foreign investment in health care and health services provision. Investment from neighbouring countries is welcome. In terms of skilled health personnel, the number of specialists in the country has increased because of the high and increased demand for better medical services in whole country.

#### *IV.4.7.2. India*

India has a vast health infrastructure and manpower having a wide variety of hospitals and dispensaries set up at different levels and run by both public and private sectors. Access to healthcare services has expanded combined with necessary skills, talents and technological progress resulting in substantial improvement in health indices of the population. There are number of qualified doctors and trained nurses to provide wide range of healthcare services that cater to the health industry. A recent NASSCOM-McKinsey Study states about India "Extending the leadership of the Indian IT and BPO industries, India has an estimated share of 65 per cent within the global IT services off shoring segment and around 46 per cent of the

global BPO market." For most global outsourcers, India is the number one choice for outsourcing healthcare services. In hospital, medical and dental services, the foreign equity ceiling has been raised from 51 to 74 per cent, although subject to approval and technology transfer requirements.

#### *IV.4.7.1. Recommendations*

Indian health care service has significant skills, talents and technology which make it attractive for outsourcing health care services. Qualified doctors and nurses can provide their services and some of the patients from Indonesia suffering from serious diseases can be referred to India and the insurance covered for those who might seek treatment at Indian hospitals. With the opening of Indonesia's medical service industry health care investments, there is huge potential for health tourism/travel medicine.

#### **IV. 4.8. Professional Services**

In order to open up various professional services such as legal, accounting, auditing and book keeping, architectural, engineering and medical services etc. both sides may consider to work closely towards recognition of qualifications and experiences of professionals.

#### **IV.4.9. Tourism and Travel Related Services**

##### *IV.4.9.1. Indonesia*

Tourism generates one of the highest foreign earnings in Indonesia, earning over \$5 billion in 2007. International tourism is becoming increasingly important for Indonesia, particularly for Bali, where one third of the economy depends directly on tourists.

Nation-wide there were approximately 5.1 million visitors in 2001. In 2007, it increased to 5,5 million tourists and last year's figures rose to 6.4 million, thanks to Indonesia's Visit Indonesia Year 2008.

From 2005 to 2007 the number of tourist from India to Indonesia increased by 53.2 %, (from 36,169 to 68,908), especially since Indonesia issued VOA (visa on arrival) facilities for visitors from India. The five main destinations for India tourists are Jakarta, Batam, Bali, East Java, and North Sumatera.

#### *IV.4.9.2. India*

Given India's unique endowments of biodiversity, forests, rivers, mountains, historical places, temples and pilgrims, caves, museums, monuments and culture, the industry holds immense strength for obtaining higher growth rate. India offers various categories of tourism products, such as adventure tourism; medical tourism (ayurveda and other forms of Indian medications), eco-tourism; rural tourism; cruise tourism; meetings, incentives, conferences, and exhibitions (MICE) tourism; etc

#### *IV.4.9.3. Recommendations*

India and Indonesia could organise Joint Tourism Promotion efforts to increase two-way tourism between the two countries. These efforts could include tourism fairs as well as exchange visits of tour operators.

### **IV.4.10. Construction and Related Engineering Services**

Indonesia now permits investment in every field of infrastructure but only with the joint venture with Indonesian owned firms.

India also allows 100 per cent FDI in construction and development projects, especially in construction of townships, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, and city and regional level infrastructure. Foreign consultants and architects are also allowed to provide consultancy services in real estate and integrated townships in India.

The growth of both the Indian and the Indonesian economy has created a huge need for quality infrastructure in both countries. This has further created opportunities for enhanced trade in the construction services sector for both countries.

#### *IV.4.10.1. Recommendations*

As 100 per cent FDI is allowed in this sector in India, Indonesian service provider can tap the huge potential in the Indian construction and infrastructure sector.

Joint venture between Indian and Indonesian companies may be leveraged to participate in global construction projects.

#### **IV. 4. 11. Transport Services**

Transport development which consists of land, railway, sea, air and its supporting services has generally reduced the inter-regional disparity, opened the trade opportunity, job opportunity and increase the social welfare.

The Indonesian regulatory policy in transportation is under the control of Ministry of Transportation consisting of the land, air, sea, and railways transportation.

##### *IV.4. 11. 1. Road transportation*

The sub sectors for land transportation are taxi-cab, passenger city bus, inter-city or inter-province bus, land rental service with is closed for foreigners as mentioned in the existing regulation. In the government regulation, land transport service can be provided by state Owned Company, Regional State Owned Company, and Cooperative in transportation, national private company, and individuals. Foreign investment is prohibited in public transport (taxi and bus services). Ferry (inland waterways transport) is open for foreign investment with a maximum foreign participation of 49 per cent.

Indian road transport services such as passenger and freight transport has not been opened for foreign participation. However, India has allowed foreign participation for improving the transport infrastructure. FDI in India is allowed up to 100 per cent under automatic route in projects for construction and maintenance of roads, highways, vehicular bridges, toll roads, vehicular tunnels, ports and harbours.

##### *IV.4. 11. 2. Air Transport*

###### *IV.4.11.2.1. Indonesia*

Since 1999 civil aviation in Indonesia has grown rapidly. In 2008, a total of 37,309,358 passengers were transported on domestic flights, while the numbers of passengers transported on international flights were 4,084,875. Recently, they are served by 15 scheduled airlines operating domestic and international routes, 6 of which only serve domestic routes. There are 27 (twenty seven) airports in Indonesia which served international air transport.

Indonesian Law No. 1/2009 on Civil Aviation is a brandnew law to accommodate the growth of civil aviation in Indonesia. Foreign investments are allowed on some of Air Transport ancillary services and should be joint venture with Indonesian legal entity and foreign equity

is limited up to 49 per cent. One of them is the aircraft repair and maintenance industry which is well-developed in Indonesia. Recently, the aircraft repair and maintenance activity is carrying out by PT. Garuda Maintenance Facilities, PT. Merpati Maintenance Facilities, PT. IPTN and PT. Aero Nusantara Indonesia. They have been trusted to do repair and maintenance of many national and foreign aircraft.

#### *IV.5.11.2.2. India*

In India FDI in Civil aviation up to 74 per cent is allowed through the automatic route for non-scheduled and cargo airlines, as also for ground handling activities. 100 per cent FDI in aircraft maintenance and repair operations has also been allowed.

#### *IV. 4. 11. 3. Maritime Transport*

##### *IV.4.11.3.1. Indonesia*

The recent Indonesian regulation allows foreign participation in certain port activities, as a joint venture with a local partner, as an Indonesian legal entity. In the maritime cargo handling services foreign investors are allowed only through Joint Venture Corporation and is allowed only in the main ports.

Foreigners can hold up to 49 per cent equity in in a joint venture with Indonesian shipping company. Foreign shipping companies operating international services to and from Indonesian ports which is open for international trade should appoint an Indonesian shipping company and ship agency company as a general agent.

##### *IV.4.11.3.2. India*

FDI in India is allowed up to 100 per cent under automatic route in projects for construction and maintenance of ports and harbours.

#### *IV.4. 11.4. Rail Transport*

##### *IV.4.11.4.1. Indonesia*

Based on Law-No.23 / 2007 on Railways, there are opportunity for local or foreign company to invest in railways sector. The private sector can build and operate the new railways or to operate the off line tracks, management railways, to operate and maintenance infrastructure

of railways but only as a joint venture with local partner, as an Indonesia entity, or joint venture with state own enterprise PT Kereta Api Indonesia.

The scheme of Railway Investment in Indonesia is in accordance with:

- a. Law No.23/2007 regarding Railways
- b. Presidential Regulation No.67/2005 regarding Government Cooperation with business entries in providing are infrastructure.

Based on the above, the Government of Indonesia has adopted a new paradigm, namely to grant permission for private companies (local or foreign) to invest in railways development in Indonesia.

#### *IV.4.11.4.2. Recommendations*

Freight hauling had made significant increases in Indonesia and provides good opportunities for Indian investors. Java Island with its dense population has big potentials for the development of passenger trains, while Sumatra is more appropriate for freight train development. Indonesia can benefit greatly from cooperation with India that has a well developed and large railways network.

Establishment of direct air links between India and Indonesia could be prioritized to enhance trade relations between the two countries.

In the maritime services India could leverage the Indonesia's expertise to enhance its trade through sea.

### **IV.5. Conclusion and Recommendations**

The JSG is of the view that both Parties will gain in exports of services through preferential market access and with this in mind should undertake to make substantive, high quality commitments. For maximizing the gains India and Indonesia should aim to:

- Agree to a Services Chapter that is high quality, has comprehensive coverage of Modes and sectors in terms of both commitments and disciplines. The Services Chapter needs to be forward-looking and deliver meaningful commercial outcomes.

- Have substantial sectoral coverage measured in terms of number of sectors, volume of trade and modes of supply
- Provide for the best possible market access and national treatment both horizontally and sectorally
- Develop rules and disciplines on trade in services based on GATS provisions and improving on them further wherever possible including disciplines on domestic regulation
- Give priority to areas with greater potential and complementarities between both the parties
- Facilitate increased dialogue between the regulatory bodies of the two countries for possible Mutual Recognition Arrangements (MRAs).

## **Other Areas of Cooperation**

### **V.1. Introduction**

The Joint Study Group has identified a large number of areas that would contribute to the strengthening of the overall relations between the two countries, in particular amongst business and other economic actors as well as the peoples at large of the two countries. The following areas of cooperation have been identified as mutually beneficial to both sides.

### **V.2. Cooperation in the Energy Sector**

Energy cooperation between developing countries has emerged as one of the most important areas in recent times since the problems such as limited access to energy resources, the widespread use of traditional biomass and dependence of imported energy constitute a significant obstacle to social and economic development. Energy cooperation should play a greater role in strategy documents by country and for the reduction of poverty.

#### *V.2.1. Oil and Gas*

The Indonesian government has introduced policies aimed at increasing investment in the country's upstream sector by providing various incentive programs for firms to develop marginal oil resources throughout the country that would not otherwise be attractive to international companies.

PT Pertamina, the Indonesian state oil company, plans to spend \$10 to \$11 billion on boosting Indonesia's downstream sector over the next 5 years. As part of this effort, there have been various proposals to upgrade existing refineries or build new facilities, as well as to expand the country's transmission, distribution, and marketing network.

It was generally observed that if confidence is built up by proper execution of project, repeat orders have been received by the companies from India. A long-term mutually beneficial cooperation in this area offers the potential for oil and gas from a friendly, neighboring source which was evident from the series of interaction with the concerned companies:

- No delay in getting clearances from local and central governments. It is done in a very professional manner.



- Availability of discipline man-power is not a problem and they can be trained easily. There is no union related issues if local staff is taken care of well. The language used is easy to learn for Indians. However, cultural differences exist which need to be ironed out by proper training and interaction.
- Indian banks such as state bank of India and Bank of India have their branches in Jakarta who are handy in availability of required funds transfer, etc.
- Certain infrastructural bottlenecks such as lack of telecommunication, road (dense tropical forest and swampy land leading to inaccessible areas) are a few of the challenges faced.
- Availability of basic inputs particularly for engineering projects is lacking.

Indian government has allowed 100 per cent on automatic route for oil exploration in both small and medium sized fields; for petroleum product pipelines and 100 per cent with government approval for natural gas/LNG pipelines.

#### *V.2.2.Power Generation:*

In 2002, Indonesian government undertook measures to liberalize the national electricity market to make it more attractive to foreign investors. Electricity demand is growing at a rate over 8 per cent per annum and there is already severe shortage of electricity in Indonesia due to under investment in new generating capacity. The government has accordingly set a target of creating an additional thermal capacity of 10,000 MW by 2010 in addition to the normal addition of capacity. There is demand for subcontracts of 13 future projects. In electricity production, transmission and distribution investment in the form of joint ventures between foreign and domestic capital has been allowed at a maximum of 95 per cent share ownership by foreign citizen.

India allows 100 per cent FDI in respect of projects relating to electricity generation, transmission and distribution, other than automatic reactor power plants.

### **V.3. Cooperation in Agriculture and Fisheries**

Indonesia and India should hold regular discussions on agricultural cooperation in line with the developments in agriculture in both countries. Indonesian business seriously considers investing in India in the agro processing sector, especially in food processing. Likewise,

Indian companies should consider investing in Indonesia in the processing of cashew nut and pigeon pea industry in Indonesia. In addition, both countries should consider joint research , training on techniques, exchange of information and experts, sharing of export experience, seminars, private investments on agricultural products such as Jatropha Curcas, Jute, Soybean, peanut, pigeon pea, corn, transgenic material on nuts and rice, oil palm etc.

India has progressed well in the area of bio-diesel technology especially in Jatropha Curcus. This technology can be focussed for households so that all including farmers can benefit from this as an alternative source of fuel. Moreover Bio-diesel can be used for growing of commodities such as Tapioca.

In fisheries, Indonesia provides many opportunities for cooperation with India. Indonesia has large maritime zones, some 5.8 km<sup>2</sup> consisting of archipelagic waters, territorial seas, exclusive economic zones. Its coastal line is more than 81,000 km long. Its sustainable fisheries (MSY) of all kinds are about 6.4 million tons a year while its total allowable catch (TAC) is estimated at 80% of MSY, amounting to about 5.12 million tons. In addition, there are also great potentials for aquaculture, inland fisheries as well as development of marine technology.

In the year 2005 the Government of Indonesia launched the revitalization programme for aquaculture, forestry and fisheries. The development programme for revitalization of the Indonesian marine and fisheries resources focuses on three commodities, namely, shrimp, seaweed and tuna. Indonesia could share its expertise in tuna fishing and handling, using Monofilament Longline system and Purse-seining. In exchange, India could share its expertise in inland fisheries.

Indonesia would like to offer several investment and expertise on marine and fisheries such as:

- Shrimp culture (Marie culture, Barkhis culture and Fresh Water) and Seaweed culture.
- Exchange of experts in marine and fisheries area (research and expertise in aquaculture).

### **V. 5.3. Forestry**

Indonesia has abundant forest area (122 million hectare), of which substantial portion of areas is designated for conservation purposes (22 million hectare). This conservation area consists of land area and marine area. Conservation in land area administered through the existence of wildlife reserve, sanctuary reserve, national park, grand forest park, natural tourism park, and hunting park. This conservation area may also function as a source of carbon absorption. This function provides chances in administering pilot activities for the implementation of CDM (Cleaned Development Mechanism) under Kyoto Protocol.

The function also gives chances for research and expert study related to REDD (Reducing Emission from Deforestation and Forest Degradation) scheme under the decision of UNFCCC (United Nation Framework Combating Climate Change).

Finally this conservation area also may facilitate foreign investment related to ecotourism with limited foreign capital market (max. 25 per cent according to Presidential Regulation No. 111 Year 2007).

The forest resources and small scale forest products in India play a significant role in poverty alleviation and in improving household incomes, food security and agricultural productivity. They not only provide services by way of carbon sink and acting as a buffer against the climate change and serving as safe heaven for bio-diversity. India is the seventh largest area (328.73 ml Ha) and second largest human population on the globe. India is one of the top ten countries of the world having sizable part of the area under forest tree cover, i.e. 77 ml ha.

### **V. 5. Training, Technical Assistance and Human Resources Development**

There has been an increase in the number of professionals from both countries working in each other country. This increased flow of skilled people should be further encouraged. An environment of clear and transparent regulations in this area could facilitate this process.

Cooperation in human resources development could be enhanced by systematic and long-term programmes of cooperation in higher education involving collaboration amongst the top universities in both countries.

The Indonesian side would like to explore ways to host various training and/or executive education programme organized by well established Indian educational institutions in

Indonesia or to increase the participation of Indonesians in programme organized in India by way of scholarships.

In view of India's expertise in information technology, Indonesia would like to utilize training services from India in the following areas:

- Operational expertise and management expertise in Audio Visual, Data Based, Broadcasting, and Online Media for Newsroom at the Ministry of Communication and Information Technology, Republic of Indonesia.
- Information processing of various publications as well as reporting system.
- Information technology/computerization of all applications in Government and private sectors.

In addition, Indonesia can benefit from technical assistance from India in the following areas:

- Training in various aspects of jewellery manufacturing, including casting technology, in which India has been very successful. India's jewellery exports – mainly to USA, Europe, Japan and China – are worth about US \$ 4 billion. The use of casting technology has greatly increased India's productivity in this area.
- Dyestuff and Auxiliaries.
- Technology transformation for spinning and weaving industry, including through machinery and/or software.
- Machinery Tool Industry.
- Capacity building in various other industries in which both sides can cooperate to tap existing and emerging global opportunities.

Finally, the Indonesian side is ready to introduce the concept of call centres. It could learn a great deal from India, and it also would like to encourage Indian companies to look for opportunities to establish call centres in Indonesia for global business. In this context India could provide training in English and Computers in addition to the business expertise on Call Centre.

## **V.6. Cooperation in Transportation**

### *V.6.1. Air Services*

Air India used to fly three times a week between Mumbai and Jakarta which has been recently withdrawn. When both countries are trying to enhance the bilateral relationships, it is very important that direct travel facilities between the two countries are available. Air India should resume the three direct flights to Indonesia and extend the coverage to more cities in India and Indonesia.

Furthermore, while India has already given the required permissions to Garuda Airways of Indonesia for the planned flights (four flights a week) between Medan (Indonesia) and Chennai (India), permission for more destinations can be considered.

### *V.6.2. Shipping Services*

It needs to be emphasized that expansion of direct shipping links between India and Indonesia ports be undertaken on a reciprocal basis.

### *V.6.3. Rail Transport*

Considering India's expertise in the long established and very large railway system, Indonesia could learn from Indonesia in developing expertise in railways technology and in developing modalities for public private partnership.

## **V.7. Cooperation in the development of Special Economic Zones**

Both countries could learn from each other's experience in setting up of Investment Parks or Special Economic Zones, e.g. the Batam Industrial Development Authority in Indonesia and Santacruz Electronics Export Processing Zone in India.

Indonesia would like to invite participation by India in setting up Special Economic Zones in Batam (Electronic, Electrical, Chemical), Bintan (Textile, Processed Food) and Karimun (Ship Building, Ships' Components). These three islands have already been declared as Free Trade Zones.

## **V.8. Cooperation in Intellectual Property Rights**

The Intellectual Property (IP) system in India dates back to a century and a half. Recognizing the importance of IP in the modern economy, India has strived to modernize its IP regime to

meet its national and international aspirations. As a result, India has currently one of the most vibrant Intellectual Property regimes in the world, with well-established legislative, administrative and judicial framework to safeguard Intellectual Property Rights.

India's strategy in the area of Intellectual Property has been:

- (i) to meet international obligations;
- (ii) to safeguard public interest
- (iii) to modernize her Intellectual Property Rights administration; and
- (iv) to create awareness about Intellectual Property Rights.

The major legislations in the field of Intellectual Property Rights in India are the following:

- (i) The Copyright Act, 1957 as amended last in 1999
- (ii) The Patents Act, 1970 as amended last in 2005
- (iii) The Trade Marks Act, 1999
- (iv) The Geographical Indications of Goods (Registration and Protection) Act, 1999
- (v) The Designs Act, 2000
- (vi) The Semiconductor Integrated Circuits Layout-Design Act, 2000
- (vii) The Protection of Plant Varieties and Farmers' Rights Act, 2001
- (viii) The Biological Diversity Act, 2002.

India is extremely concerned about the world wide large scale misappropriation of Indian Traditional Knowledge, especially grant/registration of copyrights, patents and trade marks on Yoga related postures and accessories, Indian traditional medical practices and medicinal preparations, etc. The Indian IPR laws contain appropriate provisions to prevent this domestically, but much remains to be achieved globally.

India attaches importance to the three main related issues of the Trade Related Intellectual Property Rights (TRIPS), namely, relationship between TRIPS and CBD, registration of GIs and extension of enhanced GI protection.

India has also established a Traditional Knowledge Digital Library (TKDL) related to Ayurveda, Unani and Sidha in five international languages. It is a digital database of traditional knowledge consisting of about 150,000 formulations in the field of traditional medicines, with a view to prevent patenting of such knowledge and thus avoid misinterpretation of publicly available information as being an invention or a discovery. This library is also being extended to yoga. India is keen to provide access to TKDL to other

countries/ agencies, after signing a disclosure agreement. EPO, USPTO, UKPTO has expressed interest in access to TKDL.

As a matter of policy, the stand of Government of India is that any dialogue/ bilateral agreement on IPRs between India and other countries in the field of Intellectual Property will be confined to issues of capacity building, human resource development, awareness creation and outreach activities. Issues relating to enforcement, policy and legislation are kept out of these discussions/dialogue/agreements.

IPR law and enforcement system for copyrights, trademarks, patents are weak in both Indonesia and India. Hence bilateral activities under CECA could focus on exchange of information and experiences on IPR related activities to improve the system.

## **V.9. Mining**

Indonesia is a very resource rich country. According to the Fraser Institute survey of mining companies, Indonesia ranks 15th on its analysis of pure mineral potential. It is the world's second largest producers of tin, third largest producer of coal and copper (ranked 3rd largest, after the USA and Chile). It also produces significant quantities of gold and nickel. Minerals and related products represented 19% of Indonesia's total exports, with gold being the largest revenue earner. Indonesia is also a producer of bauxite, phosphates and iron sand, with potential for alluvial diamond production as well. Most of the minerals are situated in remote areas and their exploitation involves high costs.

The new mining law will come into effect from the beginning of next financial year 2009-10. This effectively puts an end to the CoW systems. The CoW has been replaced with a permit licensing system. The new law gives more power to local authorities. Under the new system, local authorities will give companies five-year exploration licenses that can later be turned in to full mining-development agreements. This creates a lot of opportunities for the investors.

India produces a total of 84 minerals comprising 4 fuel, 11 metallic, 49 non-metallic industrial and 20 minor minerals. India is the world's largest producer of mica; third largest producer of coal and lignite; and also ranks among the top producers of iron ore, bauxite, manganese ore and aluminum.

There are over 2,326 private and 292 public operating mines in India and the minerals and metals from these mines contribute about 16 percent in India's total exports. The Government of India is making efforts to boost up the activities like research and making the mining and mineral's industry more competitive.

The mining sector in India has already reached a high level of development. The majority (about 80%) of the mines are concentrated in the seven states of Andhra Pradesh, Bihar, Orissa, Madhya Pradesh, Rajasthan, Gujarat and Karnataka.

With the aim of encouraging investment in mining industry in India, the government offers a wide range of concessions to investors engaged in the mining activity. The availability of cheap labour for the industry offers a major attraction to the global players. India has an estimated 85 billion tonnes of mineral reserves remaining to be exploited. India exports iron-ore to China and Japan on a large scale.

#### **V. 10 Cooperation in the Health Sector**

Indonesia would like to cooperate with Indian Pharmaceutical companies to set up joint venture manufacturing facilities in Indonesia with the aim of producing reasonably priced good medicines for the people of Indonesia.

Indonesia could also benefit from the supply of modern medical equipment and training by Indian experts. This could be undertaken within the larger cooperation programme of establishing joint venture hospitals in Indonesia.

India has a number of world class hospitals equipped with highly competent doctors and modern instruments at very competitive costs. Indonesians can be attracted to go to India for medical treatment as an alternative to going to Singapore, Malaysia or China.

#### **V..11. Cooperation in the Construction Sector**

Efforts to promote capacity building for enhancing Indonesian construction labour force competency can be considered under CECA.



For enhancing training and educational facility on construction sector Indonesia, it is hoped that India can help to develop VTCCS (Vocational Training Centre for Construction Services) facilities in less developed area through CECA.

Exchange of information and experts in training field, engineering and R&D in construction sector between the two countries. It is hoped that sustainable activities in training development, research and technical engineering to enhance and develop competence in construction sector.

Indonesia is interested in developing its capability to participate in the construction services market in India.

Cooperation between the Indonesian Construction Services Provider and its Indian counterparts will benefit both countries to jointly participate in global construction projects.

#### **V.12. Visa Issues**

Visa issue is an important item in helping to promote the exchange of visit between people from the two countries. Indonesia is quite hopeful that the respective country applies policies of mutual benefits. In this matter Indonesia has already provided visa-on-arrival facility since 2007 for Indian nationals in a bid to facilitate the increased exchange of visits by the people of the two countries. Indonesia requests/expects that India reciprocate a similar facility of visa-on-arrival for Indonesian nationals visiting India. Work permit is also important for the movement of natural person between the two countries to facilitate trade in services. Therefore both the countries should work closely together to facilitate such movement in the proposed CECA.

## **VI. Conclusions and Recommendations**

### **VI.1 Broad Conclusions**

The India-Indonesia Joint Study Group (JSG) explored the feasibility of a bilateral Comprehensive Economic Cooperation Agreement (CECA) covering the areas of trade in goods, trade in services and investment cooperation. The JSG also identified sectors having potential for enhancing bilateral economic cooperation.

On the basis of an extensive study of various dimensions of the economies of the two countries, including an assessment of potential economic complementarities, the JSG concludes that the proposed India-Indonesia CECA is feasible and is mutually beneficial in expanding bilateral economic linkages. The study recognises that both India and Indonesia have highly dynamic and modern economies and both have undertaken wide-ranging economic reforms conducive for bilateral economic cooperation.

In order to underscore the feasibility of bilateral CECA, a summary of some of the specific conclusions follows.

### **VI.2 Possibilities of Cooperation in Trade in Goods**

It was observed by the JSG that currently the bilateral trade flows between India and Indonesia are below their potential as compared to their global trade profiles. Existence of trade complementarities between the two countries that have so far remained untapped was observed by the study.

The different empirical estimates made by the JSG indicate that trade can increase manifold between the two countries. Detailed Computable General Equilibrium (CGE) modelling estimates and other methodologies of export projection suggest impressive trade and welfare gains that can result from trade liberalisation under the proposed CECA.

In a partial-equilibrium framework, the projection-estimates of India's exports to Indonesia are in the range of US\$. 1.7 billion - US\$ 7.8 billion by the year 2020. The estimates of exports from Indonesia to India would be in the range of US\$ 3.4 billion - US\$ 9.7 billion by 2020.

Furthermore, to complement these estimated trade gains, welfare gains of the proposed CECA on trade in goods have been estimated using a multi-sector computable general equilibrium (CGE) model. According to which, the welfare gains accruing to India could be to the tune of 1.0 percent of GDP and to Indonesia to the extent of 1.4 percent of GDP under the scenario of full tariff liberalisation along with setting in place the trade facilitating infrastructure.

Taking cognizance of some of the well-known inherent limitations of such modeling exercises certain other methodologies were also used by the study, especially with a view to identify potential sectors of export interest to both countries. One such methodology used was that of the Revealed Comparative Advantage (RCA) index in a dynamic setting over a recent period. The results suggest that there are several Highly Dynamic Comparative Advantage Sectors for both India and Indonesia that could be focused upon during the proposed FTA. The sectors include meat, fish and seafood, zinc and articles thereof, lead and articles thereof, copper and articles thereof, furniture, lighting, ores, ships, vehicles, dairy products etc. for India, and Aircraft, spacecraft, and parts thereof; Milling products, malt, starches, inulin, wheat gluten; Ships, boats and other floating structures; Nickel and articles thereof; Vegetable textile fibres, paper yarn, woven fabric; Tin and articles thereof; and Railway, tramway locomotives, rolling stock, equipment. There are Moderately Dynamic Comparative Advantage sectors and Less Dynamic Comparative Advantage Sectors as well as Comparative Disadvantage Sectors listed in the study.

Further, an attempt was made to categorise different products with different degrees of attractiveness, measured as a change in shares of Indonesia in India's total exports to world over recent years. Similarly, another exercise was undertaken by calculating changes in share of Indonesia in India's total imports from the world in recent years. Products with declining attractiveness for both countries can be given special emphasis, including through tariff liberalisation.

An empirical exercise was undertaken to identify potential items for bilateral trade at the Harmonized System (HS) 6-digit level by analysing trade complementarity. Another empirical exercise was undertaken to identify products at the HS 6-digit level, wherein India and Indonesia compete in the global market, i.e. reflecting export similarity. In products where both countries compete with each other, the JSG notes that there is potential for setting up trade-creating joint ventures. However, it will be up to the firms of both countries to take advantage of this potential, which could also contribute to bilateral trade expansion. The global trends in trade suggest that goods are increasingly being traded on an intra-industry basis rather than inter-industry basis. The modality of intra-industry trade acts as an avenue through which two or more countries could trade with each other in the event of a lack of trade complementarity in a traditional sense. The products amenable to intra-industry trade at the HS 6-digit level are listed in the study and these could be given due attention in the proposed CECA in goods during negotiations on tariff liberalisation to step-up bilateral trade flows.

In sum, the analysis of the various dimensions of trade in goods between India and Indonesia suggests that there is ample potential for bilateral trade expansion in a mutually beneficial manner for which adequate institutional mechanisms need to be put in place like the rules of origin. These aspects build a strong case for setting in place an FTA in goods under the proposed bilateral CECA.

### **VI.3 Dimensions of Trade Facilitation**

The JSG noted that the trade linkages between the two countries could be intensified not only through tariff liberalisation, but also by adopting various trade facilitation measures. Some of these measures that the JSG studied, *inter alia*, include entering into Mutual Recognition Agreements (MRAs), to deal with issues of Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary measures (SPS); Customs cooperation; harmonisation of standards and conformity assessment; and enhancing business-to-business dialogues. The JSG further emphasised that it is also necessary to put in place various WTO-consistent trade remedial measures, designed in such a way as to facilitate trade between the two countries.

#### **VI.4 Trade in Services**

In respect of trade in services, the JSG has identified possible services sector for enhanced cooperation between India and Indonesia and these include IT, telecommunications, financial, audio-visual, education, health, tourism and travel, construction, professional services, and transportation. The proposed bilateral CECA needs to include sectors of export interest to both countries covering all the four modes of supply. To this end, the study concludes that it is important to develop rules and disciplines on trade in services based on GATS provisions and improving on them further wherever possible including disciplines on domestic regulation.

It further suggests facilitating increased dialogue between the regulatory bodies of the two countries for possible Mutual Recognition Agreements (MRAs).

#### **VI.5 Investment**

The JSG noted that while India and Indonesia are destinations of FDI inflows, both countries have also emerged as sources of outward investment in different sectors. It needs to be highlighted that in order to encourage investment inflows both countries have also liberalised their investment regimes to a considerable extent. Given this, while the bilateral investment linkages have grown, they offer further scope for expansion. In this regard, comprehensive measures for promotion and protection of bilateral investment need to be set in place under the proposed CECA.

Some of the sectors amenable for investment from Indonesia into India include Processed Food, Electrical and Non-electrical machinery, Chemicals, Infrastructure, Hotel, Hospitality and Tourism, among others whereas Indian investment into Indonesia could be tapped in areas such as Food Processing, Textile fibre, Plastics, Wood Products, Agri-biotech, Pharmaceuticals, Light engineering, Audio-visual, Telecommunications, IT and Education among others.

#### **VI.6 Bilateral Economic Cooperation**

Alongside the CECA, there are several other potential areas for bilateral cooperation in various sectors. Some of these include sharing of successful developmental experiences, capacity-building, people-to-people contacts, among others. Areas of economic cooperation

of mutual interest which both India and Indonesia can exploit and foster closer collaborations include energy (oil and gas exploration), power, agriculture and fisheries, forestry, human resource development, transportation, SEZs, mining, visa and work permits etc.

## **VI.7 Recommendations**

The foregoing summary of the JSG findings suggest that there is a strong case for concluding a CECA between India and Indonesia, as a first step towards an FTA in trade in goods, trade in services, investment and other areas of economic cooperation.

In the light of these conclusions of the JSG on different dimensions of economic engagement between India and Indonesia, the JSG recommends:

- Setting up of a bilateral Trade Negotiations Committee (TNC)
- Commencing negotiations on trade in goods, trade in services, investment and other areas of cooperation as a ‘single undertaking’ by TNC with a view to establishing a Comprehensive Economic Cooperation Agreement (CECA).
- Drafting of Comprehensive Economic Cooperation Agreement (CECA) by the TNC.

## **Terms of Reference**

1. Indonesia and India have established a Joint Study Group to examine the feasibility of CECA as stated in the MoU signed on 23 November 2005 by the Minister of Trade of the Republic of Indonesia, Dr. Mari Elka Pangestu, and the Minister of Commerce and Industry of the Republic of India, Mr. Kamal Nath.
2. The Group has the task to evaluate the feasibility, including scope, content and form, of a CECA between Indonesia and India.

### **Composition of the Group**

3. The Group comprises of representatives from government, private sector and academia from both sides.
4. The Ministry of Trade on the Indonesian side and the Ministry of Commerce and Industry on the Indian side will act as coordinators and contact points for the Group.

### **Meeting Schedules**

5. The first meeting was held in Jakarta on 30 - 31 October 2007. The second meeting shall be held no later than February 2008, and the third meeting shall be held no later than May 2008.
6. The Group shall meet in Jakarta and New Delhi, alternately. The cost for the meetings, with the exception of airfare and accommodation, shall be borne by the host country.
7. The meetings will be co-chaired by a representative of Indonesia and a representative of India.
8. A detailed agenda shall be prepared by the Secretariat of each party and be agreed upon prior to each meeting.

### **Scope Of work**

9. Scope of work of the Joint Study Group would be to:
  - a. Identify the strategic and economic benefits that Indonesia and India can derive from the establishment of CECA;
  - b. Develop a policy framework for enhancing trade in goods, services and investment, and other areas of economic cooperation;

- c. Review the existing institutional framework, infrastructure and mechanisms in bilateral trade and economic relations in order to enhance closer cooperation and to recommend measures to facilitate and optimize such cooperation;
- d. Enhance trade in services by progressively liberalizing trade in services on a preferential basis with substantial sectoral coverage;
- e. Evolve an appropriate framework and modalities for investment cooperation with a view to creating a favorable climate for encouraging cross-border investment flows;
- f. Enhance economic and technical cooperation in areas of mutual interest such as financial services, information and communication technology, bio-technology, agro-processing and agriculture, pharmaceuticals, human resource development, energy, mining, intellectual property rights, infrastructure and tourism;
- g. Subject to the feasibility of CECA, to develop a draft Framework Agreement for consideration by the two governments.

### **Reporting Mechanism**

- 10. The Group shall decide on the format of its reporting mechanism to be finalized at the end of the joint study. The report shall include policy recommendations, including the areas of interests and modalities of negotiations.
- 11. The final report of the Group, to be completed by June 2008, shall be presented to the respective governments for further consideration.



Table A.I.1 Composition of India's Exports to Indonesia		
HS Code2-Digit	Description	Average Share 2001-2005 (%)
<b>High Share Sectors</b>		
27	Mineral fuels, oils, distillation products, etc	16.76
29	Organic chemicals	16.44
23	Residues, wastes of food industry, animal fodder	8.85
72	Iron and steel	8.73
<b>Medium Share Sectors</b>		
10	Cereals	4.89
12	Oil seed, oleagic fruits, grain, seed, fruit, etc, nes	4.01
84	Nuclear reactors, boilers, machinery, etc	3.58
17	Sugars and sugar confectionery	2.53
52	Cotton	2.42
39	Plastics and articles thereof	2.24
54	Manmade filaments	2.00
73	Articles of iron or steel	1.88
28	Inorganic chemicals, precious metal compound, isotopes	1.81
74	Copper and articles thereof	1.58
85	Electrical, electronic equipment	1.54
87	Vehicles other than railway, tramway	1.45
32	Tanning, dyeing extracts, tannins, derivs.pigments etc	1.43
26	Ores, slag and ash	1.38
99	Commodities not elsewhere specified	1.26
38	Miscellaneous chemical products	1.18
70	Glass and glassware	1.03
11	Milling products, malt, starches, inulin, wheat gluten	1.01
<b>Low Share Sectors</b>		
55	Manmade staple fibres	0.84
41	Raw hides and skins (other than furskins) and leather	0.74
62	Articles of apparel, accessories, not knit or crochet	0.65
61	Articles of apparel, accessories, knit or crochet	0.63
13	Lac, gums, resins, vegetable saps and extracts nes	0.53
25	Salt, sulphur, earth, stone, plaster, lime and cement	0.53
76	Aluminium and articles thereof	0.51
89	Ships, boats and other floating structures	0.48
33	Essential oils, perfumes, cosmetics, toileteries	0.44
40	Rubber and articles thereof	0.38
57	Carpets and other textile floor coverings	0.38
30	Pharmaceutical products	0.36
20	Vegetable, fruit, nut, etc food preparations	0.36
09	Coffee, tea, mate and spices	0.34
68	Stone, plaster, cement, asbestos, mica, etc articles	0.32
82	Tools, implements, cutlery, etc of base metal	0.30
03	Fish, crustaceans, molluscs, aquatic invertebrates nes	0.29
48	Paper & paperboard, articles of pulp, paper and board	0.27
08	Edible fruit, nuts, peel of citrus fruit, melons	0.21
56	Wadding, felt, nonwovens, yarns, twine, cordage, etc	0.21
15	Animal,vegetable fats and oils, cleavage products, etc	0.19
21	Miscellaneous edible preparations	0.19

<b>Table A.I.1 Composition of India's Exports to Indonesia</b>		
<b>HS Code2-Digit</b>	<b>Description</b>	<b>Average Share 2001-2005 (%)</b>
67	Bird skin, feathers, artificial flowers, human hair	0.19
69	Ceramic products	0.19
63	Other made textile articles, sets, worn clothing etc	0.17
35	Albuminoids, modified starches, glues, enzymes	0.17
83	Miscellaneous articles of base metal	0.16
53	Vegetable textile fibres nes, paper yarn, woven fabric	0.15
90	Optical, photo, technical, medical, etc apparatus	0.15
51	Wool, animal hair, horsehair yarn and fabric thereof	0.14
04	Dairy products, eggs, honey, edible animal product nes	0.13
59	Impregnated, coated or laminated textile fabric	0.13
64	Footwear, gaiters and the like, parts thereof	0.12
96	Miscellaneous manufactured articles	0.11
05	Products of animal origin, nes	0.10
24	Tobacco and manufactured tobacco substitutes	0.10
34	Soaps, lubricants, waxes, candles, modelling pastes	0.10
36	Explosives, pyrotechnics, matches, pyrophorics, etc	0.10
37	Photographic or cinematographic goods	0.10
49	Printed books, newspapers, pictures etc	0.10
50	Silk	0.10
58	Special woven or tufted fabric, lace, tapestry etc	0.10
71	Pearls, precious stones, metals, coins, etc	0.10
78	Lead and articles thereof	0.10
86	Railway, tramway locomotives, rolling stock, equipment	0.10
<i>Source: Calculated from PC TAS, CD-ROM, 2007</i>		

<b>Table A.I.2 Composition of India's Imports from Indonesia</b>		
<b>HS Code2-Digit</b>	<b>Description</b>	<b>Average Share 2001-2005 (%)</b>
<b>High Share Sectors</b>		
15	Animal,vegetable fats and oils, cleavage products, etc	44.78
27	Mineral fuels, oils, distillation products, etc	16.66
26	Ores, slag and ash	6.87
<b>Medium Share Sectors</b>		
38	Miscellaneous chemical products	2.96
29	Organic chemicals	2.61
54	Manmade filaments	2.22
08	Edible fruit, nuts, peel of citrus fruit, melons	2.17
47	Pulp of wood, fibrous cellulosic material, waste etc	2.17
84	Nuclear reactors, boilers, machinery, etc	2.10
85	Electrical, electronic equipment	1.72
28	Inorganic chemicals, precious metal compound, isotopes	1.43
48	Paper & paperboard, articles of pulp, paper and board	1.14
09	Coffee, tea, mate and spices	1.10
32	Tanning, dyeing extracts, tannins, derivs.pigments etc	1.09
39	Plastics and articles thereof	1.08
<b>Low Share Sectors</b>		
44	Wood and articles of wood, wood charcoal	0.90
72	Iron and steel	0.78
40	Rubber and articles thereof	0.72
70	Glass and glassware	0.54
88	Aircraft, spacecraft, and parts thereof	0.49
89	Ships, boats and other floating structures	0.45
23	Residues, wastes of food industry, animal fodder	0.42
55	Manmade staple fibres	0.33
99	Commodities not elsewhere specified	0.33
59	Impregnated, coated or laminated textile fabric	0.32
13	Lac, gums, resins, vegetable saps and extracts nes	0.30
73	Articles of iron or steel	0.30
30	Pharmaceutical products	0.28
90	Optical, photo, technical, medical, etc apparatus	0.28
87	Vehicles other than railway, tramway	0.27
41	Raw hides and skins (other than furskins) and leather	0.26
34	Soaps, lubricants, waxes, candles, modelling pastes	0.22
52	Cotton	0.22
82	Tools, implements, cutlery, etc of base metal	0.20
33	Essential oils, perfumes, cosmetics, toileteries	0.19
71	Pearls, precious stones, metals, coins, etc	0.19
69	Ceramic products	0.14
17	Sugars and sugar confectionery	0.13
25	Salt, sulphur, earth, stone, plaster, lime and cement	0.13
80	Tin and articles thereof	0.13
21	Miscellaneous edible preparations	0.10
31	Fertilizers	0.10
76	Aluminium and articles thereof	0.10
18	Cocoa and cocoa preparations	0.09
64	Footwear, gaiters and the like, parts thereof	0.09

<b>Table A.I.2 Composition of India's Imports from Indonesia</b>		
<b>HS Code2-Digit</b>	<b>Description</b>	<b>Average Share 2001-2005 (%)</b>
94	Furniture, lighting, signs, prefabricated buildings	0.08
68	Stone, plaster, cement, asbestos, mica, etc articles	0.07
60	Knitted or crocheted fabric	0.06
03	Fish, crustaceans, molluscs, aquatic invertebrates nes	0.05
07	Edible vegetables and certain roots and tubers	0.05
12	Oil seed, oleagic fruits, grain, seed, fruit, etc, nes	0.05
42	Articles of leather, animal gut, harness, travel goods	0.05
56	Wadding, felt, nonwovens, yarns, twine, cordage, etc	0.05
57	Carpets and other textile floor coverings	0.05
62	Articles of apparel, accessories, not knit or crochet	0.05
63	Other made textile articles, sets, worn clothing etc	0.05
83	Miscellaneous articles of base metal	0.05
92	Musical instruments, parts and accessories	0.05
95	Toys, games, sports requisites	0.05
96	Miscellaneous manufactured articles	0.05
<i>Source: Calculated from PC TAS, CD-ROM, 2007</i>		

<b>Table A.II.I Sectors with Dynamic Comparative Advantage in India: Percentage Change in RCA (2001-2005)</b>	
<b>HS Code 2-digit</b>	<b>Description</b>
<b>Highly Dynamic Comparative Advantage Sectors</b>	
97	Works of art, collectors pieces and antiques
89	Ships, boats and other floating structures
16	Meat, fish and seafood food preparations nes
79	Zinc and articles thereof
78	Lead and articles thereof
74	Copper and articles thereof
94	Furniture, lighting, signs, prefabricated buildings
26	Ores, slag and ash
<b>Moderately Dynamic Comparative Advantage Sectors</b>	
81	Other base metals, cermet, articles thereof
87	Vehicles other than railway, tramway
27	Mineral fuels, oils, distillation products, etc
4	Dairy products, eggs, honey, edible animal product nes
1	Live animals
<b>Less Dynamic Comparative Advantage Sectors</b>	
44	Wood and articles of wood, wood charcoal
67	Bird skin, feathers, artificial flowers, human hair
49	Printed books, newspapers, pictures etc
80	Tin and articles thereof
35	Albuminoids, modified starches, glues, enzymes
28	Inorganic chemicals, precious metal compound, isotopes
84	Nuclear reactors, boilers, machinery, etc
66	Umbrellas, walking-sticks, seat-sticks, whips, etc
51	Wool, animal hair, horsehair yarn and fabric thereof
36	Explosives, pyrotechnics, matches, pyrophorics, etc
29	Organic chemicals
72	Iron and steel
7	Edible vegetables and certain roots and tubers
20	Vegetable, fruit, nut, etc food preparations
6	Live trees, plants, bulbs, roots, cut flowers etc
2	Meat and edible meat offal
23	Residues, wastes of food industry, animal fodder
82	Tools, implements, cutlery, etc of base metal
39	Plastics and articles thereof
48	Paper & paperboard, articles of pulp, paper and board
59	Impregnated, coated or laminated textile fabric
75	Nickel and articles thereof
38	Miscellaneous chemical products
19	Cereal, flour, starch, milk preparations and products
40	Rubber and articles thereof
24	Tobacco and manufactured tobacco substitutes
73	Articles of iron or steel
55	Manmade staple fibres
95	Toys, games, sports requisites
<b>Dynamic Comparative Disadvantage Sectors</b>	
90	Optical, photo, technical, medical, etc apparatus

**Table A.II.I Sectors with Dynamic Comparative Advantage in India: Percentage Change in RCA (2001-2005)**

HS Code 2-digit	Description
22	Beverages, spirits and vinegar
57	Carpets and other textile floor coverings
85	Electrical, electronic equipment
10	Cereals
68	Stone, plaster, cement, asbestos, mica, etc articles
54	Manmade filaments
25	Salt, sulphur, earth, stone, plaster, lime and cement
53	Vegetable textile fibres nes, paper yarn, woven fabric
60	Knitted or crocheted fabric
71	Pearls, precious stones, metals, coins, etc
56	Wadding, felt, nonwovens, yarns, twine, cordage, etc
92	Musical instruments, parts and accessories
41	Raw hides and skins (other than furskins) and leather
65	Headgear and parts thereof
63	Other made textile articles, sets, worn clothing etc
62	Articles of apparel, accessories, not knit or crochet
18	Cocoa and cocoa preparations
34	Soaps, lubricants, waxes, candles, modelling pastes
14	Vegetable plaiting materials, vegetable products nes
13	Lac, gums, resins, vegetable saps and extracts nes
61	Articles of apparel, accessories, knit or crochet
96	Miscellaneous manufactured articles
64	Footwear, gaiters and the like, parts thereof
52	Cotton
33	Essential oils, perfumes, cosmetics, toileteries
70	Glass and glassware
32	Tanning, dyeing extracts, tannins, derivs, pigments etc
30	Pharmaceutical products
76	Aluminium and articles thereof
50	Silk
83	Miscellaneous articles of base metal
69	Ceramic products
12	Oil seed, oleagic fruits, grain, seed, fruit, etc, nes
8	Edible fruit, nuts, peel of citrus fruit, melons
42	Articles of leather, animal gut, harness, travel goods
37	Photographic or cinematographic goods
3	Fish, crustaceans, molluscs, aquatic invertebrates nes
15	Animal, vegetable fats and oils, cleavage products, etc
9	Coffee, tea, mate and spices
21	Miscellaneous edible preparations
91	Clocks and watches and parts thereof
5	Products of animal origin, nes
88	Aircraft, spacecraft, and parts thereof
46	Manufactures of plaiting material, basketwork, etc.
58	Special woven or tufted fabric, lace, tapestry etc
86	Railway, tramway locomotives, rolling stock, equipment
99	Commodities not elsewhere specified
11	Milling products, malt, starches, inulin, wheat gluten
47	Pulp of wood, fibrous cellulosic material, waste etc

<b>Table A.II.I Sectors with Dynamic Comparative Advantage in India: Percentage Change in RCA (2001-2005)</b>	
<b>HS Code 2-digit</b>	<b>Description</b>
31	Fertilizers
17	Sugars and sugar confectionery
93	Arms and ammunition, parts and accessories thereof
43	Furskins and artificial fur, manufactures thereof
45	Cork and articles of cork

*Source: Calculated from PC TAS, CD-ROM, 2007*

**Table A.II.2 Sectors with Dynamic Comparative Advantage in Indonesia: Percentage Change in RCA (2001-2005)**

HS Code 2-digit	Description
<b>Highly Dynamic Comparative Advantage Sectors</b>	
88	Aircraft, spacecraft, and parts thereof
11	Milling products, malt, starches, inulin, wheat gluten
89	Ships, boats and other floating structures
75	Nickel and articles thereof
53	Vegetable textile fibres nes, paper yarn, woven fabric
80	Tin and articles thereof
86	Railway, tramway locomotives, rolling stock, equipment
<b>Moderately Dynamic Comparative Advantage Sectors</b>	
12	Oil seed, oleagic fruits, grain, seed, fruit, etc, nes
87	Vehicles other than railway, tramway
35	Albuminoids, modified starches, glues, enzymes
15	Animal,vegetable fats and oils, cleavage products, etc
16	Meat, fish and seafood food preparations nes
40	Rubber and articles thereof
21	Miscellaneous edible preparations
83	Miscellaneous articles of base metal
74	Copper and articles thereof
10	Cereals
19	Cereal, flour, starch, milk preparations and products
<b>Less Dynamic Comparative Advantage Sectors</b>	
23	Residues, wastes of food industry, animal fodder
28	Inorganic chemicals, precious metal compound, isotopes
56	Wadding, felt, nonwovens, yarns, twine, cordage, etc
49	Printed books, newspapers, pictures etc
47	Pulp of wood, fibrous cellulosic material, waste etc
51	Wool, animal hair, horsehair yarn and fabric thereof
08	Edible fruit, nuts, peel of citrus fruit, melons
38	Miscellaneous chemical products
32	Tanning, dyeing extracts, tannins, derivs,pigments etc
92	Musical instruments, parts and accessories
55	Manmade staple fibres
34	Soaps, lubricants, waxes, candles, modelling pastes
57	Carpets and other textile floor coverings
60	Knitted or crocheted fabric
84	Nuclear reactors, boilers, machinery, etc
72	Iron and steel
41	Raw hides and skins (other than furskins) and leather
09	Coffee, tea, mate and spices
67	Bird skin, feathers, artificial flowers, human hair
18	Cocoa and cocoa preparations
24	Tobacco and manufactured tobacco substitutes
14	Vegetable plaiting materials, vegetable products nes
07	Edible vegetables and certain roots and tubers
59	Impregnated, coated or laminated textile fabric
96	Miscellaneous manufactured articles
69	Ceramic products
76	Aluminium and articles thereof



**Table A.II.2 Sectors with Dynamic Comparative Advantage in Indonesia: Percentage Change in RCA (2001-2005)**

HS Code 2-digit	Description
17	Sugars and sugar confectionery
<b>Dynamic Comparative Disadvantage Sectors</b>	
33	Essential oils, perfumes, cosmetics, toileteries
13	Lac, gums, resins, vegetable saps and extracts nes
06	Live trees, plants, bulbs, roots, cut flowers etc
39	Plastics and articles thereof
70	Glass and glassware
20	Vegetable, fruit, nut, etc food preparations
97	Works of art, collectors pieces and antiques
82	Tools, implements, cutlery, etc of base metal
48	Paper & paperboard, articles of pulp, paper and board
94	Furniture, lighting, signs, prefabricated buildings
29	Organic chemicals
37	Photographic or cinematographic goods
61	Articles of apparel, accessories, knit or crochet
52	Cotton
62	Articles of apparel, accessories, not knit or crochet
85	Electrical, electronic equipment
03	Fish, crustaceans, molluscs, aquatic invertebrates nes
54	Manmade filaments
91	Clocks and watches and parts thereof
22	Beverages, spirits and vinegar
27	Mineral fuels, oils, distillation products, etc
31	Fertilizers
66	Umbrellas, walking-sticks, seat-sticks, whips, etc
95	Toys, games, sports requisites
73	Articles of iron or steel
64	Footwear, gaiters and the like, parts thereof
26	Ores, slag and ash
05	Products of animal origin, nes
65	Headgear and parts thereof
93	Arms and ammunition, parts and accessories thereof
79	Zinc and articles thereof
30	Pharmaceutical products
68	Stone, plaster, cement, asbestos, mica, etc articles
44	Wood and articles of wood, wood charcoal
90	Optical, photo, technical, medical, etc apparatus
04	Dairy products, eggs, honey, edible animal product nes
01	Live animals
46	Manufactures of plaiting material, basketwork, etc.
63	Other made textile articles, sets, worn clothing etc
25	Salt, sulphur, earth, stone, plaster, lime and cement
36	Explosives, pyrotechnics, matches, pyrophorics, etc
02	Meat and edible meat offal
58	Special woven or tufted fabric, lace, tapestry etc
71	Pearls, precious stones, metals, coins, etc
42	Articles of leather, animal gut, harness, travel goods
81	Other base metals, cermets, articles thereof
99	Commodities not elsewhere specified

<b>Table A.II.2 Sectors with Dynamic Comparative Advantage in Indonesia: Percentage Change in RCA (2001-2005)</b>	
<b>HS Code 2-digit</b>	<b>Description</b>
45	Cork and articles of cork
78	Lead and articles thereof
43	Furskins and artificial fur, manufactures thereof
50	Silk

*Source: Calculated from PC TAS, CD-ROM, 2007*

<b>Table A.III.1 Indonesia as an Export Destination for Indian Products with Different Degrees of Attractiveness</b>		
<b>HS Code 2-digit</b>	<b>Description</b>	<b>*Change in Share (2001-2005), in %</b>
<b>List of Products with High Attractiveness: Highly Dynamic Products</b>		
74	Copper and articles thereof	1727.02
27	Mineral fuels, oils, distillation products, etc	1396.60
29	Organic chemicals	380.36
33	Essential oils, perfumes, cosmetics, toileteries	288.73
30	Pharmaceutical products	172.11
38	Miscellaneous chemical products	125.46
72	Iron and steel	121.58
<b>List of Products with Medium Attractiveness: Moderately Dynamic Products</b>		
73	Articles of iron or steel	90.04
08	Edible fruit, nuts, peel of citrus fruit, melons	55.49
<b>List of Products with Low Attractiveness: Less Dynamic Products</b>		
70	Glass and glassware	42.53
84	Nuclear reactors, boilers, machinery, etc	37.55
<b>List of Products with Declining Attractiveness: Non-Dynamic Products</b>		
40	Rubber and articles thereof	-2.82
55	Manmade staple fibres	-2.82
28	Inorganic chemicals, precious metal compound, isotopes	-10.59
52	Cotton	-15.78
04	Dairy products, eggs, honey, edible animal products	-22.25
35	Albuminoids, modified starches, glues, enzymes	-22.25
48	Paper & paperboard, articles of pulp, paper and board	-22.25
53	Vegetable textile fibres, paper yarn, woven fabric	-22.25
68	Stone, plaster, cement, asbestos, mica, etc articles	-22.25
69	Ceramic products	-22.25
90	Optical, photo, technical, medical, etc apparatus	-22.25
32	Tanning, dyeing extracts, tannins, dyes, pigments etc	-25.79
41	Raw hides and skins (other than furskins) and leather	-28.73
85	Electrical, electronic equipment	-29.32
12	Oil seed, oleaginous fruits, grain, seed, fruit, etc, nes	-31.14
23	Residues, wastes of food industry, animal fodder	-31.26
62	Articles of apparel, accessories, not knit or crochet	-41.69
25	Salt, sulphur, earth, stone, plaster, lime and cement	-45.58
82	Tools, implements, cutlery, etc of base metal	-48.17
87	Vehicles other than railway, tramway	-50.76
09	Coffee, tea, mate and spices	-51.41
13	Lac, gums, resins, vegetable saps and extracts nes	-51.41
99	Commodities not elsewhere specified	-51.41
39	Plastics and articles thereof	-54.06
34	Soaps, lubricants, waxes, candles, modelling pastes	-61.13
50	Silk	-61.13
63	Other made textile articles, sets, worn clothing etc	-61.13
67	Bird skin, feathers, artificial flowers, human hair	-61.13
76	Aluminium and articles thereof	-61.13
96	Miscellaneous manufactured articles	-61.13
20	Vegetable, fruit, nut, etc food preparations	-75.70

**Table A.III.1 Indonesia as an Export Destination for Indian Products with Different Degrees of Attractiveness**

<b>HS Code 2-digit</b>	<b>Description</b>	<b>*Change in Share (2001-2005), in %</b>
11	Milling products, malt, starches, inulin, wheat gluten	-76.68
54	Manmade filaments	-79.54
15	Animal,vegetable fats and oils, cleavage products, etc	-84.45
61	Articles of apparel, accessories, knit or crochet	-85.42
03	Fish, crustaceans, molluscs, aquatic invertebrates nes	-90.28
17	Sugars and sugar confectionery	-93.98
10	Cereals	-98.70
05	Products of animal origin, nes	-100.00
57	Carpets and other textile floor coverings	-100.00
58	Special woven or tufted fabric, lace, tapestry etc	-100.00

\* Change in share of Indonesia in India's Total Exports to World at HS-Code 2 digit level, from 2001 to 2005

Source: Calculated from PC TAS, CD-ROM, 2007

**Table A.III.2 Indonesia as an Import Source for India and Products with Different Degrees of Attractiveness**

HS Code 2-digit	Description	*Change in Share (2001-2005), in %
<b>List of Products with High Attractiveness: Highly Dynamic Products</b>		
72	Iron and steel	1767.44
71	Pearls, precious stones, metals, coins, etc	418.7334
89	Ships, boats and other floating structures	193.9489
85	Electrical, electronic equipment	182.9455
08	Edible fruit, nuts, peel of citrus fruit, melons	168.9729
27	Mineral fuels, oils, distillation products, etc	144.4402
39	Plastics and articles thereof	100.5769
<b>List of Products with Medium Attractiveness: Moderately Dynamic Products</b>		
26	Ores, slag and ash	97.95344
13	Lac, gums, resins, vegetable saps and extracts nes	61.38373
<b>List of Products with Low Attractiveness: Less Dynamic Products</b>		
84	Nuclear reactors, boilers, machinery, etc	47.93509
76	Aluminium and articles thereof	38.32891
90	Optical, photo, technical, medical, etc apparatus	38.32891
23	Residues, wastes of food industry, animal fodder	21.0378
40	Rubber and articles thereof	21.0378
52	Cotton	21.0378
69	Ceramic products	3.746684
94	Furniture, lighting, signs, prefabricated buildings	3.746684
<b>List of Products with Declining Attractiveness: Non-Dynamic Products</b>		
47	Pulp of wood, fibrous cellulosic material, waste etc	-3.66379
25	Salt, sulphur, earth, stone, plaster, lime and cement	-13.5444
41	Raw hides and skins (other than furskins) and leather	-13.5444
15	Animal,vegetable fats and oils, cleavage products, etc	-17.6908
09	Coffee, tea, mate and spices	-17.8672
87	Vehicles other than railway, tramway	-19.3081
59	Impregnated, coated or laminated textile fabric	-23.9191
60	Knitted or crocheted fabric	-30.8355
73	Articles of iron or steel	-30.8355
33	Essential oils, perfumes, cosmetics, toileteries	-30.8355
34	Soaps, lubricants, waxes, candles, modelling pastes	-30.8355
48	Paper & paperboard, articles of pulp, paper and board	-42.9393
70	Glass and glassware	-46.2054
64	Footwear, gaiters and the like, parts thereof	-48.1267
54	Manmade filaments	-54.2019
32	Tanning, dyeing extracts, tannins, derivs,pigments etc	-60.907
29	Organic chemicals	-63.9142
17	Sugars and sugar confectionery	-65.4178
18	Cocoa and cocoa preparations	-65.4178
42	Articles of leather, animal gut, harness, travel goods	-65.4178
68	Stone, plaster, cement, asbestos, mica, etc articles	-65.4178
99	Commodities not elsewhere specified	-65.4178
38	Miscellaneous chemical products	-67.8446
28	Inorganic chemicals, precious metal compound, isotopes	-71.7054
55	Manmade staple fibres	-86.1671

**Table A.III.2 Indonesia as an Import Source for India and Products with Different Degrees of Attractiveness**

<b>HS Code 2-digit</b>	<b>Description</b>	<b>*Change in Share (2001-2005), in %</b>
44	Wood and articles of wood, wood charcoal	-95.9905
21	Miscellaneous edible preparations	-100
30	Pharmaceutical products	-100
31	Fertilizers	-100
56	Wadding, felt, nonwovens, yarns, twine, cordage, etc	-100
62	Articles of apparel, accessories, not knit or crochet	-100
63	Other made textile articles, sets, worn clothing etc	-100

\* Change in share of Indonesia in India's Total Imports from World at HS-Code 2 digit level, from 2001 to 2005

Source: Calculated from PC TAS, CD-ROM, 2007

<b>Table A.IV.1 Potential for India's Imports from Indonesia</b>	
<b>Trade Complementarity: Items with High Share in India's Imports from World and Indonesia's Exports to World (2001-2005)</b>	
<b>HS 6-digit Code</b>	<b>Description</b>
30269	Fish nes, fresh or chilled excl heading No 03.04, livers and roes
71331	Urd,mung,black/green gram beans drid shelld,whether/not skinnd/split
80131	Cashew nuts, in shell, fresh or dried
80290	Nuts edible, fresh or dried, whether or not shelled or peeled, nes
90111	Coffee, not roasted, not decaffeinated
90240	Black tea (fermented) & partly fermented tea in packages exceedg 3 kg
90411	Pepper of the genus Piper,ex cubeb pepper,neither crushd nor ground
90610	Cinnamon and cinnamon-tree flowers neither crushed nor ground
90700	Cloves (whole fruit, cloves and stems)
91010	Ginger
121190	Plants &pts of plants(incl sed&fruit) usd in pharm,perf,insect etc nes
130190	Natural gums, resins, gum-resins and balsam, except arabic gum
151110	Palm oil, crude
151190	Palm oil and its fractions refined but not chemically modified
151319	Coconut (copra) oil&its fractions refined but not chemically modified
151321	Palm kernel or babassu oil, crude
151620	Veg fats &oils&fractions hydrogenatd,inter/re-esterifid,etc,ref
170310	Cane molasses
180100	Cocoa beans, whole or broken, raw or roasted
180690	Chocolate and other food preparations containing cocoa nes
210690	Food preparations nes
220290	Non-acloholic beverages nes,excludg fruit/veg juices of headg No 20.09
230650	Coconut/copra oil-cake&oth solid residues,whether/not ground/pellet
230990	Animal feed preparations nes
240220	Cigarettes containing tobacco
250700	Kaolin and other kaolinic clays, whether or not calcined
260111	Iron ores&concentrates,oth than roasted iron pyrites,non-agglomerated
260300	Copper ores and concentrates
260600	Aluminium ores and concentrates
270111	Anthracite, whether or not pulverised but not agglomerated
270119	Coal nes, whether or not pulverised but not agglomerated
270740	Naphthalene
270799	Oils&oth products of the distillation of high temp coal tar etc nes
270900	Petroleum oils and oils obtained from bituminous minerals, crude
271000	Petroleum oils&oils obtained from bituminous minerals,o/than crude etc
271111	Natural gas, liquefied
271112	Propane, liquefied
271113	Butanes, liquefied
280300	Carbon (carbon blacks and other forms of carbon, nes)
281122	Silicon dioxide
281410	Anhydrous ammonia
281512	Sodium hydroxide (caustic soda) in aqueous solution
282410	Lead monoxide (litharge, massicot)
290121	Ethylene
290250	Styrene
290290	Cyclic hydrocarbons nes

**Table A.IV.1 Potential for India's Imports from Indonesia****Trade Complementarity: Items with High Share in India's Imports from World and Indonesia's Exports to World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
290315	1,2-dichloroethane(ethylene dichloride)
290321	Vinyl chloride (chloroethylene)
290511	Methanol (methyl alcohol)
290516	Octanol(octyl alcohol) and isomers thereof
290519	Saturated monohydric acyclic alcohols nes
290531	Ethylene glycol (ethanediol)
290711	Phenol (hydroxybenzene) and its salts
291533	N-butyl acetate
291570	Palmitic acid, stearic acid, their salts and esters
291590	Saturated acyclic monocarboxylic acids and their derivatives, nes
291611	Acrylic acid and its salts
291612	Acrylic acid esters
291714	Maleic anhydride
291732	Diethyl orthophthalates
291735	Phthalic anhydride
291736	Terephthalic acid and its salts
292241	Lysine and its esters; salts thereof
292242	Glutamic acid and its salts
292250	Amino-alcohol-phenol,amino-acid-phenol&oth amino-compds w oxygen func
292410	Acyclic amides and their derivatives; salts thereof
292990	Compounds with other nitrogen function, nes
293490	Heterocyclic compounds, nes
300220	Vaccines, human use
300390	Medicaments nes, formulated, in bulk
300420	Antibiotics nes, in dosage
300439	Hormones nes, not containing antibiotics, in dosage,o/t contraceptive
300490	Medicaments nes, in dosage
310210	Urea,wthr/nt in aqueous solution in packages weighg more than 10 kg
320190	Tannng extracts of veg orig,nes;tannins&thr salts,ethers,esters&derivs
320411	Disperse dyes and preparations based thereon
320416	Reactive dyes and preparations based thereon
320417	Synthetic organic pigments and preparations based thereon
320420	Synthetic organic products used as fluorescent brightening agents
320820	Paint&varnishe basd on acrylic/vinyl poly,dspr in a non-aqueous medium
320890	Paints & varni based on polymers dissolv in a non aqueous solv nes
321519	Printing ink, nes
330129	Essential oils, nes
330210	Mixtures of odoriferous substances for the food or drink industries
330290	Mixtures of odoriferous subst f use as raw materials in industry,nes
330300	Perfumes and toilet waters
330510	Hair shampoos
330590	Hair preparations, nes
330610	Dentifrices
340111	Toilet soap&prep,shaped;papers&nonwovens impreg with soap toilet use
340119	Soap&orgn surf prep,shapd,nes;papers&nonwovens impreg w soap/prep,nes
340120	Soap nes
340290	Surface-active preparations, washing and cleaning preparations, nes
350510	Dextrins and other modified starches



**Table A.IV.1 Potential for India's Imports from Indonesia****Trade Complementarity: Items with High Share in India's Imports from World and Indonesia's Exports to World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
380210	Activated carbon
380290	Activated natural mineral products; animal black, incl spent animal black
380610	Rosin
380810	Insecticides, packaged for retail sale or formulated
380830	Herbicides, anti-sprout prod & plant growth regs, packd f retail/formltd
380991	Finishing agents, dye carriers & oth prep, nes, for use in the textile indust
381190	Prepared additives for mineral oils or for other similar liquids, nes
381800	Chemical compds, chem elem in the form of disc, wafer etc, dopd f electr
382311	Stearic acid
382319	Industrial fatty acids, acid oils nes
382370	Industrial fatty alcohols
382490	Chemical/allied industry preparations/prods nes
390110	Polyethylene having a specific gravity of less than 0.94
390120	Polyethylene having a specific gravity of 0.94 or more
390210	Polypropylene
390330	Acrylonitrile-butadiene-styrene (ABS) copolymers
390410	Polyvinyl chloride, not mixed with any other substances
390422	Polyvinyl chloride nes, plasticised
390690	Acrylic polymers nes, in primary forms
390720	Polyethers nes
390760	Polyethylene terephthalate
390791	Polyesters nes, unsaturated
390799	Polyesters nes, in primary forms
390940	Phenolic resins
391590	Plastics waste and scrap nes
391729	Tubes, pipes and hoses, rigid; of plastics nes
392010	Film and sheet etc, non-cellular etc, of polymers of ethylene
392020	Film and sheet etc, non-cellular etc, of polymers of propylene
392042	Film & sheet etc, non-cellular etc, of polymers of vinyl chloride, flexible
392069	Film and sheet etc, non-cellular etc, of polyesters nes
392190	Film and sheet etc, nes of plastics
392310	Boxes, cases, crates & similar articles of plastic
392321	Sacks and bags (including cones) of polymers of ethylene
392329	Sacks and bags (including cones) of plastics nes
392330	Carboys, bottles, flasks and similar articles of plastics
392350	Stoppers, lids, caps and other closures of plastics
392390	Articles for the conveyance or packing of goods nes, of plastics
392690	Articles of plastics or of other materials of Nos 39.01 to 39.14 nes
400121	Natural rubber in smoked sheets
400122	Technically specified natural rubber (TSNR)
400129	Natural rubber in other forms nes
400211	Styrene-butadiene rubber (SBR)/carboxylated styrene-butadiene rubber (XSBR) latex
400219	Styrene-butadiene rubber (SBR)/carboxylated styrene-butadiene rubber (XSBR) nes
401029	Transmission belts or belting nes
401110	Pneumatic tire new of rubber f motor car incl station wagons & racing cars
401120	Pneumatic tires new of rubber for buses or lorries
401199	Pneumatic tires new of rubber nes
401693	Gaskets, washers and other seals of vulcanised rubber

**Table A.IV.1 Potential for India's Imports from Indonesia****Trade Complementarity: Items with High Share in India's Imports from World and Indonesia's Exports to World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
401699	Articles of vulcanised rubber nes, other than hard rubber
410410	Bovine skin leather, whole
410520	Sheep or lamb skin leather, nes
440799	Lumber, non-coniferous nes
441019	Particle board of wood nes
441119	Fibreboard >0.8 g/cm2 nes
470200	Chemical wood pulp, dissolving grades
470329	Chemical wood pulp,soda/sulphate,non-coniferous,semi-bl/bleachd,nes
480100	Newsprint, in rolls or sheets
480252	Paper,fine,woodfree,in rol/sheets,>=40g/m2,<=150g/m2,uncoated,nes
481011	Paper,fine,woodfree, in rolls or sheets,<=150 g/m2, clay coated
481099	Paper, in rolls or sheets, clay coated, nes
481840	Sanitary articles of paper,incl sanit towels&napkin (diapers) f babies
481910	Cartons, boxes and cases, of corrugated paper or paperboard
482390	Paper and paper articles, nes
490110	Brochures, leaflets and similar printed matter, in single sheets
500710	Woven fabrics of noil silk
520100	Cotton, not carded or combed
520511	Cotton yarn,>=85%,single,uncombd,>=714.29 dtex, nt put up
520832	Plain weave cotton fabric,>=85%,>100g/m= to 200g/m=, dyed
520833	Twill weave cotton fabrics,>=85%, not more than 200 g/m2, dyed
520839	Woven fabrics of cotton,>=85%, not more than 200 g/m2, dyed, nes
520942	Denim fabrics of cotton,>=85%, more than 200 g/m2
540210	High tenacity yarn (o/t sewg thread),nylon/oth polyamides fi,nt put up
540220	High tenacity yarn (o/t sewg thread),of polyester filaments,not put up
540233	Textured yarn nes,of polyester filaments,not put up for retail sale
540241	Yarn of nylon or other polyamides fi,single,untwisted,nes,not put up
540242	Yarn of polyester filaments,partially oriented,single,nes,not put up
540243	Yarn of polyester filaments, single, untwisted, nes, not put up
540710	Woven fab of high tenacity fi yarns of nylon oth polyamides/polyesters
540752	Woven fabrics,>=85% of textured polyester filaments, dyed, nes
540761	Woven fabric >85% non-textured polyester filaments
550320	Staple fibres of polyesters, not carded or combed
550510	Waste of synthetic fibres
550921	Yarn,>=85% of polyester staple fibres, single, not put up
570330	Carpets of other man-made textile materials, tufted
580639	Narrow woven fabrics of other textile materials, nes
590210	Tire cord fabric made of nylon or other polyamides high tenacity yarns
590220	Tire cord fabric made of polyester high tenacity yarns
590320	Textile fabrics impregnated,ctd,cov,or laminated with polyurethane,nes
590390	Textile fabrics impregnated, ctd, cov, or laminated with plastics, nes
591190	Textile products and articles for technical uses, nes
600192	Pile knitted or crocheted fabrics, of man-made fibres, nes
600243	Warp knitted fabrics, of man-made fibres, nes
630790	Made up articles, of textile materials, nes, including dress patterns
640620	Outer soles and heels, of rubber or plastics
640699	Parts of footwear nes
690790	Tiles, cubes and sim nes, unglazed ceramics

**Table A.IV.1 Potential for India's Imports from Indonesia****Trade Complementarity: Items with High Share in India's Imports from World and Indonesia's Exports to World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
690810	Tiles, cubes and sim <7 cm rect or not etc, glazed ceramics
690890	Tiles, cubes and sim nes, glazed ceramics
700231	Tubes of fused quartz or other fused silica
700510	Float glass etc in sheets,non-wird havg an absorbent or reflectg layer
700521	Float glass etc in sheets, non-wired coloured throughout the mass etc
701120	Glass envelopes (including bulbs/tubes) for cathode-ray tubes
701329	Drinking glasses other than glassceramics nes
701339	Table/kitchenware (exc drinking glasses) other than glass-ceramics nes
710691	Silver in unwrought forms
710812	Gold in unwrought forms non-monetary
710813	Gold in oth semi-manufactd form n-monetary(inc gold platd w platinum)
711311	Articles of jewellery&pts therof of silver w/n platd/clad w/o prec met
711319	Articles of jewellery&pt therof of/o prec met w/n platd/clad w prec met
720260	Ferro-nickel
720421	Waste and scrap, stainless steel
720449	Ferrous waste and scrap, iron or steel, nes
720826	Hot roll steel, coil, pickled >600mm x 3-4.75mm
720827	Hot roll steel, coil, pickled >600mm wide <3mm thick
720836	Hot roll iron/steel nes, coil >600mm x >10mm
720837	Hot roll iron/steel nes, coil >600mm x 4.75-10mm
720838	Hot roll iron/steel nes, coil >600mm x 3-4.75mm
720839	Hot roll iron/steel nes, coil >600mm x <3mm
720851	Hot roll iron/steel, not coil >600mm x >10mm
720852	Hot roll iron/steel, not coil >600mm x 4.75-10mm
720890	Flat rolled prod, i/nas, not further worked than hot rolled, nes
720916	Cold rolled iron/steel, coils >600mm x 1-3mm
720917	Cold rolled iron/steel, coils >600mm x 0.5-1mm
720918	Cold rolled iron/steel, coils >600mm x <0.5mm
721049	Flat rolled prod,i/nas,plated or coated with zinc,>/=600mm wide, nes
721050	Flat rolld prod,i/nas,pltd/ctd w chrom oxid/chrom&chrom oxid,>/=600mm
721061	Flat rolled i/nas, coated alum-zinc alloy, w >600mm
721391	Hot rolled bar/rod, irregular coils, <14mm diam
721730	Wire of iron or non-alloy steel, metal coat (not zinc)
721933	Flat rolled prod, stainless steel, cr, 600mm wide, 1mm <thick <3mm
721934	Flat rolled prod, stainless steel, cr,w>/=600mm,0.5mm</=thick <1mm
730410	Pipes,line,iron or steel,smls,of a kind used for oil or gas pipelines
730421	Drill pipe (iron or steel)
730429	Casings,,tubing, drill pipe, for oil drilling use
730511	Pipe,line,i/s,longitudinally subm arc wld,int/ext cc sect,dia >406.4mm
730610	Pipe,line,i or s,weldd,rivetd or sim closd,nes,for oil or gas pipeline
730729	Fittings pipe or tube of stainless steel, nes
730799	Fittings, pipe or tube, iron or steel, nes
730890	Structures&parts of structures,i/s (ex prefab bldgs of headg no.9406)
731029	Cans, iron or steel, capacity <50 litres nes
731100	Containers for compressed or liquefied gas of iron or steel
731210	Stranded wire,ropes&cables of iron or steel,not electrically insulated
731815	Bolts o screws nes,with o without their nuts o washers,iron o steel
731816	Nuts, iron or steel, nes

**Table A.IV.1 Potential for India's Imports from Indonesia****Trade Complementarity: Items with High Share in India's Imports from World and Indonesia's Exports to World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
731819	Threaded articles of iron or steel, nes
731822	Washers, iron or steel, nes
732690	Articles, iron or steel, nes
740200	Copper unrefined, copper anodes for electrolytic refining
740311	Copper cathodes and sections of cathodes unwrought
740319	Refined copper products, unwrought, nes
740400	Waste and scrap, copper or copper alloy
740710	Bars, rods and profiles of refined copper
740721	Bars, rods and profiles of copper-zinc base alloys
740811	Wire of refined copper of which the max cross sectional dimension > 6mm
740819	Wire of refined copper of which the max cross sectional dimension <=6mm
760110	Aluminium unwrought, not alloyed
760120	Aluminium unwrought, alloyed
760200	Waste and scrap, aluminium
760429	Bars, rods and other profiles, aluminium alloyed
760511	Wire,aluminium,not alloyed,w a max cross sectional dimension > 7mm
760611	Plate, sheet or strip, aluminium, not alloyed, rect or sq, exceedg 0.2mm thk
760612	Plate, sheet or strip, aluminium alloy, rect or sq, exceeding 0.2mm thick
760711	Foil, aluminium, not backed, rolled but not further worked, not exceedg 0.2mm
760720	Foil, aluminium, backed, not exceeding 0.2mm thick excluding any backing
760820	Tubes and pipe, aluminium alloy
761090	Structures&parts, alum, eg plate, rods etc, for struct, excl prefab bldgs
761290	Container, alum, cap <300L, lined/heat insul/nt, n/ftd w/mech/thermo equip
761699	Articles of aluminium, nes
800110	Tin not alloyed unwrought
830990	Stoppers, caps, lids, seals & other packing accessories of base metal, nes
831110	Electrodes, coated, of base metal, for electric arc welding
840690	Parts of steam and vapour turbines
840734	Engines, spark-ignition reciprocating displacing more than 1000 cc
840810	Marine propulsion engines, diesel
840890	Engines, diesel nes
840991	Parts for spark-ignition type engines nes
840999	Parts for diesel and semi-diesel engines
841381	Pumps nes
841391	Parts of pumps for liquid whether or not fitted with a measurg device
841430	Compressors of a kind used in refrigerating equipment
841451	Fans: table, roof etc w a self-cont elec mtr of an output nt excdg 125W
841480	Air or gas compressors, hoods
841490	Parts of vacuum pumps, compressors, fans, blowers, hoods
841510	Air conditioning machines window or wall types, self-contained
841520	Air conditioners used in vehicles
841582	Air cond mach nes, inc a refrigerating unit
841590	Parts of air conditioning machines
841821	Refrigerators, household type, compression-type
841829	Refrigerators, household type, nes
841899	Parts of refrigerating or freezing equipment, nes
841950	Heat exchange units, non-domestic, non-electric
842123	Oil or petrol-filters for internal combustion engines

**Table A.IV.1 Potential for India's Imports from Indonesia****Trade Complementarity: Items with High Share in India's Imports from World and Indonesia's Exports to World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
842139	Filtering or purifying machinery and apparatus for gases nes
842612	Mobile lifting frames on tyres and straddle carriers
842699	Cranes or derricks nes
843143	Parts of boring or sinking machinery, whether or not self-propelled
843149	Parts of cranes,work-trucks,shovels,and other construction machinery
844311	Reel fed offset printing machinery
844390	Parts of printing machinery & machines for uses ancillary to printing
847110	Analogue or hybrid automatic data processing machines
847130	Portable digital computers <10kg
847141	Non-portable digital edp machines w processor & i/o
847149	Digital data processing systems, nes
847150	Digital processing units not sold as complete systems
847160	Computer input/outputs, with/without storage
847170	Computer data storage units
847190	Automatic data processing equipment nes
847330	Parts&accessories of automatic data processg machines&units thereof
847340	Parts and accessories of other office machines, nes
847350	Parts and accessories for more than one office machine
847490	Pts of sortg/screeng/mixg/crushg/grinding/washing/agglomeratg mach etc
847790	Pts of mach f wrkg rubber/plas/for the mfr of prods from these mat nes
847810	Machinery for preparing or making up tobacco nes
847989	Machines & mechanical appliances nes having individual functions
847990	Parts of machines&mechanical appliances nes havg individual functions
848071	Moulds, injection or compression types, for rubber or plastics
848079	Moulds for rubber or plastics, nes
848130	Valves, check
848180	Taps, cocks, valves and similar appliances, nes
848210	Bearings, ball
848310	Transmission shafts and cranks, including cam shafts and crank shafts
848340	Gears&gearing,ball screws,gear boxes,speed changers/torque converters
848350	Flywheels and pulleys, including pulley blocks
848390	Parts of power transmission equipment/oth goods usd to transmit power
848410	Gaskets of metal sheeting combined with other material
848590	Machinery parts, non-electrical, nes
850110	Electric motors of an output not exceeding 37.5 W
850120	Universal AC/DC motors of an output exceeding 37.5 W
850300	Parts of electric motors,generators,generatg sets & rotary converters
850423	Liq dielectric transf havg a power handlg capacity exceedg 10,000 KVA
850431	Transformers electric power handling capacity not exceeding 1 KVA, nes
850440	Static converters, nes
850450	Inductors, electric
850490	Parts of electrical transformers, static converters and inductors
850511	Permanent magnets&art intendd to become permanent magnets,of metal
850519	Permanent magnets & articles intended to become permanent magnets,nes
850650	Lithium primary cells and batteries
850680	Primary cells & primary batteries nes
850710	Lead-acid electric accumulators of a kind usd f startg piston engines
850730	Nickel-cadmium electric accumulators

**Table A.IV.1 Potential for India's Imports from Indonesia****Trade Complementarity: Items with High Share in India's Imports from World and Indonesia's Exports to World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
850780	Electric accumulators, nes
850790	Parts of electric accumulators, including separators therefor
851140	Starter motors
851190	Parts of electrical ignition or starting equipment
851220	Lighting or visual signalling equipment nes
851290	Parts of electrical lighting, signalling and defrosting equipment
851310	Portable electric lamp designd to function by thr own source of energy
851690	Parts of electro-thermic apparatus of heading No 85.16
851711	Line telephone sets with cordless handsets
851719	Telephone sets, nes
851721	Facsimiles machines
851750	Apparatus for carrier-current/digital line systems
851790	Parts of electrical apparatus for line telephone or line telegraphy
851829	Loudspeakers, nes
851830	Headphones, earphones and combined microphone/speaker sets
851840	Audio-frequency electric amplifiers
851890	Parts of microphones,loudspeakrs,headphones,earphones&elec sound ampli
851999	Sound reproducing apparatus, not incorporating a sound recorder, nes
852110	Video recording or reproducing apparatus magnetic tape-type
852190	Video recording or reproducing apparatus nes
852290	Parts and accessories of apparatus of heading Nos 85.19 to 85.21, nes
852390	Prepared unrecorded media for sound recording or other phenomena nes
852510	Transmission apparatus for radio-teleph radio-broadcastg or television
852520	Transmission apparatus,for radioteleph incorporatg reception apparatus
852540	Still image and other video cameras
852691	Radio navigational aid apparatus
852731	Radio broad rece combin with sound recordg or reproducg apparatus nes
852790	Radio reception apparatus nes
852812	Colour television receivers
852821	Color video monitors
852910	Aerials&aerial reflectors of all kinds;parts suitable f use therewith
852990	Parts suitable f use solely/princ w the app of headings 85.25 to 85.28
853120	Indicator panels incorporatg liquid crystal device/light emittg diode
853210	Fixd capacitors designd f use in 50/60 Hz circuits (power capacitors)
853222	Electrical capacitors, fixed, aluminium electrolytic, nes
853223	Electrical capacitors, fixed, ceramic dielectric, single layer, nes
853229	Electrical capacitors, fixed, nes
853310	Electrical resistors, fixed carbon, composition or film type
853329	Electrical resistors, fixed, other than heating resistors, nes
853340	Variable resistors, including rheostats and potentiometers, nes
853400	Printed circuits
853620	Automatic circuit breakers for a voltage not exceeding 1,000 volts
853649	Electrical relays for a voltage exced 60 V but not exceedg 1,000 volts
853650	Electrical switches for a voltage not exceeding 1,000 volts, nes
853690	Electrical app for switchg/protzec elec circuits,not exced 1,000 V,nes
853710	Boards,panels,includg numerical control panels,for a voltage <=1000 V
853720	Boards,panels,includg numerical control panels,for a voltage > 1,000 V
853810	Boards,panels,etc for goods of headg no. 85.37,not equippd w their app

**Table A.IV.1 Potential for India's Imports from Indonesia****Trade Complementarity: Items with High Share in India's Imports from World and Indonesia's Exports to World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
853890	Parts for use with the apparatus of headg no. 85.35,85.36 or 85.37,nes
853929	Filament lamps, excluding ultraviolet or infra-red lamps, nes
853931	Fluorescent lamps, hot cathode
854011	Cathode-ray television picture tubes,inc video monitor tubes,colour
854091	Parts of cathode-ray tubes
854099	Parts of valve and tubes, nes
854129	Transistors, other than photosensitive transistors, nes
854140	Photosensitive semiconduct device,photovoltaic cells&light emit diodes
854150	Semiconductor devices, nes
854160	Mounted piezo-electric crystals
854190	Parts of mounted piezo-electric crystals and semiconductor devices
854212	Cards incorporating electronic integrated circuits
854213	Metal oxide semiconductors
854219	Monolithic integrated circuits, nes
854230	Monolithic integrated circuits
854240	Hybrid integrated circuits
854290	Parts of electronic integrated circuits and microassemblies
854389	Electrical machines and apparatus nes
854390	Parts of electrical machines & apparatus havg individual functions,nes
854411	Insulated (including enamelled or anodised) winding wire of copper
854420	Co-axial cable and other co-axial electric conductors
854441	Electric conductors,for a voltage not exceedg 80 V,fittd w connectors
854449	Electric conductors, for a voltage not exceeding 80 V, nes
854451	Electr conductors,for a voltage >80V but <=1,000 V fittd w connectrs
854459	Electric conductors, for a voltage >80V but not exceeding 1,000 V, nes
854460	Electric conductors, for a voltage exceeding 1,000 V, nes
854470	Optical fibre cables, made up of individually sheathed fibres
854890	Electrical parts of mach
860900	Cargo containers designd to be carrid by one o more modes of transport
870323	Automobiles w reciprocattg piston engine displacg > 1500 cc to 3000 cc
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc
870810	Bumpers and parts for motor vehicles
870829	Parts and accessories of bodies nes for motor vehicles
870839	Brake system parts nes for motor vehicles
870840	Tansmissions for motor vehicles
870850	Drive axles with differential for motor vehicles
870870	Wheels including parts and accessories for motor vehicles
870893	Clutches and parts for motor vehicles
870894	Steering wheels,steering columns and steering boxes for motor vehicles
870899	Motor vehicle parts nes
871419	Motorcycle parts nes
871499	Bicycle parts nes
880240	Aircraft nes of an unladen weight exceeding 15,000 kg
880330	Aircraft parts nes
880390	Parts of balloons, dirigibles, and spacecraft nes
890110	Cruise ships,excursion boats etc principally designd f transp persons
890120	Tankers
890190	Cargo vessels nes&oth vessels for the transport of both persons&goods

<b>Table A.IV.1 Potential for India's Imports from Indonesia</b>	
<b>Trade Complementarity: Items with High Share in India's Imports from World and Indonesia's Exports to World (2001-2005)</b>	
<b>HS 6-digit Code</b>	<b>Description</b>
890400	Tugs and pusher craft
890520	Floating or submersible drilling or production platforms
890590	Floating docks and vessels which perform special functions
900150	Spectacle lenses of other materials
900319	Frames&mountings for spectacles,goggles or the like,of other materials
901819	Electro-diagnostic apparatus, nes
901890	Instruments and appliances used in medical or veterinary sciences, nes
902620	Instruments and apparatus for measuring or checking pressure
902690	Parts of inst&app for measurg or checkg variables of liq or gases,nes
902830	Electricity supply, production and calibrating meters
940190	Parts of seats other than those of heading No 94.02
940320	Furniture, metal, nes
940330	Office furniture, wooden, nes
940360	Furniture, wooden, nes
940380	Furniture of oth materials,includg cane,osier,bamboo/similar materials
940390	Furniture parts nes
940540	Electric lamps and lighting fittings, nes
940600	Prefabricated buildings
960200	Workd veg/mineral carvg mat&art,carvd art nes;workd unhardend gelatin
960719	Slide fasteners, nes
960720	Parts of slide fasteners

Source: Calculated from PC TAS, CD-ROM, 2007



**Table A.IV.2 Potential for India's Exports to Indonesia****Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
20230	Bovine cuts boneless, frozen
30374	Mackerel, frozen, excluding heading No 03.04, livers and roes
30379	Fish nes, frozen, excluding heading No 03.04, livers and roes
30559	Fish nes, dried, whether or not salted but not smoked
30613	Shrimps and prawns, frozen, in shell or not, including boiled in shell
30749	Cuttle fish and squid,shelled or not,frozen,dried,salted or in brine
40210	Milk powder not exceeding 1.5% fat
40229	Milk and cream powder sweetened exceeding 1.5% fat
40590	Fats and oils derived from milk nes
40900	Honey, natural
70310	Onions and shallots, fresh or chilled
71220	Onions dried but not further prepared
71290	Vegetables and mixtures dried, but not further prepared nes
80510	Oranges, fresh or dried
80610	Grapes, fresh
80810	Apples, fresh
81090	Fruits, fresh nes
90111	Coffee, not roasted, not decaffeinated
90240	Black tea (fermented) & partly fermented tea in packages exceedg 3 kg
90420	Fruits of the genus Capsicum or Pimenta, dried, crushed or ground
90920	Coriander seeds
100190	Wheat nes and meslin
100510	Maize (corn) seed
100590	Maize (corn) nes
100630	Rice, semi-milled or wholly milled, whether or not polished or glazed
100640	Rice, broken
110100	Wheat or meslin flour
120100	Soya beans
120210	Ground-nuts in shell not roasted or otherwise cooked
120220	Ground-nuts shelld,whether or not broken,not roastd or otherwise cookd
120810	Soya bean flour and meals
120991	Seeds, vegetable, nes for sowing
121190	Plants &pts of plants(incl sed&fruit) used in pharm,perf,insect etc nes
130190	Natural gums, resins, gum-resins and balsam, except arabic gum
130219	Vegetable saps and extracts nes
130232	Mucilages & thickeners derived from locust beans & seeds or guar seeds
150790	Soya-bean oil and its fractions, refined but not chemically modified
151620	Veg fats &oils&fractions hydrogenatd,inter/re-esterifid,etc,ref
151800	Animal/veg fats&oils&fract boild oxid,etc,& ind mix/prep nes ex 15.16
170111	Raw sugar, cane
170191	Refined sugar,in solid form,containg added flavourg or colourg matter
170199	Refined sugar, in solid form, nes
170230	Glucose&glucose syrup nt cntg fruct/cntg in dry state <20% by wt fruct
170310	Cane molasses
170490	Sugar confectionery nes (includg white chocolate),not containg cocoa
190110	Prep of cereals,flour,starch/milk f infant use,put up f retail sale
190190	Malt extract&food prep of Ch 19 <50% cocoa&hd 0401 to 0404 < 10% cocoa

**Table A.IV.2 Potential for India's Exports to Indonesia****Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
190410	Prep foods obtained by the swellg o roastg of cereal o cereal products
190530	Sweet biscuits, waffles and wafers
190590	Communion wafers,empty cachets f pharm use&sim prod&bakers
210690	Food preparations nes
230400	Soya-bean oil-cake&oth solid residues,whether or not ground or pellet
230500	Ground-nut oil-cake&oth solid residues,whether or not ground or pellet
230640	Rape/colza sed oil-cake&oth solid residues,whether/not ground/pellet
230990	Animal feed preparations nes
240110	Tobacco, unmanufactured, not stemmed or stripped
240120	Tobacco, unmanufactured, partly or wholly stemmed or stripped
240310	Smokg tobacco,whether o not cntg tobacco substitutes in any proportion
250100	Salt (includg table salt&denaturd salt) pure sodium chloride&sea water
250510	Silica sands and quartz sands
250810	Bentonite
250820	Decolourising earths and fuller
251110	Natural barium sulphate (barytes)
251512	Marble & travertine,merely cut,by sawing or otherwise into blocks etc
251612	Granite, merely cut, by sawing or otherwise, into blocks etc
251710	Pebbles, gravel, broken or crushed stone used for aggregates etc
252329	Portland cement nes
252910	Felspar
253090	Mineral substances, nes
260111	Iron ores&concentrates,oth than roasted iron pyrites,non-agglomerated
260112	Iron ores & concentrates,other than roasted iron pyrites,agglomerated
270119	Coal nes, whether or not pulverised but not agglomerated
270400	Coke&semi-coke of coal,lignite o peat,agglomeratd o not,retort carbon
270799	Oils&oth products of the distillation of high temp coal tar etc nes
270900	Petroleum oils and oils obtained from bituminous minerals, crude
271000	Petroleum oils&oils obtained from bituminous minerals,o/than crude etc
271119	Petroleum gases and other gaseous hydrocarbons nes, liquefied
271210	Petroleum jelly
271312	Petroleum coke, calcined
271320	Petroleum bitumen
280200	Sulphur, sublimed or precipitated; colloidal sulphur
280300	Carbon (carbon blacks and other forms of carbon, nes)
280920	Phosphoric acid and polyphosphoric acids
281119	Inorganic acids nes
281700	Zinc oxide; zinc peroxide
281820	Aluminium oxide nes
281830	Aluminium hydroxide
282300	Titanium oxides
283620	Disodium carbonate
283650	Calcium carbonate
285100	Inorgn compds nes;liquid air;compressd air;amalgams o/t of prec metals
290124	Buta-1, 3-diene and isoprene
290220	Benzene
290241	O-xylene
290243	P-xylene

**Table A.IV.2 Potential for India's Exports to Indonesia****Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
290244	Mixed xylene isomers
290290	Cyclic hydrocarbons nes
290361	Chlorobenzene, o-dichlorobenzene and p-dichlorobenzene
290410	Derivs of hydrocarbons cntg only sulpho groups,thr salts&ethyl esters
290490	Derivs of hydrocarbons cntg mixtures of sulpho,nitro or nitroso groups
290517	Dodecan-1-ol, hexadecan-1-ol and octadecan-1-ol
290531	Ethylene glycol (ethanediol)
290611	Menthol
290629	Aromatic alcohols nes; derivatives of aromatic alcohols
290711	Phenol (hdroxybenzene) and its salts
290941	2,2
291219	Acyclic aldehydes w/out other oxygen function, nes
291229	Cyclic aldehydes w/out other oxygen function, nes
291419	Acyclic ketones without other oxygen function, nes
291521	Acetic acid
291531	Ethyl acetate
291539	Acetic acid esters nes
291540	Mono-,di-or trichloroacetic acids, their salts and esters
291570	Palmitic acid, stearic acid, their salts and esters
291590	Saturated acyclic monocarboxylic acids and their derivatives, nes
291631	Benzoic acid, its salts and esters
291639	Aromatic monocarboxylic acids and their derivatives, nes
291719	Acyclic polycarboxylic acids and their derivatives, nes
291735	Phthalic anhydride
291736	Terephthalic acid and its salts
291739	Aromatic polycarboxylic acids and their derivatives, nes
291819	Carboxylic acids with alcohol function only and their derivatives, nes
291900	Phosphoric esters, their salts and their derivatives
292119	Acyclic monoamines nes, and their derivatives; salts thereof
292142	Aniline derivatives and their salts
292151	O-,M-,P-phenylenediamine,diaminotoluenes&thr derivatives;salts thereof
292159	Aromatic polyamines nes, and their derivatives; salts thereof
292219	Amino-alcohols nes, their ethers and esters; salts thereof
292221	Aminohydroxynaphthalenesulphonic acids and their salts
292229	Amino-naphthols&oth amino-phenols,nes,thr ethers&esters;salts thereof
292249	Amino-acids nes, and their esters; salts thereof
292250	Amino-alcohol-phenol,amino-acid-phenol&oth amino-compds w oxygen func
292390	Quarternary ammonium salts and hydroxides, nes
292410	Acyclic amides and their derivatives; salts thereof
292429	Cyclic amides and their derivatives, nes; salts thereof
292690	Nitrile-function compounds, nes
292700	Diazo-, azoor azoxy-compounds
292910	Isocyanates
293090	Organo-sulphur compounds, nes
293100	Organo-inorganic compounds, nes
293219	Heterocyclic compds cntg an unfused furan ring in the structure, nes
293319	Heterocyclic compds cntg an unfused pyrazole ring in the structure,nes
293329	Heterocyclic compds cntg an unfused imidazole rg in the structure,nes

**Table A.IV.2 Potential for India's Exports to Indonesia****Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
293331	Pyridine and its salts
293339	Heterocyclic compds cntg an unfused pyridine ring in the structure,nes
293340	Heterocyclic compds cntg quinolin/isoquinolin ring-syst,not furth furd
293359	Heterocycl compds cntg pyrimidin rng/piperazine rng,nes;nucleic acid&sa
293371	6-hexanelactam (epsilon-captolactam)
293379	Lactams nes
293390	Heterocyclic compds with nitrogen hetero-atom(s) only, nes
293490	Heterocyclic compounds, nes
293500	Sulphonamides in bulk
293629	Vitamins nes, and their derivatives, unmixed
294110	Penicillins and their derivatives, in bulk; salts thereof
294150	Erythromycin and its derivatives, in bulk; salts thereof
294190	Antibiotics nes, in bulk
294200	Organic compounds nes
300210	Antisera and other blood fractions
300220	Vaccines, human use
300339	Hormones nes,formulatd,not cntg antibiotics,in bulk,o/t contraceptives
300390	Medicaments nes, formulated, in bulk
300420	Antibiotics nes, in dosage
300431	Insulin, in dosage
300439	Hormones nes, not containing antibiotics, in dosage,o/t contraceptive
300440	Alkaloids or their derivs, not cntg antibiotics or hormones, in dosage
300450	Vitamins and their derivatives,in dosage
300490	Medicaments nes, in dosage
300610	Suture matls,sterile;laminaria,sterile;haemostatics,sterile,surg/dentl
300660	Contraceptive preparations based on hormones or spermicides
320210	Synthetic organic tanning substances
320290	Inorganic tanning subst;tanning preps;enzymatic preps for pre-tanning
320411	Disperse dyes and preparations based thereon
320412	Acid and mordant dyes and preparations based thereon
320413	Basic dyes and preparations based thereon
320414	Direct dyes and preparations based thereon
320415	Vat dyes and preparations based thereon
320416	Reactive dyes and preparations based thereon
320417	Synthetic organic pigments and preparations based thereon
320419	Synthetic organic colourg matter nes,prep of syn orgn colourg matter
320420	Synthetic organic products used as fluorescent brightening agents
320490	Synthetic organic products used as luminophores
320611	Titanium pigments and preps, >80% titanium oxide
320710	Pigments,opacifier,colour&sim preps f ceramic,enamellg/glass industry
321290	Pigment dspr in a n-aqueous media f mfg of paint;dyes packd f retail
321511	Printing ink, black
321519	Printing ink, nes
321590	Ink, nes
330124	Essential oils of peppermint
330129	Essential oils, nes
330210	Mixtures of odoriferous substances for the food or drink industries
330290	Mixtures of odoriferous subst f use as raw materials in industry,nes

**Table A.IV.2 Potential for India's Exports to Indonesia****Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
330300	Perfumes and toilet waters
330491	Powders, skin care, whether or not compressed
330499	Beauty or make-up preparations nes; sunscreen or sun tan preparations
330510	Hair shampoos
330590	Hair preparations, nes
340111	Toilet soap&prep,shaped;papers&nonwovens impreg with soap toilet use
340120	Soap nes
340211	Anionic surface-active agents
340290	Surface-active preparations, washing and cleaning preparations, nes
340319	Lubricating & simil prep containing >=70% petroleum oils, nes
350110	Casein
350190	Casein glues; caseinates and other casein derivatives
350300	Gelatin and gelatin derivs; isinglass; glues of animal origin, nes
350691	Adhesives based on rubber or plastics, nes
350790	Enzymes nes; prepared enzymes nes
360300	Safety/detonatg fuses;percussn/detonatg caps;igniters;elec detonatrs
370610	Cinematograph film, exposed & developed, of a width of 35 mm or more
380210	Activated carbon
380810	Insecticides, packaged for retail sale or formulated
380820	Fungicides, packaged for retail sale or formulated
380830	Herbicides,anti-sproutg prod&plant growth regs,packd f retail/formltd
380890	Pesticides includg rodenticides,nes,packagd for retail sale/formulatd
380991	Finishg agents,dye carriers&oth prep,nes,for use in the textile indust
381121	Lubricatg oil additives cntg pet oils/oils obtaind from bitu minerals
381190	Prepared additives for mineral oils or for other similar liquids, nes
381210	Prepared rubber accelerators
381230	Anti-oxidisg prep & other compound stabilizers for rubber or plastics
381511	Supportd catalysts,with nickel/nickel compounds as the active subst
381512	Supportd catalysts,w precious metal/compds thereof as the activ subs
381590	Reaction initiators,reaction accelerator&catalytic preparations,nes
381710	Mixed alkylbenzenes, nes
382200	Composite diagnostic or laboratory reagents, nes
382311	Stearic acid
382319	Industrial fatty acids, acid oils nes
382370	Industrial fatty alcohols
382490	Chemical/allied industry preparations/prods nes
390110	Polyethylene having a specific gravity of less than 0.94
390120	Polyethylene having a specific gravity of 0.94 or more
390190	Polymers of ethylene nes, in primary forms
390210	Polypropylene
390290	Polymers of propylene nes or of olefins nes, in primary forms
390311	Polystyrene, expansible
390319	Polystyrene nes
390390	Polymers of styrene nes, in primary forms
390410	Polyvinyl chloride, not mixed with any other substances
390690	Acrylic polymers nes, in primary forms
390730	Epoxide resins
390740	Polycarbonates

**Table A.IV.2 Potential for India's Exports to Indonesia****Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
390760	Polyethylene terephthalate
390791	Polyesters nes, unsaturated
390799	Polyesters nes, in primary forms
390940	Phenolic resins
391000	Silicones in primary forms
391110	Petroleum resins,coumarone,indene/coumarone-indene resins&polyterpenes
391220	Cellulose nitrates (incl collodions)
391400	Ion-exchangers basd on polymers of Nos 39.01 to 39.13 in primary forms
391740	Fittings, plastic
391810	Floor, wall and ceiling coverings etc, of polymers of vinyl chloride
391890	Floor, wall and ceiling coverings etc, of plastics nes
391910	Self-adhesive plates,sheets,film etc,of plastic in rolls <20 cm wide
391990	Self-adhesive plates, sheets, film etc, of plastic nes
392010	Film and sheet etc, non-cellular etc, of polymers of ethylene
392020	Film and sheet etc, non-cellular etc, of polymers of propylene
392042	Film&sheet etc,non-cellular etc,of polymers of vinyl chloride,flexible
392062	Film and sheet etc, non-cellular etc, of polyethylene terephthalates
392069	Film and sheet etc, non-cellular etc, of polyesters nes
392099	Film and sheet etc, non-cellular etc, of plastics nes
392119	Film and sheet etc, cellular of plastics nes
392190	Film and sheet etc, nes of plastics
392310	Boxes, cases, crates & similar articles of plastic
392321	Sacks and bags (including cones) of polymers of ethylene
392329	Sacks and bags (including cones) of plastics nes
392330	Carboys, bottles, flasks and similar articles of plastics
392350	Stoppers, lids, caps and other closures of plastics
392390	Articles for the conveyance or packing of goods nes, of plastics
392410	Tableware and kitchenware of plastics
392490	Household and toilet articles nes, of plastics
392610	Office or school supplies, of plastics
392620	Apparel and clothing accessories (incl gloves) of plastic
392690	Articles of plastics or of other materials of Nos 39.01 to 39.14 nes
400110	Natural rubber latex, whether or not prevulcanised
400129	Natural rubber in other forms nes
400821	Plates,sheets&strip of non cellular rubber,oth than hard rubber (vulc)
400920	Tubes,pipes&hoses vulcanisd rubber reinforced w metal,without fittings
400950	Tubes,pipes & hoses vulcanised rubber reinforced or not,with fittings
401011	Conveyor belt metal reinforced vulcansed rubber
401012	Conveyor belt textile reinforced vulcanised rubber
401019	Conveyor belts of vulcanised rubber nes
401021	Endless trapezoidal transmission belts 60-80cm
401029	Tranmission belts or belting nes
401110	Pneumatic tire new of rubber f motor car incl station wagons&racg cars
401120	Pneumatic tires new of rubber for buses or lorries
401199	Pneumatic tires new of rubber nes
401410	Hygienic o pharmaceutical articles of rubber etc sheath contraceptives
401693	Gaskets, washers and other seals of vulcanised rubber
401699	Articles of vulcanised rubber nes, other than hard rubber

**Table A.IV.2 Potential for India's Exports to Indonesia****Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
410410	Bovine skin leather, whole
410431	Bovine and equine leather, full/split grains, nes
410439	Bovine and equine leather, nes
410520	Sheep or lamb skin leather, nes
410620	Goat or kid skin leather, nes
410790	Leather, nes
420212	Trunks,suit-cases&sim container w/outer surface of plastics/textiles
420222	Handbags w outer surface of sheetg of plastics o of textile materials
420500	Articles of leather or of composition leather, nes
440810	Veneer, coniferous (softwood) less than 6 mm thick
442190	Wood articles nes
480100	Newsprint, in rolls or sheets
480252	Paper,fine,woodfree,in rol/sheets,>=40g/m2,<=150g/m2,uncoated,nes
481011	Paper,fine,woodfree, in rolls or sheets,<=150 g/m2, clay coated
481099	Paper, in rolls or sheets, clay coated, nes
481139	Paper,in rolls o sheets,coated/impregnatd o coverd with plastics,nes
481190	Paper,in rolls o sheets,ctd,impreg,cov,surf-col,surf-dec o printd,nes
481910	Cartons, boxes and cases, of corrugated paper or paperboard
481920	Cartons,boxes and cases,folding,of non-corrugated paper or paperboard
482110	Paper labels of all kinds, printed
482390	Paper and paper articles, nes
490110	Brochures, leaflets and similar printed matter, in single sheets
490199	Books, brochures, leaflets and similar printed matter, nes
490290	Newspapers, journals and periodicals, nes
490700	Unusd postage,revenue stamps;cheque forms,banknotes,bond certific,etc
491110	Trade advertising material, commercial catalogue and the like
510529	Wool tops and other combed wool, other than combed wool in fragments
511219	Woven fabrics of combed wool/fine animal hair,>=85% by wght,>200 g/m2
520100	Cotton, not carded or combed
520511	Cotton yarn,>=85%,single,uncombd,>=714.29 dtex, nt put up
520512	Cotton yarn,>=85%,single,uncombed,714.29 >dtex>=232.56, not put up
520514	Cotton yarn,>=85%,single,uncombed,192.31 >dtex>=125, not put up
520542	Cotton yarn,>=85%,multi,combed,714.29 >dtex>=232.56,nt put up,nes
520611	Cotton yarn, <85%, single, uncombed,>=714.29, not put up
520812	Plain weave cotton fabric,>=85%, >100 g/m2 to 200 g/m2, unbleached
520819	Woven fabrics of cotton,>=85%, not more than 200 g/m2,unbleached, nes
520822	Plain weave cotton fabric,>=85%, >100 g/m2 to 200 g/m2, bleached
520829	Woven fabrics of cotton,>=85%, nt more than 200 g/m2, bleached, nes
520831	Plain weave cotton fabric,>=85%, not more than 100 g/m2, dyed
520832	Plain weave cotton fabric,>=85%,>100g/m= to 200g/m=, dyed
520839	Woven fabrics of cotton,>=85%, not more than 200 g/m2, dyed, nes
520842	Plain weave cotton fabrics,>=85%, >100 g/m2 to 200 g/m2, yarn dyed
520849	Woven fabrics of cotton,>=85%,nt more than 200 g/m2, yarn dyed, nes
520919	Woven fabrics of cotton,>=85%,more than 200 g/m2, unbleached, nes
520931	Plain weave cotton fabrics,>=85%, more than 200 g/m2, dyed
520932	Twill weave cotton fabrics,>=85%, more than 200 g/m2, dyed
520942	Denim fabrics of cotton,>=85%, more than 200 g/m2
521011	Plain weave cotton fab,<85% mixd w m-m fib,not more than 200 g/m2,unbl

**Table A.IV.2 Potential for India's Exports to Indonesia****Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
521019	Woven fab of cotton,<85% mixd with m-m fib,</=200 g/m2,unbl,nes
540210	High tenacity yarn (o/t sewg thread),nylon/oth polyamides fi,nt put up
540220	High tenacity yarn (o/t sewg thread),of polyester filaments,not put up
540233	Textured yarn nes,of polyester filaments,not put up for retail sale
540239	Textured yarn of synthetic filaments, nes, not put up
540242	Yarn of polyester filaments,partially oriented,single,nes,not put up
540243	Yarn of polyester filaments, single, untwisted, nes, not put up
540262	Yarn of polyester filaments, multiple, nes, not put up
540341	Yarn of viscose rayon filaments, multiple, nes, not put up
540710	Woven fab of high tenacity fi yarns of nylon oth polyamides/polyesters
540742	Woven fabrics,>/=85% of nylon/other polyamides filaments, dyed, nes
540751	Woven fabrics,>/=85% of textured polyester filaments, unbl or bl, nes
540752	Woven fabrics,>/=85% of textured polyester filaments, dyed, nes
540754	Woven fabrics,>/=85% of textured polyester filaments, printed, nes
540761	Woven fabric >85% non-textured polyester filaments
540769	Woven fabric >85% polyester filaments, nes
550130	Filament tow of acrylic or modacrylic
550320	Staple fibres of polyesters, not carded or combed
550330	Staple fibres of acrylic or modacrylic, not carded or combed
550410	Staple fibres of viscose, not carded or combed
550922	Yarn,>/=85% of polyester staple fibres, multiple, not put up, nes
550969	Yarn of acrylic staple fibres, not put up, nes
551219	Woven fabrics,containg>/=85% of polyester staple fibres,o/t unbl or bl
551311	Plain weave polyest stapl fib fab,<85%,mixd w/cottn,</=170g/m2,unbl/bl
551321	Plain weave polyester staple fib fab,<85%,mixd w/cotton,</=170g/m2,dyd
551511	Woven fab of polyester staple fib mixd w viscose rayon staple fib,nes
560750	Twine, cordage, ropes and cables, of other synthetic fibres
590210	Tire cord fabric made of nylon or other polyamides high tenacity yarns
590310	Textile fab impregnatd,ctd,cov,or laminatd w polyvinyl chloride,nes
600210	Knittd or crocheted tex fab,w</=30 cm,>/=5% of elastomeric/rubber,nes
600242	Warp knitted fabrics, of cotton, nes
600292	Knitted or crocheted fabrics, of cotton, nes
610910	T-shirts, singlets and other vests, of cotton, knitted
630510	Sacks&bags,for packg of goods,of jute or of other textile bast fibres
640419	Footwear o/t sports,w outer soles of rubber/plastics&uppers of tex mat
640610	Uppers and parts thereof, other than stiffeners
640620	Outer soles and heels, of rubber or plastics
640699	Parts of footwear nes
680223	Monumental/building stone, cut/sawn flat or even, granite
680422	Millstones,grindstones etc of oth agglomeratd abrasives or of ceramics
681310	Asbestos brake linings and pads
690210	Refractory bricks etc >50% Mg,Ca o Cr expressd as MgO,CaO o Cr2O3 o mx
690220	Refractory bricks etc >50% alumina Al2O3, silica SiO2 or mixture etc
690320	Refractory ceram goods nes,>50% of Al2O3/mx/compds alumina/silica SiO2
690390	Refractory ceramic goods nes
690810	Tiles, cubes and sim <7 cm rect or not etc, glazed ceramics
690890	Tiles, cubes and sim nes, glazed ceramics
691110	Tableware and kitchenware of porcelain or china



**Table A.IV.2 Potential for India's Exports to Indonesia****Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
701091	Glass containers, capacity >1 litre
701092	Glass containers, capacity 0.33-1.0 litre
701200	Glass inners for vacuum flasks or for other vacuum vessels
701990	Glass fibres (including glass wool) and articles thereof nes
720110	Pig iron, non-alloy, containing by wght $\leq 0.5\%$ phosphorus in primary form
720150	Alloy pig iron, spiegeleisen
720211	Ferro-manganese, containing by weight more than 2% of carbon
720230	Ferro-silico-manganese
720299	Ferro-alloys, nes
720711	Semi-fin prod, i/nas, rect/sq cross-sect cntg by wgt $< 25\%$ c, wdth $< 2X$ thk
720719	Semi-fin prod, iron or non-alloy steel, cntg by wght $< 25\%$ carbon, nes
720810	Hot rolled iron/steel, coils, $> 600$ mm, relief pattern
720825	Hot roll steel, coil, pickled $> 600$ mm wide x $> 4.75$ mm
720826	Hot roll steel, coil, pickled $> 600$ mm x 3-4.75mm
720836	Hot roll iron/steel nes, coil $> 600$ mm x $> 10$ mm
720837	Hot roll iron/steel nes, coil $> 600$ mm x 4.75-10mm
720838	Hot roll iron/steel nes, coil $> 600$ mm x 3-4.75mm
720839	Hot roll iron/steel nes, coil $> 600$ mm x $< 3$ mm
720851	Hot roll iron/steel, not coil $> 600$ mm x $> 10$ mm
720852	Hot roll iron/steel, not coil $> 600$ mm x 4.75-10mm
720854	Hot roll iron/steel, not coil $> 600$ mm x $< 3$ mm
720890	Flat rolled prod, i/nas, not further worked than hot rolled, nes
720915	Cold rolled iron/steel, coils $> 600$ mm x $> 3$ mm
720916	Cold rolled iron/steel, coils $> 600$ mm x 1-3mm
720917	Cold rolled iron/steel, coils $> 600$ mm x 0.5-1mm
720918	Cold rolled iron/steel, coils $> 600$ mm x $< 0.5$ mm
721011	Flat rolled prod, i/nas, platd or coatd with tin, w $\geq 600$ mm, $\geq 0.5$ mm thk
721012	Flat rolled prod, i/nas, platd or coatd with tin, $\geq 600$ mm wide, $< 0.5$ mm thk
721030	Flat rolled i/nas, electrolytically zinc coated $> 600$ mm
721049	Flat rolled prod, i/nas, plated or coated with zinc, $\geq 600$ mm wide, nes
721090	Flat rolled prod, i/nas, clad, plated or coated, $\geq 600$ mm wide, nes
721123	Cold roll iron/steel, $< 600$ mm, $< 0.25\%$ carbon
721129	Flat rolled prod, i/nas, hr, $< 600$ mm wide nes
721240	Flat rolled prod, i/nas, $< 600$ mm wide, painted, varnished or plast coated
721320	Bars & rods, i/nas, hr, in irreg wound coils, of free cutting steel
721391	Hot rolled bar/rod, irregular coils, $< 14$ mm diam
721399	Hot rolled bar/rod, irregular coils, nes
721491	Bar/rod, rectangular (not square) nes
721590	Bars & rods, i/nas, nes
721610	Sections, U, I/H, i/nas, nfw than hot rolled/drawn/extruded, height $< 80$ mm
721710	Wire of iron or non-alloy steel, not plated/coated
721720	Wire of iron or non-alloy steel, zinc plated/coated
721914	Flat rolled prod, stainless steel, hr in coil, w $\geq 600$ mm, thk $< 3$ mm
721933	Flat rolled prod, stainless steel, cr, $600$ mm wide, 1mm $<$ thick $< 3$ mm
721934	Flat rolled prod, stainless steel, cr, w $\geq 600$ mm, 0.5mm $\leq$ thick $< 1$ mm
721935	Flat rolled prod, stainless steel, cr, $> 600$ mm wide, less than 0.5mm thick
722011	Flat rolled prod, stainless steel, hr $< 600$ mm wide, exceeding 4.75mm thick
722012	Flat rolled prod, stainless steel, hr $< 600$ mm wide, less than 4.75mm thick

**Table A.IV.2 Potential for India's Exports to Indonesia****Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
722020	Flat rolled prod, stainless steel, <600mm wide, cold rolled or reduced
722300	Wire of stainless steel
722810	Bars and rods of high speed steel, nes
722830	Bars&rods,alloy steel,o/t stainless nfw thn hot rolld/drawn/extrud,nes
722990	Wire of alloy steel, o/t stainless
730300	Tubes, pipes and hollow profiles of cast iron
730410	Pipes,line,iron or steel,smls,of a kind used for oil or gas pipelines
730421	Drill pipe (iron or steel)
730429	Casings,,tubing, drill pipe, for oil drilling use
730439	Tubes,pipe & hollow profiles,i or nas,smls,of circ cross section,nes
730449	Tubes,pipe&hollow profiles,stainless steel,smls,of circ cross sect,nes
730490	Tubes, pipe & hollow profiles, iron or steel, smls, nes
730511	Pipe,line,i/s,longitudinally subm arc wld,int/ext cc sect,dia >406.4mm
730512	Pipe,line,i/s,longitudinally wld w int/ext circ c sect,ext dia>406.4mm
730519	Pipe,line,i or s,int/ext circ cross sect,wld,ext dia >406.4mm,nes
730610	Pipe,line,i or s,weldd,rivetd or sim closd,nes,for oil or gas pipeline
730640	Tube,pipe&hollow profile,stainless steel,weldd,of circ cross sect,nes
730690	Tubes, pipe & hollow profiles, iron or steel, welded, nes
730711	Fittings, pipe or tube, of non-malleable cast iron
730719	Fittings, pipe or tube, cast, of iron or steel, nes
730721	Flanges, stainless steel
730729	Fittings pipe or tube of stainless steel, nes
730791	Flanges, iron or steel, nes
730799	Fittings, pipe or tube, iron or steel, nes
730820	Towers and lattice masts, iron or steel
730890	Structures&parts of structures,i/s (ex prefab bldgs of headg no.9406)
731010	Tanks,casks,drums,cans,boxes&sim contr,i or s,capac >=50L but <300L
731100	Containers for compressed or liquefied gas of iron or steel
731210	Stranded wire,ropes&cables of iron or steel,not electrically insulated
731511	Chain, roller, iron or steel
731512	Chain, articulated link, iron or steel, nes
731811	Screws, coach, iron or steel
731815	Bolts o screws nes,with o without their nuts o washers,iron o steel
731816	Nuts, iron or steel, nes
731819	Threaded articles of iron or steel, nes
731822	Washers, iron or steel, nes
731829	Non-threaded articles of iron or steel, nes
732010	Springs, leaf and leaves therefor, iron or steel
732090	Springs, iron or steel, nes
732393	Table,kitchen or other household art&parts thereof,stainless steel,nes
732399	Table,kitchen or oth household art&parts thereof,of iron or steel,nes
732591	Balls, grinding and similar articles of iron or steel, cast for mills
732599	Articles of iron or steel, cast, nes
732611	Balls,grindg&similar articles of i or s,forged or stamped,not f/worked
732619	Articles of iron or steel, forged or stamped, but not further worked
732690	Articles, iron or steel, nes
740311	Copper cathodes and sections of cathodes unwrought
740321	Copper-zinc base alloys, unwrought

**Table A.IV.2 Potential for India's Exports to Indonesia****Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
740400	Waste and scrap, copper or copper alloy
740710	Bars, rods and profiles of refined copper
740811	Wire of refined copper of which the max cross sectional dimension > 6mm
740921	Plate, sheet & strip of copper-zinc base alloys, in coil, > 0.15mm thick
760110	Aluminium unwrought, not alloyed
760120	Aluminium unwrought, alloyed
760429	Bars, rods and other profiles, aluminium alloyed
760611	Plate, sheet or strip, aluminium, not alloyed, rect or sq, exceeding 0.2mm thk
760612	Plate, sheet or strip, aluminium alloy, rect or sq, exceeding 0.2mm thick
760711	Foil, aluminium, not backed, rolled but not further worked, not exceeding 0.2mm
760719	Foil, aluminium, not backed and not exceeding 0.2mm thick, nes
760720	Foil, aluminium, backed, not exceeding 0.2mm thick excluding any backing
761519	Table, kitchen, household goods nes, of aluminium
761699	Articles of aluminium, nes
790111	Zinc not alloyed unwrought containing by weight 99.99% or more of zinc
790700	Articles of zinc, nes
800400	Tin plates, sheets and strip, of a thickness exceeding 0.2mm
820299	Stone cuttg saw blades, friction discs for cuttg metals & oth saw blades
820320	Pliers (including cutting pliers), pincers, tweezers and similar tools
820411	Wrenches, hand-operated, with nonadjustable jaws
820412	Wrenches, hand-operated, with adjustable jaws
820559	Tools for masons, watchmakers, miners and hand tools nes
820570	Vices, clamps and the like
820720	Dies for drawing or extruding metal
820750	Tools for drilling, other than for rock drilling
820790	Screwdriver bits, lapping tools and other interchangeable tools
820900	Plates, tips & the like for tools of sintered metal carbides or cermets
821220	Safety razor blades, including razor blade blanks in strips
821599	Tableware articles not in sets and not plated with precious metal
830140	Locks of base metal, nes
830210	Hinges of base metal
830241	Mountings, fittings & similar articles of base metal for buildings, nes
830249	Mountings, fittings and similar articles of base metal, nes
830990	Stoppers, caps, lids, seals & other packing accessories of base metal, nes
831110	Electrodes, coated, of base metal, for electric arc welding
840219	Vapour generating boilers nes, including hybrid boilers
840290	Parts of steam or vapour generating boilers nes
840410	Auxiliary plant for use with steam or vapour generating boilers nes
840610	Turbines for marine propulsion
840682	Turbines nes, output , 40 MW
840690	Parts of steam and vapour turbines
840790	Engines, spark-ignition type nes
840890	Engines, diesel nes
840991	Parts for spark-ignition type engines nes
840999	Parts for diesel and semi-diesel engines
841182	Gas turbines nes of a power exceeding 5000 KW
841199	Parts of gas turbines nes
841290	Parts of hydraulic & pneumatic & other power engines and motors nes

**Table A.IV.2 Potential for India's Exports to Indonesia**

**Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
841311	Pumps w o w/o a meas device for disp fuel o lub in fillg stat o garage
841330	Fuel, lubricating or cooling medium pumps for int comb piston engines
841370	Centrifugal pumps nes
841381	Pumps nes
841391	Parts of pumps for liquid whether or not fitted with a measurg device
841430	Compressors of a kind used in refrigerating equipment
841440	Air compressors mounted on a wheeled chassis for towing
841451	Fans: table,roof etc w a self-cont elec mtr of an output nt excd g 125W
841480	Air or gas compressors, hoods
841490	Parts of vacuum pumps, compressors, fans, blowers, hoods
841510	Air conditioning machines window or wall types, self-contained
841590	Parts of air conditioning machines
841710	Furnaces&ovens n-elec f the roast,melt/h-treat of ores,pyrites,metals
841790	Parts of industrial/lab furnaces&ovens inc incinerators non-electr nes
841810	Combined refrigerator-freezers, fitted with separate external doors
841821	Refrigerators, household type, compression-type
841829	Refrigerators, household type, nes
841869	Refrigerating or freezing equipment nes
841899	Parts of refrigerating or freezing equipment, nes
841940	Distilling or rectifying plant
841950	Heat exchange units, non-domestic, non-electric
841989	Machinery,plant/laboratory equip f treat of mat by change of temp nes
841990	Parts of machinery, plant and equipment of heading No 84.19
842119	Centrifuges nes
842121	Filtering or purifying machinery and apparatus for water
842123	Oil or petrol-filters for internal combustion engines
842199	Parts for filterg or purifyg mchy & apparatus for liquids or gases,nes
842230	Mach f fil/clos/seal/etc.btle/can/box/ bag/ctnr nes,mach f aeratg bev
842240	Packing or wrapping machinery nes
842290	Pts of dish washing,cleang or dryg container,packg or wrappg mach
842490	Pts of mech app (hand-op or not) for proj/disp or spray liq or powders
842619	Transporter or bridge cranes
842959	Self-propelled excavating machinery nes
843041	Boring or sinking machinery nes, selfpropelled
843110	Parts of machinery of heading No 84.25
843139	Parts of lifting, handling, loading or unloading machinery nes
843143	Parts of boring or sinking machinery, whether or not self-propelled
843149	Parts of cranes,work-trucks,shovels,and other construction machinery
843790	Pts of clean/sort mach etc f seed/grn ...mill/wrkg of cereal ex f-type
843830	Machinery for sugar manufacture
843880	Mach nes f the ind prep/mfr of food/drink ex f extrac/prep veg fat/oil
843890	Pts of mach nes f the ind prep/mfr food etc ex f ex/prep veg fat/oil
844250	Printg type,blocks,plates,cylinders&other printg components;blocks etc
844311	Reel fed offset printing machinery
844319	Offset printing machinery nes
844330	Flexographic printing machinery
844390	Parts of printing machinery & machines for uses ancillary to printing
844520	Textile spinning machines

**Table A.IV.2 Potential for India's Exports to Indonesia****Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
844820	Pts & access of mach of hdg No 84.44 or of their auxiliary machinery
844833	Spindles,spindle flyers,spinnng rings & rg travellers for hdg No 84.45
844839	Pts & access of mach of heading No 84.45 or of their aux mach nes
844849	Parts&accessories of weavg mches (looms) o of their auxiliary mach nes
844851	Sinkers,needle&oth articles usd in form stitches as pts of hdg No 8447
845090	Parts of household or laundry-type washg machines,includg comb machy
845290	Parts of sewing machines, nes
845430	Casting machines used in metallurgy or metal foundries
845490	Pts of convertrs/ladles/ingot mould&castg mach usd in metall&met found
845521	Hot or combination hot & cold metal rolling mills
845522	Cold metal rolling mills
845530	Rolls for metal rolling mills
845590	Parts of metal rolling mills & rolls
845899	Lathes nes for removing metal
846291	Hydraulic presses for working metal
846299	Presses nes for working metal
846610	Tool holders&self-openg dieheads for use w mach of hdg 84.56 to 84.65
846693	Parts & accessories nes for use on machines of headg No 84.56 to 84.61
846694	Parts & accessories nes for use on machines of headg No 84.62 or 84.63
847130	Portable digital computers <10kg
847141	Non-portable digital edp machines w processor & i/o
847160	Computer input/outputs, with/without storage
847170	Computer data storage units
847180	Units of automatic data processing equipment nes
847190	Automatic data processing equipment nes
847290	Office machines, nes
847330	Parts&accessories of automatic data processg machines&units thereof
847420	Crushing/grindg machines for earth/ stone/ores o oth minerals subs etc
847480	Mach f agglomeratg mineral fuels,mach f foundry moulds of sand etc nes
847490	Pts of sortg/screeng/mixg/crushg/grinding/washing/agglomeratg mach etc
847710	Injection-moulding machines for working rubber or plastics nes
847720	Extruders for working rubber or plastics nes
847730	Blow moulding machines for working rubber or plastics nes
847780	Mach for workg rubber/plastics/for the mfr of prods form these mat nes
847790	Pts of mach f wrkg rubber/plas/for the mfr of prods from these mat nes
847910	Mach for public works,buildg or the like,nes havg individual functions
847920	Mach f the extraction/prep of animal/fixd fats/oil,nes havg indiv func
847989	Machines & mechanical appliances nes having individual functions
847990	Parts of machines&mechanical appliances nes havg individual functions
848071	Moulds, injection or compression types, for rubber or plastics
848079	Moulds for rubber or plastics, nes
848110	Valves, pressure reducing
848180	Taps, cocks, valves and similar appliances, nes
848190	Parts of taps, cocks, valves or similar appliances
848210	Bearings, ball
848220	Bearings, tapered roller, including cone and tapered roller assemblies
848250	Bearings, cylindrical roller, nes
848280	Bearings, ball or roller, nes, including combined ball/roller bearings

**Table A.IV.2 Potential for India's Exports to Indonesia****Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
848291	Balls, needles and rollers for bearings
848299	Bearing parts, nes
848310	Transmission shafts and cranks, including cam shafts and crank shafts
848340	Gears&gearing,ball screws,gear boxes,speed changers/torque converters
848350	Flywheels and pulleys, including pulley blocks
848390	Parts of power transmission equipment/oth goods used to transmit power
848410	Gaskets of metal sheeting combined with other material
848420	Mechanical seals
848590	Machinery parts, non-electrical, nes
850110	Electric motors of an output not exceeding 37.5 W
850131	DC motors, DC generators, of an output not exceeding 750 W
850132	DC motors,DC generators,of an output exceedg 750 W but nt exceedg 75KW
850134	DC motors, DC generators, of an output exceeding 375 KW
850140	AC motors, single-phase, nes
850164	AC generators, of an output exceeding 750 KVA
850211	Generatg sets,diesel/semi-diesel engines,of an output not exceed 75 KVA
850213	Generatg sets,diesel/semi-diesel engines,of an output exceedg 375 KVA
850220	Generating sets with spark-ignition internal combustion piston engines
850239	Electric generating sets
850300	Parts of electric motors,generators,generatg sets & rotary converters
850410	Ballasts for discharge lamps or tubes
850421	Liquid dielectric transformers havg a power handlg capa <= 650 KVA
850422	Liq dielect transf havg a power handlg cap >650 KVA but <= 10,000KVA
850423	Liq dielectric transf havg a power handlg capacity exceedg 10,000 KVA
850431	Transformers electric power handling capacity not exceeding 1 KVA, nes
850434	Transformers electric havg a power handlg capacity exceedg 500 KVA,nes
850440	Static converters, nes
850450	Inductors, electric
850490	Parts of electrical transformers, static converters and inductors
850511	Permanent magnets&art intendd to become permanent magnets,of metal
850590	Electro-magnets nes and parts of heading No 85.05
850610	Manganese dioxide primary cells and batteries
850680	Primary cells & primary batteries nes
850710	Lead-acid electric accumulators of a kind used f startg piston engines
850780	Electric accumulators, nes
850940	Domestic food grinders and mixers; fruit or vegetable juice extractors
851140	Starter motors
851150	Generators and alternators
851190	Parts of electrical ignition or starting equipment
851220	Lighting or visual signalling equipment nes
851230	Sound signalling equipment
851430	Industrial & laboratory electric furnaces & ovens nes
851730	Telephonic or telegraphic switching apparatus
851750	Apparatus for carrier-current/digital line systems
851780	Electrical apparatus for line telephony/telegraphy nes
851790	Parts of electrical apparatus for line telephone or line telegraphy
851829	Loudspeakers, nes
852431	Recorded laser discs (other than sound/image discs)

**Table A.IV.2 Potential for India's Exports to Indonesia****Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
852439	Recorded laser discs, nes
852491	Recorded media (except sound/image) nes
852510	Transmission apparatus for radio-teleph radio-broadcastg or television
852520	Transmission apparatus,for radioteleph incorporatg reception apparatus
852812	Colour television receivers
852910	Aerials&aerial reflectors of all kinds;parts suitable f use therewith
852990	Parts suitable f use solely/princ w the app of headings 85.25 to 85.28
853229	Electrical capacitors, fixed, nes
853340	Variable resistors, including rheostats and potentiometers, nes
853400	Printed circuits
853521	Automatic circuit breaker f a voltage > 1,000 volts but < 72.5 KV
853529	Automatic circuit breakers, for a voltage exceeding 1,000 volts, nes
853590	Electrical app for switchg/protec elec circuits,exced 1,000 volts,nes
853610	Electrical fuses, for a voltage not exceeding 1,000 volts
853620	Automatic circuit breakers for a voltage not exceeding 1,000 volts
853630	Electrical app f protectg electr circuits,for voltage </=1,000 V,nes
853649	Electrical relays for a voltage exced 60 V but not exceedg 1,000 volts
853650	Electrical switches for a voltage not exceeding 1,000 volts, nes
853690	Electrical app for switchg/protec elec circuits,not exced 1,000 V,nes
853710	Boards,panels,includg numerical control panels,for a voltage </=1000 V
853720	Boards,panels,includg numerical control panels,for a voltage > 1,000 V
853810	Boards,panels,etc for goods of headg no. 85.37,not equippd w their app
853890	Parts for use with the apparatus of headg no. 85.35,85.36 or 85.37,nes
853931	Fluorescent lamps, hot cathode
853932	Mercury or sodium vapour lamps
854011	Cathode-ray television picture tubes,inc video monitor tubes,colour
854212	Cards incorporating electronic integrated circuits
854240	Hybrid integrated circuits
854389	Electrical machines and apparatus nes
854390	Parts of electrical machines & apparatus havg individual functions,nes
854411	Insulated (including enamelled or anodised) winding wire of copper
854419	Insulated (including enamelled or anodised) winding wire, nes
854420	Co-axial cable and other co-axial electric conductors
854430	Ignition wirg sets&oth wirg sets usd in vehicles,aircraft etc
854441	Electric conductors,for a voltage not exceedg 80 V,fittd w connectors
854449	Electric conductors, for a voltage not exceeding 80 V, nes
854451	Electr conductors,for a voltage >80V but </=1,000 V fittd w connectrs
854459	Electric conductors, for a voltage >80V but not exceeding 1,000 V, nes
854460	Electric conductors, for a voltage exceeding 1,000 V, nes
854470	Optical fibre cables, made up of individually sheathed fibres
854511	Carbon or graphite electrodes, of a kind used for furnaces
854620	Electrical insulators of ceramics
854690	Electrical insulators, nes
854790	Insulating fittings for electrical mach appliances or equipment, nes
860210	Rail locomotives, diesel-electric
860900	Cargo containers designd to be carrid by one o more modes of transport
870120	Road tractors for semi-trailers (truck tractors)
870190	Wheeled tractors nes

**Table A.IV.2 Potential for India's Exports to Indonesia****Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
870210	Diesel powered buses with a seating capacity of > nine persons
870290	Buses with a seating capacity of more than nine persons nes
870321	Automobiles w reciprocating piston engine displacg not more than 1000 cc
870322	Automobiles w reciprocating piston engine displacg > 1000 cc to 1500 cc
870323	Automobiles w reciprocating piston engine displacg > 1500 cc to 3000 cc
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc
870333	Automobiles with diesel engine displacing more than 2500 cc
870410	Dump trucks designed for off-highway use
870421	Diesel powered trucks with a GVW not exceeding five tonnes
870422	Diesel powered trucks w a GVW exc five tonnes but not exc twenty tonnes
870810	Bumpers and parts for motor vehicles
870829	Parts and accessories of bodies nes for motor vehicles
870839	Brake system parts nes for motor vehicles
870840	Transmissions for motor vehicles
870850	Drive axles with differential for motor vehicles
870860	Non-driving axles and parts for motor vehicles
870870	Wheels including parts and accessories for motor vehicles
870880	Shock absorbers for motor vehicles
870891	Radiators for motor vehicles
870893	Clutches and parts for motor vehicles
870899	Motor vehicle parts nes
871120	Motorcycles with reciprocating piston engine displacg > 50 cc to 250 cc
871200	Bicycles and other cycles (including delivery tricycles),not motorised
871419	Motorcycle parts nes
871491	Bicycle frames and forks, and parts thereof
871492	Bicycle wheel rims and spokes
871493	Bicycle hubs and free-wheel sprocket wheels
871494	Bicycle brakes, including coaster braking hubs, and parts thereof
871496	Bicycle pedals and crank-gear and parts thereof
871499	Bicycle parts nes
871690	Trailer and other vehicle parts nes
880330	Aircraft parts nes
880390	Parts of balloons, dirigibles, and spacecraft nes
890110	Cruise ships,excursion boats etc principally designed f transp persons
890190	Cargo vessels nes&oth vessels for the transport of both persons&goods
890400	Tugs and pusher craft
890510	Dredgers
890520	Floating or submersible drilling or production platforms
890590	Floating docks and vessels which perform special functions
890600	Warships, lifeboats, hospital ships and vessels nes
900110	Optical fibres,optical fibre bundles&cables,oth than those of heading 85.44
900130	Contact lenses
901580	Surveying,hydrographic,oceanographic,meteorologic/geophysical instruments nes
901590	Parts and accessories for use with the apparatus of heading No 90.15
901819	Electro-diagnostic apparatus, nes
901831	Syringes, with or without needles
901832	Tubular metal needles and needles for sutures
901839	Needles, catheters, cannulae and the like, nes



<b>Table A.IV.2 Potential for India's Exports to Indonesia</b>	
<b>Trade Complementarity: Items with High Share in India's Exports to World and Indonesia's Imports from World (2001-2005)</b>	
<b>HS 6-digit Code</b>	<b>Description</b>
901890	Instruments and appliances used in medical or veterinary sciences, nes
902214	X-rays apparatus, medical/surgical/veterinary use nes
902219	Apparatus based on the use of X-rays for other uses
902290	Parts&accessories for app based on the use of X-rays or oth radiations
902300	Instruments,apparatus and models,designed for demonstrational purposes
902480	Machines&appliances f testg the mechanical properties of oth materials
902610	Instruments&apparatus for measurg o checkg the flow o level of liquids
902830	Electricity supply, production and calibrating meters
903039	Inst & app,for measurg or checkg voltage,current,etc w/o a record dev
903180	Measuring or checking instruments, appliances and machines, nes
903289	Automatic regulating or controlling instruments and apparatus, nes
903290	Parts&access for automatic regulatg or controllg instruments&app,nes
903300	Parts & access nes for machines, appliances, inst or app of Chapter 90
940330	Office furniture, wooden, nes
940360	Furniture, wooden, nes
950691	Gymnasium or athletics articles and equipment
960321	Tooth brushes
960810	Ball point pens
960891	Pen nibs and nib points
960899	Duplicatg stylos;pen/pencil holders;parts of pens,markers,pencils,nes

Source: Calculated from PC TAS, CD-ROM, 2007

**Table A.IV.3 Potential for Joint Marketing of Exports in Global Market and Investment Cooperation**

**Export Competition: Items with High Share in India's Exports to World and Indonesia's Exports to World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
853620	Automatic circuit breakers for a voltage not exceeding 1,000 volts
380210	Activated carbon
410431	Bovine and equine leather, full/split grains, nes
620311	Mens/boys suits, of wool or fine animal hair, not knitted
840290	Parts of steam or vapour generating boilers nes
847990	Parts of machines&mechanical appliances nes havg individual functions
870893	Clutches and parts for motor vehicles
441510	Cases, boxes, crates, drums & similar packings; cable-drums, wooden
841510	Air conditioning machines window or wall types, self-contained
621040	Mens/boys garments nes,made up of impreg,ctd,cov,etc,textile woven fab
621600	Gloves, mittens and mitts, of textile materials, not knitted
890520	Floating or submersible drilling or production platforms
901890	Instruments and appliances used in medical or veterinary sciences, nes
410520	Sheep or lamb skin leather, nes
570500	Carpets and other textile floor coverings, nes
730799	Fittings, pipe or tube, iron or steel, nes
731511	Chain, roller, iron or steel
30490	Fish meat nes, minced or not, frozen
300390	Medicaments nes, formulated, in bulk
390110	Polyethylene having a specific gravity of less than 0.94
490110	Brochures, leaflets and similar printed matter, in single sheets
760720	Foil,aluminium,backed,not exceeding 0.2mm thick excluding any backing
830241	Mountings,fittings & similar articles of base metal for buildings,nes
520932	Twill weave cotton fabrics,>/=85%, more than 200 g/m2, dyed
761490	Strandd wire,cables,plaitd bands&the like or alum,not elect insul,nes
890590	Floating docks and vessels which perform special functions
240310	Smokg tobacco,whether o not cntg tobacco substitutes in any proportion
330510	Hair shampoos
340290	Surface-active preparations, washing and cleaning preparations, nes
270900	Petroleum oils and oils obtained from bituminous minerals, crude
271111	Natural gas, liquefied
441213	Plywood, outer ply of tropical hardwood, ply <6mm
847330	Parts&accessories of automatic data processg machines&units thereof
30613	Shrimps and prawns, frozen, in shell or not, including boiled in shell
847160	Computer input/outputs, with/without storage
640319	Sports footwear,o/t ski,outr sole of rbr/plas/leather&upper of leather
940360	Furniture, wooden, nes
480252	Paper,fine,woodfree,in rol/sheets,>/=40g/m2,</=150g/m2,uncoated,nes
271000	Petroleum oils&oils obtained from bituminous minerals,o/than crude etc
852990	Parts suitable f use solely/princ w the app of headings 85.25 to 85.28
401110	Pneumatic tire new of rubber f motor car incl station wagons&racg cars
852812	Colour television receivers
853400	Printed circuits
90111	Coffee, not roasted, not decaffeinated
481011	Paper,fine,woodfree, in rolls or sheets,</=150 g/m2, clay coated
740311	Copper cathodes and sections of cathodes unwrought

**Table A.IV.3 Potential for Joint Marketing of Exports in Global Market and Investment Cooperation**

**Export Competition: Items with High Share in India's Exports to World and Indonesia's Exports to World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
390760	Polyethylene terephthalate
850110	Electric motors of an output not exceeding 37.5 W
620520	Mens/boys shirts, of cotton, not knitted
540710	Woven fab of high tenacity fi yarns of nylon oth polyamides/polyesters
291736	Terephthalic acid and its salts
270119	Coal nes, whether or not pulverised but not agglomerated
621210	Brassieres and parts thereof, of textile materials
760110	Aluminium unwrought, not alloyed
540233	Textured yarn nes,of polyester filaments,not put up for retail sale
870899	Motor vehicle parts nes
620342	Mens/boys trousers and shorts, of cotton, not knitted
611020	Pullovers, cardigans and similar articles of cotton, knitted
853690	Electrical app for switchg/protec elec circuits,not exceed 1,000 V,nes
240220	Cigarettes containing tobacco
854011	Cathode-ray television picture tubes,inc video monitor tubes,colour
620462	Womens/girls trousers and shorts, of cotton, not knitted
610910	T-shirts, singlets and other vests, of cotton, knitted
850610	Manganese dioxide primary cells and batteries
611030	Pullovers, cardigans and similar articles of man-made fibres, knitted
740811	Wire of refind copper of which the max cross sectional dimension > 6mm
400121	Natural rubber in smoked sheets
610990	T-shirts,singlets and other vests,of other textile materials,knitted
850431	Transformers electric power handling capacity not exceeding 1 KVA, nes
480100	Newsprint, in rolls or sheets
620640	Womens/girls blouses and shirts, of man-made fibres, not knitted
340111	Toilet soap&prep,shaped;papers&nonwovens impreg with soap toilet use
854430	Ignition wirg sets&oth wirg sets usd in vehicles,aircraft etc
620343	Mens/boys trousers and shorts, of synthetic fibres, not knitted
847310	Parts & accessories of typewriters & word-processg machines,o/t cases
390410	Polyvinyl chloride, not mixed with any other substances
550951	Yarn of polyester staple fibres mixd w/ arti staple fib,not put up,nes
854420	Co-axial cable and other co-axial electric conductors
620630	Womens/girls blouses and shirts, of cotton, not knitted
620193	Mens/boys anoraks and similar articles,of man-made fibres,not knitted
550953	Yarn of polyester staple fibres mixed with cotton, not put up, nes
610510	Mens/boys shirts, of cotton, knitted
392321	Sacks and bags (including cones) of polymers of ethylene
382319	Industrial fatty acids, acid oils nes
870870	Wheels including parts and accessories for motor vehicles
540774	Woven fabrics,>/=85% of synthetic filaments, printed, nes
551011	Yarn,>/=85% of artificial staple fibres, single, not put up
847170	Computer data storage units
30420	Fish fillets frozen
550921	Yarn,>/=85% of polyester staple fibres, single, not put up
550932	Yarn,>/=85% acrylic/modacrylic staple fibres,multiple,not put up,nes
540243	Yarn of polyester filaments, single, untwisted, nes, not put up
620463	Womens/girls trousers and shorts, of synthetic fibres, not knitted

**Table A.IV.3 Potential for Joint Marketing of Exports in Global Market and Investment Cooperation**

**Export Competition: Items with High Share in India's Exports to World and Indonesia's Exports to World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
851829	Loudspeakers, nes
540210	High tenacity yarn (o/t sewg thread),nylon/oth polyamides fi,nt put up
90411	Pepper of the genus Piper,ex cubeb pepper,neither crushd nor ground
90240	Black tea (fermented) & partly fermented tea in packages exceedg 3 kg
550410	Staple fibres of viscose, not carded or combed
620469	Womens/girls trousers & shorts,of other textile materials,not knitted
551311	Plain weave polyest stapl fib fab,<85%,mixd w/cottn,<=170g/m2,unbl/bl
520812	Plain weave cotton fabric,>=85%, >100 g/m2 to 200 g/m2, unbleached
30624	Crabs, not frozen, in shell or not, including boiled in shell
848210	Bearings, ball
520942	Denim fabrics of cotton,>=85%, more than 200 g/m2
854240	Hybrid integrated circuits
482010	Registers,account books,note books,diaries & similar articles of paper
850440	Static converters, nes
620690	Womens/girls blouses and shirts,of other textile materials,not knitted
854150	Semiconductor devices, nes
871419	Motorcycle parts nes
640399	Footwear, outer soles of rubber/plastics uppers of leather, nes
252329	Portland cement nes
620530	Mens/boys shirts, of man-made fibres, not knitted
871499	Bicycle parts nes
850710	Lead-acid electric accumulators of a kind usd f startg piston engines
392020	Film and sheet etc, non-cellular etc, of polymers of propylene
382370	Industrial fatty alcohols
852910	Aerials&aerial reflectors of all kinds;parts suitable f use therewith
151790	Edible mx/prep of animal/veg fats&oils/of fractions ex hd No 15.16
870323	Automobiles w reciprocating piston engine displacg > 1500 cc to 3000 cc
620443	Womens/girls dresses, of synthetic fibres, not knitted
30379	Fish nes, frozen, excluding heading No 03.04, livers and roes
240110	Tobacco, unmanufactured, not stemmed or stripped
270799	Oils&oth products of the distillation of high temp coal tar etc nes
620349	Mens/boys trousers and shorts, of other textile materials, not knitted
853931	Fluorescent lamps, hot cathode
720851	Hot roll iron/steel, not coil >600mm x >10mm
420321	Gloves,mittens & mitts,for sports,of leather or of composition leather
620293	Womens/girls anoraks & similar article of man-made fibres,not knitted
850730	Nickel-cadmium electric accumulators
170490	Sugar confectionery nes (includg white chocolate),not containg cocoa
870891	Radiators for motor vehicles
550320	Staple fibres of polyesters, not carded or combed
843149	Parts of cranes,work-trucks,shovels,and other construction machinery
382311	Stearic acid
520524	Cotton yarn,>=85%, single, combed, 192.31 >dtex>=125, not put up
890190	Cargo vessels nes&oth vessels for the transport of both persons&goods
442190	Wood articles nes
540761	Woven fabric >85% non-textured polyester filaments
590210	Tire cord fabric made of nylon or other polyamides high tenacity yarns

**Table A.IV.3 Potential for Joint Marketing of Exports in Global Market and Investment Cooperation**

**Export Competition: Items with High Share in India's Exports to World and Indonesia's Exports to World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
620442	Womens/girls dresses, of cotton, not knitted
700510	Float glass etc in sheets,non-wird havg an absorbent or reflectg layer
392310	Boxes, cases, crates & similar articles of plastic
330129	Essential oils, nes
520522	Cotton yarn,>/=85%,single,combed, 714.29 >dtex>/=232.56, not put up
482020	Exercise books of paper
854459	Electric conductors, for a voltage >80V but not exceeding 1,000 V, nes
252310	Cement clinkers
392062	Film and sheet etc, non-cellular etc, of polyethylene terephthalates
610610	Womens/girls blouses and shirts, of cotton, knitted
870840	Tansmissions for motor vehicles
190530	Sweet biscuits, waffles and wafers
620319	Mens/boys suits, of other textile materials, not knitted
691110	Tableware and kitchenware of porcelain or china
690890	Tiles, cubes and sim nes, glazed ceramics
540754	Woven fabrics,>/=85% of textured polyester filaments, printed, nes
611592	Hosiery nes, of cotton, knitted
290531	Ethylene glycol (ethanediol)
540242	Yarn of polyester filaments,partially oriented,single,nes,not put up
151319	Coconut (copra) oil&its fractions refined but not chemically modified
320411	Disperse dyes and preparations based thereon
841480	Air or gas compressors, hoods
851790	Parts of electrical apparatus for line telephone or line telegraphy
420212	Trunks,suit-cases&sim container w/outer surface of plastics/textiles
401120	Pneumatic tires new of rubber for buses or lorries
620192	Mens/boys anoraks and similar articles, of cotton, not knitted
900130	Contact lenses
721310	Bars&rods,i/nas,hr,in irreg wound coils,cntg indent,ribs,etc prod d rp
854449	Electric conductors, for a voltage not exceeding 80 V, nes
711319	Articles of jewellery&pt therof of/o prec met w/n platd/clad w prec met
551511	Woven fab of polyester staple fib mixd w viscose rayon staple fib,nes
401150	Pneumatic tires new of rubber for bicycles
611120	Babies garments and clothing accessories of cotton, knitted
871120	Motorcycles with reciprocating piston engine displacg > 50 cc to 250 cc
690810	Tiles, cubes and sim <7 cm rect or not etc, glazed ceramics
841430	Compressors of a kind used in refrigerating equipment
640610	Uppers and parts thereof, other than stiffeners
80131	Cashew nuts, in shell, fresh or dried
850680	Primary cells & primary batteries nes
850780	Electric accumulators, nes
851850	Electric sound amplifier sets
901819	Electro-diagnostic apparatus, nes
160520	Shrimps and prawns,prepared or preserved
940330	Office furniture, wooden, nes
540752	Woven fabrics,>/=85% of textured polyester filaments, dyed, nes
840999	Parts for diesel and semi-diesel engines
620590	Mens/boys shirts, of other textile materials, not knitted

**Table A.IV.3 Potential for Joint Marketing of Exports in Global Market and Investment Cooperation**

**Export Competition: Items with High Share in India's Exports to World and Indonesia's Exports to World (2001-2005)**

HS 6-digit Code	Description
410410	Bovine skin leather, whole
860900	Cargo containers designd to be carrid by one o more modes of transport
442090	Wood marquetry and inlaid wood; caskets and cases for jewellery etc
610620	Womens/girls blouses and shirts, of man-made fibres, knitted
761519	Table, kitchen, household goods nes, of aluminium
392490	Household and toilet articles nes, of plastics
640420	Footwear with outer soles of leather and uppers of textile materials
620449	Womens/girls dresses, of other textile materials, not knitted
760611	Plate,sheet or strip,aluminium,not alloyd,rect or sq,exceedg 0.2mm thk
880330	Aircraft parts nes
720918	Cold rolled iron/steel, coils >600mm x <0.5mm
720890	Flat rolled prod, i/nas, not further worked than hot rolled, nes
611090	Pullovers,cardigans&similar articles of oth textile materials,knitted
550931	Yarn,>=85% of acrylic or modacrylic staple fibres, single, not put up
620419	Womens/girls suits, of other textile materials, not knitted
853649	Electrical relays for a voltage exced 60 V but not exceedg 1,000 volts
610690	Womens/girls blouses and shirts, of other materials, knitted
740710	Bars, rods and profiles of refined copper
392329	Sacks and bags (including cones) of plastics nes
847141	Non-portable digital edp machines w processor & i/o
852510	Transmission apparatus for radio-teleph radio-broadcastg or television
740400	Waste and scrap, copper or copper alloy
520512	Cotton yarn,>=85%,single,uncombed,714.29 >dtex>=232.56, not put up
380810	Insecticides, packaged for retail sale or formulated
80290	Nuts edible, fresh or dried, whether or not shelled or peeled, nes
392690	Articles of plastics or of other materials of Nos 39.01 to 39.14 nes
30269	Fish nes, fresh or chilled excl heading No 03.04, livers and roes
392069	Film and sheet etc, non-cellular etc, of polyesters nes
730429	Casings,,tubing, drill pipe, for oil drilling use
292700	Diazo-, azoor azoxy-compounds
550922	Yarn,>=85% of polyester staple fibres, multiple, not put up, nes
640359	Footwear, outer soles and uppers of leather, nes
390120	Polyethylene having a specific gravity of 0.94 or more
850410	Ballasts for discharge lamps or tubes
852520	Transmission apparatus,for radioteleph incorporatg reception apparatus
521011	Plain weave cotton fab,<85% mixd w m-m fib,not more than 200 g/m2,unbl
730890	Structures&parts of structures,i/s (ex prefab bldgs of headg no.9406)
732393	Table,kitchen or other household art&parts thereof,stainless steel,nes
730719	Fittings, pipe or tube, cast, of iron or steel, nes
401693	Gaskets, washers and other seals of vulcanised rubber
551321	Plain weave polyester staple fib fab,<85%,mixd w/cotton,<=170g/m2,dyd
610520	Mens/boys shirts, of man-made fibres, knitted
900150	Spectacle lenses of other materials
291570	Palmitic acid, stearic acid, their salts and esters
620413	Womens/girls suits, of synthetic fibres, not knitted
151620	Veg fats &oils&fractions hydrogenatd,inter/re-esterifid,etc,ref
620920	Babies garments and clothing accessories of cotton, not knitted

**Table A.IV.3 Potential for Joint Marketing of Exports in Global Market and Investment Cooperation**

**Export Competition: Items with High Share in India's Exports to World and Indonesia's Exports to World (2001-2005)**

HS 6-digit Code	Description
320416	Reactive dyes and preparations based thereon
630260	Toilet&kitchen linen,of terry towellg or similar terry fab,of cotton
240120	Tobacco, unmanufactured, partly or wholly stemmed or stripped
340211	Anionic surface-active agents
381710	Mixed alkylbenzenes, nes
420222	Handbags w outer surface of sheetg of plastics o of textile materials
520511	Cotton yarn,>/=85%,single,uncombd,>/=714.29 dtex, nt put up
842123	Oil or petrol-filters for internal combustion engines
620453	Womens/girls skirts, of synthetic fibres, not knitted
611010	Pullovers,cardigans&similar article of wool or fine animal hair,knitted
30559	Fish nes, dried, whether or not salted but not smoked
610590	Mens/boys shirts, of other textile materials, knitted
731815	Bolts o screws nes,with o without their nuts o washers,iron o steel
841451	Fans: table,roof etc w a self-cont elec mtr of an output nt excdgd 125W
853229	Electrical capacitors, fixed, nes
391910	Self-adhesive plates,sheets,film etc,of plastic in rolls <20 cm wide
711311	Articles of jewellery&pts therof of silver w/n platd/clad w/o prec met
840991	Parts for spark-ignition type engines nes
251611	Granite, crude or roughly trimmed
392190	Film and sheet etc, nes of plastics
854290	Parts of electronic integrated circuits and microassemblies
401699	Articles of vulcanised rubber nes, other than hard rubber
620711	Mens/boys underpants and briefs, of cotton, not knitted
610343	Mens/boys trousers and shorts, of synthetic fibres, knitted
841821	Refrigerators, household type, compression-type
392610	Office or school supplies, of plastics
853720	Boards,panels,includg numerical control panels,for a voltage > 1,000 V
190190	Malt extract&food prep of Ch 19 <50% cocoa&hd 0401 to 0404 < 10% cocoa
290545	Glycerol
610319	Mens/boys suits, of other textile materials, knitted
30619	Crustaceans nes, frozen, in shell or not including boiled in shell
300490	Medicaments nes, in dosage
843143	Parts of boring or sinking machinery, whether or not self-propelled
720839	Hot roll iron/steel nes, coil >600mm x <3mm
250590	Natural sands nes, exc metal bearing sand of Chapter 26
390690	Acrylic polymers nes, in primary forms
90810	Nutmeg
293490	Heterocyclic compounds, nes
520822	Plain weave cotton fabric,>/=85%, >100 g/m2 to 200 g/m2, bleached
850450	Inductors, electric
691010	Ceramic sinks,wash basins etc&sim sanitary fixtures of porcelain/china
520523	Cotton yarn,>/=85%, single, combed, 232.56 >dtex>/=192.31, not put up
620452	Womens/girls skirts, of cotton, not knitted
851750	Apparatus for carrier-current/digital line systems
520521	Cotton yarn,>/=85%, single, combed,>/=714.29, not put up
847190	Automatic data processing equipment nes
291735	Phthalic anhydride

**Table A.IV.3 Potential for Joint Marketing of Exports in Global Market and Investment Cooperation**

**Export Competition: Items with High Share in India's Exports to World and Indonesia's Exports to World (2001-2005)**

HS 6-digit Code	Description
854390	Parts of electrical machines & apparatus havg individual functions,nes
620339	Mens/boys jackets and blazers, of other textile materials, not knitted
760120	Aluminium unwrought, alloyed
90230	Black tea (fermented)&partly fermentd tea in packages not exceedg 3 kg
271312	Petroleum coke, calcined
392010	Film and sheet etc, non-cellular etc, of polymers ofethylene
340119	Soap&orgn surf prep,shapd,nes;papers&nonwovens impreg w soap/prep,nes
392119	Film and sheet etc, cellular of plastics nes
740200	Copper unrefined, copper anodes for electrolytic refining
200310	Mushrooms prepared or preserved other than by vinegar or acetic acid
420310	Articles of apparel of leather or of composition leather
853890	Parts for use with the apparatus of headg no. 85.35,85.36 or 85.37,nes
610463	Womens/girls trousers and shorts, of synthetic fibres, knitted
841899	Parts of refrigerating or freezing equipment, nes
871200	Bicycles and other cycles (including delivery tricycles),not motorised
520852	Plain weave cotton fabric,>/=85%, >100 g/m2 to 200 g/m2, printed
841490	Parts of vacuum pumps, compressors, fans, blowers, hoods
260600	Aluminium ores and concentrates
520911	Plain weave cotton fabric,>/=85%, more than 200 g/m2, unbleached
841590	Parts of air conditioning machines
380830	Herbicides,anti-sproutg prod&plant growth regs,packd f retail/formltd
551012	Yarn,>/=85% of artificial staple fibres, multiple, not put up, nes
620412	Womens/girls suits, of cotton, not knitted
732690	Articles, iron or steel, nes
330290	Mixtures of odoriferous subst f use as raw materials in industry,nes
330610	Dentifrices
540220	High tenacity yarn (o/t sewg thread),of polyester filaments,not put up
300439	Hormones nes, not containing antibiotics, in dosage,o/t contraceptive
401199	Pneumatic tires new of rubber nes
851190	Parts of electrical ignition or starting equipment
890400	Tugs and pusher craft
853710	Boards,panels,includg numerical control panels,for a voltage </=1000 V
854460	Electric conductors, for a voltage exceeding 1,000 V, nes
620829	Womens/girls nightdresses&pyjamas,of oth textile materials,not knitted
610342	Mens/boys trousers and shorts, of cotton, knitted
732394	Table,kitchen or oth household art&parts thereof,i or s,enamelled,nes
620459	Womens/girls skirts, of other textile materials, not knitted
630231	Bed linen, of cotton, nes
852311	Unrecorded magnetic tapes, of a width not exceeding 4 mm
854411	Insulated (including enamelled or anodised) winding wire of copper
330590	Hair preparations, nes
400129	Natural rubber in other forms nes
640419	Footwear o/t sports,w outer soles of rubber/plastics&uppers of tex mat
760429	Bars, rods and other profiles, aluminium alloyed
621111	Mens/boys swimwear, of textile materials not knitted
850423	Liq dielectric transf havg a power handl g capacity exceedg 10,000 KVA
870322	Automobiles w reciprocateg piston engine displacg > 1000 cc to 1500 cc



**Table A.IV.3 Potential for Joint Marketing of Exports in Global Market and Investment Cooperation**

**Export Competition: Items with High Share in India's Exports to World and Indonesia's Exports to World (2001-2005)**

HS 6-digit Code	Description
610831	Womens/girls nightdresses and pyjamas, of cotton, knitted
621010	Garments made up of textile felts and of nonwoven textile fabrics
340120	Soaps
550810	Sewing thread of synthetic staple fibres
630190	Blankets (o/t electric) and travelling rugs, of other textile materials
620439	Womens/girls jackets, of other textile materials, not knitted
620610	Womens/girls blouses and shirts, of silk or silk waste, not knitted
620821	Womens/girls nightdresses and pyjamas, of cotton, not knitted
720852	Hot roll iron/steel, not coil >600mm x 4.75-10mm
620891	Womens/girls panties, bathrobes, etc, of cotton, not knitted
841829	Refrigerators, household type, nes
291590	Saturated acyclic monocarboxylic acids and their derivatives, nes
330499	Beauty or make-up preparations nes; sunscreen or sun tan preparations
620432	Womens/girls jackets, of cotton, not knitted
721391	Hot rolled bar/rod, irregular coils, <14mm diam
130190	Natural gums, resins, gum-resins and balsam, except arabic gum
210111	Coffee extracts, essences, concentrates
610462	Womens/girls trousers and shorts, of cotton, knitted
854451	Electr conductors, for a voltage >80V but <=1,000 V fitted w connectrs
620433	Womens/girls jackets, of synthetic fibres, not knitted
853650	Electrical switches for a voltage not exceeding 1,000 volts, nes
902830	Electricity supply, production and calibrating meters
701092	Glass containers, capacity 0.33-1.0 litre
401021	Endless trapezoidal transmission belts 60-80cm
730421	Drill pipe (iron or steel)
900140	Spectacle lenses of glass
870829	Parts and accessories of bodies nes for motor vehicles
30614	Crabs frozen, in shell or not, including boiled in shell
390799	Polyesters nes, in primary forms
482390	Paper and paper articles, nes
620212	Womens/girls overcoats and similar articles of cotton, not knitted
290517	Dodecan-1-ol, hexadecan-1-ol and octadecan-1-ol
560811	Made up fishing nets, of man-made textile materials
720836	Hot roll iron/steel nes, coil >600mm x >10mm
821599	Tableware articles not in sets and not plated with precious metal
520832	Plain weave cotton fabric, >=85%, >100g/m= to 200g/m=, dyed
850490	Parts of electrical transformers, static converters and inductors
270740	Naphthalene
481920	Cartons, boxes and cases, folding, of non-corrugated paper or paperboard
581092	Embroidery of man-made fibres, in the piece, in strips or in motifs, nes
620312	Mens/boys suits, of synthetic fibres, not knitted
30799	Molluscs nes, shell d o not & aquatic invert nes, fz, drid, salt d o in brine
640391	Footwear, outer soles of rubber/plast uppers of leather covg ankle nes
850300	Parts of electric motors, generators, generatg sets & rotary converters
392620	Apparel and clothing accessories (incl gloves) of plastic
401511	Gloves surgical of rubber
190590	Communion wafers, empty cachets f pharm use & sim prod & bakers

**Table A.IV.3 Potential for Joint Marketing of Exports in Global Market and Investment Cooperation**

**Export Competition: Items with High Share in India's Exports to World and Indonesia's Exports to World (2001-2005)**

HS 6-digit Code	Description
392390	Articles for the conveyance or packing of goods nes, of plastics
520513	Cotton yarn,>/=85%,single,uncombed,232.56>dtex>/=192.31, not put up
854890	Electrical parts of mach
720917	Cold rolled iron/steel, coils >600mm x 0.5-1mm
850511	Permanent magnets&art intendd to become permanent magnets,of metal
600210	Knitted or crocheted tex fab,w</=30 cm,>/=5% of elastomeric/rubber,nes
847989	Machines & mechanical appliances nes having individual functions
320417	Synthetic organic pigments and preparations based thereon
380991	Finishg agents,dye carriers&oth prep,nes,for use in the textile indust
520532	Cotton yarn,>/=85%,multi,uncombed,714.29 >dtex>/=232.56,nt put up,nes
520811	Plain weave cotton fabric,>/=85%, not more than 100 g/m2, unbleached
732010	Springs, leaf and leaves therefor, iron or steel
210690	Food preparations nes
730511	Pipe,line,i/s,longitudinally subm arc wld,int/ext cc sect,dia >406.4mm
840690	Parts of steam and vapour turbines
640340	Footwear,outr sole of rber/plas/leathr,uppers of leathr w/met toe-cap
330300	Perfumes and toilet waters
850140	AC motors, single-phase, nes
401029	Transmission belts or belting nes
610190	Mens/boys overcoats, anoraks etc, of other textile materials, knitted
620819	Womens/girls slips & petticoats,of other textile materials,not knitted
831110	Electrodes, coated, of base metal, for electric arc welding
852432	Recorded laser discs, sound only
170310	Cane molasses
391590	Plastics waste and scrap nes
721030	Flat rolled i/nas, electrolytically zinc coated >600mm
760711	Foil,aluminium,not backd,rolld but not further workd,not exceedg 0.2mm
620411	Womens/girls suits, of wool or fine animal hair, not knitted
630411	Bedspreads of textile materials, nes, knitted or crocheted
732399	Table,kitchen or oth household art&parts thereof,of iron or steel,nes
830990	Stoppers,caps,lids,seals & other packing accessories of base metal,nes
847490	Pts of sortg/screenng/mixg/crushg/grinding/washing/agglomeratg mach etc
854470	Optical fibre cables, made up of individually sheathed fibres
960810	Ball point pens
140410	Raw vegetable materials used primarily in dyeing or tanning
291531	Ethyl acetate
848350	Flywheels and pulleys, including pulley blocks
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc
940320	Furniture, metal, nes
520839	Woven fabrics of cotton,>/=85%, not more than 200 g/m2, dyed, nes
610819	Womens/girls slips and petticoats, of other textile materials, knitted
620112	Mens/boys overcoats and similar articles of cotton, not knitted
392410	Tableware and kitchenware of plastics
400110	Natural rubber latex, whether or not prevulcanised
610443	Womens/girls dresses, of synthetic fibres, knitted
610711	Mens/boys underpants and briefs, of cotton, knitted
731816	Nuts, iron or steel, nes

**Table A.IV.3 Potential for Joint Marketing of Exports in Global Market and Investment Cooperation**

**Export Competition: Items with High Share in India's Exports to World and Indonesia's Exports to World (2001-2005)**

HS 6-digit Code	Description
851230	Sound signalling equipment
870850	Drive axles with differential for motor vehicles
230990	Animal feed preparations nes
293921	Quinine and its salts, in bulk
382490	Chemical/allied industry preparations/prods nes
390791	Polyesters nes, unsaturated
420221	Handbags with outer surface of leather
440810	Veneer, coniferous (softwood) less than 6 mm thick
481910	Cartons, boxes and cases, of corrugated paper or paperboard
720838	Hot roll iron/steel nes, coil >600mm x 3-4.75mm
721933	Flat rolled prod, stainless steel, cr, 600mm wide, 1mm <thick <3mm
721710	Wire of iron or non-alloy steel, not plated/coated
730410	Pipes,line,iron or steel,smls,of a kind used for oil or gas pipelines
940490	Articles of bedding/furnishing, nes, stuffed or internally fitted
292250	Amino-alcohol-phenol,amino-acid-phenol&oth amino-compds w oxygen func
300660	Contraceptive preparations based on hormones or spermicides
330210	Mixtures of odoriferous substances for the food or drink industries
481099	Paper, in rolls or sheets, clay coated, nes
520300	Cotton, carded or combed
520411	Cotton sewg thread >=85% by wght of cotton,not put up for retail sale
630221	Bed linen, of cotton, printed, not knitted
830249	Mountings, fittings and similar articles of base metal, nes
854140	Photosensitive semiconduct device,photovoltaic cells&light emit diodes
854212	Cards incorporating electronic integrated circuits
40210	Milk powder not exceeding 1.5% fat
731210	Stranded wire,ropes&cables of iron or steel,not electrically insulated
848410	Gaskets of metal sheeting combined with other material
30749	Cuttle fish and squid,shelled or not,frozen,dried,salted or in brine
300410	Penicillins or streptomycins and their derivatives, in dosage
640699	Parts of footwear nes
80132	Cashew nuts, without shell, fresh or dried
401310	Inner tubes of rubber for motor cars etc buses or lorries
520514	Cotton yarn,>=85%,single,uncombed,192.31 >dtx>=125, not put up
520912	Twill weave cotton fabric,>=85%, more than 200 g/m2, unbleached
620341	Mens/boys trousers and shorts,of wool or fine animal hair,not knitted
620429	Womens/girls ensembles, of other textile materials, not knitted
841391	Parts of pumps for liquid whether or not fitted with a measurg device
841950	Heat exchange units, non-domestic, non-electric
854389	Electrical machines and apparatus nes
80450	Guavas, mangoes and mangosteens, fresh or dried
110100	Wheat or meslin flour
581099	Embroidery of oth textile materials,in the piece,in strips/motifs,nes
620620	Womens/girls blouses & shirts,of wool or fine animal hair,not knitted
620990	Babies garments&clothg accessories of oth textile materials,not knitted
730519	Pipe,line,i or s,int/ext circ cross sect,wld,ext dia >406.4mm,nes
731100	Containers for compressed or liquefied gas of iron or steel
761090	Structures&parts,alum,eg plate,rods etc,for struct,excl prefab bldgs

**Table A.IV.3 Potential for Joint Marketing of Exports in Global Market and Investment Cooperation**

**Export Competition: Items with High Share in India's Exports to World and Indonesia's Exports to World (2001-2005)**

HS 6-digit Code	Description
851220	Lighting or visual signalling equipment nes
610821	Womens/girls briefs and panties, of cotton, knitted
611130	Babies garments and clothing accessories of synthetic fibres, knitted
720837	Hot roll iron/steel nes, coil >600mm x 4.75-10mm
390940	Phenolic resins
520611	Cotton yarn, <85%, single, uncombed,>/=714.29, not put up
610442	Womens/girls dresses, of cotton, knitted
620510	Mens/boys shirts, of wool or fine animal hair, not knitted
621143	Womens/girls garments nes, of man-made fibres, not knitted
848180	Taps, cocks, valves and similar appliances, nes
848340	Gears&gearing,ball screws,gear boxes,speed changers/torque converters
870810	Bumpers and parts for motor vehicles
420211	Trunks,suit-cases & similar containers with outer surface of leather
841381	Pumps nes
844311	Reel fed offset printing machinery
890110	Cruise ships,excursion boats etc principally designd f transp persons
940340	Kitchen furniture, wooden, nes
390210	Polypropylene
401320	Inner tubes of rubber for bicycles
401691	Floor coverings and mats of rubber exc cellular and hard rubber
480251	Paper, fine, woodfree, in rolls or sheets, <40 g/m2, uncoated, nes
610459	Womens/girls skirts, of other textile materials, knitted
621050	Womens/girls garments nes,of impregnatd,ctd,cov,etc,textile woven fab
850211	Generatg sets,diesel/semi-diesel engines,of an output not exceed 75 KVA
360500	Matches
410620	Goat or kid skin leather, nes
550969	Yarn of acrylic staple fibres, not put up, nes
620910	Babies garments&clothg accessories of wool o fine animal hair,not knit
621142	Womens/girls garments nes, of cotton, not knitted
711419	Articl of gold/silversmith&pts of prec met w/n plat/clad w/o prec met
730300	Tubes, pipes and hollow profiles of cast iron
851711	Line telephone sets with cordless handsets
100590	Maize (corn) nes
300420	Antibiotics nes, in dosage
620444	Womens/girls dresses, of artificial fibres, not knitted
280300	Carbon (carbon blacks and other forms of carbon, nes)
620332	Mens/boys jackets and blazers, of cotton, not knitted
721320	Bars & rods, i/nas, hr, in irreg wound coils, of free cutting steel
292410	Acyclic amides and their derivatives; salts thereof
292990	Compounds with other nitrogen function, nes
392330	Carboys, bottles, flasks and similar articles of plastics
681310	Asbestos brake linings and pads
720826	Hot roll steel, coil, pickled >600mm x 3-4.75mm
852390	Prepared unrecorded media for sound recording or other phenomena nes
854441	Electric conductors,for a voltage not exceedg 80 V,fittd w connectors
871496	Bicycle pedals and crank-gear and parts thereof
290711	Phenol (hdroxybenzene) and its salts

**Table A.IV.3 Potential for Joint Marketing of Exports in Global Market and Investment Cooperation**

**Export Competition: Items with High Share in India's Exports to World and Indonesia's Exports to World (2001-2005)**

HS 6-digit Code	Description
520919	Woven fabrics of cotton, >=85%, more than 200 g/m2, unbleached, nes
520959	Woven fabrics of cotton, >=85%, more than 200 g/m2, printed, nes
551419	Woven fabrics of oth syn staple fib, <85%, mixed w/cot, >170 g/m2, unbl/bl
711790	Imitation jewellery nes
730610	Pipe, line, i or s, welded, riveted or sim closed, nes, for oil or gas pipeline
290941	2,2
300220	Vaccines, human use
390311	Polystyrene, expandable
610220	Womens/girls overcoats, anoraks etc, of cotton, knitted
610449	Womens/girls dresses, of other textile materials, knitted
620822	Womens/girls nightdresses and pyjamas, of man-made fibres, not knitted
711411	Articles of gold/silversmith&prt of silver w/n platd/clad w/o prec met
721049	Flat rolled prod, i/nas, plated or coated with zinc, >=600mm wide, nes
851840	Audio-frequency electric amplifiers
880390	Parts of balloons, dirigibles, and spacecraft nes
960200	Workd veg/mineral carvg mat&art, carvd art nes; workd unhardend gelatin
121190	Plants &pts of plants (incl sed&fruit) used in pharm, perf, insect etc nes
551329	Woven fabrics of oth syn staple fib, <85% mixed w/cotton, <=170g/m2, dyed
600292	Knitted or crocheted fabrics, of cotton, nes
630790	Made up articles, of textile materials, nes, including dress patterns
731010	Tanks, casks, drums, cans, boxes&sim contr, i or s, capac >=50L but <300L
848310	Transmission shafts and cranks, including cam shafts and crank shafts
853340	Variable resistors, including rheostats and potentiometers, nes
40700	Eggs, bird, in shell, fresh, preserved or cooked
392042	Film&sheet etc, non-cellular etc, of polymers of vinyl chloride, flexible
481139	Paper, in rolls o sheets, coated/impregnated o covered with plastics, nes
520100	Cotton, not carded or combed
761699	Articles of aluminium, nes
847130	Portable digital computers <10kg
220300	Beer made from malt
381190	Prepared additives for mineral oils or for other similar liquids, nes
680421	Millstones, grindstones etc of agglomerated synthetic/natural diamond
720916	Cold rolled iron/steel, coils >600mm x 1-3mm
760612	Plate, sheet or strip, aluminium alloy, rect or sq, exceeding 0.2mm thick
540781	Woven fabrics of synthetic filaments, <85% mixed w cotton, unbl o bl, nes
620721	Mens/boys nightshirts and pyjamas, of cotton, not knitted
630419	Bedspreads of textile materials, nes, not knitted or crocheted
848079	Moulds for rubber or plastics, nes
854620	Electrical insulators of ceramics
870210	Diesel powered buses with a seating capacity of > nine persons
40229	Milk and cream powder sweetened exceeding 1.5% fat
70190	Potatoes, fresh or chilled nes
91010	Ginger
321519	Printing ink, nes
600242	Warp knitted fabrics, of cotton, nes
611211	Track suits, of cotton, knitted
611420	Garments nes, of cotton, knitted

**Table A.IV.3 Potential for Joint Marketing of Exports in Global Market and Investment Cooperation**

**Export Competition: Items with High Share in India's Exports to World and Indonesia's Exports to World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
620930	Babies garments & clothing accessories of synthetic fibres,not knitted
721934	Flat rolled prod, stainless steel, cr,w>/=600mm,0.5mm</=thick <1mm
847329	Parts and accessories of calculating & accounting machines, nes
960321	Tooth brushes
60290	Plants live, nes
200490	Veg nes&mx of veg prep or presvd,o/t by vinegar or acetic acid,frozen
250820	Decolourising earths and fuller
300320	Antibiotics nes, formulated, in bulk
320420	Synthetic organic products used as fluorescent brightening agents
490900	Postcards, printed or illustrated; printed greeting cards
540824	Woven fab,>/=85% of artificial fi or strip of art tex mat,printd,nes
730729	Fittings pipe or tube of stainless steel, nes
844390	Parts of printing machinery & machines for uses ancillary to printing
847790	Pts of mach f wrkg rubber/plas/for the mfr of prods from these mat nes
848390	Parts of power transmission equipment/oth goods used to transmit power
851140	Starter motors
120799	Oil seeds and oleaginous fruits, nes, whether or not broken
400821	Plates,sheets&strip of non cellular rubber,oth than hard rubber (vulc)
621490	Shawls,scarves,veils & the like,of other textile materials,not knitted
630140	Blankets (o/t electric) and travelling rugs, of synthetic fibres
670300	Human hair,worked;wool/animal hair&other tex mat,prepared for wigs,etc
731822	Washers, iron or steel, nes
732599	Articles of iron or steel, cast, nes
848590	Machinery parts, non-electrical, nes
853630	Electrical app f protectg electr circuits,for voltage </=1,000 V,nes
290290	Cyclic hydrocarbons nes
300339	Hormones nes,formulatd,not cntg antibiotics,in bulk,o/t contraceptives
500710	Woven fabrics of noil silk
520819	Woven fabrics of cotton,>/=85%, not more than 200 g/m2,unbleached, nes
610432	Womens/girls jackets, of cotton, knitted
620211	Womens/girls overcoats&sim articles of wool/fine animal hair nt knit
620333	Mens/boys jackets and blazers, of synthetic fibres, not knitted
620811	Womens/girls slips and petticoats, of man-made fibres, not knitted
730820	Towers and lattice masts, iron or steel
853810	Boards,panels,etc for goods of headg no. 85.37,not equippd w their app
950662	Inflatable balls
260111	Iron ores&concentrates,oth than roasted iron pyrites,non-agglomerated
330491	Powders, skin care, whether or not compressed
392350	Stoppers, lids, caps and other closures of plastics
620461	Womens/girls trousers & shorts,of wool or fine animal hair,not knitted
630130	Blankets (o/t electric) and travelling rugs, of cotton
630210	Bed linen, of textile knitted or crocheted materials
640320	Footwear,outr sole/uppr of leathr,strap across the instep/arnd big toe
640620	Outer soles and heels, of rubber or plastics
680229	Monumental/building stone, cut/sawn flat or even nes
701091	Glass containers, capacity >1 litre
731819	Threaded articles of iron or steel, nes

**Table A.IV.3 Potential for Joint Marketing of Exports in Global Market and Investment Cooperation**

**Export Competition: Items with High Share in India's Exports to World and Indonesia's Exports to World (2001-2005)**

<b>HS 6-digit Code</b>	<b>Description</b>
840890	Engines, diesel nes
848071	Moulds, injection or compression types, for rubber or plastics
853310	Electrical resistors, fixed carbon, composition or film type
870839	Brake system parts nes for motor vehicles

*Source: Calculated from PC TAS, CD-ROM, 2007*

<b>Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia</b>	
<b>HS 6-digit Code</b>	<b>Description</b>
294000	Sugars, chemically pure, their ethers, esters and their salts
380630	Ester gums
400599	Compounded rubber, unvulcanised in primary forms nes
480419	Paper, Kraftliner, in rolls, o/t unbleached, uncoated
482319	Paper,gummd/adhesive (o/t self-adhesive),cut to size,in strips/rolls
521049	Woven fabrics of cotton,<85% mixed w m-m fib,</=200g/m2,yarn dyed,nes
540742	Woven fabrics,>/=85% of nylon/other polyamides filaments, dyed, nes
830400	Office/desk equipmnt,base metal eg filg cab,trays,etc,o/t furn hd 9403
841210	Reaction engines nes other than turbo jets
841919	Instantaneous or storage water heaters, non-electric, nes
845290	Parts of sewing machines, nes
961310	Pocket lighters, gas-fuelled, non-refillable
640699	Parts of footwear nes
300431	Insulin, in dosage
330290	Mixtures of odoriferous subst f use as raw materials in industry,nes
392350	Stoppers, lids, caps and other closures of plastics
847190	Automatic data processing equipment nes
380830	Herbicides,anti-sproutg prod&plant growth regs,packd f retail/formltd
720838	Hot roll iron/steel nes, coil >600mm x 3-4.75mm
320411	Disperse dyes and preparations based thereon
392119	Film and sheet etc, cellular of plastics nes
290531	Ethylene glycol (ethanediol)
721934	Flat rolled prod, stainless steel, cr,w>/=600mm,0.5mm</=thick <1mm
281119	Inorganic acids nes
730410	Pipes,line,iron or steel,smls,of a kind used for oil or gas pipelines
950691	Gymnasium or athletics articles and equipment
840410	Auxiliary plant for use with steam or vapour generating boilers nes
721399	Hot rolled bar/rod, irregular coils, nes
730630	Tubes,pipe & hollow profiles,iron or nas,welded,of circ cross sect,nes
292250	Amino-alcohol-phenol,amino-acid-phenol&oth amino-compds w oxygen func
340120	Soap nes
720916	Cold rolled iron/steel, coils >600mm x 1-3mm
300230	Vaccines, veterinary use
392330	Carboys, bottles, flasks and similar articles of plastics
291639	Aromatic monocarboxylic acids and their derivatives, nes
851150	Generators and alternators
820750	Tools for drilling, other than for rock drilling
580620	Narrow woven fab,cntg by wt>/=5% elastomeric yarn/rubber thread nes
730640	Tube,pipe&hollow profile,stainless steel,weldd,of circ cross sect,nes
251512	Marble & travertine,merely cut,by sawing or otherwise into blocks etc
481129	Paper, gummed or adhesive, in rolls or sheets, nes
847990	Parts of machines&mechanical appliances nes havg individual functions
853340	Variable resistors, including rheostats and potentiometers, nes
730792	Threaded elbows, bend and sleeves, iron or steel, nes
841581	Air cond mach nes inc a ref unit&a valve f rev of the cool/heat cycle
292410	Acyclic amides and their derivatives; salts thereof
392042	Film&sheet etc,non-cellular etc,of polymers of vinyl chloride,flexible
900130	Contact lenses



**Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia**

HS 6-digit Code	Description
590310	Textile fab impregnated, coated, or laminated with polyvinyl chloride, nes
392112	Film and sheet etc, cellular of polymers of vinyl chloride
902290	Parts & accessories for apparatus based on the use of X-rays or other radiations
842123	Oil or petrol filters for internal combustion engines
840310	Central heating boilers nes
841182	Gas turbines nes of a power exceeding 5000 KW
854451	Electrical conductors, for a voltage >80V but <=1,000 V fitted with connectors
840999	Parts for diesel and semi-diesel engines
731819	Threaded articles of iron or steel, nes
731100	Containers for compressed or liquefied gas of iron or steel
440890	Veneer, non-coniferous nes, less than 6 mm thick
730722	Threaded elbows, bends and sleeves of stainless steel
850410	Ballasts for discharge lamps or tubes
854590	Articles of carbon/graphite, of a kind used for electrical purposes, nes
870899	Motor vehicle parts nes
848180	Taps, cocks, valves and similar appliances, nes
293390	Heterocyclic compounds with nitrogen hetero-atom(s) only, nes
390940	Phenolic resins
848190	Parts of taps, cocks, valves or similar appliances
520929	Woven fabrics of cotton, >=85%, more than 200 g/m <sup>2</sup> , bleached, nes
490290	Newspapers, journals and periodicals, nes
870840	Transmissions for motor vehicles
283919	Silicates of sodium nes
732020	Springs, helical, iron or steel
760711	Foil, aluminium, not backed, rolled but not further worked, not exceeding 0.2mm
830140	Locks of base metal, nes
390190	Polymers of ethylene nes, in primary forms
293359	Heterocyclic compounds containing pyrimidine ring/piperazine ring, nes; nucleic acid & salts
730900	Reservoirs, tanks, vats & similar containers, capacity >300L, in solid (excluding liquid/compressed gas type)
283650	Calcium carbonate
391740	Fittings, plastic
540242	Yarn of polyester filaments, partially oriented, single, nes, not put up
760110	Aluminium unwrought, not alloyed
760120	Aluminium unwrought, alloyed
110290	Cereal flour nes
680510	Natural/artificial abrasive powder/grain on a woven textile fabric base
851120	Ignition magnets, magneto-generators and magnetic flywheels
853910	Sealed beam lamp units
381119	Anti-knock preparations, nes
850432	Transformers electric power handling capacity > 1 KVA but <= 16 KVA, nes
850590	Electro-magnets nes and parts of heading No 85.05
852439	Recorded laser discs, nes
520842	Plain weave cotton fabrics, >=85%, >100 g/m <sup>2</sup> to 200 g/m <sup>2</sup> , yarn dyed
870893	Clutches and parts for motor vehicles
850780	Electric accumulators, nes
521031	Plain weave cotton fabric, <85% mixed with man-made fibre, not more than 200 g/m <sup>2</sup> , dyed
730421	Drill pipe (iron or steel)
852812	Colour television receivers
293490	Heterocyclic compounds, nes

**Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia**

HS 6-digit Code	Description
851110	Spark plugs
848310	Transmission shafts and cranks, including cam shafts and crank shafts
320490	Synthetic organic products used as luminophores
732111	Cookg appliances&plate warmers for gas fuel or both gas&o/fuels,i or s
732190	Appliance parts clearly identifiable as f household,cooking,campg,nes
850490	Parts of electrical transformers, static converters and inductors
291719	Acyclic polycarboxylic acids and their derivatives, nes
901831	Syringes, with or without needles
843110	Parts of machinery of heading No 84.25
731822	Washers, iron or steel, nes
890110	Cruise ships,excursion boats etc princially designd f transp persons
841821	Refrigerators, household type, compression-type
330129	Essential oils, nes
380890	Pesticides includg rodenticides,nes,packagd for retail sale/formulatd
170290	Sugar nes, including invert sugar
330420	Eye make-up preparations
350520	Glues based on starches, on dextrans or other modified starches, nes
851220	Lighting or visual signalling equipment nes
294110	Penicillins and their derivatives, in bulk; salts thereof
760719	Foil, aluminium, not backed and not exceeding 0.2mm thick, nes
841829	Refrigerators, household type, nes
848110	Valves, pressure reducing
820299	Stone cuttg saw blades,friction discs for cuttg metals&oth saw blades
380210	Activated carbon
540110	Sewing thread of synthetic filaments
860900	Cargo containers designd to be carrid by one o more modes of transport
848350	Flywheels and pulleys, including pulley blocks
850511	Permanent magnets&art intendd to become permanent magnets,of metal
284700	Hydrogen peroxide
580429	Mechanically made lace of oth tex mat,in the piece,in strips/in motifs
852719	Radio broad rece capable of op w/o an external source of power, nes
853630	Electrical app f protectg electr circuits,for voltage <=1,000 V,nes
901832	Tubular metal needles and needles for sutures
841290	Parts of hydraulic & pneumatic & other power engines and motors nes
841911	Instantaneous gas water heaters
844390	Parts of printing machinery & machines for uses ancillary to printing
853810	Boards,panels,etc for goods of headg no. 85.37,not equippd w their app
391690	Monofilaments >1 mm, profile shapes etc of plastics nes
480990	Paper,copying/transfer,rolls of a wthd >36cm,sheets one side >36cm,nes
840590	Parts of prod gas/wat gas generatrs,acetylen gas gen&sim water gas gen
846890	Welding machinery parts
392690	Articles of plastics or of other materials of Nos 39.01 to 39.14 nes
851430	Industrial & laboratory electric furnaces & ovens nes
721935	Flat rolled prod,stainless steel,cr,>600mm wide,less than 0.5mm thick
840510	Producer gas or water gas generators acetylene gas gen & sim gas gen
844900	Mach f the mfr/fin of felt/n-wov in the pce/in sh inc mach f mak hts
870323	Automobiles w reciprocattg piston engine displacg > 1500 cc to 3000 cc
720837	Hot roll iron/steel nes, coil >600mm x 4.75-10mm
853720	Boards,panels,includg numerical control panels,for a voltage > 1,000 V

**Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia**

<b>HS 6-digit Code</b>	<b>Description</b>
732690	Articles, iron or steel, nes
330210	Mixtures of odoriferous substances for the food or drink industries
843890	Pts of mach nes f the ind prep/mfr food etc ex f ex/prep veg fat/oil
320210	Synthetic organic tanning substances
730799	Fittings, pipe or tube, iron or steel, nes
401011	Conveyor belt metal reinforced vulcansed rubber
740721	Bars, rods and profiles of copper-zinc base alloys
600210	Knitted or crocheted tex fab, w<=30 cm, >=5% of elastomeric/rubber, nes
850434	Transformers electric havg a power handlg capacity exceedg 500 KVA, nes
381230	Anti-oxidising prep & other compound stabilizers for rubber or plastics
540220	High tenacity yarn (o/t sewg thread), of polyester filaments, not put up
481390	Paper, cigarette, nes
680610	Slag wool, rock wool & similar mineral wools in bulk, sheets or rolls
842940	Tamping machines and road rollers, selfpropelled
843120	Parts of fork-lift & other works trucks fitted with lifting equipment
180620	Chocolate&other food preparations containg cocoa weighg more than 2 kg
392010	Film and sheet etc, non-cellular etc, of polymers of ethylene
480411	Paper, Kraftliner, in rolls, unbleached, uncoated
853010	Electrical signalling, safety/traffic control equip f railways/tramways
880310	Aircraft propellers and rotors and parts thereof
902300	Instruments, apparatus and models, designed for demonstrational purposes
870839	Brake system parts nes for motor vehicles
540761	Woven fabric >85% non-textured polyester filaments
722990	Wire of alloy steel, o/t stainless
831110	Electrodes, coated, of base metal, for electric arc welding
280300	Carbon (carbon blacks and other forms of carbon, nes)
730729	Fittings pipe or tube of stainless steel, nes
721320	Bars & rods, i/nas, hr, in irreg wound coils, of free cutting steel
853400	Printed circuits
690320	Refractory ceram goods nes, >50% of Al <sub>2</sub> O <sub>3</sub> /mx/compds alumina/silica SiO <sub>2</sub>
292211	Monoethanolmine and its salts
481029	Paper, fine, woodcontaining, in rolls or sheets, clay coated, nes
841990	Parts of machinery, plant and equipment of heading No 84.19
842119	Centrifuges nes
848490	Gasket sets consisting of gaskets of different materials
840991	Parts for spark-ignition type engines nes
841510	Air conditioning machines window or wall types, self-contained
853641	Electrical relays for a voltage not exceeding 60 volts
380991	Finishg agents, dye carriers&oth prep, nes, for use in the textile indust
401019	Conveyor belts of vulcanised rubber nes
520829	Woven fabrics of cotton, >=85%, nt more than 200 g/m <sup>2</sup> , bleached, nes
690810	Tiles, cubes and sim <7 cm rect or not etc, glazed ceramics
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc
330410	Lip make-up preparations
480253	Paper, fine, woodfree, in rolls or sheets, >150 g/m <sup>2</sup> , uncoated, nes
520299	Cotton waste, nes
760429	Bars, rods and other profiles, aluminium alloyed
853921	Filament lamps, tungsten halogen
481910	Cartons, boxes and cases, of corrugated paper or paperboard

**Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia**

HS 6-digit Code	Description
290290	Cyclic hydrocarbons nes
600292	Knitted or crocheted fabrics, of cotton, nes
721410	Bars & rods, iron or non-alloy steel forged
850220	Generating sets with spark-ignition internal combustion piston engines
253090	Mineral substances, nes
721391	Hot rolled bar/rod, irregular coils, <14mm diam
843880	Mach nes f the ind prep/mfr of food/drink ex f extrac/prep veg fat/oil
320910	Paints&varnishes basd on acrylic/vinyl poly,dspr in an aqueous medium
392610	Office or school supplies, of plastics
540239	Textured yarn of synthetic filaments, nes, not put up
901590	Parts and accessories for use with the apparatus of heading No 90.15
481091	Paper, multi-ply, in rolls or sheets, clay coated, nes
730810	Bridges and bridge sections, iron or steel
731600	Anchors, grapnels and parts thereof of iron or steel
847710	Injection-moulding machines for working rubber or plastics nes
690890	Tiles, cubes and sim nes, glazed ceramics
130239	Mucilages&thickeners nes,modifid or not,derivd from vegetable products
961210	Typewriter or similar ribbons, prepared for giving impressions
850710	Lead-acid electric accumulators of a kind usd f startg piston engines
540769	Woven fabric >85% polyester filaments, nes
830249	Mountings, fittings and similar articles of base metal, nes
841181	Gas turbines nes of a power not exceeding 5000 KW
848041	Moulds, injection or compression types, for metal or metal carbides
847790	Pts of mach f wrkg rubber/plas/for the mfr of prods from these mat nes
520839	Woven fabrics of cotton,>=85%, not more than 200 g/m2, dyed, nes
851190	Parts of electrical ignition or starting equipment
491110	Trade advertising material, commercial catalogue and the like
481099	Paper, in rolls or sheets, clay coated, nes
300439	Hormones nes, not containing antibiotics, in dosage,o/t contraceptive
321000	Paints & varnishes nes; water pigments for finishing leather
390910	Urea resins; thiourea resins
740911	Plate,sheet & strip of refined copper,in coil,exceeding 0.15mm thick
843141	Buckets, shovels, grabs and grips of excavating machinery
850212	Generatg sets,diesel/semi-diesel exceedg 75 KVA but not exceed 375 KVA
850431	Transformers electric power handling capacity not exceeding 1 KVA, nes
721590	Bars & rods, i/nas, nes
440810	Veneer, coniferous (softwood) less than 6 mm thick
720441	Ferrous waste & scrap,i or s,from the mechanical working of metal,nes
830120	Locks of a kind used for motor vehicles of base metal
850519	Permanent magnets & articles intended to become permanent magnets,nes
210390	Sauces and preparations nes and mixed condiments and mixed seasonings
481940	Sacks and bags, of paper, nes; including cones
520939	Woven fabrics of cotton,>=85%, more than 200 g/m2, dyed, nes
841231	Pneumatic power engines & motors linear acting (cylinders)
853610	Electrical fuses, for a voltage not exceeding 1,000 volts
960910	Pencils and crayons, with leads encased in a rigid sheath, nes
320710	Pigments,opacifier,colour&sim preps f ceramic,enamellg/glass industry
490110	Brochures, leaflets and similar printed matter, in single sheets
761290	Container,alum,cap <300L,lined/heat insul/nt,n/ftd w/mech/thermo equip

**Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia**

HS 6-digit Code	Description
850131	DC motors, DC generators, of an output not exceeding 750 W
870894	Steering wheels, steering columns and steering boxes for motor vehicles
848410	Gaskets of metal sheeting combined with other material
290950	Ether-phenols, ether-alcohol-phenols and their derivatives
400920	Tubes, pipes & hoses vulcanised rubber reinforced w metal, without fittings
843790	Pts of clean/sort mach etc f seed/grn ...mill/wrkg of cereal ex f-type
291736	Terephthalic acid and its salts
691200	Ceramic tableware, kitchenware, other household & toilet articles nes
850132	DC motors, DC generators, of an output exceedg 750 W but nt exceedg 75KW
870870	Wheels including parts and accessories for motor vehicles
540751	Woven fabrics, >/=85% of textured polyester filaments, unbl or bl, nes
850690	Parts of primary cells and primary batteries
854011	Cathode-ray television picture tubes, inc video monitor tubes, colour
481011	Paper, fine, woodfree, in rolls or sheets, </=150 g/m2, clay coated
731029	Cans, iron or steel, capacity <50 litres nes
250700	Kaolin and other kaolinic clays, whether or not calcined
841451	Fans: table, roof etc w a self-cont elec mtr of an output nt excdg 125W
840890	Engines, diesel nes
292320	Lecithins and other phosphoaminolipids
390390	Polymers of styrene nes, in primary forms
540410	Synthetic mono, >/=67dtex, no cross sectional dimension exceeds 1 mm
560900	Articles of yarn, strip, twine, cordage, rope and cables, nes
580410	Tulles & other net fabrics, not incl woven, knitted or crocheted fabrics
701310	Glassware of a kind used for table kitchen, etc of glass-ceramics
841392	Parts of liquid elevators
850134	DC motors, DC generators, of an output exceeding 375 KW
854419	Insulated (including enamelled or anodised) winding wire, nes
930100	Military weapons, other than revolvers, pistols & arms of headg No 93.07
940290	Medical, surgical, dental or veterinary furniture and parts nes
40221	Milk and cream powder unsweetened exceeding 1.5% fat
480580	Paper, in rolls or sheets, weighing 225 g/m2 or more, uncoated, nes
741121	Pipes and tubes, copper-zinc base alloy
830160	Lock parts, includg parts of clasps o frames w clasps, of base metal, nes
843142	Bulldozer and angledozer blades
847890	Parts of machinery for preparing or making up tobacco nes
854420	Co-axial cable and other co-axial electric conductors
870831	Mounted brake linings for motor vehicles
850440	Static converters, nes
120991	Seeds, vegetable, nes for sowing
731816	Nuts, iron or steel, nes
271000	Petroleum oils & oils obtained from bituminous minerals, o/than crude etc
731815	Bolts o screws nes, with o without their nuts o washers, iron o steel
151800	Animal/veg fats & oils & fract boild oxid, etc, & ind mix/ prep nes ex 15.16
880390	Parts of balloons, dirigibles, and spacecraft nes
400211	Styren-butadien rubber (SBR)/carboxyltd styren-butadien rbr (XSBR) latex
870590	Special purpose motor vehicles nes
760820	Tubes and pipe, aluminium alloy
845190	Pts of washg/cleang/drying/ironing/ dyeg mach etc (o/t hdg No 8450)
850680	Primary cells & primary batteries nes

**Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia**

HS 6-digit Code	Description
390311	Polystyrene, expansible
841940	Distilling or rectifying plant
854460	Electric conductors, for a voltage exceeding 1,000 V, nes
730429	Casings,,tubing, drill pipe, for oil drilling use
380690	Resin acids&derivs nes;rosin deriv nes;rosin spirit&rosin oils;run gum
550620	Staple fibres of polyesters, carded or combed
190410	Prep foods obtaind by the swellg o roastg of cereal o cereal products
847490	Pts of sortg/screeng/mixg/crushg/grinding/washing/agglomeratg mach etc
853620	Automatic circuit breakers for a voltage not exceeding 1,000 volts
300220	Vaccines, human use
730290	Rail or tramway construction material of iron or steel, nes
844130	Mach for makg boxes or sim cont,of paper or paperboard o/t by mouldg
841391	Parts of pumps for liquid whether or not fitted with a measurg device
340290	Surface-active preparations, washing and cleaning preparations, nes
340211	Anionic surface-active agents
290629	Aromatic alcohols nes; derivatives of aromatic alcohols
220210	Waters incl mineral&aeratd,containg sugar o sweeteng matter o flavourd
731700	Nails,staples&sim art,i or s,ex art of head No 8305&art w/copper heads
890510	Dredgers
841950	Heat exchange units, non-domestic, non-electric
291570	Palmitic acid, stearic acid, their salts and esters
390120	Polyethylene having a specific gravity of 0.94 or more
701990	Glass fibres (including glass wool) and articles thereof nes
180690	Chocolate and other food preparations containing cocoa nes
550320	Staple fibres of polyesters, not carded or combed
190219	Uncooked pasta, not stuffed or otherwise prepared, nes
550390	Synthetic staple fibres, not carded or combed, nes
720854	Hot roll iron/steel, not coil >600mm x <3mm
731512	Chain, articulated link, iron or steel, nes
640620	Outer soles and heels, of rubber or plastics
721030	Flat rolled i/nas, electrolytically zinc coated >600mm
847431	Concrete or mortar mixers
851821	Single loudspeakers, mounted in the same enclosure
510529	Wool tops and other combed wool, other than combed wool in fragments
390430	Vinyl chloride-vinyl acetate copolymers
841319	Pumps fitted or designed to be fitted with a measuring device nes
401029	Tranmission belts or belting nes
851829	Loudspeakers, nes
721011	Flat rolld prod,i/nas,platd or coatd wth tin,w>/=600mm,>/=0.5mm thk
870829	Parts and accessories of bodies nes for motor vehicles
283711	Cyanides and cyanide oxides of sodium
320810	Paints&varnishes based on polyesters,dispersed in a non-aqueous medium
850910	Domestic vacuum cleaners
961390	Parts of lighters, other than flints and wicks
401693	Gaskets, washers and other seals of vulcanised rubber
853690	Electrical app for switchg/protec elec circuits,not exced 1,000 V,nes
902830	Electricity supply, production and calibrating meters
848291	Balls, needles and rollers for bearings
854690	Electrical insulators, nes

**Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia**

<b>HS 6-digit Code</b>	<b>Description</b>
481139	Paper,in rolls o sheets,coated/impregnatd o coverd with plastics,nes
730519	Pipe,line,i or s,int/ext circ cross sect,wld,ext dia >406.4mm,nes
321519	Printing ink, nes
330590	Hair preparations, nes
281122	Silicon dioxide
390730	Epoxide resins
392020	Film and sheet etc, non-cellular etc, of polymers of propylene
401021	Endless trapezoidal transmission belts 60-80cm
540772	Woven fabrics,>/=85% of synthetic filaments, dyed, nes
700910	Rear-view mirrors for vehicles
840390	Parts of central heating boiler nes
851539	Electric mach/app for arc (inc plasma arc) welding of metals nes
853650	Electrical switches for a voltage not exceeding 1,000 volts, nes
540262	Yarn of polyester filaments, multiple, nes, not put up
844311	Reel fed offset printing machinery
740321	Copper-zinc base alloys, unwrought
281700	Zinc oxide; zinc peroxide
760720	Foil,aluminium,backed,not exceeding 0.2mm thick excluding any backing
401699	Articles of vulcanised rubber nes, other than hard rubber
721933	Flat rolled prod, stainless steel, cr, 600mm wide, 1mm <thick <3mm
40299	Milk and cream nes sweetened
252020	Plasters (consisting of calcined gypsum or calcium sulphate) etc
482311	Paper, self-adhesive, cut to size, in strips or rolls
520832	Plain weave cotton fabric,>/=85%,>100g/m= to 200g/m=, dyed
720529	Powders, iron or steel, other than alloy
820810	Knives & blades for machines or mechanical appliances for metal workg
851410	Industrial & laboratory electric resistance heated furnaces & ovens
870892	Mufflers and exhaust pipes for motor vehicles
940540	Electric lamps and lighting fittings, nes
847910	Mach for public works,buildg or the like,nes havg individual functions
841490	Parts of vacuum pumps, compressors, fans, blowers, hoods
390110	Polyethylene having a specific gravity of less than 0.94
842611	Gantry & overhead travelling cranes on fixed support
871690	Trailer and other vehicle parts nes
854411	Insulated (including enamelled or anodised) winding wire of copper
392390	Articles for the conveyance or packing of goods nes, of plastics
851690	Parts of electro-thermic apparatus of heading No 85.16
292700	Diazo-, azoor azoxy-compounds
721730	Wire of iron or non-alloy steel, metal coat (not zinc)
740620	Powders, copper, of lamellar structure and flakes
391390	Natural polymers, modified natural polymers nes, in primary forms
400910	Tubes,pipes&hoses vulcanisd rubber not reforcd etc,without fittings
761699	Articles of aluminium, nes
291739	Aromatic polycarboxylic acids and their derivatives, nes
482390	Paper and paper articles, nes
720917	Cold rolled iron/steel, coils >600mm x 0.5-1mm
842820	Pneumatic elevators and conveyors
292429	Cyclic amides and their derivatives, nes; salts thereof
392310	Boxes, cases, crates & similar articles of plastic

**Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia**

<b>HS 6-digit Code</b>	<b>Description</b>
392620	Apparel and clothing accessories (incl gloves) of plastic
521039	Woven fabrics of cotton,<85% mixd with m-m fib,</=200 g/m2,dyed,nes
531100	Woven fabrics of oth vegetable textile fibres;woven fab of paper yarn
820600	Tools of two/more of the headg Nos 82.02 to 82.05,in sets f retl sale
841850	Refrigerating or freezing display counters, cabinets, show-cases, etc
847810	Machinery for preparing or making up tobacco nes
851810	Microphones and stands therefor
170310	Cane molasses
840790	Engines, spark-ignition type nes
840290	Parts of steam or vapour generating boilers nes
750890	Articles of nickel, nes
853210	Fixd capacitors designd f use in 50/60 Hz circuits (power capacitors)
701110	Glass envelopes (including bulbs/tubes) for electric lighting
730110	Sheet piling,i/s whether/not drilled/punchd/made from assem elements
740829	Wire, copper alloy, nes
847759	Mach for moulding or otherwise forming rubber or plastics nes
900110	Optical fibs,optical fib bundles&cables,oth than those of headg 85.44
730690	Tubes, pipe & hollow profiles, iron or steel, welded, nes
844849	Parts&accessories of weavg mches (looms) o of their auxiliary mach nes
853590	Electrical app for switchg/protec elec circuits,exced 1,000 volts,nes
851230	Sound signalling equipment
843139	Parts of lifting, handling, loading or unloading machinery nes
740710	Bars, rods and profiles of refined copper
870850	Drive axles with differential for motor vehicles
848130	Valves, check
854441	Electric conductors,for a voltage not exceedg 80 V,fittd w connectors
600110	"Long pile" knitted or crocheted textile fabrics
291735	Phthalic anhydride
870860	Non-driving axles and parts for motor vehicles
841899	Parts of refrigerating or freezing equipment, nes
722090	Flat rolled prod, stainless steel, cr <600mm wide, nes
853110	Burglar or fire alarms and similar apparatus
320649	Inorganic colouring matter nes and preparations based thereon
391231	Carboxymethylcellulose and its salts
731010	Tanks,casks,drums,cans,boxes&sim contr,i or s,capac >/=50L but <300L
760611	Plate,sheet or strip,aluminium,not alloyd,rect or sq,exceedg 0.2mm thk
481140	Paper,in rolls/sheets ctd impreg/cov w wax,stearin oil/glycerol,nes
853529	Automatic circuit breakers, for a voltage exceeding 1,000 volts, nes
871419	Motorcycle parts nes
950100	Wheeled toys designed to be ridden by children and dolls
848390	Parts of power transmission equipment/oth goods usd to transmit power
848140	Valves, safety or relief
852510	Transmission apparatus for radio-teleph radio-broadcastg or television
731811	Screws, coach, iron or steel
850211	Generatg sets,diesel/semi-diesel engines,of an output not exced 75 KVA
853931	Fluorescent lamps, hot cathode
732090	Springs, iron or steel, nes
382490	Chemical/allied industry preparations/prods nes
230990	Animal feed preparations nes



**Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia**

<b>HS 6-digit Code</b>	<b>Description</b>
721790	Wire of iron or non-alloy steel, nes
842191	Parts of centrifuges, including centrifugal dryers
382370	Industrial fatty alcohols
482110	Paper labels of all kinds, printed
870891	Radiators for motor vehicles
842199	Parts for filterg or purifyg mchy & apparatus for liquids or gases,nes
293361	Melamine
848590	Machinery parts, non-electrical, nes
250510	Silica sands and quartz sands
720852	Hot roll iron/steel, not coil >600mm x 4.75-10mm
761610	Nails,tacks,staples,bolts,nuts&sim art,aluminium (ex staples No 83.05)
293500	Sulphonamides in bulk
820720	Dies for drawing or extruding metal
291814	Citric acid
721061	Flat rolled i/nas, coated alum-zinc alloy, w >600mm
410790	Leather, nes
350510	Dextrins and other modified starches
390920	Melamine resins
842481	Mech appl for proj/disp o sprayg liquids o powders for agr o horticut
848320	Bearing housings, incorporating ball or roller bearings
851420	Industrial&laboratory electric induction o dielectric furnaces&ovens
321590	Ink, nes
382311	Stearic acid
410410	Bovine skin leather, whole
720825	Hot roll steel, coil, pickled >600mm wide x >4.75mm
853521	Automatic circuit breaker f a voltage > 1,000 volts but < 72.5 KV
940330	Office furniture, wooden, nes
890590	Floating docks and vessels which perform special functions
851590	Pts of elec/laser/ultrasonic mach etc f weld/cut nes/hot spray of met
151620	Veg fats &oils&fractions hydrogenatd,inter/re-esterifid,etc,ref
410439	Bovine and equine leather, nes
170490	Sugar confectionery nes (includg white chocolate),not containg cocoa
851130	Distributors and ignition coils
721070	Flat rolled prod,i/nas,painted,varnished or plast coated,>/=600mm wide
392113	Film and sheet etc, cellular of polyurethane
842131	Intake air filters for internal combustion engines
870880	Shock absorbers for motor vehicles
392340	Spools, cops, bobbins and similar supports, of plastics
480300	Paper,household/sanitary,rolls of a w >36 cm,sheets one side >36 cm
580421	Mechanically made lace of man-made fib,in the piece,in strips/motifs
730890	Structures&parts of structures,i/s (ex prefab bldgs of headg no.9406)
848079	Moulds for rubber or plastics, nes
320420	Synthetic organic products used as fluourescent brightening agents
845819	Horizontal lathes nes for removing metal
841480	Air or gas compressors, hoods
340490	Artificial and prepared waxes, nes
731829	Non-threaded articles of iron or steel, nes
851490	Parts of industrial or laboratory electric furnaces and ovens nes
851999	Sound reproducing apparatus, not incorporating a sound recorder, nes

**Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia**

HS 6-digit Code	Description
400110	Natural rubber latex, whether or not prevulcanised
481121	Paper, self-adhesive, in rolls or sheets, nes
680520	Natural/artificial abrasive powder/grain on a paper/paperboard base
844842	Reeds for looms, healds & heald-frames for weaving machines (looms)
330510	Hair shampoos
820890	Knives & blades for leather, paper, tobacco machines & other industries
841430	Compressors of a kind used in refrigerating equipment
850940	Domestic food grinders and mixers; fruit or vegetable juice extractors
960899	Duplicatg stylos; pen/pencil holders; parts of pens, markers, pencils, nes
853649	Electrical relays for a voltage exceed 60 V but not exceedg 1,000 volts
392190	Film and sheet etc, nes of plastics
340220	Surface-active prep, washing & cleaning prep put up for retail sale
680410	Millstones and grindstones for milling, grinding or pulping
681390	Asbestos friction material and articles nes
390791	Polyesters nes, unsaturated
420212	Trunks, suit-cases&sim container w/outer surface of plastics/textiles
847989	Machines & mechanical appliances nes having individual functions
291529	Acetic acid salts nes
722012	Flat rolled prod, stainless steel, hr <600mm wide, less than 4.75mm thick
790700	Articles of zinc, nes
847982	Mach f mixing/kneading/crushing/grindg etc nes havg individ function
481920	Cartons, boxes and cases, folding, of non-corrugated paper or paperboard
760612	Plate, sheet or strip, aluminium alloy, rect or sq, exceeding 0.2mm thick
901890	Instruments and appliances used in medical or veterinary sciences, nes
890520	Floating or submersible drilling or production platforms
390210	Polypropylene
350610	Glues/adhesives of all kinds in pack of a net weight not exceedg 1 kg
391710	Sausage casings of hardened protein or of cellulosic materials
391910	Self-adhesive plates, sheets, film etc, of plastic in rolls <20 cm wide
520843	Twill weave cotton fabric, >/=85%, not more than 200 g/m2, yarn dyed
560314	Nonwovens, man-made filaments weighing >150g/m2
560750	Twine, cordage, ropes and cables, of other synthetic fibres
840681	Turbines nes, output >40 MW
841690	Parts of furnace burners, mech stokers grates, ash dischargers&sim appl
960920	Pencil leads, black or coloured
293622	Vitamin B1 and its derivatives, unmixed
842612	Mobile lifting frames on tyres and straddle carriers
130190	Natural gums, resins, gum-resins and balsam, except arabic gum
400129	Natural rubber in other forms nes
720836	Hot roll iron/steel nes, coil >600mm x >10mm
853929	Filament lamps, excluding ultraviolet or infra-red lamps, nes
848210	Bearings, ball
851310	Portable electric lamp designd to function by thr own source of energy
890190	Cargo vessels nes&oth vessels for the transport of both persons&goods
520819	Woven fabrics of cotton, >/=85%, not more than 200 g/m2, unbleached, nes
550410	Staple fibres of viscose, not carded or combed
851140	Starter motors
841410	Vacuum pumps
540752	Woven fabrics, >/=85% of textured polyester filaments, dyed, nes

**Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia**

HS 6-digit Code	Description
300660	Contraceptive preparations based on hormones or spermicides
720839	Hot roll iron/steel nes, coil >600mm x <3mm
520931	Plain weave cotton fabrics,>/=85%, more than 200 g/m2, dyed
720826	Hot roll steel, coil, pickled >600mm x 3-4.75mm
830242	Mountings, fittings & similar articles of base metal for furniture, nes
902519	Thermometers, not combined with other instruments, nes
382319	Industrial fatty acids, acid oils nes
370790	Chemical preps f photographic uses, put up in measurd portions, nes
741110	Pipes and tubes, refined copper
71290	Vegetables and mixtures dried, but not further prepared nes
691110	Tableware and kitchenware of porcelain or china
830990	Stoppers, caps, lids, seals & other packing accessories of base metal, nes
850423	Liq dielectric transf havg a power handlg capacity exceedg 10,000 KVA
871499	Bicycle parts nes
271490	Bitumen and asphalt; asphaltites and asphaltic rocks
321490	Non-refractory surfacg preparations for facades, walls, floors, ceilings
381090	Fluxes&oth prep for soldering; core/coatg prep for weld electds/rods
392069	Film and sheet etc, non-cellular etc, of polyesters nes
300210	Antisera and other blood fractions
360300	Safety/detonatg fuses; percussn/detonatg caps; igniters; elec detonatrs
410431	Bovine and equine leather, full/split grains, nes
902620	Instruments and apparatus for measuring or checking pressure
854470	Optical fibre cables, made up of individually sheathed fibres
903210	Thermostats
291590	Saturated acyclic monocarboxylic acids and their derivatives, nes
730610	Pipe, line, i or s, weldd, rivetd or sim closd, nes, for oil or gas pipeline
320820	Paint&varnishe basd on acrylic/vinyl poly, dspr in a non-aqueous medium
640419	Footwear o/t sports, w outer soles of rubber/plastics&uppers of tex mat
871492	Bicycle wheel rims and spokes
400821	Plates, sheets&strip of non cellular rubber, oth than hard rubber (vulc)
848060	Moulds for mineral materials
854430	Ignition wirg sets&oth wirg sets usd in vehicles, aircraft etc
293369	Heterocyclic compds cntg an unfused triazine ring in the structure, nes
580710	Labels, badges and similar woven articles of textile materials
843131	Parts of lifts, skip hoist or escalators
380810	Insecticides, packaged for retail sale or formulated
401191	Pneumatic tires new of rubber nes, having a
482190	Paper labels of all kinds, not printed
721710	Wire of iron or non-alloy steel, not plated/coated
170410	Chewing gum containing sugar, except medicinal
848030	Patterns, moulding
890790	Buoys, beacons, coffer-dams, pontoons and other floating structures
410520	Sheep or lamb skin leather, nes
210690	Food preparations nes
401199	Pneumatic tires new of rubber nes
730490	Tubes, pipe & hollow profiles, iron or steel, smls, nes
851890	Parts of microphones, loudspeakers, headphones, earphones&elec sound ampli
390422	Polyvinyl chloride nes, plasticised
853990	Parts of electric filament or discharge lamps, UV or IR lamps&arc-lamps

**Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia**

HS 6-digit Code	Description
330300	Perfumes and toilet waters
842619	Transporter or bridge cranes
391990	Self-adhesive plates, sheets, film etc, of plastic nes
690290	Refractory bricks etc nes
831190	Electrodes&sim prod of base met/metal carbd,nes,for welding,brazg,etc
841920	Medical, surgical or laboratory sterilizers
520919	Woven fabrics of cotton,>/=85%,more than 200 g/m2, unbleached, nes
840810	Marine propulsion engines, diesel
850239	Electric generating sets
848071	Moulds, injection or compression types, for rubber or plastics
730660	Tubes,pipe & hollow profiles,i/s,welded,of non circ cross sect,nes
870810	Bumpers and parts for motor vehicles
390690	Acrylic polymers nes, in primary forms
732399	Table,kitchen or oth household art&parts thereof,of iron or steel,nes
291560	Butyric acids, valeric acids, their salts and esters
721650	Angles,shapes&sect,i/nas,nfw thn hot rolld/drawn/extrudd,hght>/=80mm
821599	Tableware articles not in sets and not plated with precious metal
850790	Parts of electric accumulators, including separators therefor
840690	Parts of steam and vapour turbines
731210	Stranded wire,ropes&cables of iron or steel,not electrically insulated
392490	Household and toilet articles nes, of plastics
340219	Organic surface-active agents, nes
730719	Fittings, pipe or tube, cast, of iron or steel, nes
850300	Parts of electric motors,generators,generatg sets & rotary converters
540341	Yarn of viscose rayon filaments, multiple, nes, not put up
842911	Bulldozers and angledozers, crawler type
847141	Non-portable digital edp machines w processor & i/o
853229	Electrical capacitors, fixed, nes
851290	Parts of electrical lighting, signalling and defrosting equipment
740811	Wire of refind copper of which the max cross sectional dimension > 6mm
380820	Fungicides, packaged for retail sale or formulated
820790	Screwdriver bits, lapping tools and other interchangeable tools
731511	Chain, roller, iron or steel
600192	Pile knitted or crocheted fabrics, of man-made fibres, nes
121190	Plants &pts of plants(incl sed&fruit) usd in pharm,perf,insect etc nes
848049	Moulds for metal or metal carbides, nes
850450	Inductors, electric
730791	Flanges, iron or steel, nes
850120	Universal AC/DC motors of an output exceeding 37.5 W
381190	Prepared additives for mineral oils or for other similar liquids, nes
381900	Hydraulic brake&transmis fluids not cntg o cntg <70% of petroleum oils
831120	Wire, cored, of base metal, for electric arc welding
846210	Forging or die-stamping mach (inc presses) & hammers for working metal
846510	Mach which can c/o diff typ of mach op w/o tl chang bwn such op f wood
851180	Glow plugs and other ignition or starting equipment nes
841590	Parts of air conditioning machines
901819	Electro-diagnostic apparatus, nes
847410	Sorting/screening/separatg or washg mach for stone/ores or oth min etc
520833	Twill weave cotton fabrics,>/=85%, not more than 200 g/m2, dyed

**Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia**

HS 6-digit Code	Description
880330	Aircraft parts nes
540210	High tenacity yarn (o/t sewg thread),nylon/oth polyamides fi,nt put up
520942	Denim fabrics of cotton,>/=85%, more than 200 g/m2
830230	Mountings, fittings&similar articles of base metal f motor vehicles, nes
381512	Supportd catalysts, w precious metal/compds thereof as the activ subs
370110	Photographic plates & film in the flat, sensitised, unexposed, for X-ray
400510	Rubber compounded with carbon black or silica (unvulcanised)
848360	Clutches and shaft couplings (including universal joints)
390410	Polyvinyl chloride, not mixed with any other substances
720851	Hot roll iron/steel, not coil >600mm x >10mm
551219	Woven fabrics, containg >/=85% of polyester staple fibres, o/t unbl or bl
731290	Plaited bands, slings and the like of iron or steel, not elec insulated
846249	Punchg/notchg mach (inc presse) inc comb pnch/shear mach nes f wrkg met
853922	Filament lamps, of a power not exceed 200 W&for a voltage exceedg 100 V
846299	Presses nes for working metal
846229	Bending/folding/stgtg/flatteng mach (inc presses) nes for workg metal
520932	Twill weave cotton fabrics, >/=85%, more than 200 g/m2, dyed
841221	Hydraulic power engines & motors linear acting (cylinders)
830890	Beads, spangles&other made up art nes, for clothing/footwear, awnings etc
390799	Polyesters nes, in primary forms
722300	Wire of stainless steel
854459	Electric conductors, for a voltage >80V but not exceeding 1,000 V, nes
270799	Oils&oth products of the distillation of high temp coal tar etc nes
901580	Surveyg, hydrographic, oceanographic, meteorologic/geophysical inst nes
291531	Ethyl acetate
841582	Air cond mach nes, inc a refrigerating unit
845970	Threading or tapping machines nes for removing metal
902690	Parts of inst&app for measurg or checkg variables of liq or gases, nes
843049	Boring or sinking machinery nes, not self-propelled
847780	Mach for workg rubber/plastics/for the mfr of prods form these mat nes
960321	Tooth brushes
300490	Medicaments nes, in dosage
902890	Parts&accessories for gas, liquid/electricity supply/production meters
330499	Beauty or make-up preparations nes; sunscreen or sun tan preparations
271119	Petroleum gases and other gaseous hydrocarbons nes, liquefied
340311	Lube/oth prep cntg >/=70% pet oils f treat text, leather, furskins etc
551311	Plain weave polyest stapl fib fab, <85%, mixd w/cottn, </=170g/m2, unbl/bl
721250	Flat rolled prod, i/nas, <600mm wide, plated or coated, nes
940600	Prefabricated buildings
391890	Floor, wall and ceiling coverings etc, of plastics nes
841459	Fans nes
40229	Milk and cream powder sweetened exceeding 1.5% fat
854449	Electric conductors, for a voltage not exceeding 80 V, nes
600242	Warp knitted fabrics, of cotton, nes
841610	Furnace burners for liquid fuel
390760	Polyethylene terephthalate
293629	Vitamins nes, and their derivatives, unmixed
320890	Paints & varni based on polymers dissolv in a non aqueous solv nes
250840	Other clays(exc expanded clays of 68.06)

**Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia**

HS 6-digit Code	Description
854720	Insulatg fittings of plastics for elec machines,appliances o equipment
854790	Insulating fittings for electrical mach appliances or equipment, nes
320619	Titanium pigments and preps, <80% titanium oxide
521011	Plain weave cotton fab,<85% mixd w m-m fib,not more than 200 g/m2,unbl
890400	Tugs and pusher craft
290516	Octanol(octyl alcohol) and isomers thereof
940510	Chandeliers & other electric ceiling or wall lighting fittings
392329	Sacks and bags (including cones) of plastics nes
854389	Electrical machines and apparatus nes
732619	Articles of iron or steel, forged or stamped, but not further worked
380992	Finishg agents,dye carriers&oth prep,nes,for use in the paper industry
842790	Trucks fitted with lifting or handling equipment, non-powered
846019	Fl-surf grindg mach in which pos of 1 axis acc to 0.01 mm nes rem met
190190	Malt extract&food prep of Ch 19 <50% cocoa&hd 0401 to 0404 < 10% cocoa
841381	Pumps nes
730711	Fittings, pipe or tube, of non-malleable cast iron
850421	Liquid dielectric transformers havg a power handlg capa <= 650 KVA
291890	Carboxylic acids w additional oxygen functions,nes&their derivatives
843143	Parts of boring or sinking machinery, whether or not self-propelled
852691	Radio navigational aid apparatus
843710	Machines for cleaning/sortg or gradg seed,grain or drid leguminous nes
701092	Glass containers, capacity 0.33-1.0 litre
848340	Gears&gearing,ball screws,gear boxes,speed changers/torque converters
381590	Reaction initiators,reaction accelerator&catalytic preparations,nes
843149	Parts of cranes,work-trucks,shovels,and other construction machinery
810890	Titanium and articles thereof, nes
853890	Parts for use with the apparatus of headg no. 85.35,85.36 or 85.37,nes
854620	Electrical insulators of ceramics
940190	Parts of seats other than those of heading No 94.02
853710	Boards,panels,includg numerical control panels,for a voltage <=1000 V
392410	Tableware and kitchenware of plastics
40900	Honey, natural
720827	Hot roll steel, coil, pickled >600mm wide <3mm thick
903120	Test benches for measurg or checkg instruments,appliances&machines nes
250820	Decolourising earths and fuller
731021	Cans,iron o steel,cap <50 litres,to be closd by crimpg o soldering,nes
520831	Plain weave cotton fabric,>=85%, not more than 100 g/m2, dyed
591190	Textile products and articles for technical uses, nes
854390	Parts of electrical machines & apparatus havg individual functions,nes
350699	Glues or adhesives, prepared nes
720915	Cold rolled iron/steel, coils >600mm x >3mm
680690	Articles of heat/sound insulatg,etc,nes,mineral mat exc 6811&12 ch 69
690919	Ceramic wares laboratory, chemical/other technical uses nes
820719	Rock drilling/earth boring tools, nes, parts
820730	Tools for pressing, stamping or punching
851822	Multiple loudspeakers, mounted in the same enclosure
300390	Medicaments nes, formulated, in bulk
300339	Hormones nes,formulatd,not cntg antibiotics,in bulk,o/t contraceptives
840710	Aircraft engines, spark-ignition reciprocating or rotary type

**Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia**

<b>HS 6-digit Code</b>	<b>Description</b>
540243	Yarn of polyester filaments, single, untwisted, nes, not put up
842952	Shovels and excavators with a 360 revolving superstructure
330491	Powders, skin care, whether or not compressed
590220	Tire cord fabric made of polyester high tenacity yarns
190530	Sweet biscuits, waffles and wafers
320417	Synthetic organic pigments and preparations based thereon
220290	Non-alcoholic beverages nes,excludg fruit/veg juices of headg No 20.09
852910	Aerials&aerial reflectors of all kinds;parts suitable f use therewith
190590	Communion wafers,empty cachets f pharm use&sim prod&bakers
390319	Polystyrene nes
960719	Slide fasteners, nes
852990	Parts suitable f use solely/princ w the app of headings 85.25 to 85.28
321410	Mastics; painters
681310	Asbestos brake linings and pads
850422	Liq dielect transf havg a power handlg cap >650 KVA but <= 10,000KVA
722790	Bars&rods,alloy steel,o/t stainless hr,in irregularly wound coils,nes
841620	Furnace burners nes, including combination burners
730300	Tubes, pipes and hollow profiles of cast iron
840729	Marine engines nes of the spark-ignition reciprocating or rotary type
850140	AC motors, single-phase, nes
854212	Cards incorporating electronic integrated circuits
390710	Polyacetals
650610	Safety headgear, nes
842010	Calendering or rolling machines, excluding for metals or glass
290711	Phenol (hydroxybenzene) and its salts
590210	Tire cord fabric made of nylon or other polyamides high tenacity yarns
190110	Prep of cereals,flour,starch/milk f infant use,put up f retail sale
732010	Springs, leaf and leaves therefor, iron or steel
842139	Filtering or purifying machinery and apparatus for gases nes
721050	Flat rolled prod,i/nas,pltd/ctd w chrom oxid/chrom&chrom oxid,>=600mm
250810	Bentonite
580632	Narrow woven fabrics of man-made fibres, nes
600243	Warp knitted fabrics, of man-made fibres, nes
490199	Books, brochures, leaflets and similar printed matter, nes
740311	Copper cathodes and sections of cathodes unwrought
851790	Parts of electrical apparatus for line telephone or line telegraphy
481320	Paper, cigarette, in rolls of a width not exceeding 5 cm
846620	Work holders for use with mach of hdg 84.56 to 84.65
721491	Bar/rod, rectangular (not square) nes
730620	Casing/tubing,i or s,welded,riveted or sim clsd,nes,for oil/gas drillg
550200	Artificial filament tow
854240	Hybrid integrated circuits
852610	Radar apparatus
853669	Electrical plugs and sockets, for a voltage not exceeding 1,000 volts
320416	Reactive dyes and preparations based thereon
730820	Towers and lattice masts, iron or steel
290519	Saturated monohydric acyclic alcohols nes
90240	Black tea (fermented) & partly fermented tea in packages exceedg 3 kg
381710	Mixed alkylbenzenes, nes

<b>Table A.V.1 Items Amenable for Intra-Industry Trade between India and Indonesia</b>	
<b>HS 6-digit Code</b>	<b>Description</b>
720510	Granules of pig iron or spiegeleisen
950390	Toys nes
847180	Units of automatic data processing equipment nes
844590	Machinery for producing or preparing textile yarn nes
853080	Electrical signalling, safety or traffic control equipment, nes
590390	Textile fabrics impregnated, ctd, cov, or laminated with plastics, nes
721720	Wire of iron or non-alloy steel, zinc plated/coated
842649	Derricks, cranes or work trucks fitted with a crane, self-propelled nes
293420	Heterocycl compds containg a benzothiazole ring-system nt furthr fusd
440710	Lumber, coniferous (softwood) 6 mm and thicker
842699	Cranes or derricks nes
854330	Machines & apparatus for electroplating, electrolysis or electrophoresis
390610	Polymethyl methacrylate
401410	Hygienic o pharmaceutical articles of rubber etc sheath contraceptives
830241	Mountings, fittings & similar articles of base metal for buildings, nes
720918	Cold rolled iron/steel, coils >600mm x <0.5mm
390330	Acrylonitrile-butadiene-styrene (ABS) copolymers
847590	Parts of glass working machines
851719	Telephone sets, nes
291533	N-butyl acetate
520822	Plain weave cotton fabric, >=85%, >100 g/m2 to 200 g/m2, bleached
340399	Lubricating preparations & similar preparations not cntg pet oils, nes
960810	Ball point pens
550969	Yarn of acrylic staple fibres, not put up, nes
700239	Tubes of glass nes
870919	Work trucks not electrically powered
290330	Fluorinated, brominatd or iodinatd derivatives of acyclic hydrocarbons
844720	Flat knitting machines; stitch-bonding machines
851780	Electrical apparatus for line telephony/telegraphy nes
721049	Flat rolled prod, i/nas, plated or coated with zinc, >=600mm wide, nes
730511	Pipe, line, i/s, longitudinally subm arc wld, int/ext cc sect, dia >406.4mm
490700	Unusd postage, revenue stamps; cheque forms, banknotes, bond certific, etc
590320	Textile fabrics impregnated, ctd, cov, or laminated with polyurethane, nes
847170	Computer data storage units
441019	Particle board of wood nes
851580	Electric/laser/ultrasonic mach etc f weld/cut nes/for hot spray of met
740400	Waste and scrap, copper or copper alloy
842839	Cont-action elevators/conveyors for goods/mat nes
320414	Direct dyes and preparations based thereon
381400	Organic composite solvents & thinners, nes; preparad paint & varnish removers
290517	Dodecan-1-ol, hexadecan-1-ol and octadecan-1-ol

Source: Calculated from PC TAS, CD-ROM, 2007



**Table A.VI.1 India's Export Potential Product Lines Facing Relatively High Import Tariff in Indonesia**

HS 6-digit Code	Description	Import Duty 1/1/2005
210690	Food preparations nes	170
330210	Mixtures of odoriferous substances for the food or drink industries	170
870333	Automobiles with diesel engine displacing more than 2500 cc	80
870323	Automobiles w reciprocating piston engine displacing > 1500 cc to 3000 cc	70
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc	70
870321	Automobiles w reciprocating piston engine displacing not more than 1000 cc	65
870322	Automobiles w reciprocating piston engine displacing > 1000 cc to 1500 cc	65
870333	Automobiles with diesel engine displacing more than 2500 cc	50
870321	Automobiles w reciprocating piston engine displacing not more than 1000 cc	45
870322	Automobiles w reciprocating piston engine displacing > 1000 cc to 1500 cc	45
870323	Automobiles w reciprocating piston engine displacing > 1500 cc to 3000 cc	45
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc	45
870333	Automobiles with diesel engine displacing more than 2500 cc	45
870421	Diesel powered trucks with a GVW not exceeding five tonnes	45
870210	Diesel powered buses with a seating capacity of > nine persons	40
870290	Buses with a seating capacity of more than nine persons nes	40
870323	Automobiles w reciprocating piston engine displacing > 1500 cc to 3000 cc	40
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc	40
870410	Dump trucks designed for off-highway use	40
870422	Diesel powered trucks w a GVW exc five tonnes but not exc twenty tonnes	40
870321	Automobiles w reciprocating piston engine displacing not more than 1000 cc	35
870322	Automobiles w reciprocating piston engine displacing > 1000 cc to 1500 cc	35
871120	Motorcycles with reciprocating piston engine displacing > 50 cc to 250 cc	35
691110	Tableware and kitchenware of porcelain or china	30
70310	Onions and shallots, fresh or chilled	25
870210	Diesel powered buses with a seating capacity of > nine persons	25
870290	Buses with a seating capacity of more than nine persons nes	25
870321	Automobiles w reciprocating piston engine displacing not more than 1000 cc	25
870322	Automobiles w reciprocating piston engine displacing > 1000 cc to 1500 cc	25
870323	Automobiles w reciprocating piston engine displacing > 1500 cc to 3000 cc	25
870332	Automobiles with diesel engine displacing more than 1500 cc to 2500 cc	25
870333	Automobiles with diesel engine displacing more than 2500 cc	25

**Table A.VI.1 India's Export Potential Product Lines Facing Relatively High Import Tariff in Indonesia**

HS 6-digit Code	Description	Import Duty 1/1/2005
870421	Diesel powered trucks with a GVW not exceeding five tonnes	25
870422	Diesel powered trucks with a GVW exc five tonnes but not exc twenty tonnes	25
871120	Motorcycles with reciprocating piston engine displacement > 50 cc to 250 cc	25
871120	Motorcycles with reciprocating piston engine displacement > 50 cc to 250 cc	25
391810	Floor, wall and ceiling coverings etc, of polymers of vinyl chloride	20
391990	Self-adhesive plates, sheets, film etc, of plastics	20
392010	Film and sheet etc, non-cellular etc, of polymers of ethylene	20
392020	Film and sheet etc, non-cellular etc, of polymers of propylene	20
392099	Film and sheet etc, non-cellular etc, of plastics	20
392119	Film and sheet etc, cellular of plastics	20
392310	Boxes, cases, crates & similar articles of plastic	20
392321	Sacks and bags (including cones) of polymers of ethylene	20
392329	Sacks and bags (including cones) of plastics	20
392330	Carboys, bottles, flasks and similar articles of plastics	20
392350	Stoppers, lids, caps and other closures of plastics	20
392390	Articles for the conveyance or packing of goods etc, of plastics	20
392610	Office or school supplies, of plastics	20
392620	Apparel and clothing accessories (incl gloves) of plastic	20
392690	Articles of plastics or of other materials of Nos 39.01 to 39.14 etc	20
690810	Tiles, cubes and sim <7 cm rect or not etc, glazed ceramics	20
690890	Tiles, cubes and sim etc, glazed ceramics	20
721610	Sections, U, I/H, etc, narrower than hot rolled/drawn/extruded, height <80mm	20
730511	Pipe, line, etc, longitudinally submerged arc welded, int/ext circ sect, dia >406.4mm	20
730512	Pipe, line, etc, longitudinally welded with int/ext circ sect, ext dia >406.4mm	20
730519	Pipe, line, etc, int/ext circ cross sect, welded, ext dia >406.4mm, etc	20
730610	Pipe, line, etc, welded, riveted or sim closed, etc, for oil or gas pipeline	20
730690	Tubes, pipe & hollow profiles, iron or steel, welded, etc	20
731010	Tanks, casks, drums, cans, boxes & sim contr, etc, capac >=50L but <300L	20
731210	Stranded wire, ropes & cables of iron or steel, not electrically insulated	20
731815	Bolts or screws etc, with or without their nuts or washers, iron or steel	20
732393	Table, kitchen or other household art & parts thereof, stainless steel, etc	20
732399	Table, kitchen or oth household art & parts thereof, of iron or steel, etc	20
760711	Foil, aluminium, not backed, rolled but not further worked, not exceedg 0.2mm	20
830210	Hinges of base metal	20

**Table A.VI.1 India's Export Potential Product Lines Facing Relatively High Import Tariff in Indonesia**

HS 6-digit Code	Description	Import Duty 1/1/2005
830241	Mountings, fittings & similar articles of base metal for buildings, nes	20
871200	Bicycles and other cycles (including delivery tricycles), not motorised	20
30379	Fish nes, frozen, excluding heading No 03.04, livers and roes	15
240310	Smokg tobacco, whether or not cntg tobacco substitutes in any proportion	15
250100	Salt (includg table salt&denaturd salt) pure sodium chloride&sea water	15
340111	Toilet soap&prep, shaped; papers&nonwovens impreg with soap toilet use	15
382200	Composite diagnostic or laboratory reagents, nes	15
382319	Industrial fatty acids, acid oils nes	15
391400	Ion-exchangers based on polymers of Nos 39.01 to 39.13 in primary forms	15
391890	Floor, wall and ceiling coverings etc, of plastics nes	15
392062	Film and sheet etc, non-cellular etc, of polyethylene terephthalates	15
392190	Film and sheet etc, nes of plastics	15
392410	Tableware and kitchenware of plastics	15
392490	Household and toilet articles nes, of plastics	15
401110	Pneumatic tire new of rubber f motor car incl station wagons&racg cars	15
401120	Pneumatic tires new of rubber for buses or lorries	15
401199	Pneumatic tires new of rubber nes	15
420212	Trunks, suit-cases&sim container w/outer surface of plastics/textiles	15
420222	Handbags w outer surface of sheetg of plastics or of textile materials	15
491110	Trade advertising material, commercial catalogue and the like	15
520831	Plain weave cotton fabric, >=85%, not more than 100 g/m2, dyed	15
520842	Plain weave cotton fabrics, >=85%, >100 g/m2 to 200 g/m2, yarn dyed	15
540742	Woven fabrics, >=85% of nylon/other polyamides filaments, dyed, nes	15
540751	Woven fabrics, >=85% of textured polyester filaments, unbl or bl, nes	15
540752	Woven fabrics, >=85% of textured polyester filaments, dyed, nes	15
540754	Woven fabrics, >=85% of textured polyester filaments, printed, nes	15
540761	Woven fabric >85% non-textured polyester filaments	15
540769	Woven fabric >85% polyester filaments, nes	15
551219	Woven fabrics, containg >=85% of polyester staple fibres, o/t unbl or bl	15
610910	T-shirts, singlets and other vests, of cotton, knitted	15
640419	Footwear o/t sports, w outer soles of rubber/plastics&uppers of tex mat	15
680223	Monumental/building stone, cut/sawn flat or even, granite	15
721011	Flat rolled prod, i/nas, platd or coatd wth tin, w >=600mm, >=0.5mm thk	15
721012	Flat rolled prod, i/nas, platd or coatd with tin, >=600mm wide, <0.5mm thk	15

**Table A.VI.1 India's Export Potential Product Lines Facing Relatively High Import Tariff in Indonesia**

HS 6-digit Code	Description	Import Duty 1/1/2005
721030	Flat rolled i/nas, electrolytically zinc coated >600mm	15
721049	Flat rolled prod,i/nas,plated or coated with zinc,>/=600mm wide, nes	15
721090	Flat rolled prod, i/nas, clad, plated or coated, >/=600mm wide, nes	15
721240	Flat rolled prod,i/nas,<600mm wide,painted,varnished or plast coated	15
721710	Wire of iron or non-alloy steel, not plated/coated	15
721720	Wire of iron or non-alloy steel, zinc plated/coated	15
721933	Flat rolled prod, stainless steel, cr, 600mm wide, 1mm <thick <3mm	15
721934	Flat rolled prod, stainless steel, cr,w>/=600mm,0.5mm</=thick <1mm	15
721935	Flat rolled prod,stainless steel,cr,>600mm wide,less than 0.5mm thick	15
722020	Flat rolled prod, stainless steel, <600mm wide, cold rolled or reduced	15
730300	Tubes, pipes and hollow profiles of cast iron	15
730421	Drill pipe (iron or steel)	15
730429	Casings,,tubing, drill pipe, for oil drilling use	15
730711	Fittings, pipe or tube, of non-malleable cast iron	15
730719	Fittings, pipe or tube, cast, of iron or steel, nes	15
730820	Towers and lattice masts, iron or steel	15
730890	Structures&parts of structures,i/s (ex prefab bldgs of headg no.9406)	15
731100	Containers for compressed or liquefied gas of iron or steel	15
731210	Stranded wire,ropes&cables of iron or steel,not electrically insulated	15
731811	Screws, coach, iron or steel	15
731815	Bolts o screws nes,with o without their nuts o washers,iron o steel	15
731816	Nuts, iron or steel, nes	15
731819	Threaded articles of iron or steel, nes	15
731822	Washers, iron or steel, nes	15
731829	Non-threaded articles of iron or steel, nes	15
732010	Springs, leaf and leaves therefor, iron or steel	15
760429	Bars, rods and other profiles, aluminium alloyed	15
760611	Plate, sheet or strip, aluminium, not alloyed, rect or sq, exceedg 0.2mm thk	15
760612	Plate, sheet or strip, aluminium alloy, rect or sq, exceeding 0.2mm thick	15
760720	Foil, aluminium, backed, not exceeding 0.2mm thick excluding any backing	15
761519	Table, kitchen, household goods nes, of aluminium	15
761699	Articles of aluminium, nes	15
790700	Articles of zinc, nes	15
830241	Mountings, fittings & similar articles of base metal for buildings, nes	15

**Table A.VI.1 India's Export Potential Product Lines Facing Relatively High Import Tariff in Indonesia**

HS 6-digit Code	Description	Import Duty 1/1/2005
830249	Mountings, fittings and similar articles of base metal, nes	15
841451	Fans: table,roof etc w a self-cont elec mtr of an output nt excdg 125W	15
841810	Combined refrigerator-freezers, fitted with separate external doors	15
841821	Refrigerators, household type, compression-type	15
841829	Refrigerators, household type, nes	15
850710	Lead-acid electric accumulators of a kind used for starting piston engines	15
850780	Electric accumulators, nes	15
851140	Starter motors	15
851150	Generators and alternators	15
852812	Colour television receivers	15
853650	Electrical switches for a voltage not exceeding 1,000 volts, nes	15
853690	Electrical app for switchg/protec elec circuits,not exceed 1,000 V,nes	15
854411	Insulated (including enamelled or anodised) winding wire of copper	15
854420	Co-axial cable and other co-axial electric conductors	15
854449	Electric conductors, for a voltage not exceeding 80 V, nes	15
854459	Electric conductors, for a voltage >80V but not exceeding 1,000 V, nes	15
870190	Wheeled tractors nes	15
870810	Bumpers and parts for motor vehicles	15
870829	Parts and accessories of bodies nes for motor vehicles	15
870839	Brake system parts nes for motor vehicles	15
870840	Transmissions for motor vehicles	15
870850	Drive axles with differential for motor vehicles	15
870860	Non-driving axles and parts for motor vehicles	15
870870	Wheels including parts and accessories for motor vehicles	15
870880	Shock absorbers for motor vehicles	15
870891	Radiators for motor vehicles	15
870893	Clutches and parts for motor vehicles	15
870899	Motor vehicle parts nes	15
871419	Motorcycle parts nes	15
950691	Gymnasium or athletics articles and equipment	15
720916	Cold rolled iron/steel, coils >600mm x 1-3mm	12.5
720917	Cold rolled iron/steel, coils >600mm x 0.5-1mm	12.5
720918	Cold rolled iron/steel, coils >600mm x <0.5mm	12.5
721123	Cold roll iron/steel, <600mm, <0.25% carbon	12.5

**Table A.VI.1 India's Export Potential Product Lines Facing Relatively High Import Tariff in Indonesia**

HS 6-digit Code	Description	Import Duty 1/1/2005
721129	Flat rolled prod, i/nas, hr, <600mm wide nes	12.5
721391	Hot rolled bar/rod, irregular coils, <14mm diam	12.5
721399	Hot rolled bar/rod, irregular coils, nes	12.5
721491	Bar/rod, rectangular (not square) nes	12.5
721590	Bars & rods, i/nas, nes	12.5
120100	Soya beans	10
151620	Veg fats & oils & fractions hydrogenatd, inter/re-esterifid, etc, ref	10
250100	Salt (includg table salt & denaturd salt) pure sodium chloride & sea water	10
281700	Zinc oxide; zinc peroxide	10
283650	Calcium carbonate	10
291735	Phthalic anhydride	10
292429	Cyclic amides and their derivatives, nes; salts thereof	10
292700	Diazo-, azoor azoxy-compounds	10
293359	Hetercycl compds cntg pyrimidin rng/piperazine rng, nes; nucleic acid & sa	10
294110	Penicillins and their derivatives, in bulk; salts thereof	10
321290	Pigment dspr in a n-aqueous media f mfg of paint; dyes packd f retail	10
321511	Printing ink, black	10
321519	Printing ink, nes	10
321590	Ink, nes	10
330300	Perfumes and toilet waters	10
330491	Powders, skin care, whether or not compressed	10
330499	Beauty or make-up preparations nes; sunscreen or sun tan preparations	10
330510	Hair shampoos	10
330590	Hair preparations, nes	10
340111	Toilet soap & prep, shaped; papers & nonwovens impreg with soap toilet use	10
340120	Soap nes	10
340211	Anionic surface-active agents	10
340290	Surface-active preparations, washing and cleaning preparations, nes	10
370610	Cinematograph film, exposed & developed, of a width of 35 mm or more	10
380810	Insecticides, packaged for retail sale or formulated	10
380830	Herbicides, anti-sproutg prod & plant growth regs, packd f retail/formltd	10
382490	Chemical/allied industry preparations/prods nes	10
390110	Polyethylene having a specific gravity of less than 0.94	10
390120	Polyethylene having a specific gravity of 0.94 or more	10

**Table A.VI.1 India's Export Potential Product Lines Facing Relatively High Import Tariff in Indonesia**

HS 6-digit Code	Description	Import Duty 1/1/2005
390210	Polypropylene	10
390311	Polystyrene, expansible	10
390319	Polystyrene nes	10
390390	Polymers of styrene nes, in primary forms	10
390410	Polyvinyl chloride, not mixed with any other substances	10
390690	Acrylic polymers nes, in primary forms	10
390740	Polycarbonates	10
390760	Polyethylene terephthalate	10
391910	Self-adhesive plates,sheets,film etc,of plastic in rolls <20 cm wide	10
392069	Film and sheet etc, non-cellular etc, of polyesters nes	10
392099	Film and sheet etc, non-cellular etc, of plastics nes	10
392690	Articles of plastics or of other materials of Nos 39.01 to 39.14 nes	10
400821	Plates,sheets&strip of non cellular rubber,oth than hard rubber (vulc)	10
401699	Articles of vulcanised rubber nes, other than hard rubber	10
420500	Articles of leather or of composition leather, nes	10
442190	Wood articles nes	10
511219	Woven fabrics of combed wool/fine animal hair,>/=85% by wght,>200 g/m2	10
520812	Plain weave cotton fabric,>/=85%, >100 g/m2 to 200 g/m2, unbleached	10
520819	Woven fabrics of cotton,>/=85%, not more than 200 g/m2,unbleached, nes	10
520822	Plain weave cotton fabric,>/=85%, >100 g/m2 to 200 g/m2, bleached	10
520829	Woven fabrics of cotton,>/=85%, nt more than 200 g/m2, bleached, nes	10
520831	Plain weave cotton fabric,>/=85%, not more than 100 g/m2, dyed	10
520832	Plain weave cotton fabric,>/=85%,>100g/m= to 200g/m=, dyed	10
520839	Woven fabrics of cotton,>/=85%, not more than 200 g/m2, dyed, nes	10
520842	Plain weave cotton fabrics,>/=85%, >100 g/m2 to 200 g/m2, yarn dyed	10
520849	Woven fabrics of cotton,>/=85%,nt more than 200 g/m2, yarn dyed, nes	10
520919	Woven fabrics of cotton,>/=85%,more than 200 g/m2, unbleached, nes	10
520931	Plain weave cotton fabrics,>/=85%, more than 200 g/m2, dyed	10
520932	Twill weave cotton fabrics,>/=85%, more than 200 g/m2, dyed	10
520942	Denim fabrics of cotton,>/=85%, more than 200 g/m2	10
521011	Plain weave cotton fab,<85% mixd w m-m fib,not more than 200 g/m2,unbl	10
521019	Woven fab of cotton,<85% mixd with m-m fib,</=200 g/m2,unbl,nes	10
540710	Woven fab of high tenacity fi yarns of nylon oth polyamides/polyesters	10
540751	Woven fabrics,>/=85% of textured polyester filaments, unbl or bl, nes	10

**Table A.VI.1 India's Export Potential Product Lines Facing Relatively High Import Tariff in Indonesia**

HS 6-digit Code	Description	Import Duty 1/1/2005
551311	Plain weave polyest stapl fib fab,<85%,mixd w/cottn,<=/170g/m2,unbl/bl	10
551321	Plain weave polyester staple fib fab,<85%,mixd w/cotton,<=/170g/m2,dyd	10
551511	Woven fab of polyester staple fib mixd w viscose rayon staple fib,nes	10
590310	Textile fab impregnatd,ctd,cov,or laminatd w polyvinyl chloride,nes	10
720915	Cold rolled iron/steel, coils >600mm x >3mm	10
720916	Cold rolled iron/steel, coils >600mm x 1-3mm	10
720917	Cold rolled iron/steel, coils >600mm x 0.5-1mm	10
720918	Cold rolled iron/steel, coils >600mm x <0.5mm	10
721123	Cold roll iron/steel, <600mm, <0.25% carbon	10
721129	Flat rolled prod, i/nas, hr, <600mm wide nes	10
721710	Wire of iron or non-alloy steel, not plated/coated	10
721720	Wire of iron or non-alloy steel, zinc plated/coated	10
722990	Wire of alloy steel, o/t stainless	10
730640	Tube,pipe&hollow profile,stainless steel,weldd,of circ cross sect,nes	10
731511	Chain, roller, iron or steel	10
731512	Chain, articulated link, iron or steel, nes	10
732591	Balls, grinding and similar articles of iron or steel, cast for mills	10
732599	Articles of iron or steel, cast, nes	10
732690	Articles, iron or steel, nes	10
760611	Plate, sheet or strip, aluminium, not alloyd, rect or sq, exceedg 0.2mm thk	10
760612	Plate, sheet or strip, aluminium alloy, rect or sq, exceeding 0.2mm thick	10
760719	Foil, aluminium, not backed and not exceeding 0.2mm thick, nes	10
760720	Foil, aluminium, backed, not exceeding 0.2mm thick excluding any backing	10
790700	Articles of zinc, nes	10
821220	Safety razor blades, including razor blade blanks in strips	10
821599	Tableware articles not in sets and not plated with precious metal	10
830140	Locks of base metal, nes	10
830990	Stoppers, caps, lids, seals & other packing accessories of base metal, nes	10
831110	Electrodes, coated, of base metal, for electric arc welding	10
840219	Vapour generating boilers nes, including hybrid boilers	10
840410	Auxiliary plant for use with steam or vapour generating boilers nes	10
840890	Engines, diesel nes	10
841510	Air conditioning machines window or wall types, self-contained	10
842959	Self-propelled excavating machinery nes	10



**Table A.VI.1 India's Export Potential Product Lines Facing Relatively High Import Tariff in Indonesia**

HS 6-digit Code	Description	Import Duty 1/1/2005
843139	Parts of lifting, handling, loading or unloading machinery nes	10
847989	Machines & mechanical appliances nes having individual functions	10
848180	Taps, cocks, valves and similar appliances, nes	10
850110	Electric motors of an output not exceeding 37.5 W	10
850131	DC motors, DC generators, of an output not exceeding 750 W	10
850132	DC motors,DC generators,of an output exceedg 750 W but nt exceedg 75KW	10
850134	DC motors, DC generators, of an output exceeding 375 KW	10
850140	AC motors, single-phase, nes	10
850164	AC generators, of an output exceeding 750 KVA	10
850211	Generatg sets,diesel/semi-diesel engines,of an output not exceed 75 KVA	10
850220	Generating sets with spark-ignition internal combustion piston engines	10
850239	Electric generating sets	10
850410	Ballasts for discharge lamps or tubes	10
850431	Transformers electric power handling capacity not exceeding 1 KVA, nes	10
850434	Transformers electric havg a power handlg capacity exceedg 500 KVA,nes	10
850440	Static converters, nes	10
850610	Manganese dioxide primary cells and batteries	10
850680	Primary cells & primary batteries nes	10
850710	Lead-acid electric accumulators of a kind usd f startg piston engines	10
850940	Domestic food grinders and mixers; fruit or vegetable juice extractors	10
851730	Telephonic or telegraphic switching apparatus	10
851750	Apparatus for carrier-current/digital line systems	10
851780	Electrical apparatus for line telephony/telegraphy nes	10
851790	Parts of electrical apparatus for line telephone or line telegraphy	10
852439	Recorded laser discs, nes	10
852510	Transmission apparatus for radio-teleph radio-broadcastg or television	10
852520	Transmission apparatus,for radioteleph incorporatg reception apparatus	10
854411	Insulated (including enamelled or anodised) winding wire of copper	10
854419	Insulated (including enamelled or anodised) winding wire, nes	10
854420	Co-axial cable and other co-axial electric conductors	10
854430	Ignition wirg sets&oth wirg sets usd in vehicles,aircraft etc	10
854441	Electric conductors,for a voltage not exceedg 80 V,fittd w connectors	10
854451	Electr conductors,for a voltage >80V but <=1,000 V fittd w connectrs	10
854460	Electric conductors, for a voltage exceeding 1,000 V, nes	10

**Table A.VI.1 India's Export Potential Product Lines Facing Relatively High Import Tariff in Indonesia**

HS 6-digit Code	Description	Import Duty 1/1/2005
854790	Insulating fittings for electrical mach appliances or equipment, nes	10
870210	Diesel powered buses with a seating capacity of > nine persons	10
870290	Buses with a seating capacity of more than nine persons nes	10
871200	Bicycles and other cycles (including delivery tricycles),not motorised	10
871491	Bicycle frames and forks, and parts thereof	10
871492	Bicycle wheel rims and spokes	10
871493	Bicycle hubs and free-wheel sprocket wheels	10
871494	Bicycle brakes, including coaster braking hubs, and parts thereof	10
871496	Bicycle pedals and crank-gear and parts thereof	10
871499	Bicycle parts nes	10
940360	Furniture, wooden, nes	10
960321	Tooth brushes	10
960810	Ball point pens	10
960899	Duplicatg stylos;pen/pencil holders;parts of pens,markers,pencils,nes	10
720810	Hot rolled iron/steel, coils, >600mm, relief pattern	7.5
720825	Hot roll steel, coil, pickled >600mm wide x >4.75mm	7.5
720826	Hot roll steel, coil, pickled >600mm x 3-4.75mm	7.5
720836	Hot roll iron/steel nes, coil >600mm x >10mm	7.5
720837	Hot roll iron/steel nes, coil >600mm x 4.75-10mm	7.5
720838	Hot roll iron/steel nes, coil >600mm x 3-4.75mm	7.5
720839	Hot roll iron/steel nes, coil >600mm x <3mm	7.5
720851	Hot roll iron/steel, not coil >600mm x >10mm	7.5
720852	Hot roll iron/steel, not coil >600mm x 4.75-10mm	7.5
720854	Hot roll iron/steel, not coil >600mm x <3mm	7.5
720890	Flat rolled prod, i/nas, not further worked than hot rolled, nes	7.5

Note: All those product lines have been considered on which the import duty is more than 5 per cent

Table: Macro Economic Indicators of India and Indonesia

	Country	1960	1970	1980	1990	2000	2001	2002	2003	2004	2005	2006
GDP (constant 2000 US\$) (bill)	India	77	114	153	269	460	484	502	544	590	644	703.00
	Indonesia	18	28	59	109	165	171	179	187	197	208	219.00
GDP growth (annual %)	India	..	5	7	6	4	5	4	8	8	9	9.20
	Indonesia	..	8	9	9	5	4	4	5	5	6	5.48
GDP per capita (constant 2000 US\$)	India	176	209	223	317	453	469	479	511	546	588	633.74
	Indonesia	196	235	397	612	800	820	844	872	904	942	983.09
GDP per capita growth (annual %)	India	..	3	4	4	2	4	2	7	7	8	7.70
	Indonesia	..	6	6	7	4	2	3	3	4	4	4.31
Agriculture, value added (% of GDP)	India	47	46	39	31	23	23	21	21	19	18	17.53
	Indonesia	51	45	24	19	16	16	16	16	16	13	12.90
Industry, value added (% of GDP)	India	19	21	24	28	26	25	26	26	27	27	27.89
	Indonesia	15	19	42	39	46	47	45	44	44	46	47.05
Services, etc., value added (% of GDP)	India	34	33	37	41	50	51	53	53	54	54	54.58
	Indonesia	33	36	34	41	38	38	39	40	40	41	40.06
Gross domestic savings (% of GDP)	India	13	15	16	23	24	24	25	27	28	30	31.06
	Indonesia	12	14	38	32	33	30	27	33	28	27	29.37
Money and quasi money (M2) as % of GDP	India	..	21	33	40	52	55	59	60	61	62	63.95
	Indonesia	..	8	13	34	50	47	46	45	44	41	38.65
Inflation, GDP deflator (annual %)	India	..	2	12	11	4	3	4	4	4	4	5.92
	Indonesia	..	14	31	8	20	17	6	4	6	14	13.63

Source: WB, World Development Indicators, CD-ROM, 20087

**Table 1.3 Trade and Investment Profiles of India and Indonesia**

	<b>Country</b>	<b>1960</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Exports of goods and services (current US\$) (bill)	India	2	2	11	23	64	64	78	93	128	165
	Indonesia	..	1	27	29	68	63	64	72	82	96
Exports of goods and services (annual % growth)	India	..	..	11	11	-7	6	22	10	18	22
	Indonesia	..	17	6	3	26	1	-1	6	14	9
Exports of goods and services (% of GDP)	India	5	4	6	7	14	13	15	15	18	21
	Indonesia	15	13	34	25	41	38	32	30	32	34
Imports of goods and services (current US\$) (bill)	India	3	3	17	27	67	67	80	97	151	195
	Indonesia	..	1	16	27	50	49	52	54	70	84
Imports of goods and services (annual % growth)	India	..	..	7	3	-25	3	10	12	45	22
	Indonesia	..	12	10	23	26	4	-4	2	27	12
Imports of goods and services (% of GDP)	India	7	4	9	9	15	14	16	16	22	24
	Indonesia	12	15	20	24	30	30	26	23	27	29
Foreign direct investment, net inflows (BoP, current US\$) (bill)	India	..	0	0	0	4	5	6	5	5	7
	Indonesia	..	0	0	1	-5	-3	0	-1	2	5
Trade (% of GDP)	India	12	8	16	16	28	28	31	32	40	45
	Indonesia	27	28	54	49	71	68	58	53	60	63
Foreign direct investment, net inflows (% of GDP)	India	..	0	0	0	1	1	1	1	1	1
	Indonesia	..	2	0	1	-3	-2	0	0	1	2

Source: WB, World Development Indicators, CD-ROM, 2007

## Forecasting India's exports to Indonesia and Indonesia's exports to India

With the data from 1980 to 2006, the projection for bilateral exports of India and Indonesia has been made. For this, three methodologies have been applied:

**1. Linear Trend:** This method is usually applied to fit a straight line for the dependent variable, using the method of least squares. It measures the trend of the dependent variable by regressing it on time  $t$ .

$$Y_t = \gamma + \beta(t) + \mu$$

where  $Y_t$  is the Bilateral Export value

$T$  is the time period

$\mu$  is the error term

Now one can forecast the value for dependent variable.

**2. Growth Trend:** It Projects the values for dependent variable that fit an exponential curve.

### 3. Exponential Smoothing

Smoothing techniques provide a means of removing or at least reducing volatile short-term fluctuations in a time series. This allows us to discern trends and cyclical patterns. One of the simplest ways of smoothing a series is to take a  $N$  period moving average. The method of exponential smoothing used in this paper merely involves the use of exponentially weighted moving average model for smoothing. The different models of exponential smoothing are:

(i) Single Exponential Smoothing: It could be estimated as the weighted average of all the available observations, with most weight given to the most recent observation and weights decreasing for more distant past.

$$F_{t+1} = \alpha X_t + (1-\alpha) F_t$$

where

$F_{t+1}$ =Forecast for time  $t+1$

$X_t$ =Actual value at time  $t$

$\alpha$  = Smoothing constant

(ii) Linear (Holt's) Exponential Smoothing: Holt (1957) developed an exponential smoothing algorithm that allows for local linear trend in a time series. It provides estimates of level and slope that adapt over time as new observations become available. Slope at time  $t$  is estimated as a weighted average of the most recent change in estimated smoothed value and previous slope estimate. Forecasts of future observations then follow from the assumption of a continued period-by-period increase in the amount of the latest slope estimate.

$$S_t = \alpha X_t + (1-\alpha)(S_{t-1} + T_{t-1})$$

$$T_t = \beta(S_t - S_{t-1}) + (1-\beta)T_{t-1}$$

$$F_{t+m} = S_t + T_{t+m}$$

where

$\alpha$  and  $\beta$  = Smoothing constants

$S_t$  = Smoothed value at time  $t$

$T_t$  = Smoothed trend in data series

(iii) Holt-Winter's seasonal exponential smoothing: Many series contain strong seasonal component, so that it is desirable to extend exponential smoothing method to allow for seasonality. Holt's algorithm was extended in this way by Winters (1960). In fact, there are two possible lines of development, depending on whether seasonality is taken to be multiplicative or additive.

Holt-Winters-No Seasonal (two parameters): This method is appropriate for series with a linear time trend and no seasonal variation. We have used the methodology of Holt-Winters with No Seasonality.

## POLICY ON FOREIGN DIRECT INVESTMENT (FDI)

I. Sectors prohibited for FDI

- ix. Retail Trading (except single brand product retailing)
- x. Atomic Energy
- xi. Lottery Business
- xii. Gambling and Betting
- xiii. Business of chit fund
- xiv. Nidhi Company
- xv. Trading in Transferable Development Rights (TDRs).
- xvi. Activity/sector not opened to private sector investment

## II. Sector-specific policy for FDI:

In the following sectors/activities, FDI is allowed up-to the limit indicated below subject to other conditions as indicated.

Sr. No.	Sector/Activity	FDI Cap / Equity	Entry Route	Other conditions
<b>I</b>	<b>AGRICULTURE</b>			
1.	Floriculture, Horticulture, Development of Seeds, Animal Husbandry, Pisciculture, Aquaculture and Cultivation of Vegetables & Mushrooms under controlled conditions and services related to agro and allied sectors.  <b>Note: Besides the above, FDI is not allowed in any other agricultural sector/activity</b>	100%	Automatic	
2.	Tea Sector, including tea plantation <b>Note: Besides the above, FDI is not allowed in any other plantation sector/activity</b>	100%	FIPB	Subject to divestment of 26% equity in favour of Indian partner/Indian public within 5 years and prior approval of State Government concerned in case of any change in future land use.
<b>II</b>	<b>INDUSTRY</b>			
<b>II A</b>	<b>MINING</b>			
3.	<b>Mining</b> covering exploration and mining of diamonds & precious stones; gold, silver and minerals.	100%	Automatic	Subject to Mines & Minerals (Development & Regulation) Act, 1957 <a href="http://www.mines.nic.in">www.mines.nic.in</a> Press Note 18 (1998) and Press Note 1 (2005) are not applicable for setting up 100% owned subsidiaries in so far as the mining sector is concerned, subject to a declaration from the applicant that he has no existing joint venture for the same area and /or the particular mineral.
4.	<b>Coal &amp; Lignite mining</b> for captive consumption by power projects, and iron & steel, cement production and other eligible activities permitted under the Coal Mines (Nationalisation) Act, 1973.	100%	Automatic	Subject to provisions of Coal Mines (Nationalization) Act, 1973 <a href="http://www.coal.nic.in">www.coal.nic.in</a>
5.	<b>Mining and mineral separation of titanium bearing minerals and ores, its value addition and integrated activities .</b> <b>Note : FDI will not be allowed in mining of “prescribed substances” listed in Government of India notification No. S.O. 61(E) dt.</b>	100%	FIPB	Subject to sectoral regulations and the Mines and Minerals (Development & Regulation) Act, 1957 and the following conditions- i. value addition facilities are set up within India along with transfer of technology; ii. disposal of tailing during the mineral separation shall be carried out in accordance with regulations framed by the Atomic Energy Regulatory Board

	18.1.2006 issued by the Department of Atomic Energy under the Atomic Energy Act, 1962.			such Atomic Energy (Radiation Protection) Rules 2004 and the Atomic Energy (Safe Disposal of Radioactive Wastes) Rules 1987.
<b>II B MANUFACTURING</b>				
6.	<b>Alcohol-Distillation &amp; Brewing</b>	100%	Automatic	Subject to license by appropriate authority
7.	<b>Cigars &amp; Cigarettes-Manufacture</b>	100%	FIPB	Subject to industrial license under the Industries (Development & Regulation) Act, 1951
8.	<b>Coffee &amp; Rubber processing &amp; warehousing</b>	100%	Automatic	
9.	<b>Defence production</b>	26%	FIPB	Subject to licensing under Industries (Development & Regulation) Act, 1951 and guidelines on FDI in production of arms & ammunition.
10.	<b>Hazardous chemicals, viz., hydrocyanic acid and its derivatives; phosgene and its derivatives; and isocyanates and diisocyanates of hydrocarbon.</b>	100%	Automatic	Subject to industrial license under the Industries (Development & Regulation) Act, 1951 and other sectoral regulations.
11.	<b>Industrial explosives-Manufacture</b>	100%	Automatic	Subject to industrial license under Industries (Development & Regulation) Act, 1951 and regulations under Explosives Act, 1898
12.	<b>Drugs &amp; Pharmaceuticals including those involving use of recombinant DNA technology</b>	100%	Automatic	
<b>II C POWER</b>				
13.	<b>Power</b> including generation (except Atomic energy); transmission, distribution and Power Trading.	100%	Automatic	Subject to provisions of the Electricity Act, 2003 <a href="http://www.powermin.nic.in">www.powermin.nic.in</a>
<b>III SERVICES</b>				
14.	<b>CIVIL AVIATION SECTOR</b>			
<b>(i) Airports-</b>				
a.	Greenfield projects	100%	Automatic	Subject to sectoral regulations notified by Ministry of Civil Aviation <a href="http://www.civilaviation.nic.in">www.civilaviation.nic.in</a>
b.	Existing projects	100%	FIPB beyond 74%	Subject to sectoral regulations notified by Ministry of Civil Aviation <a href="http://www.civilaviation.nic.in">www.civilaviation.nic.in</a>
<b>(ii) Air Transport Services including Domestic Scheduled Passenger Airlines; Non-Schedules Airlines; Chartered Airlines; Cargo Airlines; Helicopter and Seaplane Services</b>				
c.	<b>Scheduled Air Transport Services/ Domestic Scheduled Passenger Airline</b>	49%- FDI; 100%- for NRI investment	Automatic	Subject to no direct or indirect participation by foreign airlines and sectoral regulations..
d.	<b>Non-Scheduled Air Transport Service/ Non-Scheduled airlines, Chartered airlines, and Cargo airlines</b>	74%- FDI 100%- for NRIs investment	Automatic	Subject to no direct or indirect participation by foreign airlines in Non-Scheduled and Chartered airlines. Foreign airlines are allowed to participate in the equity of companies operating Cargo airlines. Also subject to sectoral regulations.
e.	<b>Helicopter Services/Seaplane services requiring DGCA approval</b>	100%	Automatic	Foreign airlines are allowed to participate in the equity of companies operating Helicopter and seaplane



				airlines. Also subject to sectoral regulations.
(iii)	<b>Other services under Civil Aviation Sector</b>			
f.	<b>Ground Handling Services</b>	<b>74% - FDI 100%- for NRIs investment</b>	<b>Automatic</b>	<b>Subject to sectoral regulations and security clearance.</b>
g.	<b>Maintenance and Repair organizations; flying training institutes; and technical training institutions</b>	<b>100%</b>	<b>Automatic</b>	
15.	<b>Asset Reconstruction Companies</b>	49% (only FDI)	FIPB	Where any individual investment exceeds 10% of the equity, provisions of Section 3(3)(f) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 should be complied with. <a href="http://www.finmin.nic.in">www.finmin.nic.in</a>
16.	<b>Banking - Private sector</b>	74% (FDI+FII)	Automatic	Subject to guidelines for setting up branches / subsidiaries of foreign banks issued by RBI. <a href="http://www.rbi.org.in">www.rbi.org.in</a>
17.	<b>Broadcasting</b>			
a.	FM Radio	FDI +FII investment up to 20%	FIPB	Subject to Guidelines notified by Ministry of Information & Broadcasting. <a href="http://www.mib.nic.in">www.mib.nic.in</a>
b.	Cable network	49% (FDI+FII)	FIPB	Subject to Cable Television Network Rules (1994) Notified by Ministry of Information & Broadcasting. <a href="http://www.mib.nic.in">www.mib.nic.in</a>
c.	Direct-To-Home	49% (FDI+FII). Within this limit, FDI component not to exceed 20%	FIPB	Subject to guidelines issued by Ministry of Information & Broadcasting. <a href="http://www.mib.nic.in">www.mib.nic.in</a>
d.	Setting up hardware facilities such as up-linking, HUB, etc	49% (FDI+FII)	FIPB	Subject to Up-linking Policy notified by Ministry of Information & Broadcasting. <a href="http://www.mib.nic.in">www.mib.nic.in</a>
e.	Up-linking a News & Current Affairs TV Channel	26% FDI+FII	FIPB	Subject to guidelines issued by Ministry of Information & Broadcasting. <a href="http://www.mib.nic.in">www.mib.nic.in</a>
f.	Up-linking a Non-news & Current Affairs TV Channel	100%	FIPB	Subject to guidelines issued by Ministry of Information & Broadcasting. <a href="http://www.mib.nic.in">www.mib.nic.in</a>
18.	<b>Commodity Exchanges</b>	49% (FDI+FII) Investment by Registered FII under PIS will be limited to 23% and Investment under FDI Scheme limited to 26%.	FIPB	FII purchases shall be restricted to secondary market only. No foreign investor/entity, including persons acting in concert, will hold more than 5% of the equity in these companies.
19.	<b>Construction Development projects</b> , including housing, commercial premises, resorts, educational institutions, recreational facilities, city and regional level infrastructure, townships.  <b>Note:: FDI is not allowed in Real Estate Business</b>	100%	Automatic	Subject to conditions notified vide Press Note 2 (2005 Series) including: a. minimum capitalization of US\$ 10 million for wholly owned subsidiaries and US\$ 5 million for joint venture. The funds would have to be brought within six months of commencement of business of the Company. b. Minimum area to be developed under each project- 10 hectares in case of development of serviced housing plots; and built-up area of 50,000 sq. mts. in case of construction development project; and any of the above in case of a combination project. <b>[Note 1: For investment by NRIs, the conditions mentioned</b>

				<b>in Press Note 2 / 2005 are not applicable. Note 2: For investment in SEZs, Hotels &amp; Hospitals, conditions mentioned in Press Note 2(2005) are not applicable]</b>
20.	<b>Courier services</b> for carrying packages, parcels and other items which do not come within the ambit of the Indian Post Office Act, 1898.	100%	FIPB	Subject to existing laws and exclusion of activity relating to distribution of letters, which is exclusively reserved for the State. <a href="http://www.indiapost.gov.in">www.indiapost.gov.in</a>
21.	<b>Credit Information Companies</b>	49 % (FDI+FII) Investment by Registered FII under PIS will be limited to 24% only in the CICs listed at the Stock Exchanges within the overall limit of 49% foreign investment.	FIPB	Foreign Investment in CIC will be subject to Credit Information Companies (Regulation) Act, 2005. FII investment will be subject to the conditions that: (a) No single entity should directly or indirectly hold more than 10% equity (b) Any acquisition in excess of 1% will have to be reported to RBI as a reporting requirement; and (c) FIIs investing in CICs shall not seek a representation on the Board of Directors based upon their shareholding.
22.	<b>Industrial Parks both setting up and in established Industrial Parks</b>	100%	Automatic	Conditions in Press Note 2(2005) applicable for construction development projects would not apply provided the Industrial Parks meet with the under-mentioned conditions- i. it would comprise of a minimum of 10 units and no single unit shall occupy more than 50% of the allocable area; ii. the minimum percentage of the area to be allocated for industrial activity shall not be less than 66% of the total allocable area.
23	<b>Insurance</b>	26%	Automatic	Subject to licensing by the Insurance Regulatory & Development Authority <a href="http://www.irda.nic.in">www.irda.nic.in</a>
24.	<b>Investing companies in infrastructure / services sector (except telecom sector)</b>	100%	FIPB	Where there is a prescribed cap for foreign investment, only the direct investment will be considered for the prescribed cap and foreign investment in an investing company will not be set off against this cap provided the foreign direct investment in such investing company does not exceed 49% and the management of the investing company is with the Indian owners.
25.	<b>Non Banking Finance Companies</b>			
i)	<b>Merchant Banking</b>	100%	Automatic	Subject to: a. minimum capitalization norms for fund based NBFCs - US\$ 0.5 million to be brought upfront for FDI up to 51%; US\$ 5 million to be brought upfront for FDI above 51% and up to 75%; and US\$ 50 million out of which US\$ 7.5 million to be brought upfront and the balance in 24 months for FDI beyond 75% and up to 100%. b. minimum capitalization norms for non-fund based NBFC activities- US\$0.5 million. c. foreign investors can set up 100% operating subsidiaries without the condition to disinvest a minimum of 25% of its equity to Indian entities subject to bringing in US\$ 50 million without any
ii)	<b>Underwriting Portfolio Management Services</b>			
iii)	<b>Investment Advisory Services</b>			
iv)	<b>Financial Consultancy</b>			
v)	<b>Stock Broking</b>			
vi)	<b>Asset Management</b>			

vii)	<b>Venture Capital</b>			<p>restriction on number of operating subsidiaries without bringing additional capital.</p> <p>d. joint venture operating NBFC's that have 75% or less than 75% foreign investment will also be allowed to set up subsidiaries for undertaking other NBFC activities subject to the subsidiaries also complying with the applicable minimum capital inflow.</p> <p>e. compliance with the guidelines of the RBI.</p> <p>f. The minimum capitalization norms would apply would be applicable where the foreign holding in a NBFC (both direct and indirect) exceeds the limits indicated at (a) above</p> <p>g. The capital for the purpose of minimum capitalization norms shall consist of ordinary shares only.</p>	
viii)	<b>Custodial Services</b>				
ix)	<b>Factoring</b>				
x)	<b>Credit Rating Agencies</b>				
xi)	<b>Leasing &amp; Finance</b>				
xii)	<b>Finance</b>				
xiii)	<b>Housing Finance</b>				
xiv)	<b>Forex Broking</b>				
xv)	<b>Credit card Business</b>				
xvi)	<b>Money changing business</b>				
xvii)	<b>Micro credit</b>				
xviii)	<b>Rural credit</b>				
26.	<b>Petroleum &amp; Natural Gas sector</b>				
a.	Refining	49% in case of PSUs 100% in case of Private companies	FIPB (in case of PSUs)  Automatic (in case of private companies)		Subject to Sectoral policy <a href="http://www.petroleum.nic.in">www.petroleum.nic.in</a> <u>and no divestment or dilution of domestic equity in the existing PSUs.</u>
b.	Other than Refining and including market study and formulation; investment/ financing; setting up infrastructure for marketing in Petroleum & Natural Gas sector.	100%	Automatic		Subject to sectoral regulations issued by Ministry of Petroleum & Natural Gas <a href="http://www.petroleum.nic.in">www.petroleum.nic.in</a>
27.	<b>Print Media</b>				
a.	Publishing of newspaper and periodicals dealing with news and current affairs	26%	FIPB		Subject to Guidelines notified by Ministry of Information & Broadcasting. <a href="http://www.mib.nic.in">www.mib.nic.in</a>
b.	Publishing of scientific magazines/ specialty journals/ periodicals	100%	FIPB		Subject to guidelines issued by Ministry of Information & Broadcasting. <a href="http://www.mib.nic.in">www.mib.nic.in</a>
c.	Publishing of facsimile edition of foreign newspapers	100%	FIPB	Subject to (i) FDI is by the owner of the original foreign newspaper(s) and (ii) the Guidelines for publication of newspapers and periodicals dealing with news and current affairs and publication of facsimile edition of foreign newspapers issued by Ministry of Information &	

				Broadcasting on 31.3.2006
28.	<b>Telecommunications</b>			
a.	Basic and cellular, Unified Access Services, National/ International Long Distance, V-Sat, Public Mobile Radio Trunked Services (PMRTS), Global Mobile Personal Communications Services (GMPCS) and other value added telecom services	74% (Including FDI, FII, NRI, FCCBs, ADRs, GDRs, convertible preference shares, and proportionate foreign equity in Indian promoters/ Investing Company)	Automatic up to 49%.  FIPB beyond 49%.	Subject to guidelines notified in the PN 3(2007)
b.	ISP with gateways, radio-paging, end-to-end bandwidth.	74%	Automatic up to 49%.  FIPB beyond 49%.	Subject to licensing and security requirements notified by the Dept. of Telecommunications. <a href="http://www.dotindia.com">www.dotindia.com</a>
c.	(a) ISP without gateway, (b) infrastructure provider providing dark fibre, right of way, duct space, tower (Category I); (c) electronic mail and voice mail	100%	Automatic up to 49%.  FIPB beyond 49%.	Subject to the condition that such companies shall divest 26% of their equity in favour of Indian public in 5 years, if these companies are listed in other parts of the world. Also subject to licensing and security requirements, where required. <a href="http://www.dotindia.com">www.dotindia.com</a>
d.	Manufacture of telecom equipments	100%	Automatic	Subject to sectoral requirements. <a href="http://www.dotindia.com">www.dotindia.com</a>
29.	<b>Trading</b>			
a.	Wholesale/cash & carry trading	100%	Automatic	Subject to the condition that the test marketing approval will be for a period of two years and Investment in setting up manufacturing facilities commences simultaneously with test marketing.
b.	Trading for exports	100%	Automatic	
c.	Trading of items sourced from small scale sector	100%	FIPB	
d.	Test marketing of such items for which a company has approval for manufacture	100%	FIPB	
e.	Single Brand product retailing	51%	FIPB	
				Subject to guidelines for FDI in trading issued by Department of Industrial Policy & Promotion vide Press Note 3 (2006 Series).

30.	<b>Satellites - Establishment and operation</b>	74%	FIPB	Subject to Sectoral guidelines issued by Department of Space/ISRO <a href="http://www.isro.org">www.isro.org</a>
31.	<b>Special Economic Zones and Free Trade Warehousing Zones</b> covering setting up of these Zones and setting up units in the Zones	100%	Automatic	Subject to Special Economic Zones Act, 2005 and the Foreign Trade Policy. <a href="http://www.sezindia.nic.in">www.sezindia.nic.in</a>

**II. In Sectors/Activities not listed above, FDI is permitted up to 100% on the automatic route subject to sectoral rules/ regulations applicable.**

**III. Prior Government approval for FDI required in the following circumstances:**

- i) where provisions of Press Note 1 (2005 Series) issued by the Government of India are attracted;
- ii) where more than 24% foreign equity is proposed to be inducted for manufacture of items reserved for the Small Scale sector.

### **Sectors Restricted/Closed for Foreign Participation**

The sectors restricted/closed for foreign participation for the reason of national security, public health, morals, excess capacity or shortage of raw materials includes:-

1. Pineapple canning
2. Palm oil milling
3. Palm oil refining
4. Sugar refining
5. Liquors and alcoholic beverages
6. Tobacco processing and cigarettes
7. Sawn timber, veneer and plywood
8. Wood-based products utilising local logs as raw materials
9. Petroleum refining
10. Ordinary portland cement
11. Steel billets/blooms
12. Hot rolled steel round bars and wire rods
13. Assembly of motorcycles, passenger cars, and commercial vehicles
14. Fabrics and apparels of batik
15. Ordinary portland cement (Integrated projects)
16. Explosives, pyrotechnic products, propellant powders, detonating or safety fuses, and the like
17. Weapons and ammunitions

## Investment Incentives

### India

India offers a number of incentives to industries and infrastructure sector. These incentives are based on either location of the investment or on the sector. These are available to both domestic and foreign companies alike.

#### Incentives Based on Location

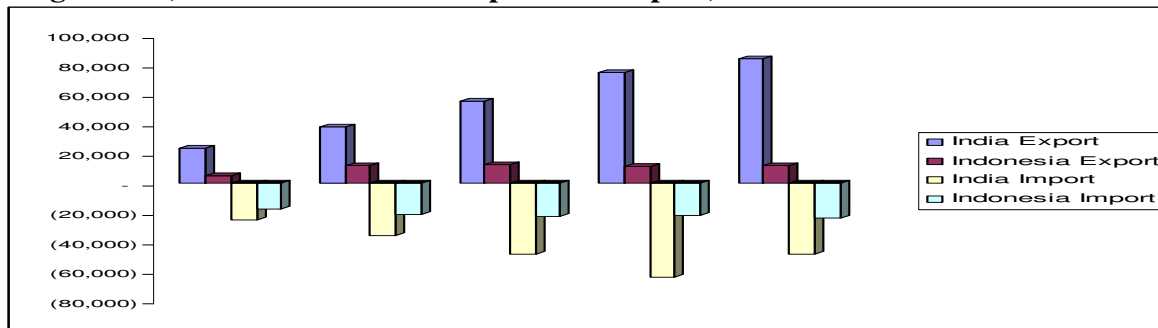
**Industrially backward states:** Investment incentives are available to industries to be located notified areas or in notified sectors in industrially backward regions, namely North-eastern states, Sikkim, Jammu & Kashmir, Himachal Pradesh and Uttaranchal. These include exemption from payment of Central Excise duty and income tax. 100% tax exemption for income is available for 10 years in the North-eastern states, Sikkim and Jammu & Kashmir while 100% exemption in the first 5 years and 30% in the next 5 years is available in Himachal Pradesh and Uttaranchal.

**Special Economic Zones:** The Government of India has enacted a separate law to govern the Special Economic Zones. Developer of SEZ are eligible for a 10 year tax exemption within a block of 15 years. Units located in the SEZ are eligible for 100% tax exemption in the first 5 years, 50% in the next 5 years and 50% of the reinvested profits in the following 5 years.

#### Incentives Based on Sector

In order to encourage investment in infrastructure and other priority sectors, a set of attractive incentives is available. This includes 100% exemption from tax in:

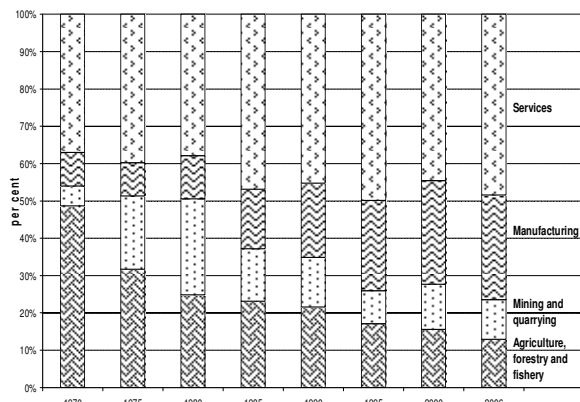
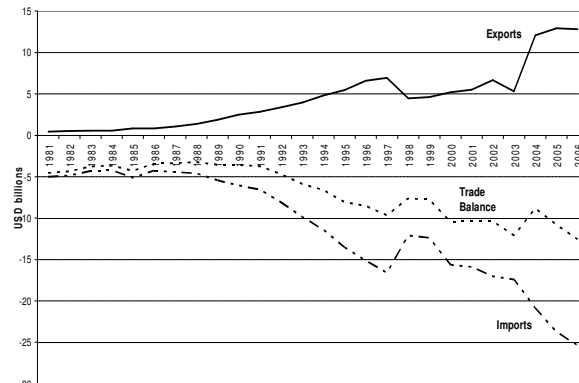
- i. Development or operation and maintenance of ports, airports, roads, highways, bridges, rail systems, inland waterways, water supply projects, water treatment systems, irrigation projects, sanitation and sewerage projects, solid waste management systems,
- ii. Generation or generation or distribution of power or laying a network of new transmission lines or distribution lines or substantial renovation and modernization of the existing transmission or distribution lines;
- iii. Developing or developing and operating or maintaining and operating industrial parks;
- iv. Companies registered in India, and approved by a the prescribed authority, carrying on industrial or scientific research and development
- v. Processing, preserving and packaging of fruits and vegetables;

**Figure 1: (Share of Services in Export and import):**

**Note:** Indonesia's service export is quite low as compared to India (Fig 1). However, globally both India and Indonesia remain the net importers of services. In 2004, exports of services from India grew by 16% according to WTO international trade statistics, 2005. (in annex grafik 1)

**Figure 2: Indonesia service sector and international trade**

*percentage and USD billions*

**Figure 2a:** Growing importance of services to the Indonesian economy, 1970 to 2006**Figure 2b:** Indonesia's international trade in services, 1981 to 2006

Source: BPS (2005) and UNCTAD (2006c).

**Table 23: Indonesia's profile of global exports & imports 1**  
*Services export - import in comparison to the world*

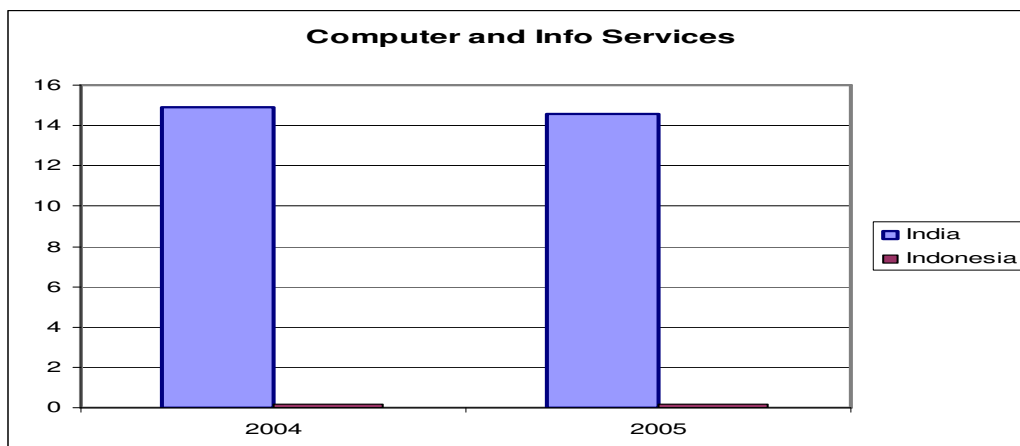
Shares of India and Indonesia in World Services Exports				
Particulars	1995	1999	2003	2007
	(%)			
India's share in world	0.54	1.00	1.28	2.73
Indonesia's share in world	0.43	0.32	0.28	0.39
India's share in developing economies	2.45	4.64	5.59	10.00
Indonesia's share in developing economies	1.97	1.47	1.24	1.42
India's share in developing Asia*)	3.35	6.50	7.57	13.03
Indonesia's share in developing Asia*)	2.70	2.06	1.68	1.85



India's share in Asia**)	2.46	4.90	5.88	10.59
Indonesia's share in Asia **)	1.99	1.55	1.30	1.51

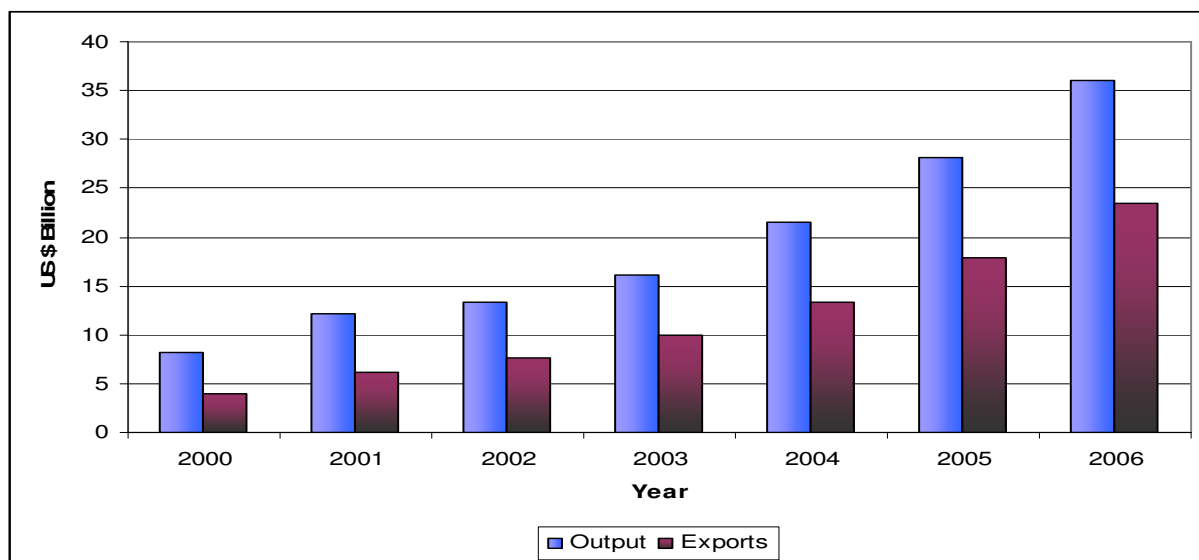
Notes; \*) Excluding Israel and Japan; \*\*) Including Israel and Japan  
Source; Calculated based on Handbook of Statistics, 2008, UNCTAD

**Figure 3: Comparative Trend in RCA in Computer & Info**



Data Source: IMF, 2006; author's calculation

**Figure 4: Trend in IT & ITES Sector in India:**



Source: NASSCOM

**Note :** Exports contribute 63 % to Indian IT and ITES Sector. IT and ITES export rose from \$4 bn in 2000 to % 17.9 bn in 2005. Projected export by 2010 is \$60bn.

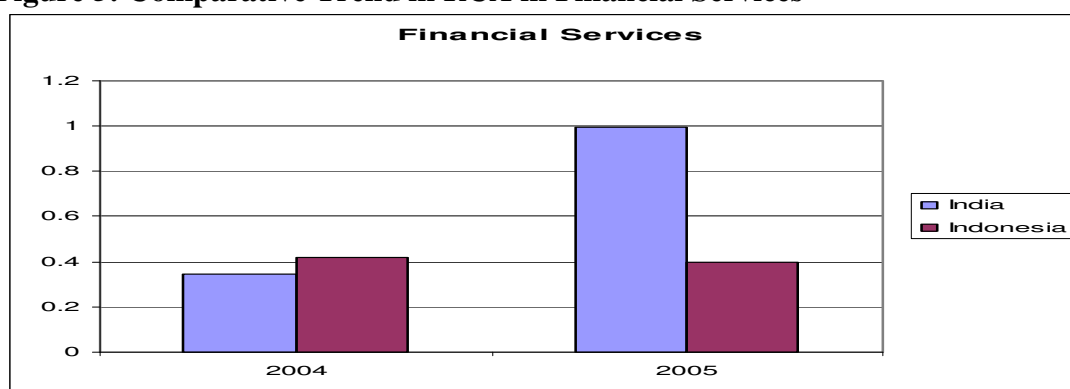
**(Table 24): Telecom sector, 2004-07**

	2004	2005	2006	2007
Telephone main lines ('000)	10,202	12,720	14,295	19,528
Telephone main lines (per 100 population)	4.3	5.3	5.8	8.69
Mobile subscribers ('000)	32,873	65,000	85,000	93,613

Mobile subscribers (per 100 population)	13.8	26.9	34.6	41.62
Internet users ('000)	8,587	9,885	12,000	25,000
Internet users (per 100 population)	3.6	4.1	4.9	11
Broadband subscriber lines ('000)	132	325	450	745
Broadband subscriber lines (per 100 people)	0.06	0.14	0.2	0.33

Source: DG Postel, Ministry of Communication and Information Technology

**Figure 5: Comparative Trend in RCA in Financial Services**



Data Source: IMF, 2006; author's calculation for RCA in Appendix

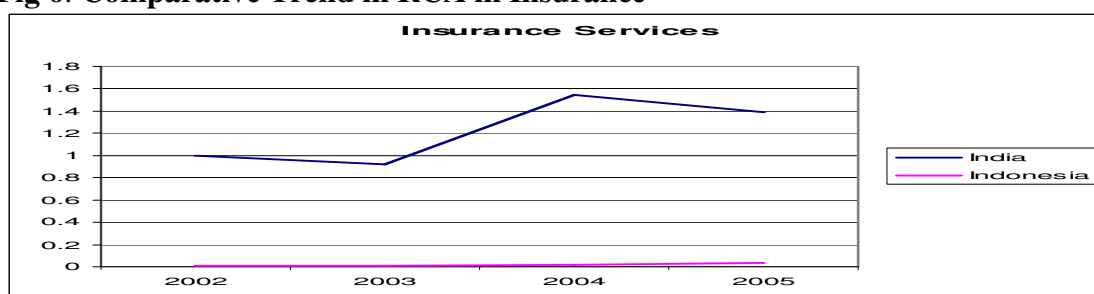
**Table 25 : Indonesia's Financial Sector Structure in 2006**

No.	Type of Institution	Asset (Rp. Trillion)	GDP*(%)
1.	Banks	1.693,5	50,71
2.	Finance Companies	108,9	3,26
3.	Insurance Companies	174,93	5,24
4.	Pension Fund	77,35	2,32
5.	Securities Firm (2004)	10,10	0,30
6.	Venture Capital	2,39	0,07
7.	Mutual Funds	51,62	1,55
8.	Outstanding Corporate Bonds	67,81	2,03
9.	Equity Market Capitalisation	1.249,90	37,43

\*GDP Nominal 2006 (Rp. Trillion: 3,339.48)

Source: Indonesian Central Bank, Bapepam-LK, World Bank

**Fig 6: Comparative Trend in RCA in Insurance**



Data Source: IMF, 2006; author's calculation for RCA in Appendix

**Table 26 (Annexure)**  
**LENGTH OF ROAD INDONESIA**

Type of Roads	Unit	2003	2004	2005	2006	2007	2008
National Roads	Km	26,271.03	34,629	34,318	34,506	36,318	36,318
Provincial Roads	Km	38,913.56	46,498	46,771	46,771	50,044	50,044
District Roads	Km	240,690.12	229,080	229,208	229,208	245,253	245,253
Urban Roads	Km	21,864	21,863	21,934	21,934	23,469	23,469
Toll Roads	Km	576	660	772	772	772	772

Source : Temporary Data, Civil Work Depart