

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Textiles Committee  
Sub-Committee on Adjustment

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INFORMATION RECEIVED BY THE TECHNICAL SUB-GROUP  
IN RESPONSE TO GATT/AIR/UNNUMBERED A AND B

INDONESIA

Additional Information

1. The Government's policy in textiles comprises, in conformity with the Guidelines of State Policy, the development of the textile industry with the aim of establishing a just and prosperous society.
2. Endeavours to increase domestic production of raw and intermediate materials, like the development of cotton estates and the pulp and petrochemical industry.
3. Endeavours to increase the use of machinery and at the same time develop a machinery industry by means of optimizing installed production units, restructuring of old equipment, developing a machinery industry and setting up a domestic reserve stock.
4. Endeavours to augment the rôle of the textile industry as a foreign exchange earner besides oil and gas by means of identifying potential products eligible for export promotion taking into account the production capacity to first meet domestic needs; excess capacity to fill exports; foreign markets which could still absorb Indonesian textiles; and product diversification for exports.
5. While protecting the industry the GATT rules are scrupulously observed nor are there any quantitative or discriminatory restrictions.
6. Foreign investment constitutes only a complementary element. The textile as well as the garment industry, being both labour intensive, are geared to absorb labour as much as possible. As to the use of high technology, it is mainly to make the industry more competitive in export markets.

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## 7. Number of textile factories as at the end of 1983:

<u>Type of factory</u>	<u>Number</u>
- Man-made fibres	6
- Spinning	88
- False twisting	51
- Weaving	898
- Finishing/dyeing/printing	266
- Embroidery	14
- Carpet	12
- Garments	147

## 8. Estimates on capacity, production and needs:

<u>Spinning</u>	<u>Capacity</u>	<u>Production</u>	<u>Needs</u>
1982/83	1,450.6 <sup>1/</sup>	1,223.0 <sup>1/</sup>	1,299.2 <sup>1/</sup>
1983/84	1,540.0	1,540.0	1,330.0
1984/85	1,586.4	1,580.0	1,362.0
1985/86	1,638.6	1,600.0	1,395.0

<u>Weaving &amp; knitting</u>	<u>Capacity</u>	<u>Production</u>	<u>Needs</u>
1982/83	2,136.0 <sup>2/</sup>	1,708.8 <sup>2/</sup>	2,052.0 <sup>2/</sup>
1983/84	2,500.0	2,500.0	2,215.0
1984/85	1,586.4	1,580.0	1,362.0
1985/86	2,620.0	2,620.0	2,324.0

<u>Garments</u>	<u>Capacity</u>	<u>Production</u>	<u>Needs</u>
1982/83	20.3 <sup>3/</sup>	21.2 <sup>3/</sup>	17.1 <sup>3/</sup>
1983/84	23.0	23.0	18.0
1984/85	23.9	23.5	18.0
1985/86	24.1	24.1	15.0

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<sup>1</sup> in 1,000 bales - 1 bale = 181.4 kg.

<sup>2</sup> in million metres

<sup>3</sup> in million dozens