

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Group of Negotiations on Services

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COMMUNICATION FROM INDONESIA

MFN Exemption List of Indonesia

The following communication is circulated at the request of Indonesia to the members of the Group of Negotiations on Services.

1. In accordance with Article II:2 and the Annex on Article II Exemptions of the General Agreement on Trade in Services, Indonesia submits the attached list of measures for which it seeks MFN exemption. The attached list and this cover note are by no means final, and Indonesia reserves the right to revise their content as deemed necessary.

2. Indonesia wishes to make clear, at this stage when negotiations are still underway, that Indonesia may be compelled to seek MFN exemptions in the following areas:

- Banking services (reciprocity measures including those concerning licensing in the banking services sub-sectors);
- Movement of personnel (semi-skilled workers);
- Construction services.

LIST OF ARTICLE II EXEMPTIONS FOR INDONESIA

Sector or Sub Sector	Description of Measure Indicating its Inconsistency with Article II	Countries to which the Measure Applies	Intended Duration	Conditions Creating the Need for the Exemption
1. Banking Services	<p>Measures relating to a joint bank of national and foreign origin under which entry of a foreign bank in Indonesia is allowed on a reciprocity basis (Pursuant to Articles 14(3) of the Ministry of Finance Decree's No. 220/KMK.01/7, 1993; updated 26 February 1993).</p> <p>With respect to joint banks, licenses can only be granted to foreign banks of countries which adopt reciprocal policies regarding Indonesian banks.</p> <p>Low level occupations are reserved for Indonesian citizens. Based on Government Policy, limited exemptions may be granted to citizens of certain countries.</p>	All countries which adopt reciprocal policies regarding Indonesian banks.	Indefinite	To guarantee equal treatment of Indonesian banks wishing to establish offices abroad.
2. Movement of Personnel (semi-skilled workers).		Nationals of Malaysia, Singapore, Brunei Darussalam, Papua New Guinea, and Australia have been granted limited access to low level occupations.	Indefinite	Development of the region is being undertaken and for the confirmation of this program, it is decided to grant limited access to low level occupations to citizens at a limited number of countries.

Sector or Sub Sector	Description of Measure Indicating its Inconsistency with Article II	Countries to which the Measure Applies	Intended Duration	Conditions Creating the Need for the Exemption
3. Construction Services.	Measures relating to preferential shortlisting in international competitive bidding.	Nationalts of Brunei Darussalam, Malaysia, The Philippines, Singapore, and Thailand have been granted special treatment.	'This measure shall be maintained as long as the treaties of ASEAN remain in force.'	'The implementation of a preferential shortlisting scheme for ASEAN contractors enhances the advancement of civil works, industrial construction and the economic development of the ASEAN region.'