

WTO rules against Indonesian food import restrictions

The World Trade Organization (WTO) has determined Indonesia's food import restrictions – including rules concerning fresh produce, poultry and beef – are in violation of global trade rules.

The international body made the ruling in response to a complaint brought by the U.S. and New Zealand in 2013, which later had third parties join such as Australia, Argentina, Brazil, Canada, the European Union, China and Thailand.

The WTO found 18 of Indonesia's import restrictions, all "intrinsically related and intertwined", were not allowed under terms of the General Agreement on Tariffs and Trade (GATT).

Among Indonesia's non-tariff barriers include an import licensing regime that effectively restricts volume (in some cases completely), as well as a requirement that all items must have been harvested within six months before importing.

New Zealand Trade Minister Todd McClay welcomed the WTO's decision to uphold his country's challenge to Indonesia's 18 non-tariff barriers.

"This is an important result for New Zealand's agricultural exporters – and for trade fairness," McClay said in a release.

"It is an example of the Government's proactive exercising of its rights under trade agreements to resolve non-tariff barriers on behalf of New Zealand industry."

He clarified the New Zealand Government was committed to pursuing a "range of options" for addressing trade barriers, including WTO dispute settlement as a "last resort".

"As a result of this process, we have already seen some improvements to Indonesia's regulations and gains for New Zealand exporters to Indonesia. These will only improve following implementation of the WTO decision.

"We enjoy close cooperation in a range of areas of mutual interest and we see no reason why the WTO decision would diminish the strength of our ties.

“Even close friends have occasional disagreements and the WTO helps insulate trade policy differences from wider bilateral relations.”

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