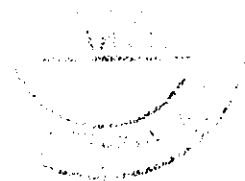


Minister for Foreign Affairs Republic of Indonesia



INSTRUMENT OF RATIFICATION

WHEREAS, the Government of the Republic of Indonesia has signed the Framework Agreement on the ASEAN Investment Area at Makati, the Philippines, on October 7, 1998;

AND WHEREAS, the Government of the Republic of Indonesia, in accordance with Article 21 of the said Agreement, having examined and considered the aforesaid Agreement, has decided to ratify the same;

NOW THEREFORE, BE IT KNOWN, that the Government of the Republic of Indonesia do hereby confirm and ratify the said Agreement and undertake to perform and carry out all the stipulations contained therein;

IN WITNESS WHEREOF, this Instrument of Ratification is signed and sealed by the Minister for Foreign Affairs of the Republic of Indonesia;

DONE at Jakarta this sixth day of April in the year one thousand nine hundred ninety nine.

MINISTER FOR FOREIGN AFFAIRS
OF THE REPUBLIC OF INDONESIA

A handwritten signature in black ink, appearing to read "Ali Alatas", written over a horizontal line.

ALI ALATAS

Menteri Luar Negeri Republik Indonesia



PIAGAM PENGESAHAN

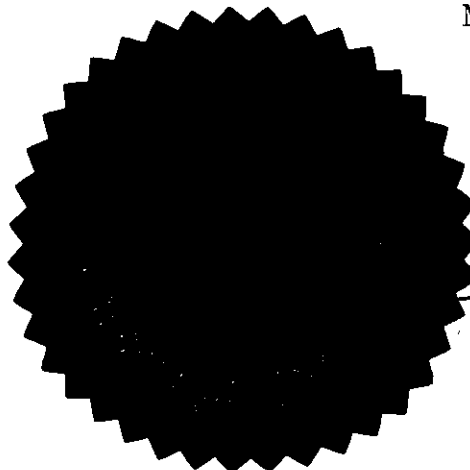
MENIMBANG, bahwa Pemerintah Republik Indonesia telah menandatangani "the Framework Agreement on the ASEAN Investment Area" di Makati, Philipina, pada tanggal 7 Oktober 1998;

MENIMBANG PULA, bahwa Pemerintah Republik Indonesia, sesuai dengan Pasal 21 Persetujuan tersebut, setelah meneliti dan mempertimbangkannya, telah memutuskan untuk mengesahkan Persetujuan tersebut;

MAKA DARI ITU, AGAR DIKETAHUI, bahwa Pemerintah Republik Indonesia dengan ini menegaskan dan mengesahkan Persetujuan tersebut dan menerima untuk mengerjakan serta melaksanakan semua ketentuan-ketentuan yang tercantum di dalamnya;

SEBAGAI BUKTI, Piagam Pengesahan ini ditandatangani dan dibubuhi meterai oleh Menteri Luar Negeri Republik Indonesia;

DIBUAT di Jakarta pada tanggal^{enam}..... bulan^{April}.....tahun
seribu sembilan ratus sembilan puluh sembilan.



MENTERI LUAR NEGERI
REPUBLIK INDONESIA


ALI ALATAS, S.H.



MENTERI NEGARA INVESTASI /
KEPALA BADAN KOORDINASI PENANAMAN MODAL

Number : 188 /A.1/1999

Jakarta, 16 APR 1999

Enclosure : Temporary Exclusion List,
Sensitive List and General
Exception List

H.E. Mr. Rodolfo C. Severino
Secretary General of ASEAN
The ASEAN Secretariat
Jl. Sisingamangaraja 70A
JAKARTA

Excellency Mr. Severino,

With reference to the decision of the first AIA Council Meeting concerning ratification of the AIA Agreement and submission of Temporary Exclusion List (TEL) and Sensitive List (SL) in the manufacturing sector, may I inform you as follows :

1. The AIA agreement has been ratified by the Indonesian Government based on The President Decree No. 28 Year 1999 dated April 6, 1999 and deposited at the same date with Secretary General of ASEAN by the Ministry of Foreign Affairs.
2. Herewith enclosed the TEL, SL in the manufacturing sector as an annex of the AIA Agreement. In addition, we also enclose the General Exception List in the manufacturing sector for a working document.

Thank you for your cooperation.

With kindest regards.

Yours sincerely,



Hamzah Haz

Minister for Investment/Head of BKPM

CC :

H.E. Coordinating Minister for
Economics, Finance and Industry,
The Republic of Indonesia

s-rodolfo.doc/hardisk:e-mas

THE ASEAN SECRETARIAT		
RECEIVED	EXACT MAIL	
DATE 20/4/99	TIME 11 AM	
BY MCA		
DESTINATION	ACTION	DATE
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COUNTRY : INDONESIA
SENSITIVE LIST FOR THE OPENING UP OF INDUSTRIES
(MANUFACTURING SECTOR)

ISIC CODE	SECTOR/INDUSTRIES	REMARKS (RESTRICTION REQUIREMENTS)
	I. Industries Closed to Both Foreign and National Investments	
1542	Saccharine	Public health
1542	Cyclamate	Public health
2010	Sawmill	Except is East Timor and Irian Jaya
2021	Plywood	Except is East Timor and Irian Jaya
1600	Clove cigarettes (with automatic Machines)	Ratio of production manually and machinery
2429	Fire crackers and fire works	National securities
2429	Manufacturing of ammonium nitrate for explosive purposes	National securities
	Food and Drink industries :	Business reserved for small-scale enterprises
1511	1) Industries preparing shredded meat, boiled and then fried, and jerked meat	
1513	2) Industries preparing pickled/sweetened fruit, vegetables and eggs	
1512	3) Industries preparing salted/pickled fish and other marine biota	
1541	4) Industries making bread, cookies and the like	
1542	5) Industries making brown/coconut palm/palm sugar	
1549	6) Industries making fermented bean paste used as condiment	
1549	7) Industries making bean cake	
1549	8) Industries making beancurd	
1549	9) Industries making crisp, thin chip made of flour and peanut, shrimp or small fish/crispy chips of banana, potato, bean cake, etc.	
1549	10) Industries making peanut snacks (fried peanuts with our covering, salted peanuts, large white beans, onion beans).	
1512	11) Industries making chips make of flour flavoured with fish or shrimp.	

1512	12) Industries making condiment of fermented fish or shrimp.	
1541	13) Industries making deep-fried, boiled or steamed cake.	
1542	14) Processing of palm, sugar palm and palmyra palm.	
1549	15) Honey bee industries	
1531	Industries of various kinds of flour of grains, cereals, legumes and tubers : 1) Rice flours of various kinds 2) Flour made of legumes 3) Flour made of dried cassava	Business reserved for small-scale enterprises
1711	Yarn-finishing industries : 1) Yarn having a tie motive based on "tenun ikat" 2) Using manually operated instruments	Business reserved for small-scale enterprises
1711	Industries of textiles and products from textiles : 1) Traditional weaving industries (non machine woven cloth)	Business reserved for small-scale enterprises
1712	2) Industries making hand-written batiks	
1730	3) Knitting industries using hand operated instruments	
1810	4) Industries making rimless caps and headdresses	
1712	Cloth printing and finishing industries – Printing using hand operated instruments, except when it is integrated with the upstream industries	Business reserved for small-scale enterprises
2694	Industries of lime and products made of lime : 1) Quick lime 2) Lime for chewing with betel leaves 3) Slaked lime 4) Lime for agricultural purposes 5) Chalk	Business reserved for small-scale enterprises
2691	Industries making clay articles for household purposes : 1) Unglazed household decorations 2) Various kinds of unglazed vases 3) Unglazed household utensils	Business reserved for small-scale enterprises
2693	Industries of clay articles for construction purposes : 1) Clay bricks 2) Unglazed clay roof tiles	Business reserved for small-scale enterprises

2921	<p>Industries making agricultural tools :</p> <ol style="list-style-type: none"> 1) Mattocks 2) Shovels 3) Plows 4) Harrows 5) Pitchforks 6) Crowbars 7) Sickles 8) Scrapes 9) "Sarap/lempak/bawak" (reaping) 10) Small palm knives 11) Hoes for weed removal 12) "Emposan tikus" (sprayer for killing rat) 13) Manually-operated sprayers 14) Manually-operated rice hullers 15) Manually operated paddy and soybean hullers 16) Manually operated looseners of corn grains 	Business reserved for small-scale enterprises
2893	<p>Industries making cutting tools :</p> <ol style="list-style-type: none"> 1) Short machetes 2) Axes 3) Large-bladed knives 4) Instruments for mincing onions/cassava/chips 	Business reserved for small-scale enterprises
2921	<p>Plantation Tools Industry :</p> <p>Knife to tap rubber</p> <p>Bowl to tap rubber</p> <p>Rubber freezing box</p> <p>Coffee peeler machine</p> <p>Cashew nut peeler machine</p>	
2893	<p>Industries making handicraft tools :</p> <ol style="list-style-type: none"> 1) Trowels 2) Wooden planes 3) Planes 4) "Beugel-beugel" (traditional tools) 5) "Kasut plester" (traditional tools for plaster) 6) Spatulas 7) Clamps 8) Handsaws 9) Hammers (of a small type) 10) Chisels 11) "Pangut" (traditional cutter) 	Business reserved for small-scale enterprises
5020/ 3511/ 3520	<p>Industries for maintenance and repair (workshops, including special workshops) :</p> <ol style="list-style-type: none"> 1) Small workshops, including roving small workshops, tire repair, upholstery workshops, railway workshops, workshops for ship maintenance, air filling/air pumps, traditional car body repair and the like, without modern instruments. 	Business reserved for small-scale enterprises

5260	2) Repair of electrical devices for household purposes.	
2899	Industries manufacturing communication devices : – Telephone connection boxes	Business reserved for small-scale enterprises
3190	Industries making electrical devices and other components : 1) Various kinds of clamps 2) Motor armature and track armature	Business reserved for small-scale enterprises
3190	Profesional, Science, Measure Equipments and Electronic Controller Industry : – Water meter box	Business reserved for small-scale enterprises
3610/ 3691/ 3699	Industries of multivarious handicrafts : 1) Handicrafts using plants as raw materials 2) Handicrafts using animals as raw materials 3) Imitation flowers and decorations 4) Handicrafts from mollusks and the like 5) Handicrafts made of precious stone and marble 6) Household equipment made of bamboo and rattan	Business reserved for small-scale enterprises
0200	Raw rattan processing	Business reserved for small-scale enterprises
2423/ 3311	Traditional medicine product and medical instruments for non-medic	Business reserved for small-scale enterprises
3692	Traditional Indonesian musical instruments	Business reserved for small-scale enterprises
	II. Industries Closed only to Foreign Investors i.e. SMEs National Policies	
	Not applicable	
	III. Industries Open with Restriction to Foreign Investors	On condition of partnership with small scale enterprise
	Food and drink industries :	
1520	1) milk processing industries/dairy product	
1512	2) fish-smoking industries and the like	
1533	3) fish flour industries	
1549	4) tea processing industries	
1549	5) soy sauce industries	

1532	Processing industries : 1) pepper 2) gnetum gnemon 3) cinnamon 4) vanilla 5) cardamon 6) nutmeg 7) cloves	
1542	Granulated sugar industries	
2519	Industries of rubber products for industrial purpose : — rubber rolls	
2921	Industries manufactruring agricultural machinery : 1). threshers 2). reapers 3). hydrotillers 4). corn removers	
2912	Industries manufacturing fluid machinery : — hand—operated water pumps	
3592	Bicycle—making industries : — industries making bicycle equipment	
2720	Industries making silver crafts	
1513	Processing and Canning of Fruits	
1532	Various palm essence industry Sago Palm Essence	
1531	Rice milling and Threshing	
1513	Copra industry	
1711	Silk yarn spinning industry	
2029	Wood Carving industry	
2109	Downstream industry of paper	

COUNTRY : INDONESIA
GENERAL EXCEPTION LIST FOR THE OPENING UP OF INDUSTRIES *)
(MANUFACTURING SECTOR)

ISIC CODE	SECTOR/INDUSTRIES	REMARKS (RESTRICTION REQUIREMENTS)
1551	Liquor/alcoholic beverages	Moral hazard
1552	Sparkling wine	Moral hazard
1553	Beer made from malt	Moral hazard
2429	Manufacturing of Explosive materials including explosive material dynamites, propellant powders and other explosive material	National securities
2927	Manufacturing of weapons and related components	National securities
2221	Printing of valuable papers; – postage stamps – duty stamps – commercial paper of Bank Indonesia – passports – stamped postages	National securities
2411	Manufacturing of Chloro Fluoro Carbon (CFC–Freon) and other Ozon Depleting Substance (ODS)	Environmental protection
2421	Hazardous pesticides of penta chlorophenol, dichlorodiphenyl trichloro ethane (DDT), dieldrin, chlordane	Environmental protection
2101	Production of Pulp using Sulphite processing and production of Pulp with whitening Chlor	Environmental protection
2411	Manufacturing of Alkaline Chlorine using mercury process	Environmental protection
2029	Processing of mangrove wood to produce finished and semi finished goods.	Environmental protection

*) As a working document only

COUNTRY : INDONESIA
 TEMPORARY EXCLUSION LIST FOR THE OPENING UP OF INDUSTRIES
 (MANUFACTURING SECTOR)

ISIC CODE	SECTOR/INDUSTRIES	REMARKS (RESTRICTION REQUIREMENTS)
	I. Industries Closed to Both Foreign and National Investments Not applicable II. Industries Closed only to Foreign Investors i.e. SME, National Policies Not applicable III. Industries Open with Restriction to Foreign Investors	
2421	Pesticide	Full manufacturing

NATIONAL TREATMENT
Temporary Exclusion List (Manufacturing Sector)
Country : INDONESIA

MEASURE I	DESCRIPTION OF TREATMENT
Not Applicable	

I. National Treatment any measure which alters the condition of competition in favour of locals

subsidy
incentives
special grants
special licensing
guarantees
remittances
licensing requirement
type of legal entity
ownership of land
government procurement
investment incentives
income tax exemptions
wage structure

Sometimes limitation restrictions on the opening up can also amount/lead to National Treatment
Limitation

NATIONAL TREATMENT
Sensitive List (Manufacturing Sector)
Country : INDONESIA

MEASURE I	DESCRIPTION OF TREATMENT
Ownership of land	Foreign investment company is not allowed to have the Right of Ownership except the land Cultivation Right, the Right of Building on land and the Right of Use on Land
Government Procurement	Foreign cannot participate
Licensing Requirement	Foreign Investment with total investment more than US\$ 100 millions must be approved by the President
Business License	Permanent Business License is given to a foreign investment company for 30 years but it can be renewed.
Type of Legal Entity	Foreign investment company must take the form of a Limited Liability which is subject to Indonesian Corporate Law, denoted as PT. (Perseroan Terbatas).
Domestic sales	Foreign investment company is not allowed to sell directly to end users

I. National Treatment any measure which alters the condition of competition in favour of locals

subsidy
incentives
special grants
special licensing
guarantees
remittances
licensing requirement
type of legal entity
ownership of land
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Sometimes limitation restrictions on the opening up can also amount/lead to National Treatment
Limitation

COUNTRY : INDONESIA
TEMPORARY EXCLUSION LIST FOR THE OPENING UP OF INDUSTRIES
(MANUFACTURING SECTOR)

ISIC CODE	SECTOR/INDUSTRIES	REMARKS (RESTRICTION REQUIREMENTS)
2421	I. Industries Closed to Both Foreign and National Investments	Full manufacturing
	Not applicable	
	II. Industries Closed only to Foreign Investors i.e. SME, National Policies	
	Not applicable	
	III. Industries Open with Restriction to Foreign Investors	
	Pesticide	