

MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA

The Government of the United States of America (“United States”) and the Government of the Republic of Indonesia (“Indonesia”) (collectively the “Parties”),

Affirming the importance of a strong and cooperative relationship between the Parties;

Desiring to resolve certain outstanding issues in order to enhance the Parties’ bilateral trade relationship;

Hereby agree as follows:

SECTION A

Subject to Section B:

Generalized System of Preferences (GSP) Product Eligibility

The United States will give favorable consideration, consistent with U.S. laws and regulations, to any request from Indonesia to redesignate insulated ignition wiring sets for vehicles (also known as “wiring harnesses”) (HTS 8544.3000) as a GSP-eligible product for Indonesia. The process to consider redesignation of this product would begin after the U.S. Congress reauthorizes the GSP program. Redesignation of the product would require a Presidential determination.

The United States would also give favorable consideration, at the appropriate time and consistent with U.S. laws and regulations, to a request from Indonesia for a competitive need limitation (“CNL”) waiver, if needed, to prevent exclusion of the product on the basis of CNLs in the event that imports of this product from Indonesia surpass relevant CNL thresholds in the next five years.

Mineral Ores Export Restraint

In view of the current application of the ban on the export of mineral products as set out in Ministry of Trade Regulation No. 04/M-DAG/PER/1 of 2014 and Ministry of Energy and Mineral Resources Regulation No. 1 of 2014, the United States will not request consultations under Articles XXII or XXIII of the *General Agreement on Tariffs and Trade 1994* (“GATT 1994”) as elaborated and applied by the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (“DSU”).

The Parties agree that consultations may be requested should circumstances change concerning the application of the measures noted in the paragraph above.

Cigars or Cigarillos

As to the pending rulemaking proceeding with respect to the deeming of additional tobacco products, the United States agrees that it will not arbitrarily or unjustifiably discriminate against cigars or cigarillos (HS 2402.10) from Indonesia.

Intellectual Property Rights

The Parties will intensify ongoing negotiations to reach agreement on a mutually agreed action plan for the purpose of achieving improved protection and enforcement of intellectual property rights in Indonesia. The shared goal of the plan is to address concerns identified with respect to Indonesia in recent Special 301 Reports.

SECTION B

Resolution of WTO Dispute WT/DS406

Upon the signing of this Memorandum of Understanding, the Parties jointly will submit letters to the Chair of the WTO Dispute Settlement Body (DSB) and to the Arbitrator established under Article 22.6 of the DSU notifying the DSB and the Arbitrator that the parties have reached a mutually agreed solution (MAS) in WTO dispute WT/DS406. In furtherance of the MAS, the letters also will provide that Indonesia is withdrawing its request to the DSB (circulated as WT/DS406/12) pursuant to Article 22.2 of the DSU for authorization to suspend the application to the United States of certain concessions and other obligations under the WTO Agreement, and that the United States is withdrawing its objection to that request (circulated as WT/DS406/13) under Article 22.6 of the DSU.

SECTION C

This Memorandum is otherwise without prejudice to the rights and obligations of Indonesia and the United States under the *Marrakesh Agreement Establishing the World Trade Organization*.

SECTION D

This Memorandum shall be effective on the date of signature.

Done on 3 October 2014 in English.

For the Government of the United States

For the Government of Indonesia

Ambassador Michael Punke
Permanent Representative of
the United States to the
World Trade Organization

Ambassador Iman Pambagyo
Indonesia's Deputy Permanent
Representative to the
World Trade Organization