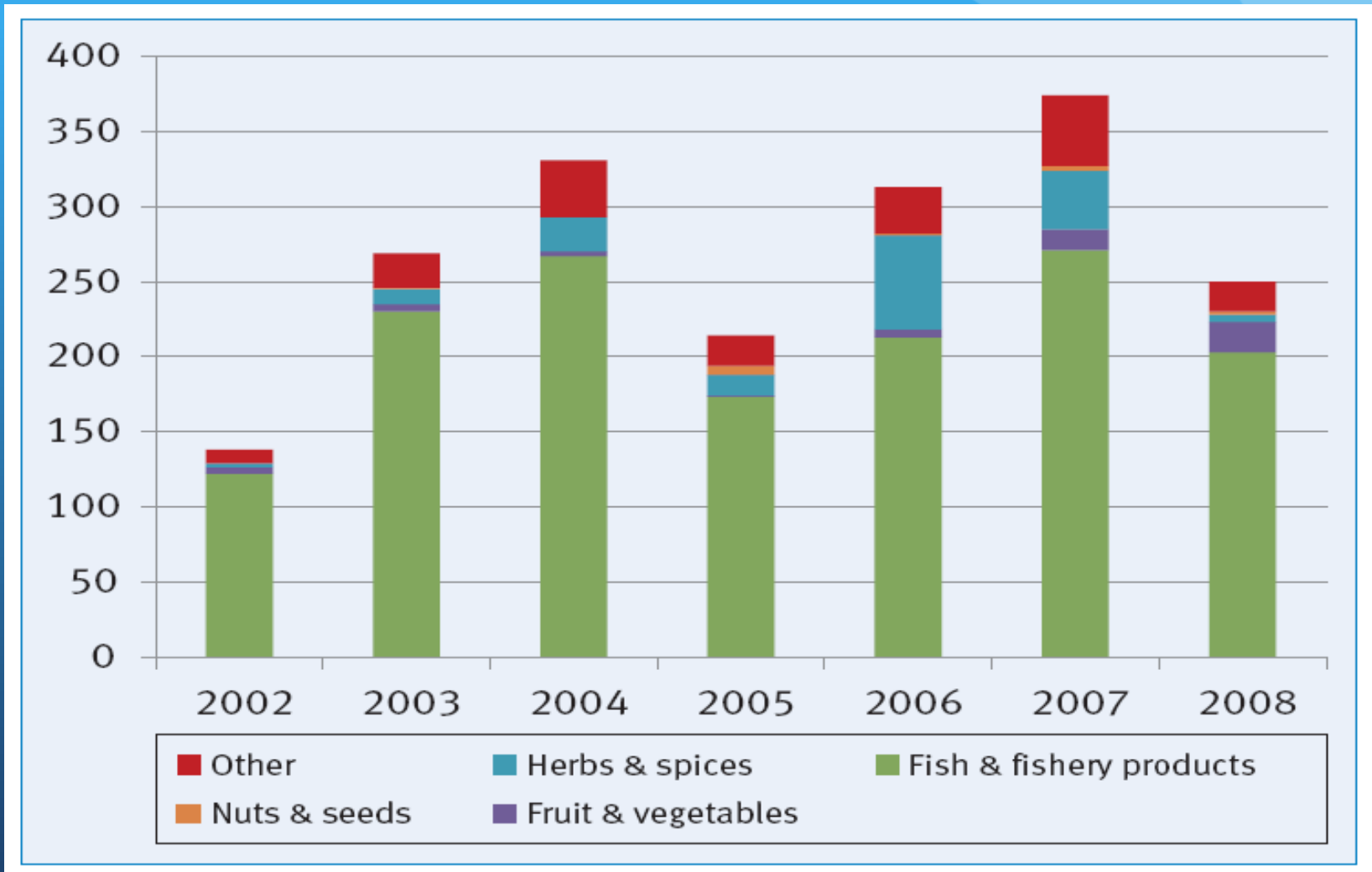


Standard Compliance Capacities: Case of Indonesia

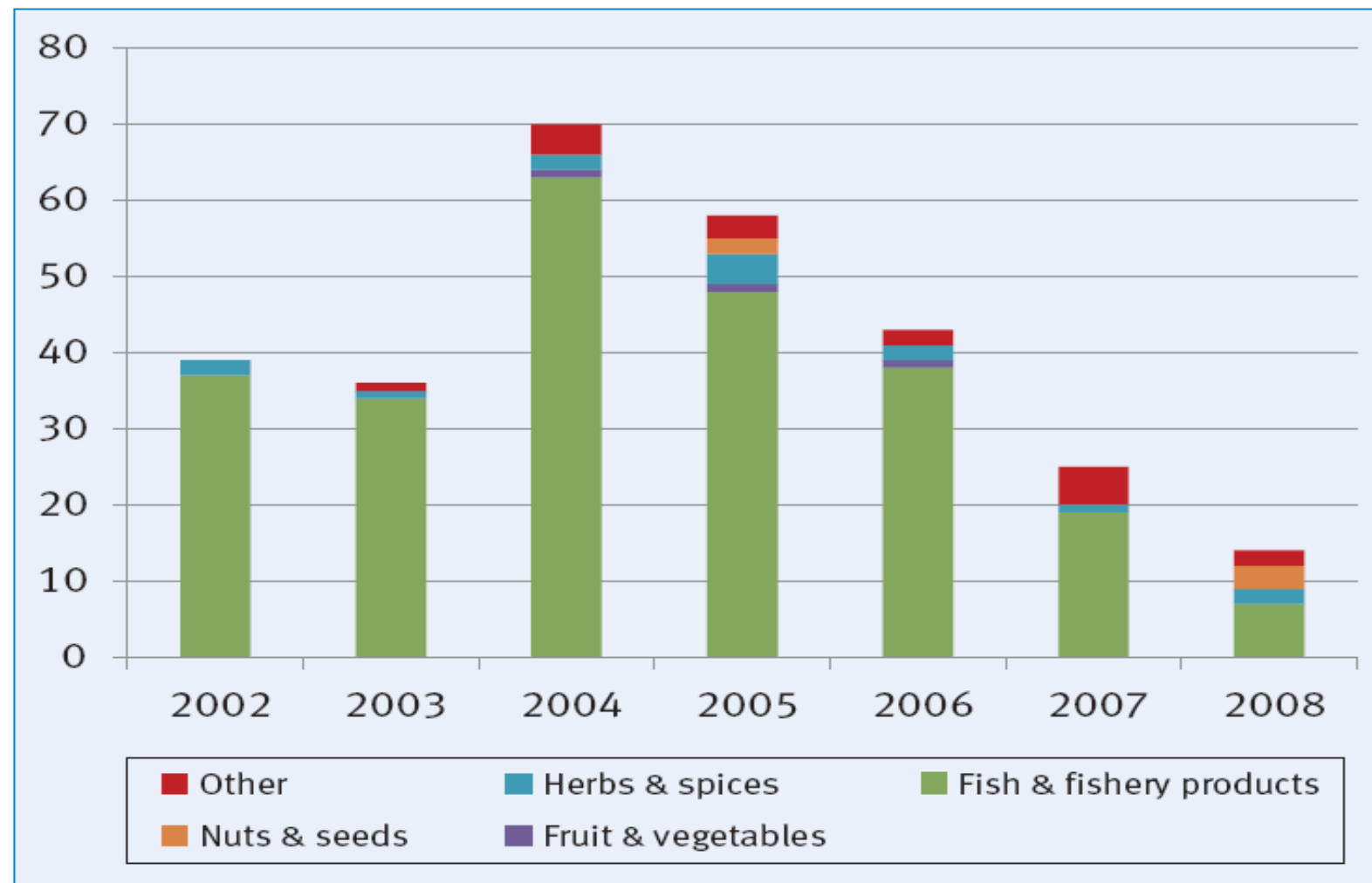
M. Aman Wirakartakusumah
WTO Bali December 4, 2013

What kinds of products are rejected for what reasons?

Number of US rejections of food and feed exports from Indonesia, 2002-2008



Number of EU rejections of food and feed exports from Indonesia, 2002-2008



Reasons for US rejections of food and feed products from Third Countries, 2002-08

Country	Mycotoxins	Microbiological contaminants	Veterinary drug residues	Heavy metals	Unauthorized food additives	Product composition	Pesticide residues	Migration	Industrial contaminants	GMO/novel food	Foreign bodies	Biotoxins/contaminants	Radiation	Organoleptic	Bad or insufficient controls	Parasitic infestation	Labelling	Packaging	Other chemical contamination	Allergens	Feed additives	Not determined/other	Total
Iran	2,041	1	0	3	9	0	15	0	1	0	4	0	0	0	0	2	0	0	0	0	3	2,079	
China	503	89	286	300	139	77	25	229	86	41	45	8	31	26	14	12	20	14	12	3	0	109	2,069
Turkey	983	95	15	30	177	114	153	19	8	0	47	2	2	8	0	2	11	0	2	4	0	20	1,692
India	193	148	179	77	48	139	65	9	5	7	7	3	7	18	1	0	3	0	1	2	0	16	928
United States	340	32	8	18	48	36	5	0	15	206	13	0	43	7	8	4	13	1	7	3	3	26	836
Thailand	20	233	191	47	78	12	111	13	21	0	7	13	18	3	4	0	0	4	2	1	0	25	803
Brazil	178	234	78	29	70	4	12	2	1	1	5	3	3	11	16	6	4	19	3	1	13	22	715
Vietnam	20	147	186	46	26	28	8	1	30	1	3	13	5	5	7	2	0	1	0	1	0	16	546
Argentina	174	78	27	7	15	1	14	1	1	1	2	1	0	12	8	5	0	0	0	0	2	6	355
Indonesia	14	36	72	88	4	37	1	1	0	1	1	44	3	4	1	6	0	0	1	1	0	3	318
Ghana	91	13	0	5	11	101	0	0	8	0	5	0	0	6	6	0	4	4	0	0	0	8	262
Indonesia	14	36	72	88	4	37	1	1	0	1	1	44	3	4	1	6	0	0	1	1	0	3	318
Hong Kong	4	0	0	57	19	5	0	57	10	4	1	0	4	3	0	0	1	0	2	0	0	0	179
Nigeria	90	13	0	10	16	18	0	0	1	0	7	0	1	2	2	1	1	0	0	0	0	2	164
Pakistan	56	10	4	3	19	55	1	0	0	0	3	0	0	6	0	0	1	0	0	1	0	1	160
Ukraine	8	22	27	7	6	6	9	0	17	0	23	3	4	5	13	0	2	2	0	1	0	4	159

Reasons for EU rejections of food and feed products from Third Countries, 2002-08

Country	Labelling	Unregistered process/ manufacturer	Filthy/unsanitary	Unauthorized food additives	Microbiological contaminants	Pesticide residues	Veterinary drug residues	Poisonous	Biotxins/contaminant	Product not approved/ no import permit	HACCP	Mycotoxins	Product composition	Foreign bodies	Other chemical contamination	Packaging	Allergens	Adulteration	Quality standards	Inadequate information	Radiation	Total
Mexico	3,328	475	3,476	1,475	1,328	2,109	16	135	5	27	114	91	14	17	10	14	7	1	8	0	0	12,650
India	3,829	1,246	1,722	1,346	1,532	454	16	48	2	28	0	37	15	38	10	4	4	1	1	0	0	10,333
United Kingdom	5,899	1,228	65	833	40	1	0	5	7	5	13	0	16	2	0	0	0	9	0	1	0	8,124
China	1,266	1,236	1,625	931	290	402	582	45	5	12	7	7	9	11	35	9	1	0	1	3	0	6,477
Canada	2,516	356	548	524	124	254	16	26	0	16	27	33	6	5	0	0	0	3	0	5	0	4,459
Japan	1,124	1,726	279	272	76	4	0	12	4	5	58	0	1	1	2	1	1	0	0	0	0	3,566
Vietnam	798	376	866	285	770	16	172	106	99	2	29	22	0	1	8	0	1	0	1	0	0	3,552
Dominican Republic	117	32	170	8	2	2456	0	4	5	15	0	0	1	0	0	2	0	0	0	0	0	2,812
Italy	1037	1268	215	68	63	10	0	11	0	4	6	1	5	1	0	0	0	0	1	0	0	2,690
South Korea	875	1068	181	299	129	13	0	8	0	7	49	0	2	1	1	0	2	0	0	0	0	2,635
Indonesia	335	347	949	82	600	0	120	56	95	6	2	3	13	0	0	1	0	0	0	0	0	2,609
France	725	561	186	83	541	22	0	16	0	371	0	1	0	0	0	1	0	0	0	0	0	2,507
Indonesia	335	347	949	82	600	0	120	56	95	6	2	3	13	0	0	1	0	0	0	0	0	2,609

Source: UNIDO 2010. Meeting Standards-Winning Markets

What are some of the difficulties faced by Indonesia in terms of port rejections?

- Get good understanding on food safety standard requirements and compliances of importing countries for technical personnel and decision makers
- Implementing monitoring and enforcement of food safety rules, regulations, and practices

What kind of capacity is lacking in Indonesia to meet the standards in importing countries?

- Best and hygienic practices: upper streams up to down streams
- Personnel capacity both for technical and decision makers
- Physical resources: laboratory instruments and facilities
- Gap on food safety standards between importing and exporting countries
- Lack of mutual recognition agreement (MRA) and harmonization
- No regulatory impact assessment (RIA)
- Limiting or poor laboratory facilities and capacity building programs

What can be done to assist Indonesian players to be more successful in global market?

- Development of better standards and regulations comply with international standards
- Bilateral arrangements for mutual agreements, mutual certification systems, and technical cooperation with importing countries
- Specific Capacity building as required by importing countries
- Laboratory facilities and methodology development
- Development of Food Safety Undergraduate and graduate programs
- Engage Indonesia to capitalize opportunities i.e.: in APEC Partnership Training Institute Network (PTIN); APEC Food Safety Cooperation Forum; and Global Food Safety Partnership (GFSP) of the World Bank

THANK YOU