

The textile industry needs to control imports

Contributed by editor
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The national textile and textile product industry is considered to have stagnated in the last 10 years. The Indonesian Fiber and Filament Yarn Association (APSyFI) is still loudly voicing the flood of imported products as the culprit of stagnation in industrial growth. Indotextiles tried to dig it through discussion with the Secretary General of APSyFI, Redma Gita Wirawasta. Q : Actually, what happened to the textile industry now? There seems to be no problem, but you always oppose the rules of free import. A: In the last 10 years, our exports have grown by an average of 3% while imports have grown by more than 20%, so that the surplus that could have reached US \$ 8 billion, is currently only US \$ 3 billion. This is a big problem because our textile sector is heading for a trade deficit. Our domestic consumption of finished products grows on average by 6% but our sales only increase by an average of around 3%, meaning that the growth of domestic consumption is partly filled with imported goods and not enjoyed by local products. This is also a big problem, because the domestic market should be a market guarantee so that we can be competitive in the export market. Q : But now our exports are still USD 13 billion, still including the highest, only losing to oil palm. A: Yes, but what is the meaning of large exports if the import content is high. Pa Jokowi has often complained about the trade balance deficit problem. What is beneficial for the state is its surplus, not the amount of exports. The flood of imported products, in addition to eroding foreign exchange also makes us weak to compete in the export market, so exports only rose by an average of 3% in the last 10 years. Q: What is the relation? A: Large textile producing countries such as China, India and Turkey make their domestic markets a guarantee of the market for their domestic products first. Thus their industries can develop research, differentiate products and make efficiency. Once the government provides a little incentive, the incentive can make the competitiveness of their products in the export market. Incentives become additional vitamins for them to be able to compete, not for main foods. Here the government overturns to give the incentives but its exports stagnate. Q: So what should be done? A: The main agenda is controlling imports, when Mrs. Sri Mulyani closed down wholesale imports, sales of domestic products rose sharply. But as soon as Mr Enggar issued the Permendag 64 which freed traders from being able to import through the Bonded Logistics Center (PLB), the domestic industry again sank. What is needed is the government's partisanship with producers. The current condition seems to be that the government is controlled by importers so that Pa Jokowi himself can only talk and complain of trade deficits without being able to take real action. Q: Indonesia is a member of the WTO so it cannot close imports. A: Not closing, but controlling. So far, we interpret the WTO as a trade liberalization, even though other countries including the United States, European Union, Turkey, India, some other countries as trade management. So controlling imports is not something that is prohibited. Even the WTO has trade remedies rules that can be used to protect the domestic market. Q: What are your hopes for future performance improvements in this industry A: It's time for the government to side with the domestic industry, Pa Jokowi must intervene directly to clean up his government from the influence of the import mafia.