

TPT Export Market Increasingly Potential Next Year

Contributed by Maizer
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The expansion of the export market in the Indonesian textile and textile products (TPT) sector is considered increasingly significant next year, as the plan to cut import duties to the United States to 5 percent.

Secretary General of the Ministry of Industry Achmad Sigit Dwiwahjono said the tariff fell by around 6% because it was usually subject to an import duty of 11%. It is believed to be a great opportunity for the national textile industry. Moreover, he said, the trade war made the US market closed to a number of other countries. "He said next year it could begin, our garment entered the US with a 5% import duty. Surely this is, right, our opportunity to enter the US," he said in the Multi Stakeholder Forum event titled 'Efforts to Optimize the Use of Domestic Raw Materials for Indonesian TPT Products', in Pelalawan, Riau. In addition, Sigit said that his party was also working on making import tariffs on national textile products to Europe. He hopes that the agreement can be completed this year. With the mastery of a new global market share reaching around 1.8%, he continued, the potential of the textile industry is quite large. "The potential of the national textile industry is quite large, while exports are also still large," he said. Even so, Sigit asserted that there was still a big homework for the national TPT sector players to be able to exploit that potential, namely harmonization between industry players from upstream to downstream. According to him, in general the structure of this sector is quite strong. However, he acknowledged the strengthening of the upstream and intermediate sectors or the midstream sector needed to be realized by optimizing domestic products, instead of utilizing imported raw materials. The Ministry of Industry, said Sigit, will encourage the formulation and implementation of policies to encourage integration between these sectors. "This [integration] is our big dream. Without this, we cannot break through the export market any further. The US-China trade war is an opportunity, we can gang up together," he stressed. On the same occasion, Chairman of the Indonesian Textile Association (API) Ade Sudrajat admitted that the global market share which reached 1.8% was still relatively small. Therefore, he agreed that the TPT export growth space from Indonesia was still open. "But we don't seem to have a spirit that can push us to be even better," he said.