Free Market Regime Adoption, Omnibus Law Threatens National Peasant and Food Sovereignty

Omnibus Law Job Creation Draft Bill will amend four laws mandated by World Trade Organization (WTO) Decision due to the lawsuit defeat of Indonesia against the United States, New Zealand, and Brazil regarding food import policies. Then four laws, namely: Law No. 18 of 2012 concerning Food, Law No. 19 of 2013 concerning Protection and Empowerment of Farmers, Law No. 18 of 2009 concerning Animal Husbandry and Animal Health, and also Law No. 13 of 2010 concerning Horticulture.

These very four laws are questioned by the United States, New Zealand and Brazil, since they hampered their export products to Indonesia. Import regulations in Indonesia remains limited at the time of the main harvest and when domestic food needs are still met by national food production and reserves. For these countries, such regulations are considered contrary to WTO provisions and must be harmonized, which requires Indonesia to further relax its food import policy.

In a matter of fact, the revision of the four laws is included in the omnibus law. The Indonesian government has also conveyed its commitment to the WTO Panel Board that Indonesia will revise the four laws and have been included in National Legislation Program¹. Where food import regulations are completely relaxed, moreover it is stated that the source of national food availability comes from national food reserves and food imports, as amended by Article 14 of the Food Law in the Job Creation Draft Bill. This indicates that the Omnibus Law has adopted the free market regime both in the provisions made by the WTO and in free trade agreements. The free market regime demands that food liberalization in Indonesia be opened as widely as possible and left everything to the market mechanism.

The convenience of food imports is increasingly being opened up, and criminal sanctions for business actors have also been abolished. For instance, in Article 101 of the Electricity Law which in the Omnibus Law has been amended and abolished regarding the punishment of business actors who import food when domestic food commodities are fulfilled, it is abolished. Therefore, this article guarantees that there will be no sanctions for business actors and/or importers for importing when domestic food is fulfilled. The abolition of this sanction is urgently dangerous, because it legitimizes *rent seekers* (or profit-seeking mafia) in the food sector and rogue importers who have been importing but ignoring the provisions of laws and regulations.

This has definitely brought a bad impact on the sustainability of farmers and national food, because there is no guarantee of protection for farmers by the State. Even more, the rights of farmers are increasingly being weakened in the free market era. Farmers are allowed to strive without state interference for the continuity of their fate. Not only that, if the regulations in the Omnibus Law are passed by providing concessions for food imports, this will result in national food consumption originating from imported food. This is due to food imports have been legitimized in the omnibus law as a source of food for domestic needs.

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¹ See Indonesian report to WTO Panel Board, committed to amend National Laws. https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds478_e.htm

Despairingly, food imports are increasingly being opened up, but provisions regarding imported food safety are abolished. Article 87 of the Job Creation Draft Bill which will revise Article 87 of the Food Law eliminates the provision that food must pass a laboratory test before being distributed. As a result, the food to be consumed is not guaranteed for its safety and quality. In fact, the act of screening imported food is highly important to ensure consumer safety. Furthermore, screening measures through domestic regulations can also be employed as protection, hence there are restrictions on imported food that is not of good quality.

Such actions, in the provisions of the WTO, are called Non-Tariff Measures (NTMs) or non-tariff barriers that can be conducted through the regulation of domestic food regulations by every WTO member country. Until now, countries which set high NTMs in trade flows were developed countries, such as the European Union, the United States, Japan, and China. The European Union set NTMs at 6,805 NTMs, the United States 4,780 NTMs, China at 2,194 NTMs, and Japan at 1,294 NTMs. Meanwhile, NTMs for Indonesia were only 272 NTMs, this figure was not higher than Thailand with 990 NTMs and Malaysia with 313². This indicates that developed countries are protecting their domestic market from invading imported goods. This further is the reason Indonesian exported goods/products find it difficult to enter developed countries, since they apply terribly high non-tariff barriers.

Besides that, developed countries are greatly protective of imported goods through these non-tariff barriers. In fact, Indonesia is increasingly opening up the widest possible freedom for food imports through the Omnibus Law of the Job Creation Draft Bill. In fact, in terms of competitiveness, Indonesia is awfully weak, because its market access is widely open to other countries without any improvement in domestic competitiveness. The act of freedom of food imports in the Omnibus Law is extremely dangerous for the sustainability of Indonesia's economic structure and trade balance.

In 2019, Indonesia's Trade Balance experienced a deficit of up to US \$ 3.20 billion due to the dominance of imports over Indonesia's exports. The import figure reached US \$ 170 billion, while the export figure was only US \$ 167 billion.³ This shows the sluggish export performance and low added value, as Indonesia's export dominance is still based on raw materials such as palm oil (CPO) and coal.

Even if the oil and gas and mining export figures are calculated at 16.08%, the export value is noticeably low, only at US \$ 3.24 billion. The export value of the processing industry was US \$ 10.86 billion higher, even though the number of exports was only 2.57%. It is proven that exports relying on raw materials will only harm Indonesia and do not have a high added trade value than the (finished materials) processing industry. Thus, what needs to be increased is domestic competitiveness through capability innovation and improving the processing industry does not actually make it easier for foreign investment.

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² See on NTMs from various countries: https://itip.wto.org/goods/Forms/MemberView.aspx?data=default

³ Official Report of Statistics Indonesia, published on 15 January 2020, p. 27.

⁴ Ibid, p. 7.

The ease of investing foreign investment in the horticultural sector is remarkably wide open. Previously, the control of foreign investment as stated in Article 100 of the Horticulture Law was only limited to 30%. However, now in the Omnibus Law the Job Creation Draft Bill eliminates the 30% limit, therefore foreign investment can invest 100% in the horticulture sector. This will lead to liberalization of the food and agriculture sectors without any competitiveness.

Provided that the Government and the House of Representatives enforce the ratification of the omnibus law that regulates the policy of easing food imports, not only it will bring a systemic impact on the sustainability of farmers and local food, but it also will have a serious impact on food inflation and an unstable Indonesian Rupiah exchange rate. It is noted that food importing countries find it more difficult to control inflation and the Indonesian Rupiah exchange rate (ADB, 2018). In contrast, exporting countries are better able to control inflation and their currency exchange rates. Thus, the solution to open "the faucet" wide open for food import policies in the Omnibus Law is extremely dangerous for the sustainability of farmers and national food, even for the Indonesian Rupiah exchange rate.

Indonesia-Australia Agreement CEPA Opens Indonesian Market for Imported Products from Australia

At the ratification of the Indonesia-Australia CEPA agreement which was held in February 2020. Indonesia is committed to increasingly opening up market access for agricultural products and food from Australia. This has the potential for Indonesia to be flooded with imported products from Australia. One of them is providing an exemption from import tax for 575 thousand cattle to Indonesia each year. Then, cutting import duties on carrots, potatoes, oranges to frozen meat⁵.

Such commitment is included in the Chapter on Trade in Goods, Article 2.2 concerning *Reduction or Elimination of Customs Duties*⁶. There, each country is committed to reducing or even eliminating the provisions of import duties on the products of the two countries. This commitment in the IA CEPA will harm farmers and breeders in Indonesia. Unfortunately, before making commitments in each FTA agreement, the Government did not prepare the competitiveness of farmers and breeders in advance. This lack of anticipation will have a negative impact on the interests of the domestic market and widen Indonesia's trade balance deficit.

The Indonesia-EFTA CEPA Agreement Threatens Farmers' Seeds and Rights

The Indonesia-EFTA CEPA Agreement that has been signed by the Government of Indonesia on 16 December 2018. This adds to the concern for the sustainability of Indonesian agriculture. This is due to in the IPR (Intellectual Property Rights) Chapter clause of the

⁵ See tariff list for food and agriculture products in IA CEPA Agreement. https://www.dfat.gov.au/trade/agreements/not-yet-in-force/iacepa/iacepa-text/Pages/iacepa-appendix-2-a-1-tariff-rate-quotas

⁶ See the contents of IA CEPA Agreement bound by Indonesia upon Trade in Goods sector: https://www.dfat.gov.au/sites/default/files/iacepa-chapter-2-trade-in-goods.pdf

agreement, it requires Indonesia to adopt the 1991 UPOV provisions in the agricultural sector and new plant varieties⁷.

The UPOV Convention is an international agreement that is concerned with the protection of new plant varieties resulting from the results of breeding⁸. The convention was first drafted in 1961 and then it was revised 3 (three) times, in 1972, 1978 and 1991. Whereas each time the revision happened, it only strengthens the rights of breeders and limits the rights of farmers to seeds⁹. Now, any country wishing to join the UPOV must comply with the UPOV version 1991¹⁰.

In the East Asia Plant Variety Protection Forum, Japan invited Indonesia several times to a meeting and then asked Indonesia to join as a member of UPOV. Supposedly, Indonesia should not be trapped by this invitation, and must study the good and bad impacts by observing the sustainable fate of Indonesian agriculture. Since the consequences of being a UPOV member are directly proportional to the WTO, namely requiring harmonization of domestic policies or regulations with the provisions of the UPOV. Moreover, the UPOV provisions will further negate the use of local seeds, even limit or prohibit the use, storage, distribution of farmers' seeds.

The Indonesia-EFTA CEPA Agreement (EFTA Member States: Switzerland, Norway, Liechtenstein, Ireland) has not yet been ratified into national law. We must continue to guard it; hence this agreement is not ratified. This is because, there are consequences for Indonesia to harmonize domestic regulations, especially those related to agriculture, to comply with the provisions of the UPOV. This harmonization will definitely only benefit large corporations to commercialize seeds and agriculture in Indonesia. Which will have a negative impact on local agriculture, especially the provision of restrictions on the development, storage, use and distribution of seeds to farmers.

Provisions of limiting farmers' rights to seeds and opening imported seed taps are increasingly evident in the Omnibus Law of the Job Creation Draft Bill, in particular, of which will amend and add new provisions in Law no. 22 of 2019 concerning the Sustainable Agricultural Cultivation System. This very Law which is included in the Omnibus Law of the Job Creation Draft Bill, includes controversial articles in it, including: Article 32 and adding 1 (one) paragraph in Article 44, namely paragraph (4) which regulates that licensing can only be approved by the Central Government.

In this Article 44, it is increasingly legal to import plant seeds, animal and animal seeds from abroad to meet domestic needs. In fact, in Article 44 of the previous Sustainable Agricultural

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⁷ See Indonesia EFTA CEPA Agreement text, specifically IPR (Intellectual Property Rights) https://www.efta.int/sites/default/files/documents/legal-texts/free-trade-relations/indonesia/efta-indonesia-annex17-intellectual-property-rights.pdf

⁸ Food and Agriculture Oganization of The United Nations (FAO), Proceedings of the Symposium on Possible Interrelations between the International Treaty on Plant Genetic Resources for Food and Agriculture and the International Convention for the Protection of New Varieties of Plants, (FAO: Kigali, Rwanda, 30 October - 3 November 2017). https://www.fao.org/3/a-bs781e.pdf

⁹ https://www.grain.org/article/entries/5314-upov-91-and-other-seed-laws-a-basic-primer-on-how-companies-intend-to-control-and-monopolise-seeds

¹⁰ https://www.grain.org/article/entries/1-ten-reasons-not-to-join-upov

Cultivation System Law there was an exception for the import of seeds from abroad, if no seeds or seeds were found in the country. However, Article 44 of the Job Creation Draft Bill has eliminated this exception, which in turn opens wide for seed imports to meet domestic needs.

Sovereignty Crisis after Joining WTO

It is not a myth, this country finds it difficult to determine the direction of its own sovereignty after Indonesia's entry into the WTO in 1994¹¹, because that is the declaration of the loss of state sovereignty. This is due to the State is bound by all the provisions stipulated by the WTO. Often the rules of laws and economic policies in Indonesia are questioned by other countries, because they are considered contrary to the provisions of the WTO.

Indonesia has been sued 15 (fifteen) times by WTO member countries¹², ranging from policies on food, agriculture, horticulture, nickel, steel products to automotive industry policies¹³. Not only that, even intellectual property rights regulations relating to crops and agriculture must refer to the WTO TRIPS rules. In 2019, Indonesia was asked to implement two decisions by the WTO panel as a result of the lawsuit from the United States and New Zealand against the import provisions of horticulture, animals and animal products (see Box 1) and Brazil's lawsuit against the chicken meat import policy (see Box 2). In the end, the panel decision from the lawsuit by the US, New Zealand and Brazil asked Indonesia to relax domestic regulations, thus products of these countries can freely enter Indonesia.

Box 1 United States and New Zealand lawsuit at WTO regarding the Import Provisions for Horticultural Products and Animal Products

On **8 May 2014**, New Zealand and the United States filed a protest against Indonesia to the WTO Dispute Settlement Body (DSB) regarding the policy to restrict imports of Indonesian horticulture and animal products. This protest was filed because of objections from New Zealand and the United States to the implementation of Indonesian policies which were indicated to be contrary to the provisions of Article 11 paragraph (1) GATT 1994, Article 4 paragraph (2) Agreement on Agriculture, and Article 3 paragraph (2) Agreement on Import Licensing Procedures. There are about 18 actions that are considered contrary to the GATT 1994, which are divided into two parts, namely horticultural products, and animal and animal products (*see table 1*).

Furthermore, on **18 March 2015**, New Zealand and the United States each requested the formation of a panel in accordance with Article 6 of the GATT related to 18 measures imposed by Indonesia on imports of horticultural, animal and animal products. Then on 22 December 2016, the WTO Panel Board issued a decision in favour of the United States and New Zealand against Indonesia. The WTO Panel stated that Indonesia had acted inconsistently with Article 11 paragraph (1) of the GATT 1994, thus Indonesia had eliminated or harmed the benefits of New Zealand and the United States from the GATT rules. The Panel also issued a recommendation that Indonesia immediately took steps to adjust policies to the 1994 GATT rules

https://www.wto.org/english/tratop e/dispu e/dispu by country e.htm

¹¹ Indonesia declared joining WTO in 1994, since the name changing from GATT to WTO. https://www.wto.org/english/thewto_e/countries_e/indonesia_e.htm

¹²Lawsuit against Indonesia in WTO:

¹³ Classification of lawsuits against Indonesia in WTO can be seen through this link: http://igj.or.id/wto-cases-faced-by-indonesia/?lang=en

22 December 2016, the decision of the WTO DSB Panel won the United States and New Zealand against Indonesia. The WTO DSB Panel stated that Indonesia had acted inconsistently with Article 11 paragraph (1) of the 1994 GATT.

17 February 2017, Indonesia filed an appeal against the decision of the WTO DSB Panel.

28 February 2018, Indonesia informed DSB that Indonesia intends to implement the DSB recommendations and decisions in this dispute but requires a reasonable period of time to implement the decision.

14 June 2018, Indonesia, New Zealand and the United States informed the WTO DSB that they had agreed

Some of the regulations that have been revised by the Government of Indonesia after the decision are:

(1) Regulation of the Minister of Agriculture No. 24 of 2018; (2) Regulation of the Minister of Trade No. 64 of 2018 concerning Import Recommendation of Horticultural Products (RIPH); and (3) Regulation of the Minister of Forestry No. 23 of 2018; and (4) Regulation of the Minister of Trade No. 65 concerning animals and animal products¹⁴.

The United States Government deems revisions to the Regulation of the Minister of Forestry and the Minister of Trade as insufficient. Several national regulations that are targeted by the United States to be revised and adjusted to the rules in the WTO include important laws in the Indonesian food sector, namely: Law No. 13 of 2010 concerning Horticulture, Law No. 18 of 2012 concerning Food, Law No. 19 of 2013 concerning Protection and Empowerment of Farmers, and Law No. 18 of 2009 concerning Animal Husbandry and Animal Health as amended by Law No. 41 of 2014.

Specifically, the four laws above are asked to remove article clauses that include the phrase "domestic", as contained in Article 73, Article 74, and Article 88 of the Horticultural Law, Article 36 of the Food Law, Article 15 Paragraph (1, 2, 3) Law on Protection and Empowerment of Farmers, and Article 36 of the Law on Animal Husbandry and Animal Health¹⁵. In line with the WTO Decision, the Omnibus Law accommodates the WTO decision by removing the priority of using domestic food, therefore its position is equivalent to imported food.

¹⁴ See IGJ analysis article concerning the United States and Brazil in WTO.
http://igj.or.id/wp-content/uploads/2019/11/Nasib-Kedaulatan-Pangan-Indonesia-setelah-Putusan-WTO-Atas-Gugatan-Amerika-dan-Brazil.pdf

¹⁵ Presentation Materials of Dr. Ahmad Redi S.H., M.H., in IGJ discussion regarding "Indonesian Food Sovereignty after the lawsuits from the United States and New Zealand in WTO".

Table 1

18 Actions which are disputed by the United States and New Zealand

	Actions on Horticulture Products	Act	ions on Animals and Animal Products
1.	validation period. The WTO assesses the existence of Article 13 of MOA no. 86 of 2013 related to the submission process and time limits for RIPH are considered to be highly detrimental to importers because of the very short period of time, besides this regulation is considered not taking into account the length of time for delivery of goods.	1.	Import prohibition of certain animals and animal products, except in emergencies.
2.		2.	Application windows limits and expiration date
3.	80% realization of needs	3.	Periodic and fixed import terms
4.	Harvest period requirements	4.	80% realization of needs
5.	Storage ownership and capacity requirements. The WTO assesses the rules made by Indonesia related to storage ownership and capacity requirements will be detrimental to importers and contrary to Article XI: 1 GATT 1994, because the costs incurred will be greater, besides storage ownership will have an impact on storage capacity limitations. Meanwhile, the storage process for imported goods can be done through a rental system.	5.	Application, sales and distribution of imported beef and offal
6.	Application, sales and distribution requirements for horticultural products	6.	Domestic purchase requirements for beef
7.	Reference prices for fresh chilies and shallots for consumption	7.	Reference price of beef
8.	Six months Harvest requirements	8.	Overall Import licensing regime for animals and animal products
9.	Whole import licensing regime for horticultural products	9.	Adequacy of domestic production to meet domestic demand

Box 2

Brazil lawsuit against Chicken Meat Import Provision

On **16 October 2014**, Brazil filed a protest to Indonesia at the WTO on 4 (four) categories of policies that have been made by Indonesia and considered to be hindering Brazil:

(I) General prohibition policy on imports of chicken meat and chicken products; and (II) specific restrictions and prohibitions on imports of chicken meat and chicken products; (III) policies requiring halal labeling on imported chicken meat; and (IV) policies requiring the transportation of imported meat by direct transportation from the country of origin to the point of entry into Indonesia.

Brazil asked the WTO panel to apply sanctions to Indonesia, because Indonesia's policies were deemed inconsistent with the 8 (eight) provisions in the WTO, including:

- 1. Indonesia's general ban on the import of chicken meat and chicken products is inconsistent with Article XI: 1 GATT 1994 and Article 4.2 of the Agreement on Agriculture;
- 2. Indonesia's prohibition to import chicken cutlets and other processed or preserved chicken meat is inconsistent with Article XI: 1 GATT 1994 and Article 4.2 of the Agreement on Agriculture;
- 3. Indonesia's restrictions on the use of imported chicken meat and chicken products are not in accordance with Article XI: 1 GATT 1994 and Article 4.2 of the Agreement on Agriculture;
- 4. Indonesia's import licensing procedures are inconsistent with Article XI: 1 GATT 1994, Article 4.2 of the Agreement on Agriculture, and Article 3.2 of the Agreement on Import Licensing Procedures;
- 5. Indonesia's limited transportation requirements for imported chicken meat and chicken products do not comply with Article XI: 1 GATT 1994 and Article 4.2 of the Agreement on Agriculture;
- 6. Indonesia's restrictions on the use of imported chicken meat and chicken products are not in accordance with Article III: 4 GATT 1994;
- 7. Supervision and implementation of halal labelling requirements in Indonesia is inconsistent with Article III: 4 GATT 1994; and
- 8. Undue delays in Indonesia with respect to approval of sanitation requirements are inconsistent with Article 8 and Annex C of the SPS Agreement. (see Brazil lawsuit document against Indonesia in WTO: https://docs.wto.org/dol2fe/Pages/FE Search/FE S S006.aspx?Query=(%40Symbol%3 d+wt%2fds484%2f*)&Language=ENGLISH&Context=FomerScriptedSearch&languageU IChanged=true

On **17 October 2017**, the WTO Panel decided that Brazil won over this lawsuit and imposed sanctions on Indonesia to amend/revise 2 (two) Ministerial Regulations, including: The Minister of Agriculture Regulation No. 84 of 2013 concerning Provisions for Imports of Meat and Carcasses; and the Minister of Trade Regulation No. 46 of 2013 concerning Provisions on the Import of Animal and Animal Products.

These lawsuits at the WTO, can be a reflection for the Indonesian government to reconsider continuing to become a member of the WTO. The problem is, all policies for domestic defence are deemed incompatible with WTO policies. In the case of the Brazilian lawsuit, when the Indonesian government wanted to make consumer protection rules by applying the halal label standard to meat imports, it was proven that this policy was questioned by Brazil at the WTO. In fact, it needs to be considered in order to protect national consumers who are mostly Muslim. Thus, the requirements for a halal label as part of domestic consumer protection.

Not only that, the WTO Panel also ordered Indonesia to revise Indonesia's import regulations to make it easier for Brazilian products and other countries to enter Indonesia. The worst is if we are not careful in fixing domestic competitiveness, then we will only become a target market for other countries, and Indonesia's policies must adjust to the provisions of the WTO. This, makes it difficult for Indonesia's sovereignty on deciding its own policies in protecting the domestic market.

Eventually, Indonesia's legal and development policies were no longer based on the constitution. However, it is more accommodating to the interests of free market liberalization either through the WTO or international trade agreements. As a result, the position of the State does not have significant power in intervening in strategic policies for development and community welfare. In fact, if we pay close attention to the provisions of the WTO or international trade agreements which must be harmonized with domestic regulations, it is contrary to the Indonesian constitution.

Articles which will be amended in Food and Agriculture sectors in Job Creation Draft Bill

Articles in the Previous Law The Omnibus Law		Analysis
	Job Creation Draft Bill	
	v No. 18 of 2012 concerning Fo	ood
Article 1 Number (7) Food Availability is the condition of availability of Food from domestic production and National Food Reserves as well as imports if the two main sources cannot meet the needs.	Article 1 Number (7) Food Availability is the condition of availability of Food from domestic production, National Food Reserves, and Food Imports.	The Job Creation Draft Bill, increasingly legitimizes food imports in Indonesia. In fact, the previous Food Law required food imports if the national food reserves and domestic products were not fulfilled, imports were allowed. However, the Job Creation Draft Bill has changed the regulations by legitimizing food imports for national
		This indicates that there is the free market regime intervention in the Job Creation Draft Bill, which then it wants food liberalization in Indonesia. Everything is left to the market mechanism. Such conditions will further discredit farmers and local food, because the Government's policies have not been in favour of farmers, instead the Government tends to let farmers fight alone in the era of free markets.
Article 14	Article 14	In this Article, the Job
(1) Sources of Food supply	Sources of Food supply	Creation Draft Bill
originate from domestic	originate from domestic	emphasizes that imported
Food Production and	Food Production, National	food has a level equivalent
National Food Reserves.	Food Reserves, and Food Imports .	to national food as a source of food supply. This further confirms that food imports

are allowed without restrictions because it has been legitimized as a source of food supply.

In fact, the national food sources should prioritize domestic food production and national food reserves instead of legitimizing imported food. This dangerous for sustainability of farmers and national food, because it will make Indonesia a food importer. In addition, it will negate the position of farmers because food production is not prioritized to meet national needs.

Article 36

- (1) Food Import can only be implemented *if domestic* Food Production is insufficient and/or cannot be produced domestically.
- (2) Import of Staple Food can only be implemented if domestic Food Production and National Food Reserves are insufficient.

Article 36

- (1) Food Import is implemented to meet domestic needs.
- (2) *Import of Staple Food* is implemented to meet *domestic consumption needs and food reserves*.

The policy in this Article is one of the articles that must be amended because of Indonesia's defeat at the WTO from the lawsuit by the United States and New Zealand.

In the previous Article 36 of the Food Law, food import is limited as long as domestic food needs are met by domestic food production and national food reserves.

This resulted in the food and agricultural products of the United States and New Zealand being hampered by restrictions on Indonesian food imports. In the end, Indonesia lost the lawsuit, and the consequence was that it had to change the provisions on food imports to become more relaxed.

Article 39

The government establishes Food Import policies and regulations that do not have a negative impact on the sustainability of farming, increased production, welfare of farmers, fishermen, fish raisers and micro and small Food Business Actors.

Article 39

The Central Government establishes Food Import policies and regulations in the framework of sustainable farming.

The Job Creation Draft Bill changes provisions on food imports to become more relaxed and more legitimate. Of course, this is one of the interventions of the WTO decision on the lawsuit by the United States and New Zealand against Indonesia which requires that food import provisions be more vastly opened.

Food imports are not needed for the sustainability of farming. In fact, food imports will be confusing sustainability of farming.

In international trade, there is a consequence of reducing import duties for imported products by up to 0%. This results in imported food being cheaper than expensive local food because production costs are still quite high. This condition will threaten the sustainability of farming and the welfare of farmers.

Article 77

- (1) Every person is prohibited from producing Food produced from Genetically **Engineered** which Food has not obtained Food Safety approval before being distributed.
- 2) Every person who conducts Food Production activities or processes is prohibited from *using raw materials*, Food additives,

Article 77

- (1) Every person is prohibited from producing Food produced from Genetically Engineered Food that has not meet the Business License from the Central Government.
- (2) Every person who conducts Food Production activities or processes is prohibited from using raw materials, Food additives, and/or other materials

This article legitimizes genetically engineered food as long as a business license is obtained from the Central Government. This means that once the business license has been obtained, the genetically engineered food can be distributed without going through the safety standard test of genetically engineered food. Thus, this Article legitimizes the ease of distribution of PRG and eliminates the and/or other materials produced from Genetically Engineered Food which have not obtained Food Safety approval before being distributed.

produced from *Genetically Engineered Food* that have not met the *Business License from the Central Government*.

guarantee of consumer protection in consuming PRG that is distributed.

Article 87 Food Safety and Quality Assurance

- (1) The Government may stipulate requirements for Food to be tested in the laboratory before distribution.
- (2) The testing as intended in paragraph (1) shall be conducted in laboratories appointed by and/or which have obtained accreditation from the Government.
- (3) Provisions regarding the requirements for laboratory testing are regulated in a Government Regulation.

Article 87 is abolished

The abolition of article 87 in the Job Creation Draft Bill indicates that the food safety assurance standards in circulation are not guaranteed safety and quality for consumers.

This is because it eliminates the provision of laboratory tests before food is circulated for domestic consumption. This also reduces the safety health level of imported food which enters the country, because there is no safety and quality test of food.

This regulation definitely reduces NTMs (Non-Tariff Measure) or non-tariff barriers for Indonesia to imported food, thus imported food can enter the country more freely without having to strictly check before consumption.

Article 133

Food Business Actors who deliberately hoard or store more than the maximum amount as intended in Article 53 with the intention of obtaining profits resulting in Staple Food prices to be expensive or soaring high will be punished with imprisonment of a

Article 133

(1) Food Business Actors who deliberately hoard or store more than the maximum amount as intended in Article 53 with the intention of obtaining profits resulting in Staple Food prices to be expensive or soaring high, are subject to administrative sanctions

Article regarding criminal provisions in the Food Law, excludes imprisonment as a sanction for food business actors who violate the law. What is being put forward is administrative sanctions in the form of fines. This legitimizes the violation of business actors who have a lot of money will not be subject to criminal

maximum of 7 (seven) years or a maximum fine of Rp 100,000,000 (one hundred billion rupiah).

in the form of fines of not more than IDR 100,000,000,000 (one hundred billion rupiah). sanctions, but only fines. If the fine is paid, the criminal sanction for the business actor is null and void.

- (2) In the event that the Food Business Actor does not fulfil the obligation to impose administrative sanctions as intended in paragraph (1), shall be punished with imprisonment of no longer than 7 (seven) years.
- (3) Further provisions regarding the procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated in the Government Regulation.

Article 134

Every Person who produces certain Processed Food for trading, who deliberately does not apply Food processing procedures which can hinder the process of decreasing or losing the Nutritional content of Food raw materials used as intended in Article 64 paragraph (1) shall be punished with imprisonment of maximum 1 (one) year or a maximum fine of Rp. 2,000,000,000 (two billion rupiah).

Article 134

(1) Every Person who produces certain Processed Food for trading, who deliberately does not apply Food processing procedures which can hinder process of decreasing or losing the Nutritional content of Food raw materials used as intended in Article 64 paragraph (1), shall be subject administrative sanctions, in the form of a fine of not more than IDR 2,000,000,000 (two billion rupiah).

(2) In the event that the perpetrator does not fulfil the obligation to impose administrative sanctions as referred to in paragraph (1), one will be punished with

Article regarding criminal provisions in the Food Law, excludes imprisonment as a sanction for food business actors who violate the law. What is being put forward is administrative sanctions in the form of fines. This legitimizes the violation of business actors who have a lot of money will not be subject to criminal sanctions, but only fines. If the fine is paid, the criminal sanction for the business actor is null and void.

imprisonment for a maximum of 1 (one) year.

(3) Further provisions regarding the procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated in the Government Regulation.

Article 135

Every person who conducted Food production, transportation, storage, and/or distribution activities or processes that do not meet the Food Sanitation Requirements as intended in Article 71 paragraph (2) punished with be imprisonment of 2 (two) years or a maximum fine of Rp. 4. 000,000,000 (four billion rupiah).

Article 135

- (1) Every person who conducted Food production, transportation, storage, and/or distribution activities or processes that do not meet the Food Sanitation Requirements as intended in Article 71 paragraph (2) shall be subject administrative sanctions in the form of a fine of not more than IDR 4,000,000,000 (four billion rupiah).
- (2) In the event that the perpetrator does not fulfil the obligation to impose administrative sanctions as referred to in paragraph (1), one will be punished with imprisonment for a maximum of 2 (two) years.
- (3) Further provisions regarding the procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated in the Government Regulation

Article regarding criminal provisions in the Food Law, excludes imprisonment as a sanction for food business actors who violate the law. What is being put forward is administrative sanctions in the form of fines. This legitimizes the violation of business actors who have a lot of money will not be subject to criminal sanctions, but only fines. If the fine is paid, the criminal sanction for the business actor is null and void.

Notes:

Articles amended in Law no. 18 of 2012 concerning Food, among others: Article 1, Article 14, Article 15, Article 36, Article 39, Article 68, Article 74, Article 77, Article 81, Article 88, Article 91, Article 132, Article 133, Article 134, Article 135, Article 139, Article 140, Article 141, Article 142.

Articles which were abolished, namely: Article 87.

Law No. 19 of 2013 concerning Farmers Protection and Empowerment

Article 15

(1) The government is obliged to *prioritize domestic agricultural production* to meet national food needs.

(2) The obligation to prioritize domestic Agricultural production as referred to in paragraph (1) shall be implemented by regulating the import of Agricultural Commodities according to the harvest season and/or domestic consumption needs.

Article 15

(1) The Central Government makes efforts to increase domestic agricultural production.

(2) Increasing domestic agricultural production as intended in paragraph (1) shall be implemented through the farmer protection strategy as referred to in Article 7 paragraph (2).

The government is independent of its responsibility to prioritize domestic agricultural production to meet national food needs. Instead, what is being implemented is to increase domestic production for export for the sake of commercial purposes. This concept has in common with the New Order regime which increased domestic agricultural production for export purposes only.

Moreover, this article also eliminates the prohibition on agricultural imports during harvest time, thereby opening the widest possible opportunity for imports, including during the main harvest to meet domestic consumption.

Article 30

- (1) Every person is prohibited from importing Agricultural Commodities when the availability of domestic Agricultural Commodities is sufficient for consumption needs and/or Government food reserves.
- (2) Adequacy of the Government's consumption needs and food reserves as referred to in paragraph (1) shall be determined by the Minister.

Article 30

- (1) Adequacy of government consumption needs and / or food reserves comes from domestic production and through imports.
- (2) Adequacy of the Government's consumption needs and food reserves as referred to in paragraph (1) shall be determined by the *Central Government*.

Article 30 of the Job Creation Draft Bill reiterates domestic food that consumption needs longer prioritize national food production but also through imports. In fact, in the previous Protection and Empowerment of Farmer Law, food imports were prohibited when domestic agricultural commodities were sufficient. However, imports are increasingly legitimized in the Job Creation Draft Bill.

Domestic consumption needs originating from

liberalization by the free market regime. This is because in a free market the provisions on food imports must be relaxed. Such conditions will terminate domestic food production and risk the sustainability of farmers. Article 101 Article 101 is abolished Article concerning Every person who imports punishment of business Agricultural Commodities actors who import food when the availability of when domestic food commodities are fulfilled is domestic Agricultural Commodities is sufficient abolished. Thus, this article consumption and/or guarantees that there are government food reserves no sanctions for business as referred to in Article 30 actors and/or importers in paragraph (1) shall conducting imports. elimination of this sanction punished with imprisonment of 2 (two) extremely dangerous, years and a maximum fine because it legitimizes rent of Rp. 2,000,000,000 (two seekers (profit-seeking billion rupiah). mafia) in the food sector and rogue importers who have been importing but ignoring the provisions of laws and regulations. Notes: Articles amended in Law No. 19 of 2013 concerning Protection and Empowerment of Farmer, namely: Article 15, Article 30. Article which was abolished: Article 101. Law No. 13 of 2010 concerning Horticulture Article 15 Article 15 Business actors are **Entrepreneurs** are (1) Entrepreneurs in the allowed to prioritize only required to prioritize the Horticulture sector domestic human resources can employment of domestic employ domestic but also foreign human and human resources. foreign human resources. resources. If previously the employment of foreign (2) Human resources from human resources (2) The employment of was

abroad can be employed in

the event of unavailability

domestic

of

human

human

resources

referred to in paragraph (1)

is in accordance with the

as

imports is the will of food

implemented if domestic

human resources were not

available, now what will be

resources who have certain expertise and abilities in the field of horticulture.

- (3) Human resources from abroad as referred to in paragraph (2) shall be employed in accordance with the provisions of laws and regulations after obtaining a recommendation from the association of business actors.
- (4) Further provisions regarding the qualifications of certain skills and abilities in the field of horticulture as intended in paragraph (2) shall be regulated by a ministerial regulation.

provisions of laws and regulations.

regulated in the omnibus law is no longer the case. All must be treated the same. National treatment (equal treatment) is regulated in a free market regime both by the WTO and by the Free Trade Agreement. Yet the omnibus law adopts the spirit that exists in a free regime to provide equal treatment to domestic and foreign human resources.

Article 33

- (1) Horticulture business is conducted by **prioritizing** the application of domestic horticultural facilities.
- (2) In case of domestic horticultural facilities are insufficient or unavailable, horticultural facilities originating from abroad can be applied.
- (3) Horticultural facilities originating from abroad as intended in paragraph (2) must:
- a. be more efficient;
- b. be environmentally friendly; and
- c. preferably contains components of domestic production.

Article 33

- (1) Horticultural facilities as intended in Article 32 originate from within the country and/or abroad.
- (2) The horticultural facilities as intended in paragraph (1) are circulated, must fulfil Business Licensing from the Central Government.
- (3) In the case of horticultural facilities are or contain genetic engineering products, in addition to meeting the provisions as intended in paragraph (2), distribution must comply with the provisions of the legislation in the field of biological safety

The use of horticultural facilities no longer requires prioritizing the use domestic horticultural facilities. But they have to use means from abroad too. This will have an impact on the flow of goods traffic for the use of domestic facilities that have the potential to lose competition. Because there is wide open access to foreign horticultural facilities, such as: development of hatcheries, cultivation businesses, etc. Must use domestic and horticultural foreign facilities.

	(4) =	
	(4) Further provisions	
	regarding Business License	
	related to horticultural	
	facilities are regulated in a	
	Government Regulation.	
Article 35 (1) Horticultural facilities circulated must meet	Article 35 is abolished.	Domestic and foreign horticultural facilities are no longer obliged to meet safety standards. As the
quality standards and be registered.		article regarding this was abolished in the Omnibus Law Job Creation Draft Bill.
(2) In the case of horticultural facilities are or contain genetic engineering products, in addition to fulfilling the provisions of paragraph (1), distribution must comply with the provisions of the legislation in the field of biosafety.		
(3) If the quality standard as intended in paragraph (1) has not been determined, the Minister shall determine the minimum technical requirements.		
(4) The provisions as intended in paragraph (1) and paragraph (3) are exempted for local production horticultural facilities that are circulated in limited numbers in one group.		
(5) Further provisions regarding the procedures for quality testing and registration are regulated by a Ministerial Regulation.		
Article 48	Article 48 is abolished.	
(1) The classification of		
horticultural cultivation		
business units consists of:		

a. micro horticultural cultivation business unit; b. small horticultural cultivation business unit; c. medium horticultural cultivation business unit; and d. large horticultural

cultivation business unit;
Article 49

Article 49

- (1) Micro and small horticultural cultivation business units as intended in Article 48 paragraph (1) letter a and letter b must be recorded by the *regional government*.
- (2) Medium horticultural cultivation business unit as intended in Article 48 paragraph (1) letter c and large horticultural cultivation business unit as intended in Article paragraph (1) letter d must be equipped with a business license issued by the Government and regional government in accordance

with their authority.

- (3) In addition to having to be equipped with a business license as intended paragraph (2), medium and large horticultural cultivation business units that land authorized by the state must be equipped with right to cultivate in accordance with the provisions of laws and regulations.
- (4) Further provisions regarding data collection

- (1) Micro and small horticultural cultivation business units must be recorded by **the Government**.
- (2) The medium horticulture cultivation business unit and large horticulture cultivation business unit must fulfil the Business License from the Central Government.

The authority to collect data on the MSME horticultural business unit is no longer recorded by the Regional Government but by the Central Government. Thus, the entire authority regarding this is withdrawn to the Central Government.

In a matter of fact, regions also have regional autonomy to manage their own affairs in order to accelerate the welfare of the people in the regions. This is confirmed in Article 18 of the 1945 Constitution.

	T	1
and licensing of horticultural cultivation		
business units are regulated by a Ministerial Regulation.		
Article 51	Article 51 is abolished.	The elimination of the
 (1) Horticulture business is divided into micro, small, medium and large businesses. (2) Further provisions regarding the criteria for micro, small, medium and large businesses are regulated by a Ministerial Regulation. 		classification of medium and large business types will further obscure the two types of businesses. This opens up opportunities for horticultural businesses that admit or are affiliated with small businesses.
Article 52 (1) Horticulture business as intended in Article 50 must be registered.	(1) Horticulture business as intended in Article 50 must fulfil Business License from	The authority of the Regional Government is revoked and only the Central Government has the
 (2) The registration as intended in paragraph (1) shall be carried out by the Government and/or regional governments. (3) Further provisions 	the Central Government. (2) Further provisions regarding Undertaking Licensing as referred to in paragraph (1) shall be regulated in a Government Regulation.	authority to register the horticulture business.
regarding the registration of horticulture business are regulated by a Ministerial Regulation. Article 56	Article 56	
Article 56	Article 56	
(1) Horticulture business can be conducted with a partnership pattern.	(1) Horticulture business can be conducted with a partnership pattern.	
(2) The partnership pattern as intended in paragraph (1) involves micro, small, medium and large horticultural entrepreneurs.	(2) The partnership pattern as intended in paragraph (1) involves micro, small, medium and large horticultural entrepreneurs.	
(3) Big business actors as intended in paragraph (2)	(3) The partnership as referred to in paragraph (2)	

are obliged to make partnerships with micro, small and medium enterprises.

- (4) The partnership as referred to in paragraph (2) shall be implemented with the following pattern:
- a. nucleus-plasma;
- b. subcontract;
- c. franchise;
- d. general trading;
- e. distribution and agency; and
- f. other forms of partnership.
- (5) Further provisions regarding the partnership pattern as referred to in paragraph (1) shall be regulated in a Ministerial Regulation.

shall be implemented with the following pattern:

- a. nucleus-plasma;
- b. subcontract;
- c. franchise:
- d. general trading;
- e. distribution and agency; and
- f. other forms of partnership.
- (4) Further provisions regarding the partnership pattern as referred to in paragraph (1) shall be regulated in a Government Regulation.

Article 57

- (1) Seeding business includes breeding, seed production, certification, distribution of seeds, as well as export and import of seeds from and to the territory of the Republic of Indonesia.
- (2) In the case of breeding as referred to in paragraph (1), introduction may be conducted in the form of seeds or parent material that are not yet in the territory of the Republic of Indonesia.
- (3) Seeding business can only be conducted by business actors holding

Article 57

- (1) Seeding business includes breeding, seed production, certification, distribution of seeds, and export of seeds from and import of seeds into the territory of the Republic of Indonesia.
- (2) In the case of the breeding as referred to in paragraph (1), introduction may be conducted in the form of seeds or parent material which are not yet in the territory of the Republic of Indonesia.
- (3) Seeding business can only be conducted by a business actor holding a

Seed business is only possible for big business actors, not for small scale farmers. Since they have to meet the standards and certification of seedlings, which can cost high in processing them.

competency certificates or certified business entities in the field of seedlings by being obliged to implement seed quality assurance through the application of certification.

- (4) The provisions for a certificate of competence or a certified business entity and the obligation implement seed quality assurance as referred to in paragraph (3) shall be exempted for individual or group business actors conducting seed business for their own use and/or limited to 1 (one) group.
- (5) Further provisions regarding seed production, certification, distribution of seeds, as well as export and import of seeds as intended paragraph (1),introduction as intended in paragraph (2), certification of competence, certification of business entities and quality assurance as intended in paragraph (1). (3),well as as the exemption from the application obligation as referred to in paragraph (4) shall be regulated by a Ministerial Regulation.

Article 63

(1) The import and export of seeds to and from the territory of the Republic of Indonesia must obtain a permit.

competency certificate or a certified business entity in the field of seeding by being obliged to implement seed quality assurance through the application of certification.

- (4) The provisions for a certificate of competence or a certified business entity and the obligation implement seed quality assurance as referred to in paragraph (3) shall exempted for individual or group business actors conducting seed business for their own use and/or limited to 1 (one) group.
- (5) Further provisions regarding seed production, certification, distribution of seeds, as well as export and import of seeds as intended in paragraph (1),introduction as intended in paragraph (2), certification of competence, certification of business entities and quality assurance intended in paragraph (1). (3),well the as as exemption from the application obligation as referred to in paragraph (4) shall be regulated by a Government Regulation.

Article 63 is abolished.

This article eliminates the provision regarding the import of seeds into the country that no longer requires domestic needs to be met. This will result in the import of seeds from abroad at any time without

- (2) The import of seeds into the territory of the Republic of Indonesia for commercial purposes must meet the quality requirements stipulated.
- (3) The import of seeds into the territory of the Republic of Indonesia for commercial purposes is only allowed if it cannot be produced domestically or domestic needs are not fulfilled.
- (4) Further provisions regarding the import and export of seeds to and from the territory of the Republic of Indonesia as referred to in paragraph (1), paragraph (2), and paragraph (3) shall be regulated in a Ministerial Regulation.

the seeds that cannot be produced domestically or domestic needs have been met. So that it is more flexible for business actors/importers to import seeds from abroad for commercial purposes.

having to pay attention to

Article 68

Further provisions regarding cultivation business as referred to in Article 65, procedures for data collection and reporting as referred to in Article 66, and requirements for special permits as referred to in Article 67 paragraph (2) shall be regulated in a *Ministerial Regulation*.

Article 73

- (1) The horticultural product trading business regulates the buying and selling process between traders and traders, and traders and consumers.
- (2) In the case of the buying and selling process as

Article 68

Further provisions regarding cultivation business as referred to in Article 65, procedures for data collection and reporting as referred to in Article 66, and requirements for special permits as referred to in Article 67 paragraph (2) shall be regulated in a *Government Regulation*.

Article 73

- (1) The horticultural product trading business regulates the buying and selling process between traders and between traders and consumers.
- (2) Entrepreneurs of horticultural product

73 Article of the Job Creation Draft Bill changes provisions on the obligations for business actors to trade domestic horticultural products. By eliminating these obligations, business actors are given the freedom to trade domestic or foreign products. This is a bad intended in paragraph (1), modern market horticultural product trading business actors are obliged to trade domestic horticultural products.

- (3) Entrepreneurs who trade horticultural products must apply a transparent product classification system based on quality standards and price standards.
- (4) Further provisions regarding the obligation to trade domestic horticultural products as intended in paragraph (2), and the obligation of a transparent product classification system based on quality standards and price standards as intended in paragraph (3) shall regulated by a Ministerial Regulation.

trading business must apply a product classification system based on quality standards and price standards in a transparent manner.

(3) Further provisions regarding the obligation of a transparent product classification system based on quality standards and price standards as referred to in paragraph (2) shall be regulated by a Government Regulation.

promotion for local products, because it is no longer prioritized.

Article 88

- (1) Import of horticultural products must pay attention to the following aspects:
- a. horticultural product food safety;
- b. availability of domestic horticultural products;
- c. targeting the production and consumption of horticultural products;d. packaging and labelling

requirements;

e. quality standards; and f. provisions on safety and protection of human, animal, plant and environmental health.

Article 88

- (1) Import of horticultural products must pay attention to the following aspects:
- a. horticultural product food safety;
- b. packaging and labelling requirements;
- c. quality standards; and d. provisions on safety and protection of human, animal, plant and environmental health.
- (2) Import of horticultural products can be done after fulfilling the Business License from the Central Government.

By abolishing Paragraph (4) in Article 88 confirms that the distribution of imported horticultural products freed without paying attention to aspects of quality and food safety. Thus, it does not become an imported horticultural product that circulates and is consumed and its safety and health aspects are guaranteed.

- (2) The import of horticultural products can conducted after obtaining permission from the minister who is responsible for the trade sector after obtaining a recommendation from the Minister.
- (3) Import of horticultural products as intended in paragraph (1) is conducted through designated entry points.
- (4) Every person is prohibited from circulating certain imported fresh horticultural products that do not meet food quality and/or safety standards.
- (5) Further provisions regarding the procedures for giving recommendation from the Minister intended in paragraph (2), procedures for determining the entrance as intended in paragraph (3), and certain imported fresh horticultural products as intended in paragraph (4) shall regulated by Regulation. Minister.

(3) Import of horticultural products as intended in paragraph (1) is conducted through designated entry points.

(4) Further provisions regarding the granting of Business License

Article 90

The government and/or local governments together with business actors of maintain a balance need supply and for horticultural products at all times to the local level by: a. providing accurate production and consumption information;

Article 90

The Central Government in increasing horticultural marketing provides market information.

This article eliminates the government's authority in controlling export-import activities. In fact, in Article 90 of the previous Horticulture Law, the government still has the authority over that. However, in the omnibus law the authority to control exports and imports

or		limited.
b. controlling imports and		
exports.	A 02	
Article 92	Article 92	
(1) Organizers of markets and other places for trading horticultural products <i>must prioritize the sale of local horticultural products.</i>	(1) Organizers of markets and other places for trading horticultural products can apply the sale of local and imported horticultural products.	
Article 100	Article 100	Through Article 100 of the
 (1) The government encourages investment by giving priority to domestic investment. (2) Foreign investment can only be done in a large horticultural business. (3) The amount of foreign investment is limited to a maximum of 30% (thirty percent). 	 (1) The Central Government encourages investment in the horticulture business. (2) The implementation of investment as referred to in paragraph (1) is in accordance with the provisions of laws and regulations in the investment sector. 	Job Creation Draft Bill, it changed the provisions for restricting foreign investment, which previously was only 30%, but was later abolished. Thus, FDI in the horticultural sector is 100% open. Liberalization of open investment in the agricultural sector will result in exploitation without domestic competitiveness.
(4) Foreign investors as referred to in paragraph (2) and paragraph (3) are required to place funds in domestic banks in the amount of their capital ownership.		
(5) Foreign investors as referred to in paragraph (2) are prohibited from using credit from banks or financial institutions owned by the Government and/or regional governments.		
Article 101	Article 101	Entrepreneurs are
Foreign investors in the horticulture business are obliged to provide internship opportunities	Medium and large horticultural entrepreneurs are required to provide internship opportunities.	legitimized for their rights to exploit workers in the horticultural sector through the <i>concept of job internship</i> .

and transfer technology for domestic business actors.

Article 122

(1) Every person who violates provisions the referred to in Article 15 paragraph (1), Article 36 paragraph (1)and paragraph (2), Article 37, 54 Article 38. Article paragraph (1)and paragraph (2), Article 56 paragraph (3), Article 60 paragraph (2), Article 71, Article 73 paragraph (2) and paragraph (3), Article 81 paragraph (4), Article 84 paragraph (1), Article 88 paragraph (1), Article 92 paragraph (2), Article 100 paragraph (4), Article 101, Article 108 paragraph (2), or Article 109 paragraph (2) shall subject to administrative sanctions.

Article 122

(1) Every person who violates the provisions referred to in Article 15 paragraph (1), Article 36 paragraph (1) and paragraph (2), Article 37, Article 54 Article 38. paragraph (1)and paragraph (2), Article 56 paragraph (3), Article 60 paragraph (2), Article 71, Article 73 paragraph (2) and paragraph (3), Article 81 paragraph (4), Article 84 paragraph (1), Article 88 paragraph (1), Article 92 paragraph (2), Article 101, Article 108 paragraph (2), or Article 109 paragraph (2) is subject to administrative sanctions.

Abolishing administrative sanctions of Article 100 paragraph (4), namely "Foreign investors as referred to in paragraph (2) and paragraph (3) are required to place funds in domestic banks in the amount of their capital ownership."

This means that the owner of capital has no obligation to place funds in domestic banks as much as their capital ownership. This will result in a lot of investment funds to go out to other countries. Potentially bad for the Indonesian economy if a crisis occurs, investors can run off their money abroad.

Article 126

(1) Every person circulating horticultural facilities that do not meet quality standards. do not meet minimum technical requirements, and/or are not registered as intended Article 35, will be punished with imprisonment of 2 (two) years or a maximum fine of Rp. 2,000,000,000 (two billion rupiah).

In the event that the act as referred to in paragraph (1) results in damage to the function of the environment or endangers

Article 126

(1) Every person circulating horticultural facilities that do not fulfil the Business License as referred to in Article 33 will be subject to administrative sanctions in the form of a maximum fine of Rp. 2,000,000,000 (two billion rupiah).

(2) In the event that the actions referred to in paragraph (1) result damage to environmental **functions** endanaer or people's lives. perpetrator will be subject to administrative sanctions in the form of a maximum

provisions The for administrative sanctions in the form of fines prioritized in Article 126 of the Job Creation Draft Bill. Meanwhile, the criminal sanction is abolished. This provision will be verv beneficial for entrepreneurs.

the life of a person, the perpetrator will be sentenced to imprisonment for a maximum of 3 (three) years or a maximum fine of Rp.3,000,000,000 (three billion rupiah).

fine of Rp. Rp.3,000,000,000 (three billion rupiah).

(3) In the event that the perpetrator does not fulfil the obligation to fulfil the sanctions as referred to in paragraph (1) and/or paragraph (2), the punishment shall be a maximum imprisonment of 3 (three) years.

Notes:

Articles amended in Law no. 13 of 2010 concerning Horticulture, namely: Article 15, Article 33, Article 49, Article 52, Article 54, Article 56, Article 57, Article 68, Article 73, Article 88, Article 90, Article 92, Article 100, Article 122, Article 123, Article 126.

The articles that were abolished, namely: Article 35, Article 48, Article 49, Article 51, Article 63, Article 131.

Law No. 18 of 2009 concerning Animal Husbandry and Animal Health

Article 6

(1) Land that has been designated as a public grazing area must be maintained for its sustainable existence and

- (2) The general grazing area as referred to in paragraph
- (1) functions as:

utilization.

a. forage plant producer; b. place for natural reproduction, selection, castration, and artificial insemination services; c. animal health service place; and/or d. place or object of research and development of animal husbandry and

animal health technology.

Article 6

- (1) Land that has been designated as a public grazing area must be maintained for its sustainable existence and utilization.
- (2) The general grazing area as referred to in paragraph
- (1) functions as:
- a. forage plant producer;
- b. place for natural reproduction, selection, castration, and artificial insemination services;
- c. animal health service place; and/or
- d. place or object of research and development of animal husbandry and animal health technology.

Transfer of power from the Regional Government to the Central Government in determining land areas for public grazing. In the Job Creation Draft Bill, the authority to determine the land is regulated by the Central Government as referred to in Article 6 Paragraph 5 of the Job Creation Draft Bill.

- (3) District/city regional governments that have available land in their regions and prioritize small-scale livestock breeding are obliged to designate the land as general grazing areas.
- (4) District/city regional governments foster forms of cooperation between animal husbandry and food crops, horticulture, fishery, plantation and forestry operations and other fields in utilizing land in the area as a source of cheap animal feed.
- (5) Further provisions regarding the provision and management of general grazing areas as referred to in paragraph (3) shall be stipulated in a *district/city regional regulation*.

- (3) District/city regional governments that have available land in their regions and prioritize small scale livestock breeding are obliged to designate land as general grazing areas.
- (4) District/city regional governments foster a form of cooperation between animal husbandry exploitation and cultivation of food crops, horticulture, fisheries, plantations and forestry as well as other fields in utilizing land in the area as a source of cheap animal feed.
- (5) In the event that the district/city government does not designate the land as a general grazing area as referred to in paragraph (3), the Central Government can designate the land as a general grazing area.
- (6) Further provisions regarding the provision and management of general grazing areas as referred to in paragraph (3) shall be stipulated in a Government Regulation.

Article 13

- (1) Provision and development of seeds, seedlings and / or going to be carried out by prioritizing domestic production and social economic capacity.
- (2) The government is

Article 13

- (1) Provision and development of seeds and / or seeds is carried out to meet the need for provision of seeds and / or seeds.
- (2) The government is obliged to develop seedings

This article eliminates the mainstreaming of using seeds, seeds produced in the country. Thus, the impact will be more flexible for seeds, imported seeds to meet the domestic supply of seeds. In fact, by prioritizing seeds, domestic seeds are support for building a

obliged to develop seedings and/or nurseries by involving the participation of the community to ensure the availability of seeds and/or seedlings.

- (3) In the event that the seeding and/or nursery business is not yet developed, the Government shall form a seeding and/or nursery unit.
- (4) Every seed and seedling in circulation is obliged to have a certificate worthy of seed or seedling which contains information regarding the pedigree and characteristics of certain advantages.
- (5) A certificate of feasibility for seeds or seeds as referred to in paragraph (4) shall be issued by an accredited seed or seedling certification agency or appointed by the Minister.

and/or nurseries by involving the participation of the community to ensure the availability of seeds and/or seedlings.

- (3) In the event that the seeding and/or nursery business is not yet developed, the Central Government shall establish a seeding and/or nursery unit.
- (4) Every seed and seedling in circulation is obliged to have a certificate of fit for seed or seedling which contains information regarding the lineage and characteristics of certain advantages.
- (5) A certificate of eligibility for seeds or seedlings as referred to in paragraph (4) shall be issued by an accredited seed or seedlings certification agency.

populist economy and policies that support local breeders to be competitive. However, the Job Creation Draft Bill abolished this provision. Potential to weaken the competitiveness and economy of local breeders.

Article 15

- (1) **Under certain circumstances**, import of seeds and/or seedlings from abroad can be implemented to:
- a. increasing the quality and genetic diversity;
- b. developing science and technology;
- c. overcoming the shortage of seeds or seedlings in the country; and/or
- d. meeting the needs of research and development.

Article 15

- (1) The import of seeds and/or seedlings from abroad into the territory of the Unitary State of the Republic of Indonesia can be implemented to:
- a. increasing the quality and genetic diversity;
- b. developing science and technology;
- c. overcoming the shortage of seeds and/or seedlings in the country; and/ord. meeting the needs of
- d. meeting the needs of research and development.

The phrase "under certain circumstances" can bring in abroad seeds from is abolished. In fact, the explanation of this phrase is an urgent condition for the state to take priority and limited actions. Hence with abolition of these phrases, it has an impact that the import of seeds from abroad is allowed at any time and under any circumstances. therefore the provisions are more liberated and flexible than the previous law. This has potential the

- (2) The import of seeds and/or seedlings must meet the requirements for quality and animal health and the statutory regulations in the field of animal quarantine and observe the policy for zoning of seeds as intended in Article 14.
- (3) Every person importing seeds and/or seedlings as intended in paragraph (1) must obtain a license from the minister who is in charge of trade affairs after receiving a recommendation from the Minister.
- (4) Further provisions regarding the requirements for quality and animal health as intended in paragraph (2) shall be regulated in a Ministerial Regulation.

- (2) Every person importing seeds and/or seedlings as referred to in paragraph (1) must fulfil the Business License from the Central Government.
- (3) Further provisions regarding Undertaking Licensing as referred to in paragraph (2) shall be regulated in a Government Regulation.

liberalization in the livestock and animal health sectors.

Moreover, Article 15 of the Job Creation Draft Bill eliminates the security provisions for the entry of imported seeds into Indonesia on condition that only obtaining business licenses from the Central Government.

Article 16

- (1) Export of seeds, seedlings and/or feeders from the territory of the Unitary State of the Republic of Indonesia to foreign countries can be done if domestic needs have been met and the preservation of local livestock is guaranteed.
- (2) Every person conducting the activities as referred to in paragraph (1) shall be obliged to obtain a permit from the minister in charge of trade affairs after obtaining a

Article 16

- (1) Export of seeds and/or seedlings from the territory of the Unitary State of the Republic of Indonesia to other countries can be done if domestic needs have been met and the preservation of local livestock is guaranteed.
- (2) Export as referred to in paragraph (1) is prohibited from being made for the best seeds and / or seeds in the country.

recommendation from the Minister.

(3) Every person conducting the activities as referred to in paragraph (1) is obliged to fulfil the Business License from the Central Government.

Article 22

- (1) Every person who produces feed and/or feed ingredients for commercial distribution is obliged to obtain a business license.
- (2) Feed made for commercial distribution must meet the standards or minimum technical requirements and safety of feed as well as comply with the provisions on good feed manufacturing methods as stipulated in a Ministerial Regulation.
- (3) The feed as intended in paragraph (2) must be labelled in accordance with statutory regulations.
- (4) Every person is prohibited from:
 a. circulating unfit for consumption;
 b. using and/or distributing ruminant feed containing feed ingredients in the form of blood, meat and/or bones; and/or c. using feed mixed with certain hormones and/or feed additive antibiotics.
- (5) Further provisions, as intended in paragraph (4) letter c, are stipulated in a Ministerial Regulation.

Article 22

- (1) Every person who produces feed and / or feed ingredients for commercial distribution is obliged to fulfil the Business License from the Central Government.
- (2) Feed made for commercial distribution must meet the standards or minimum technical requirements and safety of feed as well as comply with the provisions on good feed manufacturing methods as stipulated in a Government Regulation.
- (3) The feed as intended in paragraph (2) must be labelled in accordance with the provisions of statutory regulations.
- (4) Every person is prohibited from:
- a. circulating unfit for consumption;
- b. using and/or distributing ruminant feed containing feed ingredients in the form of blood, meat and/or bones; and/or
- c. using feed mixed with certain hormones and/or feed additive antibiotics.
- (5) Further provisions, as

Article 30 (1) Breeding can only be	Article 30 (1) The Central Government	There are restrictions on investment in the livestock cultivation business only for
(4) Breeders, livestock companies, and certain parties breeding livestock with a certain business scale are obliged to follow good livestock breeding procedures without disturbing public order in accordance with the guidelines stipulated by the Minister. Article 30	with a certain business scale are obliged to follow good livestock breeding procedures without disturbing public order in accordance with the guidelines set by the Central Government. (5) The central government is obliged to protect domestic livestock businesses from unfair competition among business actors. Article 30	
raises livestock with the type and number of livestock above a certain business scale is required to have a livestock business license from the district/city government.	livestock above a certain business scale is obliged to fulfil Business Licensing by the Central Government. (4) Breeders, livestock companies, and certain parties cultivating Livestock	
registration certificates by the district/city government. (3) A livestock business registration certificates by the district/city government.	the Central Government. (3) A livestock company that raises livestock with the type and number of	
(2) Breeders who breed livestock with the type and number of livestock below a certain business scale are granted livestock business	(2) Breeders who breed Livestock with the type and number of livestock below a certain business scale are granted Business License by	Draft Bill to become the authority of the Central Government.
(1) Livestock breeding can only be conducted by breeders, livestock companies and certain parties for special purposes.	(1) Livestock breeding can only be conducted by breeders, livestock companies and certain parties for special purposes.	revoke the authority of the Regional Government in granting business licenses for livestock breeding. This authority has now been changed in the Job Creation
Article 29	intended in paragraph (4) letter c, are regulated by Government Regulation. Article 29	Article 29 Paragraph (2)

conducted by individual Indonesian citizens or corporations, both those with legal entities and those not with Indonesian legal entities.

(2) Individual Indonesian citizens or Indonesian legal entities as referred to in paragraph (1) may cooperate with foreign parties in accordance with the statutory regulations in the field of investment and other related laws and regulations.

develops Breeding
Businesses through
investment by individual
Indonesian citizens or
corporations with legal
entities.

(2) The investment as referred to in paragraph (1) shall be implemented in accordance with the provisions of the statutory regulations in the investment sector.

Indonesian citizens or corporations with legal status. However, the same treatment (national treatment to investors) for both domestic and foreign investors still apply. This is confirmed in the Capital Investment Law.

Article 36

- (1) The government is obliged to organize and facilitate marketing activities for domestic and foreign animals or livestock and animal products.
- (2) Marketing as intended in paragraph (1) is prioritized to foster increased production and consumption of animal protein in realizing the availability of balanced nutritious food for the community while still improving the welfare of livestock business actors.
- (3) The export of animals or livestock and animal products to foreign countries as intended in shall paragraph (1) be conducted domestic if production and supply have met the needs of public consumption.

Article 36B

- (1) The import of livestock and animal products from abroad into the territory of the Unitary State of the Republic of Indonesia is conducted to meet public consumption.
- (2) Every person importing livestock as intended in paragraph (1) is obliged to fulfil the Business License from the Central Government.
- (3) The import of livestock from abroad must:a. meet the technical
- requirements of Animal Health;
- b. free from InfectiousAnimal Diseases as requiredby the Veterinary Authority;and
- c. comply with the statutory provisions in the field of Animal Quarantine.

Articles 36B, 36C are additional articles of Article 36.

Additional Articles 36B in the Job Creation Draft Bill legitimize the importation of livestock and animal products from abroad to fulfil consumption in society.

Such actions are also made easier for business actors/companies that have obtained permits from the Central Government.

- (4) The import of animals or livestock and animal products from abroad is carried out if the production and supply of domestic animals or livestock and animal products is not sufficient for public consumption.
- (5) The government is obliged to create a healthy business climate for animals or livestock and animal products.
- (4) Further provisions regarding the import of livestock and animal products as intended in paragraph (1) shall be regulated by a Government Regulation.

Article 36C

- (1) The import of imported ruminant livestock into the territory of the Unitary State of the Republic of Indonesia may come from a country that has met the requirements and procedures for importation.
- (2) Requirements and procedures for importing Ruminant breeders from abroad into the territory of the Unitary State of the Republic of Indonesia are determined based on a risk analysis in the field of Animal Health by the Veterinary Authority.
- (3) The import of Ruminant livestock originating from the zone as intended in paragraph (1), apart from fulfilling the provisions as intended in paragraph (2) must also:
- a. declare free ofCommunicable AnimalDisease in the country of

The standardization established for importing ruminants into Indonesia must refer to the standards set by the International. It could international be, standards are not in accordance with Indonesia's geographic location because the target consumers are different from those of other countries, especially Indonesia, most of its consumers are Muslim, so they must pay attention to the standards of halal and safety for local consumers.

origin by the veterinary authority of the country of origin in accordance with the provisions stipulated by the world animal health agency and recognized by the Indonesian Veterinary Authority; b. strengthen the surveillance system and implementation in the country; and c. determine a certain entry point.

- (4) Every person importing Ruminant livestock as intended in paragraph (1) is obliged to fulfil the Business License from the Central Government.
- (5) Further provisions regarding the import of ruminant livestock into the territory of the Unitary State of the Republic of Indonesia and Business License shall be regulated in a Government Regulation.

Article 37

(1) The government shall foster and facilitate the development of the animal product processing industry by *prioritizing the use of domestic raw materials*.

(2) The government fosters the implementation of a healthy partnership between the processing industry and breeders and/or cooperatives that produce animal products used as industrial raw

Article 37

The Central Government fosters and facilitates the development of the Animal Product processing industry by using raw materials that meet standards.

Article 37 of the Job Creation Draft Bill eliminates the phrase "prioritizing the use of domestic raw materials".

The removal of this provision has a negative impact on local products which must compete with global products. If there is no protection for domestic raw material products, it will weaken domestic competitiveness.

Article 54 (1) Provision of veterinary medicines is implemented by <i>prioritizing domestic production</i> .	Article 54 (1) Provision of veterinary drugs is implemented to fulfil the need for veterinary drugs.	Provision of veterinary medicines no longer prioritizes domestic production but must also be taken from abroad (read: imports). The Omnibus law of the Job Creation Draft Bill
referred to in paragraph (1) shall be carried out in accordance with the laws and regulations in the industrial sector, except for matters regulated in this Law. Article 52 (1) Anyone doing business in the field of manufacture, supply and/or distribution of veterinary medicines is required to have a business license in accordance with the provisions of laws and regulations. (2) Every person is prohibited from making, providing, and/or distributing veterinary medicines which: a. in the form of biological preparations whose disease does not exist in Indonesia; b. does not have a registration number; c. not labelled and marked; and d. does not meet quality standards. Article 54	Article 52 (1) Anyone doing business in the field of manufacture, supply and/or distribution of veterinary medicines is obliged to fulfil the Business License of the Central Government. (2) Every person is prohibited from making, providing, and/or distributing veterinary medicines which: a. in the form of biological preparations whose disease does not exist in Indonesia; b. does not have a registration number; c. not labelled and marked; and d. does not meet quality standards. (3) Further provisions regarding Business License as referred to in paragraph (1) shall be regulated in a Government Regulation. Article 54	,
materials. (3) Further provisions as		

- (2) In the case of veterinary medicines as intended in paragraph (1) cannot be produced or do not meet domestic needs, their supply can be fulfilled through foreign products.
- (3) The import of veterinary drugs for circulation into the territory of the Unitary State of the Republic of Indonesia must meet the requirements for circulation of veterinary drugs intended in Article 50 paragraph (1) and the statutory regulations in the field of quarantine.
- (4) The export of domestically produced veterinary medicines abroad must prioritize the national interest.
- (5) Further provisions regarding the import and export from and to abroad as referred to in paragraph (2), paragraph (3) and paragraph (4) shall be regulated in a Ministerial Regulation.

(2) Provision of veterinary medicines as intended in paragraph (1) can come from domestic production or from abroad.

- (3) The export of domestically produced veterinary medicines to foreign countries must comply with standards.
- (4) Further provisions regarding the import and export from and to abroad as referred to in paragraph (2), paragraph (3) and paragraph (4) shall be regulated in a Government Regulation.

further emphasizes the great opportunity for imports of domestic veterinary medicines.

Article 59

(1) Every person intending to import animal products into the territory of the Unitary State of the Republic of Indonesia must obtain an import permit from the minister concerned in the trade sector after obtaining a recommendation:

a. for fresh animal products

Article 59

(1) Every person intending to import Animal Products into the territory of the Unitary State of the Republic of Indonesia is obliged to fulfil Business Licensing from the Central Government.

This article reduces licensing related to the import of animal products to be replaced by a risk-analysis based business license from the Central Government.

- from the Minister; or b. for processed animal products from the head of the agency responsible for drug and food control and/or the Minister.
- (2) Fresh animal products imported into the territory of the Unitary State of the Republic of Indonesia as intended in paragraph (1) letter a must originate from animal product business units in a country or zone within a country that has met the requirements and procedures for the import of animal products.
- (3) Processed animal will products that be imported into the territory of the Unitary State of the Republic of Indonesia as referred to in paragraph (1) letter b, which still have the risk of spreading zoonoses that can threaten the health of humans, animals and the farming environment must obtain a recommendation from the Minister prior to the issuance of recommendation from the head of the agency responsible for food and drug control.
- (4) Requirements and procedures for importing animal products from abroad into the territory of the Unitary State of the Republic of Indonesia as intended in paragraphs (2) and (3) refer to

- (2) Requirements and procedures for importing Animal Products from abroad into the territory of the Unitary State of the Republic of Indonesia as intended in paragraph (1) refers to provisions based on risk-analysis in the field of Animal Health and Veterinary Public Health.
- (3) Further provisions regarding Business License as referred to in paragraph (1) shall be regulated in a Government Regulation.

international provisions or rules based on risk analysis in the field of animal health and veterinary public health. as well as prioritizing national interests.

(5) Further provisions regarding the requirements and procedures for the import of animal products into the territory of the Unitary State of the Republic of Indonesia as intended in paragraphs (1) to (4) are regulated by a Ministerial Regulation.

Article 60

Article 60

- (1) Every person who has an animal product business unit is obliged to submit an application to obtain a veterinary control number to *the provincial government* based on the guidelines stipulated by the Minister.
- (2) District/city regional government shall foster business units that produce and/or distribute animal products produced by household scale business units that have not met the requirements for a veterinary control number.
- (1) Every person who owns Animal Products business unit is obliged to fulfil Business License in the form of a veterinary control number issued by **the Central Government**.
- (2) Further provisions regarding Undertaking Licensing as referred to in paragraph (1) shall be regulated in a Government Regulation.

This article takes the authority of the Provincial Government to issue related permits veterinary control. This is because the authority is withdrawn and or taken over bν the Central Government. In fact. Regional Governments have regional autonomy regulate their respective regional affairs accordance with the provisions stated in Article 18 of the 1945 Constitution.

Article 62

(1) District/city regional government is obliged to own slaughterhouses that meet technical requirements.

Article 62

(1) District/city regional government is obliged to own slaughterhouses that meet technical requirements.

This article takes the authority of the Regency/Provincial Government to issue licenses related to *Slaughterhouses*. This because the authority is withdrawn and or taken over by the Central

- (2) The animal slaughterhouse as intended in paragraph (1) can be operated by any person after obtaining a business license from the regent/mayor.
- (3) Animal slaughterhouse business as intended in paragraph (2) must be conducted under the supervision of a veterinarian who is authorized in the field of veterinary public health supervision.
- (2) The animal slaughterhouse as intended in paragraph (1) can be operated by Every person after fulfilling the Business License from the Central Government.
- (3) Animal slaughterhouse business as intended in paragraph (2) must be carried out under the supervision of a veterinarian who is authorized in the field of veterinary public health supervision.
- (4) Further provisions regarding Slaughterhouse Business License as referred to in paragraph (2) shall be regulated in a Government Regulation.

Government.

In a matter of fact, Regional Governments have regional autonomy to regulate their respective regional affairs in accordance with the provisions stated in Article 18 of the 1945 Constitution

Article 69

- (1) Animal health services include veterinary laboratory services, veterinary examination and testing laboratory services, veterinary medical services, and/or services at animal health centres or animal health posts.
- (2) Every person doing business in the field of animal health services as intended in paragraph (1) must have a business license from the regent/mayor.

Article 69

- (1) Animal health services include veterinary laboratory services, veterinary examination and testing laboratory services, veterinary medical services, and/or services at animal health centres or animal health posts.
- (2) Every person doing business in the field of animal health service as intended in paragraph (1) must fulfil the Business License from the Central Government.
- (3) Further provisions regarding Business Licensing for animal health services as intended in paragraph (2)

article takes This the authority of the Regency/ Provincial Government to issue licenses related to business actors doing business in the field of animal health services. This is because the authority is withdrawn and or taken over by the Central Government.

In fact, Regional Governments have regional autonomy to regulate their respective regional affairs in accordance with the provisions stated in Article 18 of the 1945 Constitution.

	shall be regulated in a	
	Government Regulation.	
Article 72	Article 72	This article takes the
		authority of the Regency /
(1) Animal health workers	(1) Animal health workers	Provincial Government to
who provide animal health	who provide animal health	issue a license to practice
services are required to	services are <i>required</i> to	animal health. This is
have an animal health	fulfil Business License from	because the authority is
practice permit issued by the regent/mayor.	the Central Government.	withdrawn and or taken over by the Central
the regent/mayor.	(2) Foreign animal health	Government.
(2) In order to obtain an	workers may practice	Government.
animal health practice	animal health services in the	In fact, Regional
permission as intended in	territory of the Unitary	Governments have regional
paragraph (1), the animal	State of the Republic of	autonomy to regulate their
health worker concerned	Indonesia based on bilateral	respective regional affairs in
shall submit an application	or multilateral agreements	accordance with the
letter to obtain a practice	between Indonesian parties	provisions stated in Article
license to the regent/mayor	and foreign countries or	18 of the 1945 Constitution.
accompanied by a	<i>institutions</i> in accordance	Front le constant de la constant de
certificate of competence from the veterinary	with the provisions of laws and regulations.	Furthermore, foreign animal health workers are given
professional organization.	and regulations.	freedom to practice in the
professional organization.	(3) Further provisions	territory of the Republic of
(3) Foreign animal health	regarding Undertaking	Indonesia.
workers may practice	Licensing as referred to in	
animal health services in the	paragraph (1) shall be	
territory of the Unitary	regulated in a Government	
State of the Republic of	Regulation.	
Indonesia based on <i>bilateral</i>		
or multilateral agreements		
between the Indonesian		
<pre>party and foreign countries or institutions in</pre>		
accordance with the		
provisions of laws and		
regulations.		
	_	I

Article 84

(1) Apart from Investigating Officers of the State Police of the Republic of Indonesia, certain Civil Officials whose Servant of duties scope and responsibilities includes

Article 84

(1) Certain Civil Servant Investigating Officers within government agencies whose of duties scope and responsibilities are in the field of animal husbandry and animal health are given

The PPNS' authority excessive and unclear. Some of its powers are not regulated in accordance Criminal with Law Procedures Code, such as: taking pictures, recording, and taking legal actions deemed necessary.

animal husbandry and animal health are given special authority as investigators in accordance with the provisions of laws and regulations.

- (2) Certain Civil Servant Investigating Officers as referred to in paragraph (1) are given the authority to:
- a. conduct examination of the accuracy of reports or information relating to criminal acts in the field of husbandry and animal health;
- b. conduct examination of any person suspected of committing criminal offenses in the field of husbandry and animal health;
- c. request information and evidence from Every person in connection with a criminal event in the field of husbandry and animal health;
- d. conduct examination of books, records, and other documents relating to criminal offenses in the field of husbandry and animal health;
- e. conduct examinations in certain places where it is suspected that there is evidence of books, records and other documents and confiscate the results of violations which can be used as evidence in criminal cases in the field of animal husbandry and health; and/or

special authority as Civil Servant Investigators as referred to in the Criminal Procedure Code to carry out criminal investigations.

- (2) Certain Civil Servant Investigating Officers as referred to in paragraph (1) are given the authority to:
- a. conduct a research, search for and collect information in connection with a criminal act; b. receive reports or information about the existence of a criminal act; c. summon people to be heard and examined as witnesses and/or criminal suspects;
- d. to arrest and detain a person suspected of committing a criminal act; e. request information and evidence from the person suspected of committing a criminal act;
- f. take pictures and/or record through electronic media of people, goods, aircraft, or things that can be used as evidence of a criminal act;
- g. examine documentsrelated to a criminal act;h. take fingerprints andidentity of people;
- i. search certain places where criminal acts are suspected;
- j. confiscate objects that are strongly suspected of being used to commit a criminal act:
- k. isolate and secure goods

- f. request expert assistance in carrying out the task of investigating criminal acts in the field of husbandry and animal health.
- (3) The Civil Servant Investigator Officer as referred to in paragraph (1) notify shall the commencement of the investigation and submit the results of the investigation to the public prosecutor in accordance with the Criminal Procedure Code.
- and / or documents that can be used as evidence in connection with a criminal act;
- I. bring in expert witnesses needed in connection with the examination of a criminal case; m. stop the investigation process; n. request assistance from the State Police of the Republic of Indonesia or other agencies to handle criminal acts; and o. perform other actions according to applicable law.
- (3) The position of certain Civil Servant Investigating Officers as referred to in paragraph (2) shall be under the coordination and supervision of the State Police Investigators of the Republic of Indonesia.
- (4) Certain Civil Servant **Investigating** Officer Investigators as referred to in paragraph (3) shall notify the commencement of the investigation, report the results of the investigation and notify the public prosecutor of the termination of the investigation with a copy to the official of the State Police of the Republic of Indonesia.
- (5) In conducting the investigation as referred to in paragraph (1), certain Civil Servant Investigators may request assistance

from law enforcement officials.

Article 85

- (1) Every person who violates the provisions referred to in Article 9 paragraph (1), Article 11 paragraph (1), Article 13 paragraph (4), Article 15 paragraph (3), Article paragraph (2), Article 19 paragraph (1), Article 22 paragraph (1) or paragraph (2), Article 23, Article 24 paragraph (2), Article paragraph (1), Article 29 paragraph (3), Article 42 paragraph (5), Article 45 paragraph (1), Article 47 paragraph (2) or paragraph (3), Article 50 paragraph (3), Article 51 paragraph (2), Article 52 paragraph (1), Article 54 paragraph (3), Article 58 paragraph (5), Article 59 paragraph (2), Article 61 paragraph (1) or paragraph (2), Article 62 paragraph (2) or paragraph (3), Article 69 paragraph (2), and Article 72 paragraph (1) are subject to administrative sanctions.
- (2) Administrative sanctions as intended in paragraph (1) can be in the form of:
 a. written warning;
 b. temporary suspension from activities, production and/or distribution;
 c. revocation of registration number and withdrawal of veterinary drugs, feed, tools and machines, or animal products from circulation;

Article 85

- (1)Every person who violates the provisions referred to in Article 9 paragraph (1), Article 11 paragraph (1), Article 13 paragraph (4), Article 15 paragraph (3), Article 18 paragraph (2), Article 19 paragraph (1), Article 22 paragraph (1) or paragraph (2), Article 23, Article 24 paragraph (2), Article 25 paragraph (1), Article 29 paragraph (3), Article 42 paragraph (5), Article 45 paragraph (1), Article 47 paragraph (2) or paragraph (3), Article 50 paragraph (3), Article 51 paragraph (2), Article 52 paragraph (1), Article 54 paragraph (3), Article 58 paragraph (5), Article 59 paragraph (2), Article 61 paragraph (1) or paragraph (2), Article 62 paragraph (2) or paragraph (3), Article 69 paragraph (2), and Article 72 paragraph (1) subject are administrative sanctions.
- (2) Further provisions regarding the types, number of fines and procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated in a Government Regulation.

This article puts forward administrative sanctions in the form of fines for These lawbreakers. sanctions are also not spelled out in the Job Creation Draft Bill in detail. In fact, Article 85 of the Husbandry Animal previously explained in detail the types of administrative sanctions. However, the Job Creation Draft Bill was amended by removing the types administrative sanctions that would be regulated in a Government Regulation.

d. revocation of license; or e. imposition of fines.

Article 88

Every person who produces and/or distributes tools and machines without prioritizing safety and security for the users as intended in Article 24 paragraph (2) and/or has not been tested based on the provisions as intended in Article 24 paragraph (3) shall be punished with a minimum of 3 imprisonment. (three) months and a maximum of 11 (eleven) months and a fine of at least Rp.50,000,000 (fifty million rupiah) and a maximum of Rp.500,000,000 (five hundred million rupiah).

Article 88

- (1) Every person who produces and/or distributes tools and machines without prioritizing safety and security for the user as intended in Article 24 paragraph (2) and/or has not been tested based on the provisions as intended in Article 24 paragraph (3) subject shall be administrative sanctions in the form of a fine of at least Rp.50,000,000 (fifty million rupiah) and maximum of Rp.500,000,000 (five hundred million rupiah).
- (2) In the event that the perpetrator does not fulfil the obligation to fulfil the sanctions as referred to in paragraph (1), one will be subject to imprisonment for a minimum of 3 (three) months and a maximum of 11 (eleven) months.
- (3) Further provisions regarding the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated in a Government Regulation.

This article puts forward administrative sanctions in the form of fines.

Meanwhile, criminal sanctions are reserved for people who are unable to pay fines. This will benefit the offenders who have a lot of money (rich people), because one will not be subject to criminal sanctions while one can pay the fine. Meanwhile, those who are poor or who do not have money to pay a fine will be subject to criminal sanctions. It is clear that the fine will only benefit the wealthy rich.

Notes:

Articles amended in Law no. 18 of 2009 concerning Animal Husbandry and Animal Health, namely: Article 6, Article 13, Article 15, Article 16, Article 22, Article 29, Article 30, Article 37, Article 52, Article 59, Article 60, Article 62, Article 69, Article 72, Article 84, Article 85, Article 88.

Articles that were added, namely: Article 36B, Article 36C.

Articles Amended in Agricultural Sector

Articles in the Previous Law	The Omnibus Law	Analysis		
	Job Creation Draft Bill			
Law No. 22 of 2019 concerning Sustainable Agricultural Cultivation Systems				
(1) Every person is prohibited from converting the land which has been designated as an agricultural cultivation land. (2) In the case of public interest, the Agricultural cultivation land as referred to in paragraph (1) may be converted and implemented in accordance with the provisions of the statutory regulations.	(1) Every person is prohibited from converting the land which has been designated as an agricultural cultivation land. (2) In the case of public interest and/or national strategic projects, the Agricultural cultivation land as referred to in paragraph (1) may be converted and implemented in accordance with the provisions of the	Abolishing the provisions of paragraph (3) in the previous Sustainable Agricultural Cultivation System Law, this means that the conversion of agricultural land for public purposes overrides the requirements for strategic studies, the provision of replacement land for agricultural cultivation lands.		
(3) The conversion of land for agricultural cultivation for the public interest as referred to in paragraph (21 can only be conducted on the following conditions: a. conducting a strategic study; b. compiling a land conversion plan; c. freeing ownership rights from the owner; and d. providing replacement land for agricultural cultivation land.	(3) The change of function of agricultural cultivation land for public interest and/or national strategic projects as referred to in paragraph (2) implemented on agricultural land which already has a complete irrigation network is obliged to maintain a complete irrigation network function.			
(4) The change of function of land for cultivation of Agriculture for the public interest as referred to in paragraph (2) is excluded from agricultural land which already has a complete irrigation network.				

Article 32

- (1) Procurement of superior seeds through importing from abroad as referred to in Article 31 paragraph (1) shall be conducted after obtaining permission from the Minister.
- (2) The release of superior seeds from the territory of the Republic of Indonesia can be conducted by government agencies, farmers or business actors based on a license.
- (3) Further provisions regarding the import permit as intended in paragraph (1) and the export permit as intended in paragraph (2) shall be regulated in a **Ministerial Regulation**.

Article 32

- 1) Procurement of superior seeds through importing from abroad as referred to in Article 31 paragraph (1) shall be conducted after obtaining Business Licensing from the Central Government.
- (2) Business actors may export superior seeds from the territory of the Republic of Indonesia based on business licenses from the central government.
- (3) In the case importation from abroad as intended in paragraph (1) and exclusion of superior seeds from the territory of the Republic of Indonesia as intended in paragraph (2) are conducted by government agencies, must obtain approval from the Central Government.
- (4) Further provisions regarding Undertaking Licensing as referred to in paragraph (1) and paragraph (2) shall be regulated in a Government Regulation.

import of superior The seeds from abroad to Indonesian territory is increasingly wide open. However, there are restrictions on releasing superior seeds that can only be carried out by business actors, because Article 32 of the Job Creation Draft Bill is abolished by farmers, even the government is not allowed to export seeds abroad. Only business actors are allowed.

Article 43

The export of plants, plant seeds, animal seeds, animal seedlings, and animals from the territory of the Republic Indonesia of can conducted by everyone if domestic needs have been fulfilled bν obtaining permission from the Minister.

Article 43

The export of plants, plant seeds, animal seeds, animal seeds, animal seedlings, and animals from the territory of the Republic of Indonesia can be conducted by everyone if domestic needs have been fulfilled after obtaining a business license from the central government.

Article 44

- (1) The import of plants, plant seeds, animal seedlings, and animals from abroad can be done for:
- a. increasing the quality and genetic diversity;
- b. developing science and technology; and / or
- c. meeting domestic needs.
- (2) Import as intended in paragraph (1) must meet quality standards.
- (3) Any person who makes the import as intended in paragraph (1) must obtain a permit from **the Minister**.

Article 44

- (1) The import of plants, plant seeds, animal seeds, and animals from abroad can be done for:
- a. increasing the quality and genetic diversity;
- b. developing science and technology; and / or
- c. meeting domestic needs.
- (2) The import as intended in paragraph (1) must fulfil the requirements.
- (3) Any person making the import as referred to in paragraph (1) must fulfill the Business License from the Central Government.
- (4) If the import as intended in paragraph (1) is carried out by the government, it must obtain approval from the Central Government.

Adding 1 (one) paragraph in Article 44, namely paragraph (4) which regulates licensing can only be approved by the Central Government.

This article also legalizes the import of plant, animal and animal seeds from abroad to meet domestic needs. In Article 44 of the previous Sustainable Agricultural Cultivation System Law there was an exception if no seeds or seeds were found in the country. However, Article 44 of the Job Creation Draft Bill has eliminated this exception, which in turn opens wide for seed imports to meet domestic needs.

Article 86

- (1) Every person as intended in Article 84 paragraph (1) conducting Agricultural Cultivation Business on a certain scale must have a license.
- (2) The Central Government and Regional Governments in accordance with their respective authorities are prohibited from granting Agricultural Cultivation Business licenses as referred to in paragraph (1) on the customary land rights of

Article 86

- (1) Every person as intended in Article 84 paragraph (1) conducting Agricultural Cultivation Business on a certain scale must fulfil Business Licensing from the Central Government.
- (2) The Central Government is prohibited from granting Business Licensing related to Agricultural Cultivation Business as referred to in paragraph (1) on the customary land rights of customary communities.

The customary land rights of customary law communities are verv susceptible to being turned into agricultural cultivation businesses, this is possible in Article 86 if the land has received approval from the customary law community and business actors. In practice, it is necessary to protect the environmental ecosystem and the customary land rights of customary communities, it important very to preserve its existence. Instead of being used as

land customary law commercial to be communities. (3) exploited only with The prohibition the provisions as referred to in consent of both parties. (3) The prohibition paragraph (2) shall provisions as referred to in exempted in the event that paragraph (2) shall an agreement has been exempted in the event that reached between the an agreement has been customary law community reached between and the Business Actor. the customary law community and the Business Actor. Article 102 Article 102 (1) Agricultural information (1) Agricultural information system includes collection, system includes collection, processing, analyzing, processing, analyzing, storage, presentation and storage, presentation and dissemination of data on dissemination of data on the Sustainable Agricultural the Sustainable Agricultural Cultivation System. Cultivation System. (2) The Central Government (2) The Central Government and Regional Governments is obliged to build, compile in accordance with their and develop an integrated respective authorities are information Agricultural obliged to build, compile system. and develop an integrated information Agricultural (3) The information system system. as referred to in paragraph (1) shall at least be used for (3) The information system the following purposes: as referred to in paragraph a. planning b. monitoring and (1) shall at least be used for the following purposes: evaluation; a. planning c. management of supply b. monitoring and and demand for agricultural evaluation; products; and c. management of supply d. investment and demand for agricultural considerations. products; and d. investment (4) The obligations of the considerations. central government meant in paragraph (2) are (4) The obligations of the carried out by the data and information center. central government and regional governments as

meant in paragraph (21) are

(5)

The

data

and

carried out by the data and information center.

- (5) The data and information center as referred to in paragraph (4) is obliged to update the data and information on the Sustainable Agricultural Cultivation System accurately can and be accessed by the public.
- (6) Data and information as referred to in paragraph (5) can be accessed easily and quickly by Business Actors and the public.
- (7) Further provisions regarding the information system shall be regulated in a Ministerial Regulation.

information center as referred to in paragraph (4) is obliged to update the data and information on the Sustainable Agricultural Cultivation System accurately and can be accessed by the public.

- (6) Data and information as referred to in paragraph (5) can be accessed easily and quickly by Business Actors and the public.
- (7) Further provisions regarding the information system shall be regulated in a **Government Regulation**.

Article 108

(1) Administrative sanctions are imposed on:

- a. **Every person** who violates the provisions referred to in Article 20 paragraph (3), Article 28 paragraph (3), Article 44 paragraph (2), Article 44 paragraph (3), Article 66 paragraph (3), Article 71 paragraph (3), Article 76 paragraph (3), and Article 79;
- b. Farmers and/or Business Actors who violate the provisions as intended in Article 15 paragraph (2), Article 18 paragraph (2), Article 32 paragraph (1), and Article 32 paragraph

Article 108

- (1) Administrative sanctions are imposed on:
- a. **Every person** who violates the provisions referred to in Article 20 paragraph (3), Article 28 paragraph (3), Article 43, Article 44 paragraph (2) and paragraph (3), Article 66 paragraph (2), Article 71 paragraph (3), Article 76 paragraph (3), and Article 79;
- b. Business actors and/or government agencies that violate the provisions referred to in Article 15 paragraph (2), Article 18 paragraph (2), Article 32 paragraph (1), paragraph (2)

Every person is an individual or legal entity or non-legal entity. This means that farmers are included in the category of individual persons who can be subject to administrative sanctions. Article 108 of the Job Creation Draft Bill eliminates 1 (one) paragraph in Article 108, namely the details of the types administrative of sanctions.

- (2); and
- c. Producers and/or distributors who violate the provisions as intended in Article 78 paragraph (1).
- (2) The administrative sanctions as intended in paragraph (1) can be in the form of:
- a. written warning;
- b. administrative fines;
- c. temporary cessation of business activities;
- d. withdrawal of products from circulation;
- e. revocation of license;and/orf. business closure.
- (3) Further provisions regarding the procedures for the imposition of sanctions and the number of administrative fines as referred to in paragraph (2) shall be regulated in a Government Regulation.

and paragraph (3); and

- c. Producers and/or distributors who violate the provisions as intended in Article 78 paragraph (1).
- (2) Further provisions regarding the types and procedures for the imposition of administrative sanctions as referred to in paragraph (1) shall be regulated in a Government Regulation.

Article 111

Business actors who use customary land rights who conduct do not deliberations with the customary law community who hold customary rights to obtain the approval as referred to in Article 22, shall be punished with imprisonment of up to 7 (seven) vears and maximum fine of Rp 5,000,000,000 (five billion rupiah).

Article 111

- (1) Business actors using customary land rights who not conduct do deliberations with the customary law community holders of customary rights to obtain the approval as referred to in Article 22, be subject shall administrative sanctions in the form of a maximum fine of Rp.5,000,000,000 (five billion rupiah).
- (2) In the event that the

Criminal provisions are only applied if the Business Actor does not carry out a fine.

This article puts forward administrative sanctions in the form of fines. Meanwhile, criminal sanctions are reserved for people who are unable to pay fines. This will benefit the offenders who have a lot of money (rich people), because one will not be subject to criminal sanctions while one can pay the fine. Meanwhile, those who are

perpetrator does not
perform the obligation to
fulfil the sanctions as
referred to in paragraph
(1), he will be punished
with imprisonment for a
maximum of 7 (seven)
years.

poor or who do not have money to pay a fine will be subject to criminal sanctions. It is clear that the fine will only benefit the rich.

Notes:

Articles amended in Law no. 22 of 2019 concerning Sustainable Agricultural Cultivation System, namely: Article 19, Article 32, Article 43, Article 44, Article 86, Article 102, Article 107, Article 108, Article 111.

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