

**WORKING GROUPS
BROCHURE**



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**EUROPEAN BUSINESS CHAMBER
OF COMMERCE IN INDONESIA**



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The European Business Chamber of Commerce in Indonesia



The European Business Chamber of Commerce in Indonesia (EuroCham) is a member-based non-profit organization that promotes and supports European business interests across the archipelago by seeking better market access and an improved business environment in Indonesia for European companies. To keep up with the developments in this rapidly expanding economy, a collective voice from the international business community strengthens future dialogue on upcoming legislation with elected lawmakers and other stakeholders. Through EuroCham, European business is provided with an effective communication and advocacy channel.

EuroCham directly represents over 170 European member companies and organizations in Indonesia, many being the major investors in their respective sector. Members are mainly large, but also medium and small enterprises from a wide variety of industry sectors.

The Working Groups



Recommendations and advocacy activities are shaped through EuroCham's Sector Working Groups. The Working Groups aim to provide a platform for discussion and information sharing; to present an accurate assessment of rules and regulations and their impact; to be a consultation partner for the Indonesian government and other stakeholders; to promote the added value of European business and technology to Indonesia; to stimulate European investments; and thus to improve the business and investment climate in Indonesia in order to facilitate the growth and development of the economy.

The Working Groups meet regularly to discuss issues concerning their specific industries. Members elect Heads and Deputy Heads of Working Groups. Each Working Group is assigned to a researcher at the EuroCham secretariat. This researcher assists the Head and Deputy Head of the Working Group where necessary; contributes regulation specific knowledge to the Working Group meetings; informs Working Group members of regulatory developments; and coordinates with other researchers at the Secretariat, the General Manager, the Executive Board of EuroCham, and other stakeholders such as other foreign business chambers, to ensure the Working Group cooperate and jointly benefits from the wide network that the organization has.

Each Working Group sets up annual working plans. These plans may include requests for impact assessments, a list of stakeholders with whom contact should be made, possible events that need to be organized and the rules and regulations that the Working Group members assess are the most important, relevant and useful ones to focus on in the coming months or year ahead.

EuroCham's Working Groups produce Annual Position Papers that address regulatory issues that affect the operations and expansion of European companies within their respective industries, as well as market entry and market access matters that may be relevant to European companies. The papers serve to keep stakeholders informed about Indonesia's business environment and present accurate sector assessments.

In this brochure, EuroCham's Working Groups are explained further. If member companies seek to set up a new Working Group this is very much possible though it will depend on the interest of other member companies to join.

Discussion-based Working Groups

These Working Groups hold regular meetings to discuss relevant market access issues, regulations and plans for action. They may also host seminars, briefings, and invite guest speakers for presentations that are beneficial to the working of the Working Groups. The meetings are closed to members of the Working Group unless it is decided by members to extend the invitation to other EuroCham members or non-members.

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|------------------------------------|-----------------------------|
| 1. Agriculture, Food and Beverages | 7. Infrastructure |
| 2. Automotive | 8. Pharmaceutical |
| 3. Cosmetics | 9. Retail |
| 4. Energy | 10. Tax and Investment |
| 5. Finance and Human Resources | 11. Tobacco |
| 6. Import-Export Procedures | 12. Transport and Logistics |

Seminar-based Working Groups



These Working Groups host seminars, briefings, and invite guest speakers for presentations that focus on developments in their areas. These events are often open to all members of EuroCham, across all sectors, and non-members may be invited as well.

13. Intellectual Property Rights
14. Property
15. Security
16. Sustainable Development

Upcoming Working Groups



These Working Groups are to be established in the near future. Interested members are invited to join the group and develop its activities. The aim is to allow EuroCham members to discuss and formulate the best way to approach investment policy and recently issued regulations in the specific sectors as follows:

17. Chemical
18. Corporate Social Responsibility
19. Financial Services

Potential Working Groups



There are two working groups that EuroCham may consider establishing if there were to be enough interest from members:

- Defense or Aerospace
- Information and Technology

Agriculture, Food and Beverages

The Agriculture, Food and Beverages Working Group was founded in July 2013. Currently, 10 member companies form this Working Group, including food processing, beverages, horticulture and dairy companies. The Working Group covers broad areas of the food supply chain and aims to play a role in encouraging a joint approach in achieving Indonesia's goals of food security, economic opportunity and environmental sustainability. The Head of the Working Group is Ms. Astri Wahyuni from Unilever Indonesia.

Topics discussed in this Working Group are the implementation of the Food Law, the Horticulture Law, Health Warnings, Import Quotas, the Negative Investment List, preclearance issues, labeling obligations, and the supervision of alcohol beverages. The Working Group held a seminar on sustainable sourcing in the framework of EuroCham's Green Seminar Series. It cooperates with other local and foreign associations such as the Partnership for Indonesia Sustainable Agriculture (PISAgro), the Indonesian Food and Beverage Association (GAPMMI), and Croplife Asia.

Automotive

The Automotive Working Group was established in 2009 and currently consists of major European automotive manufacturers and suppliers active in Indonesia. To date, 16 member companies form this Working Group, including automotive, component and certification companies. The Head of the Working Group is Mr. Ary Tjahyono, Mercedes-Benz.

The Working Group addresses the revision of the new Incomplete Knocked-Down (IKD) scheme, the Low Carbon Emission Program, harmonization and strengthening of the ASEAN automotive market in relation to ASEAN Economic Community 2015, the United Nations Economic Commission for Europe (UNECE) standards and the implementation of Indonesian National Standards (SNI), as well as Income Tax Facilities for Investment.

In its meetings, the group invites relevant agencies such as the National Standardization Agency (BSN) to discuss the Draft Law on Standardization and Conformity Assessment and PT Pertamina to discuss Pertamina's Bio-fuel roadmap, and the Chairman of the Indonesia Investment Coordinating Board (BKPM). The Working Group strongly supports the Comprehensive Economic Partnership Agreement (CEPA) between the European Union (EU) and Indonesia and participated in 4th EU-Indonesia Business Dialogue in 2013. It has a close relationship with the Association of Indonesia Automotive Industries (GAIKINDO).

Cosmetic



The Cosmetics Working Group was formed as a separate Working Group in February 2013. The Head of the Cosmetic Working Group is Mr. Arry Wibowo, Oriflame.

Main issues covered by the group include import procedures and the National Agency of Drug and Food Control (BPOM) product notification, labeling requirements, the Draft Law on Halal Product Guarantee, pre-shipment verification and additional requirements set by regulations on the import of certain products by the Minister of Trade.

The group has met the Coordinating Ministry for Economic Affairs to discuss the implementation of the Minister of Trade Regulation No. 61/2013 on Import Provisions on Certain Goods. For this Regulation, there has also been frequent contact with the Assistant Deputy for Foreign Trade and Tourism, representatives from National Logistics System (SISLOGNAS), the National Agency of Drugs and Foods Controls (BPOM), and the Ministry of Trade and Ministry of Industry. The group works in close cooperation with BPOM and the Director General for Manufacturing Based Industry at the Ministry of Industry.

Energy



The Energy Working Group was founded in April 2013. Its members cover all areas of the energy sector, including exploration, production, refining, trading, infrastructure and power industries. The Head of the Working Group is Mr. Markus Lorenzini from Siemens, who also represents the power sector. The group has two Deputy Heads, namely Mr. Thomas Wagner from Austindo Aufwind for Renewable Energy sector and Mr. Francois Borgida from Total for Oil and Gas sector.

The Working Group discusses Indonesia's energy policy and challenges and opportunities in the energy sector, as well as land permits, cost recovery and permits, sustainable gas pricing, readiness of gas infrastructure, limitation of expatriate support, local content requirements, and domestic company participation requirement.

The Working Group meets about eight times a year. Apart from internal working meeting, every other month the Working Group invites external speakers such as from the Indonesia Investment Coordinating Board (BKPM), the World Bank, the European Union (EU) Delegation, the EU-Indonesia Trade Cooperation Facility and PwC. The group has visited the National Energy Council and Ministry of Finance and contacted the President's Delivery Unit for Development Monitoring and Oversight (UKP4) and the Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas).

Finance and Human Resource

Established in mid-2006, the Finance and Human Resource (HR) Working Group brings together finance and human resource directors of European companies in Indonesia. The Head of the Finance and HR Working Group is Mr. Ian Colley, South Pacific Viscose, and the Deputy Head is Mr. Prawira Atmadja, BASF.

The Working Group discusses issues such as recent labor policies (outsourcing, minimum wage, social security program for workers), the general economic outlook, transfer pricing, foreign currency law, tax policy and energy prices. The group has contacts with the Ministry of Manpower and Transmigration, the Ministry of Finance, Bank Indonesia, Indonesia's Employers Association (APINDO) and the Outsourcing Association (ABADI).

The Working Group is reaching out and working on closely cooperating with the Ministry of Industry, the Social Security Agency for Workers (BPJS Ketenagakerjaan), the Social Security Agency for Health (BPJS Kesehatan), and the Ministry of Energy and Mineral Resources. The Working Group has initiated cooperation and discussion with other foreign chambers in Indonesia on the implementation of outsourcing regulation and new electricity tariffs. Thus there is close contact with the American Chamber of Commerce, the Indonesia Australia Business Council, the Indonesia Canada Chamber of Commerce, the Jakarta Japan Club, and Korean Chamber of Commerce.

Import - Export Procedures

The Import-Export Procedures Working Group was established in 2008 and consists of various European companies in different business sectors. The Head of the Working Group is Mr. Rachmat Hidayat from Danone.

The Working Group discusses Import-Export Procedures in general, though with a focus on the eradication of non-tariff and technical barriers to trade, harmonization of standards, improvement of customs procedures and other requirements that may increase the cost of trade. The implementation of the Indonesian National Single Window, Pre-shipment inspection, Labeling Obligations, Customs Clearance and Dwelling Time, and Integrated Port and Logistic Facilities are topics handled by this Working Group.

Stakeholders participating in Working Group meetings may be the Directorate General of Customs and Excise, Customs, the Indonesia Investment Coordinating Board (BKPM), the National Agency of Drug and Food Control (BPOM), the Ministry of Trade and the Ministry of Industry. The Working Group has a strong relationship with the Debottlenecking Team of the Coordinating Ministry for Economic Affairs and has conducted numerous Public-Private Consultation meetings.

Infrastructure



The Infrastructure Working Group meetings are typically attended by more than 20 member companies and embassies that deal with infrastructure-related issues. The Head of the Working Group is Mr. Scott Younger from Nusantara Infrastructure.

The work of the Infrastructure Working Group focuses on issues related to energy infrastructure, toll roads, airports, railroads, water and sanitation, and sea ports. Transportation in Jakarta, the MRT and the development of infrastructure finance in Indonesia are topics of discussion, and the Working Group cooperates with stakeholders such as Indonesia Infrastructure Finance.

Pharmaceutical



The Pharmaceutical Working Group was formed in 2008 and has 18 member companies representing various aspects of the pharmaceutical industry. The Head of the Pharmaceutical Working Group is Ms. Hanum Yahya, Sanofi.

The Working Group discusses the Negative Investment List, the Industry Law, the Draft Law on Halal Product Guarantee, Indonesian National Standards (SNI), Marketing Practices, the Draft Law on Pharmaceutical Supply, Medical Devices, and Household Health Supply.

As an example of the activities of the Working Group, discussions were held on the Draft Law of Standardization and Conformity Assessment with the Head of the National Agency of Drugs and Foods Controls (BPOM), and the group met with the Minister of Health to talk about various regulations related to the Pharmaceutical industry. The group participated in 4th European Union-Indonesia Business Dialogue in 2013 in Jakarta.

Retail



The Retail Working Group was established in 2013. Its members vary from retail fashion companies, furniture retailer companies, supermarket companies, to information technology service companies. The Head of the Working Group is Mr. Tony Mampuk, IKEA Indonesia.

The Working Group discusses the Minister of Trade Regulation No. 70/2013 on Traditional Markets, Shopping Centers and Modern Stores (70/2013 Regulation), stipulations on composition of local goods and imported goods, the Indonesia National Standard (SNI) Procedure, Labeling, the Negative Investment List, and private labels.

In collaboration with the Ministry of Trade and the Indonesian Retail Merchants Association (APRINDO), the Working Group is planning to co-host a socialization forum on 70/2013 Regulation, as a platform for policy dialogue between foreign retailers and the Government of Indonesia.

Tax and Investment



The Tax and Investment Working Group was established as a forum for European businesses to discuss various legal, tax and investment topics. Given the significant of these subjects to international business, all EuroCham members are considered members of this Working Group. Consequently, the Working Group consists of companies from various business sectors. The Head of the Tax and Investment Working Group is Mr. Clifford D. Rees, PwC, and the Deputy Head is Mr. Graham Garven, VDB Loi.

The Working Group discusses tax updates, transfer pricing, tax refund, customs updates, minimum investment requirement, the Negative Investment List, as well as Bilateral Investment Treaties (BITs). The Working Group also undertaken advocacy work with the Indonesia Investment Coordinating Board (BKPM) and the Directorate General of Taxes, and the Working Group supports embassy's tax event, such as the Swedish Tax Forum, as well as various investment briefing with provincial governments, such as Bangka Belitung and Riau Islands.

The Working Group was established in 2007 and typically meets every three or four months.

Transport and Logistics



The Transport and Logistics Working Group consists of freight forwarding companies, express delivery services companies, airlines and shipping companies. The Working Group meets every one or two months and has 18 participating companies. The Head of the Working Group is Ms. Asa Larsson, DHL Global Forwarding.

The topics of discussion cover the Negative Investment List, Preclearance Time, Inward Cargo Manifest, facility requirements for temporary bonded warehouse, and plans to increase terminal and container handling costs. It cooperates closely with the Import-Export Procedures Working Group on topics such as pre-shipment inspection procedures.

The group has good contacts with the Debottlenecking Team from the Coordinating Ministry for Economic Affairs, holds public-private consultation on ocean cargo delay and provides inputs to the Indonesian Logistics and Freight Forwarders Association (ILFA) on Standard Trading Conditions (STC) for Multimodal Transport. The Working Group did a survey and provided inputs for the development of Logistics Community College and is planning to conduct a study on best practices in regulating the logistics sector.

Tobacco



EuroCham kicked off the Tobacco Working Group in 2009 out of Surabaya, where many of the manufacturers are located. Its members are generally large cigarette companies in Indonesia. The Head of the Working Group is Mr. Michael Olsson from BMOLsson.

The Working Group voices its concerns regarding a number of regulations issued primarily from the Minister of Finance including excise duties, the cap on permitted promotional expenses, and the implementation of the new VAT law as well as cooperation with customs related to the activities in the bonded zones where manufacturing is taking place. The group also discusses the Draft Law on Tobacco, health warning obligations, taxes and excises, and preclearance requirements. The Working Group aims to discuss the tobacco industry with stakeholders such as the Ministry of Trade, the Ministry of Industry, the Coordinating Minister for People's Welfare, the Ministry of Social Affairs, and the National Agency of Drugs and Foods Controls (BPOM).

Intellectual Property Rights



Established in 2006, the Intellectual Property Rights (IPR) Working Group members represent a wide variety of industries, from consumer goods companies, pharmaceutical companies and law firms, to automotive companies and European embassies. The Head of the IPR Working Group is Mr. Kin Wah Chow, Rouse.

Main issues covered by the IPR Working Group include protection and enforcement of intellectual property rights in Indonesia, border protection in challenging jurisdictions, bad faith registrations of well-known marks (counterfeited products) and patents.

The Working Group has a good relationship with the Directorate General of IPR, with whom the draft version of the new Trade Mark law is discussed, and the Directorate General for Customs and Excise, with whom enforcement of IPR is a topic of discussion.

Property



The Property Working Group was established in December 2008. The members of the Working Group are European developers, building managements, and property consultants in Jakarta. The Head of the Working Group is Mr. Todd Lauchlan from Jones Lang LaSalle.

As an events based Working Group, the Property Working Group periodically organizes events to update members on property sales, usually of the last 4 months, and other property issues such as green building initiatives, eco-label and green-label requirements, standard requirements, and the ASEAN Economic Community.

The Working Group cooperates with and consults other associations such as the Green Building Council Indonesia, the National Association of Indonesian Consultant/INKINDO and the International Finance Corporation (IFC) on Jakarta property market updates, overviews of current project from property owners, and green concepts.

Security



The Security Working Group was established in August 2007. Active in the group are companies, organisations and embassies that want to get an update on the security situation, insight into recent trends and solutions in work place safety and health issues, and have a platform to discuss health, safety and security issues faced daily. The Head of the Working Group is Mr. Michael Olsson from BMOlsson.

The Working Group addresses health, safety and security related issues, and discusses problems on private security and company security, workplace health and safety, and related issues. What is unique about the Security Working Group is the fact that many European Embassies actively participate by sharing experiences and information with the business community.

Sustainable Development



Established in July 2008, the Sustainable Development Working Group regularly holds meetings attended by over 20 member companies in the environmental consulting business, renewable energy companies, manufacturers and embassies. Members are mostly private sector businesses. The Head of the Working Group is Mr. Nicolas Pitet, TÜV Rheinland.

The group examines ways to promote sustainable or alternative energy strategies. For example, in the transportation sector the Working Group aims to influence the regulatory framework guiding land use and supports economic measures such as the carbon credits market. Efforts are made to reduce greenhouse gas (gHg) emissions and improve policy that deals with the effects of climate change. The group also aims to identify opportunities for European companies to apply green technologies.

Several seminar are organized on topics as the Green Economy, Opportunities in Indonesia's Green Economy, Green Building, Human Rights and Social Compliance Audits.

Chemical



To establish the Chemical Working Group, EuroCham is inviting interested members to join the Chemical Working Group and participate in its activities. The Working Group will serve as a forum to discuss and exchange technical information on specific issues. The Working Group will also aim to act as a lobbying group for European chemical companies in Indonesia.

Corporate Social Responsibility



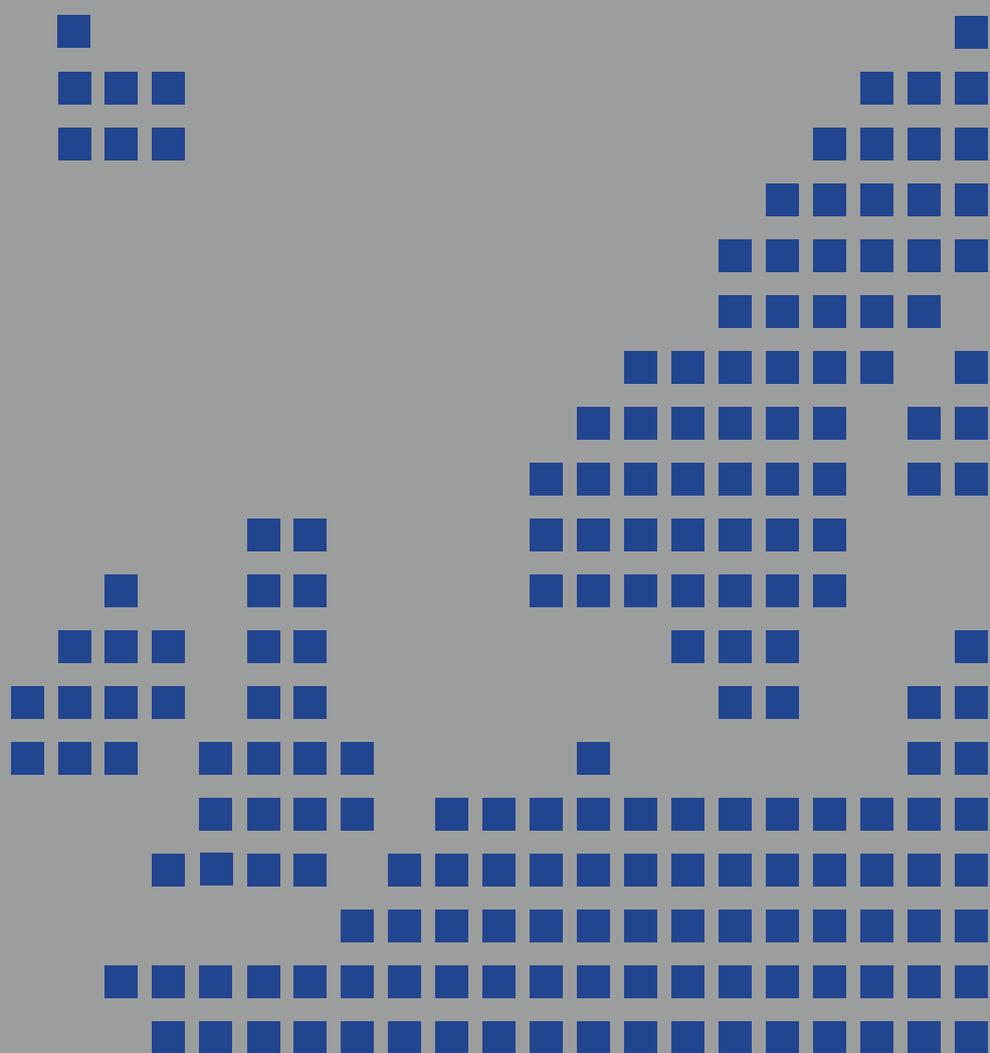
EuroCham is currently establishing the Corporate Social Responsibility (CSR) Working Group. Interested members are invited to join the group and develop its activities. The aim is to allow members to share their best practices in CSR, learn from experts, and provide updates on regulatory changes and studies.

A long-term corporate strategy that is based on integrity and social values will positively affect society and corporations and improve sustainability and competitiveness. The Working Group may utilize CSR activities as a concerted public relations tool to improve the image of European companies in Indonesia through a series of public events and publications.

Financial Services



Currently being established, the Financial Services Working Group is open to all EuroCham members who are interested to join and participate in its activities. The Working Group is intended to serve as a forum for its members to discuss recent policies relevant to financial service industry in Indonesia, including banking and non-banking financial institutions.



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