Part 3
Schedule of Indonesia

Article B10

Section 1 of Part 3 of Annex 1 to the Agreement shall be amended as follows:

1. By deleting expressions "a serial number from 1 through 15" and "Section 2" in the chapeau and replacing them respectively by the expressions "a serial number from 1 through 15A" and "Sections 2 and 3";

2. By deleting the expression "the approved manufacturers and approved steel service centers" in subparagraph 2(a)(i) and replacing it by the expression "the approved manufacturers, approved steel service centers and approved supporting industry";

3. By inserting the following new paragraph immediately after paragraph 2:

"2A. As from the date of entry into force of the Protocol, in the case of the originating goods which are determined by the relevant authority of Indonesia as fulfilling the conditions set out in subparagraph 2(a)(i) or (ii) upon importation but which are found not to satisfy the requirement of product specification referred to in subparagraph 2(a)(i) after importation, the following rate of customs duty shall be applied:

(a) For importation of such originating goods up to 65 percent of the aggregate volume of such originating goods to Indonesia in the previous year: 5.25 percent; and

(b) For importation of such originating goods exceeding the aggregate volume referred to in subparagraph (a): the most-favored-nation applied rate in effect at the time of importation."; and

4. By inserting the following new paragraph immediately after paragraph 15:

"15A. (a) A tariff rate quota shall be applied in accordance with the following:

(i) From the first year to the fifth year, the aggregate quota quantity shall be 8,500 metric tons for each year;

(ii) The in-quota rate of customs duty shall be Rp.450/kg;

(iii) For the purposes of subparagraphs (i) and (ii), the tariff rate quota shall be implemented through a certificate of tariff rate quota issued by the importing Party. The tariff rate quota shall be administered by the importing Party and the aggregate quota quantity shall be allocated by the importing Party; and

(iv) In accordance with paragraph 2 of Article 20, the Parties shall negotiate, in the fifth year, on the aggregate quota quantity thereafter. In the absence of agreement between the Parties and until such an agreement is reached as a result of the negotiations, the aggregate quota quantity provided for in subparagraph (i) shall be applied.

(b) The rate of customs duty applied to originating goods other than those imported under the tariff rate quota shall be the most-favoured-nation applied rate.

(c) The in-quota rate referred to in subparagraph (a)(ii) may be subject to margin operational fee of up to five percent by Indonesian state-owned enterprises, designated companies or their successor."

Article B11

Part 3 of Annex 1 to the Agreement shall be amended as follows:

1. By inserting the following heading of a new Section immediately after Section 2:

"Section 3
Schedule of Indonesia Modifying Tariff Commitments provided for in Schedule in Section 2"; and

2. By inserting the following immediately after the heading of new Section 3: