



## THE ANALYSIS OF THE JAPAN-INDONESIA FTA COVERAGE RATES IN YEAR 2014

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### ABSTRACT

*In this paper, the Japan-Indonesia FTA coverage rates in year 2014 are calculated and analysed. The coverage rate can be defined as the proportion of dutiable imports from FTA members that are eligible for preferential treatment. The scope of the analysis is limited to the top 200 commodities at the HS 9-digit level in year 2014 between both countries. The results show that, if we focus only on the bilateral trade between Japan and Indonesia in year 2014, the FTA benefits Japan more than Indonesia. The results also show that there are still many dutiable tariff lines that can be put into negotiations during the review process of the Japan-Indonesia EPA.*

**Keywords:** Economic Partnership Agreement (EPA), Free Trade Agreement (FTA), coverage rate

### **1. Introduction**

Japan and Indonesia have signed economic partnership agreement (EPA) in August 2007, which includes free trade agreement (FTA). Studies on the impacts of the Japan-Indonesia EPA/FTA have been conducted, and previous studies show that both countries may receive some benefits from the EPA/FTA [1,2,3]. However, if we focus only on the bilateral trade value between Japan and Indonesia in year 2014, Indonesia does not seem to enjoy any benefit from the FTA with Japan (see Figure 1). Japan's imports from Indonesia in year 2014 is US\$ 25.78 billion. It is 2.8% lower than the import value in year 2007 when the EPA was

signed, which is US\$ 26,5 billion. On the other hand, Indonesia's imports from Japan in year 2014 is US\$ 17 billion. It is 160.6% higher than the import value in year 2007, which is only US\$ 6.5 billion. This year, several meetings have been held by both countries' negotiators to review the Japan-Indonesia EPA.

In this study, the author aims to analyse the Japan-Indonesia FTA coverage rates in year 2014. The coverage rate can be defined as the proportion of dutiable imports from FTA members that are eligible for preferential treatment [4]. Dutiable imports are those imports on which the MFN tariffs are more than zero. The higher the ratio of dutiable imports eligible for preferences to total dutiable imports, the wider the scope of the FTA. To limit the scope of the analysis study, this study uses only the top 200 commodities at the HS 9-digit level in year 2014 between both countries.

The structure of this paper is as follows. Section 2 and Section 3 describe the calculation and the analysis of the coverage rates, respectively. Section 4 states the conclusions drawn from this study.

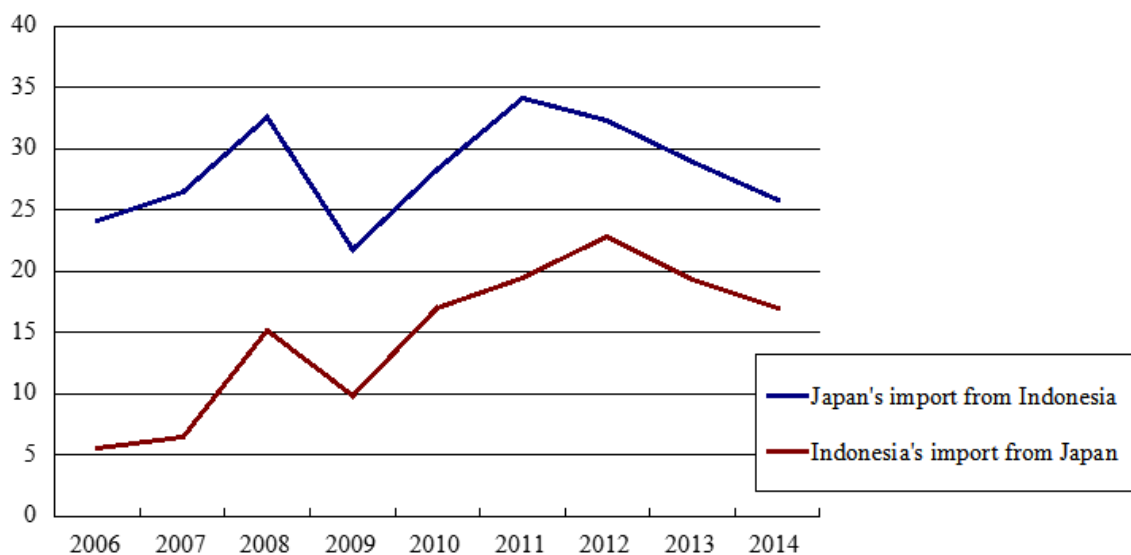


Figure 1: Import Value between Japan and Indonesia (2006-2014) (in Billion USD)

Source: International Trade Center (ITC) (Processed)

## 2. The Calculation of the Coverage Rate

The formula for the coverage rate is:

$$\text{Coverage Rate} = \frac{\sum_{i \in P} M_i}{\sum_{i \in D} M_i}$$

(1)

where

$i$  is a tariff line

$M_i$  is the value of imports in the tariff line  $i$  from FTA members

D is the set of all tariff lines with dutiable imports from FTA members

P is the set of all dutiable tariff lines that are eligible for preferences under the FTA

In the formula, the numerator is the sum of imports over all tariff lines that are both dutiable and eligible for preferences, while the denominator is the sum of imports over all dutiable tariff lines. To calculate this fraction, it is necessary to know the import values from FTA partners for all dutiable tariff lines, and which dutiable tariff lines were eligible for preferences. In this study, data on trade are obtained from International Trade Center (online). Information about which dutiable tariff lines were eligible for preferences is obtained from WorldTariff (online).

The import value of each commodities at HS 9-digit level in the top 200 is above US\$ 10 million. For instance, Japan's import value of the 200<sup>th</sup>-ranked commodity from Indonesia is HS 440290099 (Wood charcoal, incl. shell or nut charcoal, whether or not agglomerated (excl. bamboo charcoal, wood charcoal used as a medicament, charcoal mixed with incense, activated charcoal and charcoal in the form of crayons): Other: Other). The import value is US\$ 11.2 million.

Table 1 shows the summary of the data of the Indonesia's import from Japan in year 2014. The section numbers used in the Table follows the general rules for the interpretation of the Harmonized System (HS). By categorizing the tariff lines into HS 2-digit level, the preferential value and dutiable value of the HS 2-digit level can also be calculated. This allows the analysis of the coverage rate based on the HS 2-digit level too.

The sum of the overall imports of the top 200 commodities at HS 9-digit level from Japan is US\$ 10.29 billion, or 60.5% of Indonesia's overall imports from Japan in year 2014. The preferential value consists of import value of dutiable tariff lines with tariff rate lower than the MNF rate, which includes commodities with tariff-free under EPA, and commodities with preferential tariff under EPA B7, B10, and B15. There are 120 dutiable tariff lines which are eligible for preferences under Japan-Indonesia EPA, and their total import value is US\$ 5.5 billion.

Table 2 shows the summary of the data of the Japan's import from Indonesia in year 2014. The sum of the overall imports of the top 200 commodities at HS 9-digit level from Indonesia is US\$ 23.1 billion, or 89.73% of Japan's overall imports from Indonesia in year 2014. The preferential value consists of dutiable tariff lines with tariff rate lower than the MNF rate, which includes commodities with tariff-free under EPA, and commodities with preferential tariff under EPA B7, B10, Q6, and R1. There are 75 dutiable tariff lines which are eligible for preferences under Japan-Indonesia EPA, and their total import value is US\$ 2.676 billion.

Table 1: Indonesia's Import from Japan in Year 2014  
(The Top 200 Commodities at HS 9-Digit Level)

Section	HS 2-digit level	Tariff Lines (HS 9-digit level)						Overall Value (thousand USD)	Preferential Value (thousand USD)	Dutiable Value (thousand USD)
		Tariff-Free (MNF Rate)	Tariff-Free (EPA)	Non Tariff-Free under EPA						
				B7	B10	B15	X			
5	25	1						19,909	0	0
	27	1						24,838	0	0
6	29	3	2					194,946	102,134	102,134
	32	1						51,285	0	0
	38		3					117,259	117,259	117,259
7	39	1	5		2		1	268,791	187,185	245,517
	40		4	3				332,704	332,704	332,704
11	55	2	1					122,597	80,527	80,527
15	72	6	1	1	6		14	1,344,299	335,112	902,656
	73				1		8	524,929	24,043	524,929
	74						1	346,899	0	346,899
	76		1					26,553	26,553	26,553
	79	1						23,204	0	0
	81		1					36,410	36,410	36,410
	82	1						25,645	0	0
	83		2					40,879	40,879	40,879
16	84	22	43	2	1			3,301,451	2,313,976	2,313,976
	85	10	10			1		793,237	276,732	276,732
17	87		12		8	2		1,399,641	1,399,641	1,399,641
	89	3						118,929	0	0
18	90		4					161,961	161,961	161,961
	92			3				70,623	70,623	70,623
20	94		1					28,683	28,683	28,683
21	98	3					1	916,770	0	82,998
Total		55	90	9	18	3	25	10,292,442	5,534,422	7,091,081

The coverage rate of the top 200 commodities at HS 9-digit level can be calculated by using the sum of the preferential value as the numerator, and the sum of the dutiable value as

the denominator. The coverage rate of the top 200 commodities at HS 9-digit level from Indonesia to Japan is 74.58%, and the coverage rate of the top 200 commodities at HS 9-digit level from Japan to Indonesia is 78.05%.

Since the preferential value and the dutiable value on HS 2-digit level are also available, the coverage rates of the HS 2-digit level can also be calculated and analysed.

Table 2: Japan's Import from Indonesia in Year 2014  
(The Top 200 Commodities at HS 9-Digit Level)

Section	HS 2-digit level	Tariff Lines (HS 9-digit level)									Overall Value (thousand USD)	Preferential Value (thousand USD)	Dutiable Value (thousand USD)
		Tariff-Free (MNF Rate)	Tariff-Free (EPA)	Non Tariff-Free under EPA						Other			
				B7	B10	Q6	R1	R4	X				
1	03		1							4	476,553	354,746	476,553
2	09	3									136,644	0	0
3	15		2								119,437	119,437	119,437
4	16		2				2			4	171,037	94,281	171,037
	18	1									38,262	0	0
	22	1									14,195	0	0
	23	2									25,685	0	0
5	26	3									1,393,023	0	0
	27	11		2	1						12,504,771	243,689	243,689
6	28		1								121,696	121,696	121,696
	29	1	5			1					137,946	118,452	118,452
	30		1								42,509	42,509	42,509
	38		1								15,506	15,506	15,506
7	39		9								419,531	419,531	419,531
	40	8									962,110	0	0
8	42			1							12,825	12,825	12,825
9	44	4	4						11		916,374	179,055	794,966
10	47	1									87,549	0	0
	48	5									382,283	0	0
11	52		3								40,413	40,413	40,413
	54		2								29,319	29,319	29,319
	55		5								79,730	79,730	79,730
	61		8								162,053	162,053	162,053
	62		16								358,219	358,219	358,219
	63		2								42,816	42,816	42,816
12	64			4					1		215,579	215,579	196,589
13	69	1									30,898	0	0
14	71	1									74,052	0	0
15	72		1								14,381	14,381	14,381
	73	3									96,375	0	0
	74	3									87,111	0	0
	75	1									981,430	0	0
	76	1									58,178	0	0
	80	1									229,058	0	0
	83		1								11,809	11,809	11,809
16	84	12									530,474	0	0

	85	23									1,213,234	0	0
17	87	6									446,566	0	0
18	90	3									63,449	0	0
	92	3									76,261	0	0
20	94	5									183,174	0	0
	95	1									15,535	0	0
-	99								1		116,720	0	116,720
Total		104	64	7	1	1	2	11	9	1	23,134,770	2,676,046	3,588,250

### 3. The Analysis of the Coverage Rates

#### 3.1 The Coverage Rates

As described in Section 2, the results of the coverage rate calculation of the top 200 commodities at HS 9-digit level show that Japan has 3.47% higher coverage rate than Indonesia. At this point, it can be said that Japan enjoys a wider scope of FTA than Indonesia. On the other hand, both coverage rates of the top 200 commodities at HS 9-digit level are still below 80%. It indicates that there are still many dutiable tariff lines that can be put into negotiations during the review process of the Japan-Indonesia EPA.

#### 3.2 The Analysis of the Top 200 Commodities at HS 9-Digit Level from Japan

To analyse the top 200 commodities at HS 9-digit level, the coverage rate of the HS 2-digit level is analysed. HS 84 (Nuclear reactors, boilers, machinery and mechanical appliances: parts thereof), and HS 87 (Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof) have preferential value above US\$ 1 billion, and both have 100% coverage rate. Table 3 shows the list of the commodities at HS 2-digit level with 100% coverage rate. Table 4 shows the commodities at HS 2-digit level with coverage rate below 60%, and the commodities at HS 9-digit level which are not eligible for preference under EPA. The commodities at HS 9-digit level with import value above US\$ 100 million are HS 720839000, HS 731815000, and HS 740311000. The coverage rate of the top 200 commodities at HS 9-digit level will increase to above 90% just by obtaining the preferential tariff for these 3 tariff lines.

Tabel 3: Commodities at HS 2-Digit Level from Japan to Indonesia with 100% Coverage Rate

HS 2-digit level	Description
29	Organic chemicals
38	Miscellaneous chemical products
40	Rubber and articles thereof
55	Man-made staple fibres
76	Aluminium and articles thereof
81	Other base metals; cermets; articles thereof
83	Miscellaneous articles of base metal
84	Nuclear reactors, boilers, machinery and mechanical appliances: parts thereof

85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles
87	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof
92	Musical instruments; parts and accessories of such articles
94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like; prefabricated buildings

Table 4: Commodities at HS 2-Digit Level from Japan to Indonesia with Coverage Rate Below 60%, and Commodities at HS 9-Digit level Which Are Not Eligible for Preference under EPA

HS 2-digit level	HS 9-digit level	Description	Import Value in 2014 (in thousand USD)	Tariff Rate (%)
72	720825000	Flat-rolled iron/nas,pickled,hot rolled	23,895	5
	720826000	Flat-rolled iron/nas,hrc,pickled,width> 600,thick > 3 mm or but thick<	59,689	5
	720827100	Flat-rolled iron/nas,pickled,hot rolled	41,279	5
	720827900	Flat-rolled iron/nas,pickled,hot rolled	74,306	5
	720839000	Flat-rolled iron/nas, hrc, width >600 mm, thick< 3 mm	142,294	5
	720851000	Flat-rolled iron/nas, hrnc,width >600 mm, of a thickness > 10 mm	26,057	5
	720916009	Flat-crc, pickled or not, 1<thick<3mm, width > 1250 mm	68,245	15
	720917009	Flat-crc, 0.5<thickness<1mm width > 1250 mm	98,698	7.5
	721012100	Flat-rolled of iron/nas,carbon>=0.6% plated or coated with tin,thick <	20,899	12.5
	721049110	Flat-rolld,iron/nas,othws plat zinc-iron	75,470	20
	721049190	Flat-rolld,iron/nas,othws plat zinc-iron	24,221	20
	721391900	Oth bar,hot-roll,irreg. wound coil,iron/	29,487	15
	721499902	Oth. carbon, other than of circular cross-sect:shaft bars; manganese s	58,934	5
721933000	Flat-rolled prod.of stainless steel, cold rolled, 1 mm < thickness < 3	20,675	10	
73	730424001	Unfinsh case&tube, yield strgh<75000psi oth.of stanlss stel for drill	43,314	5
	730429001	Unfinish casetube&unworked pipe end with yield strength less than 75,0	86,804	12.5
	730511000	Lines pipe, for oil or gas longitudinall submerged arc welded of iron/	29,627	15
	731815000	Screw metal with/without nuts/washers	114,460	12.5
	731816000	Nuts with an external diameter not	58,636	12.5
	731822000	Other washers with an external diameter	25,057	12.5
	731829000	Oth non threaded articles wth an	50,009	12.5
	732690999	Other articles not forged or steamed	92,979	12.5
74	740311000	Refined copper for cathodes and sections of cathodes	346,899	5
98	980110200	Oth vhcl of head 8703 with (4x2) system incompletely knocked down, for	82,998	7.5

### 3.3 The Analysis of The Top 200 Commodities at HS 9-Digit Level from Indonesia

As shown in Table 2, there is no HS 2-digit level with preferential value above US\$ 1 billion. Table 5 shows the list of the commodities at HS 2-digit level with 100% coverage rate. Table 6 shows the commodities at HS 2-digit level with coverage rate below 60% and

the commodities at HS 9-digit level which are not eligible for preference under EPA. HS 99 is not included in Table 6 since there is no information about its tariff rate. Only HS 441231939 has import value above US\$ 100 million. If the coverage rate of HS 44 becomes 100%, the coverage rate of the top 200 commodities at HS 9-digit level will become 91.7%.

Tabel 5: Commodities at HS 2-Digit Level from Indonesia to Japan with 100% Coverage Rate

HS 2-digit level	Description
15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes
29	Organic chemicals
30	Pharmaceutical products
38	Miscellaneous chemical products
39	Plastics and articles thereof
42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silk-worm gut)
52	Cotton
54	Man-made filaments
55	Man-made staple fibres
76	Aluminium and articles thereof
81	Other base metals; cermets; articles thereof
83	Miscellaneous articles of base metal

### 3.4. Findings

The results of the analysis of the coverage rates of the top 200 commodities at HS 9-digit level show that the FTA benefits Japan more than Indonesia.

(1) As shown in Table 1 and Table 2, there are 120 dutiable tariff lines of Japan's commodities which are eligible for preferences under Japan-Indonesia EPA, and the sum of the preferential value is US\$ 5.5 billion, while there are only 75 dutiable tariff lines of Indonesia's commodities which are eligible for preferences, and the sum of the preferential value is US\$ 2.676 billion.

Japan's overall imports from Indonesia in year 2014 is US\$ 25.78 billion, while the overall import value of the top 200 commodities at HS 9-digit level from Indonesia is US\$ 23.1 billion. It means that there is only US\$ 2.6 billion imports that is not analysed in this study. Even if we assume that the rest of the import value can be added into the preferential value, the sum will not exceed US\$ 5.5 billion.



Indonesia's overall imports from Japan is US\$ 17 billion, while the overall import value of the top 200 commodities at HS 9-digit level from Japan is US\$ 10.29 billion, or 60.5% of the whole imports. It is normal to assume that the preferential value of the whole imports from Japan is above US\$ 5.5 billion, since 39.5% of the whole imports is not analysed in this study.

Table 6: Commodities at HS 2-Digit Level from Indonesia to Japan with Coverage Rate Below 60%, and Commodities at HS 9-Digit Level Which Are Not Eligible for Preference under EPA

HS 2-digit level	HS 9-digit level	Description	Import Value in 2014 (in thousand USD)	Tariff Rate (%)
16	160414010	Tunas, skipjack & Atl bonito, prepared/preserved, whole/in pieces, excluded: Skipjack and other bonito, in airtight containers	29,361	6.4
	160414091	Tunas, skipjack & Atl bonito, prepared/preserved, whole/in pieces, excluded: Other: Skipjack and other bonito, boiled and dried	13,769	7.2
	160414092	Tunas, skipjack & Atl bonito, prepared/preserved, whole/in pieces, excluded: Other: Tunas, in airtight containers	14,243	7.2
	160419090	Fish nes, prepared or preserved, whole or in pieces, but not minced: Other	19,383	7.2
44	441231199	Plywood consisting solely of sheets of wood <= 6 mm thick, with at least one outer ply of tropical wood specified in Subheading Note 1 to this chapter (excl. sheets of compressed wood, cellular wood panels, inlaid wood and sheets identifiable as furniture components): Other: Varnished, printed, grooved, overlaid or similarly surface-worked: Other	53,878	6
	441231911	Plywood consisting solely of sheets of wood <= 6 mm thick, with at least one outer ply of tropical wood specified in Subheading Note 1 to this chapter (excl. sheets of compressed wood, cellular wood panels, inlaid wood and sheets identifiable as furniture components): Less than 3mm in thickness	26,320	6
	441231919	Plywood consisting solely of sheets of wood <= 6 mm thick, with at least one outer ply of tropical wood specified in Subheading Note 1 to this chapter (excl. sheets of compressed wood, cellular wood panels, inlaid wood and sheets identifiable as furniture components): Less than 3mm in thickness	79,742	6
	441231921	Plywood consisting solely of sheets of wood <= 6 mm thick, with at least one outer ply of tropical wood specified in Subheading Note 1 to this chapter (excl. sheets of compressed wood, cellular wood panels, inlaid wood and sheets identifiable as furniture components): Less than 6mm but not less than 3mm in thickness	28,677	6
	441231929	Plywood consisting solely of sheets of wood <= 6 mm thick, with at least one outer ply of tropical wood specified in Subheading Note 1 to this chapter (excl. sheets of compressed wood, cellular wood panels, inlaid wood and sheets identifiable as furniture components): Less than 6mm but not less than 3mm in thickness	63,077	6
	441231931	Plywood consisting solely of sheets of wood <= 6 mm thick, with at least one outer ply of tropical wood specified in	62,513	6

		Subheading Note 1 to this chapter (excl. sheets of compressed wood, cellular wood panels, inlaid wood and sheets identifiable as furniture components): Less than 12mm but not less than 6mm in thickness		
	44123193 9	Plywood consisting solely of sheets of wood <= 6 mm thick, with at least one outer ply of tropical wood specified in Subheading Note 1 to this chapter (excl. sheets of compressed wood, cellular wood panels, inlaid wood and sheets identifiable as furniture components): Less than 12mm but not less than 6mm in thickness	155,147	6
	44123194 9	Plywood consisting solely of sheets of wood <= 6 mm thick, with at least one outer ply of tropical wood specified in Subheading Note 1 to this chapter (excl. sheets of compressed wood, cellular wood panels, inlaid wood and sheets identifiable as furniture components): Less than 24mm but not less than 12mm in thickness	14,908	6
	44123219 0	Plywood consisting solely of sheets of wood <= 6 mm thick, with at least one outer ply of non-coniferous wood or other tropical wood than specified in Subheading Note 1 to this chapter (excl. of bamboo, and sheets of compressed wood, cellular wood panels, inlaid wood and sheets identifiable as furniture components): Varnished, printed, grooved, overlaid or similarly surface-worked: Other	34,435	6
	44123291 2	Plywood consisting solely of sheets of wood <= 6 mm thick, with at least one outer ply of non-coniferous wood or other tropical wood than specified in Subheading Note 1 to this chapter (excl. of bamboo, and sheets of compressed wood, cellular wood panels, inlaid wood and sheets identifiable as furniture components): Other: Less than 6mm in thickness: Less than 6mm but not less than 3mm in thickness	11,598	6
	44123299 1	Plywood consisting solely of sheets of wood <= 6 mm thick, with at least one outer ply of non-coniferous wood or other tropical wood than specified in Subheading Note 1 to this chapter (excl. of bamboo, and sheets of compressed wood, cellular wood panels, inlaid wood and sheets identifiable as furniture components): Other: Other: Less than 12mm but not less than 6mm in thickness	85,616	6

As shown in Figure 2, 30.5% of Indonesia's imports from Japan is HS 84 (Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof) commodities. Among the top 200 commodities at HS 9-digit level, Japan manages to get benefits from EPA by obtaining preferential tariff for 46 dutiable tariff lines from HS 84 (see Table 1).

As shown in Figure 3, 48.5% of Japan's imports from Indonesia is HS 27 (Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes) commodities. Among the top 200 commodities at HS 9-digit level, there are only 3 dutiable tariff lines from HS 27 which are eligible for preference (see Table 2). Most tariff lines in HS 27 have zero MNF tariffs. This causes the low sum of the dutiable value and the preferential value. In order to increase the sum of the dutiable value and the preferential value, Indonesia needs to gain more access to Japanese market, especially for dutiable products.

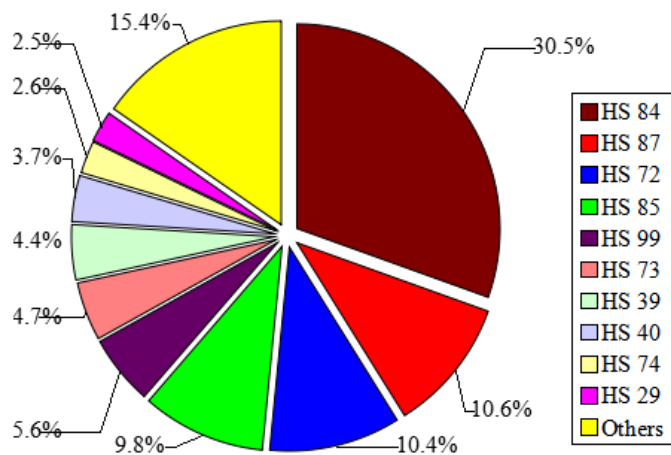


Figure 2: Indonesia's Import from Japan in Year 2014 (All Commodities)

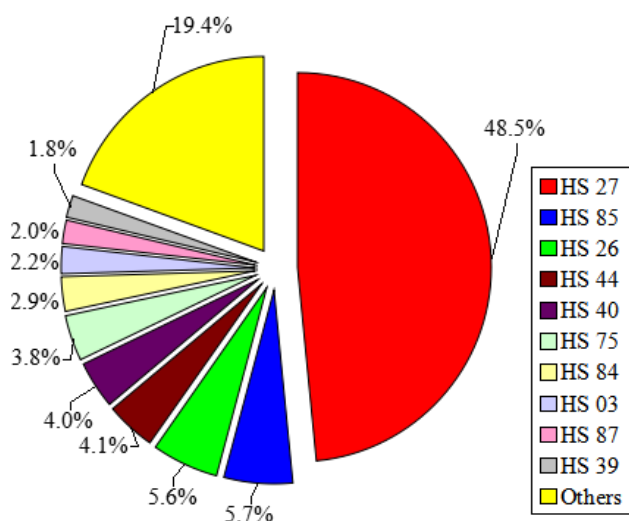


Figure 3: Japan's Import from Indonesia in Year 2014 (All Commodities)

### 3.5 Limitations and Further Studies

Before moving to the last section, it is necessary to state that this paper is not intended to recommend Indonesia to cancel the EPA. The scope of the Japan-Indonesia EPA is very wide and not limited to the bilateral trade matter. On the other hand, the scope of this paper is very limited. It only studies the coverage rates of the top 200 commodities at HS 9-digit level between the two countries in year 2014.

Several research efforts should take place in the future, as described below:

Comparison study of the current Japan-Indonesia EPA and the TPP agreement. With the coming implementation of TPP agreement, Indonesia will surely have to face a tougher competition with other countries, especially other ASEAN countries who join the TPP agreement, in gaining more access to Japanese market. Analysing the contents of the

TPP agreement is important for the review process of the Japan-Indonesia EPA.

Strategy for market creation for dutiable products in Japan, in order to increase Indonesia's export to Japan and gain more benefits from the Japan-Indonesia EPA.

The impact of Japanese investment to Indonesia's exports to the world.

#### **4. Conclusion**

Conclusions are summarized by the followings.

(13) This paper describes the calculation and analysis of the coverage rate of the top 200 commodities at HS 9-digit level in year 2014 between Japan and Indonesia.

(14) The results show that the FTA benefits Japan more than Indonesia. The coverage rate of the top 200 commodities at HS 9-digit level from Japan to Indonesia is 78.05%, while the coverage rate of the top 200 commodities at HS 9-digit level from Indonesia to Japan is 74.58%. In addition to that, there are 120 dutiable tariff lines of Japan's commodities which are eligible for preferences under Japan-Indonesia EPA, and the sum of the preferential value is US\$ 5.5 billion, while there are only 75 dutiable tariff lines of Indonesia's commodities which are eligible for preferences, and the sum of the preferential value is US\$ 2.676 billion.

(15) Both coverage rates of the top 200 commodities at HS 9-digit level are still below 80%. There are still many dutiable tariff lines that can be put into negotiations during the review process of the Japan-Indonesia EPA.

(16) While the benefits of the EPA are not limited to the bilateral trade matter, in order to gain more benefits from the FTA, Indonesia needs to gain more access to Japanese market, especially for dutiable products.

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