



U.S. Department of Agriculture
Foreign Agricultural Service
Office of Multilateral Engagement
1400 Independence Ave, SW
Washington, DC 20250

To Whom It May Concern:

Subject: *Comments Concerning Indonesia's Draft Regulations to the World Trade Organization (WTO): Draft Regulation Regarding the Inspection of the Implementation of the Halal Product Assurance System (G/TBT/N/IDN/188); Draft Regulation on Halal Certificate Renewal (G/TBT/N/IDN/189); and Draft Regulation Concerning Ensuring the Stability of Foreign Halal Products Entering Indonesian Territory (G/TBT/N/IDN/190).*

Thank you for the opportunity to comment on the three draft regulations proposed by Indonesia to the WTO on updated requirements for Halal certification.

As you may know, the International Dairy Foods Association (IDFA) represents the nation's dairy manufacturing and marketing industry, which supports more than 3.05 million jobs that generate \$198 billion in wages and \$779.45 billion in overall economic impact. IDFA's diverse membership ranges from multinational organizations to single-plant companies, from dairy companies and cooperatives to food retailers and suppliers, all on the cutting edge of innovation and sustainable business practices. Together, they represent most of the milk, cheese, ice cream, yogurt and cultured products, and dairy ingredients produced and marketed in the United States and sold throughout the world.

General Comments

Indonesia is the largest food service market in Southeast Asia and relies on imports for 80 percent of its milk ingredients¹. However, in the experience of IDFA members, Indonesia's dairy facility registration requirements are among the most expensive and onerous in the world. The halal requirements within each of these proposed regulations would further burden U.S. dairy exporters with heavy compliance costs.

Collectively, these requirements could result in shipment delays, supply chain disruption, and potential "administrative sanctions" for non-compliance, including

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https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Food+Processing+Ingredients+Annual_Jakarta_Indonesia_ID2026-0011.pdf



warnings and fees. In their current form, these regulations focus primarily on how the regulatory and certification process will be administered by the halal certifying body. However, they provide limited detail regarding the day-to-day operational practices that certified organizations would be expected to implement and maintain.

We are also concerned by the proposed implementation timeframe and the apparent absence of a transition or grace period. Businesses will not have enough time to understand, let alone implement requirements prior to enforcement in early October. If enforced in its current form, these arbitrary requirements risk increasing regulatory uncertainty, and violations of contractual agreements between U.S. businesses and customers.

Particularly concerning is the threat of fines, operational freezes, and revoked certifications for importers and inspection agencies if Indonesian authorities deem them to have not immediately met these onerous and arbitrary halal standards. Businesses that have demonstrated efforts to comply with halal requirements should be allowed to complete the certification and renewal processes without fear of penalties.

Should Indonesia enact Draft Regulations 188, 189, and/or 190, it would violate its obligations to both the U.S. - Indonesia Agreement on Reciprocal Trade (ART) and the World Trade Organization (WTO). Under the Agreement on Technical Barriers to Trade (TBT), the WTO ensures that Member nations treat imported products "no less favorably" than domestic equivalents². However, only imports are subject to extensive and confusing standards, including mandatory pre-shipment halal certification and requirements for foreign inspection agencies. IDFA requests that the U.S. government seek elimination of all requirements that place undue burdens on imported goods relative to domestic equivalents.

Provision-Specific Comments

Below please find comments and concerns related to specific provisions of the proposed regulations:

- **Draft Regulation 189**

The changes outlined in this regulation, *Draft Regulation on Halal Certificate Renewal (G/TBT/N/IDN/189)* threaten U.S. businesses' ability to carry out product maintenance and new product development.

² https://www.wto.org/english/docs_e/legal_e/tbt_e.htm#art1

IDFA members report that previous experiences with Indonesia's certificate renewal processes have required several months to complete. Having additional reporting, audits, or approval requirements could further extend these timelines. This measure needs to be changed to account for reasonable product development and efficient administration of the requirements.

Triggers for Halal Certification Renewal

Chapter 1, Article 2

As written, this draft regulation leaves room for broad interpretation for what constitutes renewal of halal certification. Chapter 1, Article 2 outlines that any "changes in the composition" of a product warrants halal recertification.

This vague description raises alarms that even minor modifications - such as changing suppliers for ingredients that are already approved – could trigger full recertification. Renewal requirements for minimally changed products would be excessive, costly, and potentially prohibitive for U.S. exporters unable to meet the strict standards for renewal.

IDFA requests that USDA ask Indonesia to relax requirements for renewal of halal certification. Regulations for halal certification renewals should only apply to products to which ingredients have been added and substantially transformed or altered the product.

- **Draft Regulation 190**

While each of the three proposed regulations present unique and interconnected threats, *Draft Regulation Concerning Ensuring the Stability of Foreign Halal Products Entering Indonesian Territory (G/TBT/N/IDN/190)*, contains the most directly and explicitly unfair requirements for U.S. dairy exporters.

Pre-Shipment Requirements

- Chapter 3, Article 6, Paragraphs 3 - 6;

These provisions require multiple risk assessments and halal conformity checks of administrative documents, including Certificates of Analysis, Certificates of Origin, Material Safety Data Sheet, and “other supporting documents for products with non-Halal Descriptions”.

- Chapter 4, Article 12, paragraph 2

One of the pre-shipment requirements, the Halal Product Assurance Report (LPPH) for each shipment would impose complex procedural requirements, and insufficient consideration of concerns raised by industry stakeholders.

These pre-shipment requirements would necessitate substantial operational challenges, subjecting U.S. businesses to administrative and physical inspections at a product's "country of loading and/or country of origin". These Halal compliance checks are duplicative of information already provided to Indonesian authorities. Additionally, under the U.S. - Indonesia ART, pre-shipment requirements cannot be imposed on U.S. agricultural imports, including infant formulas (Article 2.13.2).

Any process that must be completed before goods can be dispatched has the potential to affect production planning, export documentation, inventory management, shipping schedules, and the timely delivery of products to customers.

Foreign Inspection Agencies and Importers

- Chapter 4, Article 8, Paragraph 3

This provision stipulates that Indonesia's Halal Product Assurance Agency (BPJPH) “shall choose the Inspection Agency” for importers. Even though importers cannot choose the inspection agency with which they wish to work, importers would bear the entirety of compliance costs, including possible penalties if strict standards are not exactly met.

Chapter 7, Article 19

At any time, the Indonesian government can choose to revoke the ability of a foreign inspection agency to issue halal certifications. If an inspection agency does not adhere to the strict standards, it can receive penalties in the form of operational freezes, which can cause shipment delays for U.S. exporter customers.

Chapter 7, Article 21

Importers are subject to the same non-compliance penalties as inspection agencies, as well as additional provisions. Importers who violate the myriad requirements face the possibility of losing their Halal certification and a withdrawal and/or destruction of their goods.

Segregation of Halal and Non-Halal in Production

- Chapter 3, Article 6, Paragraph g

This provision does not fully reflect the complexity of production processes and supply chains, particularly for products whose raw materials and manufacturing processes are not inherently haram.

Among other requirements, this regulation demands a contamination risk assessment be conducted if distribution tools for halal products were previously used for non-halal products. Assessments are also required for facilities wherein halal and non-halal products were stored, loaded, or handled without separation.

These non-essential requirements are in clear violation of Indonesia's WTO obligations as it is not essential and overly restrictive, as prohibited by the TBT Agreement (Article 2, Section 2.2). As an equivalent provision is not outlined as applicable to domestic producers, these requirements are also in violation of the TBT Agreement. Article 2, Section 2.1 stipulates that WTO Members not afford less favorable treatment to imported products. Given that domestic producers are not subject to these standards, it is inherent that this requirement could be carried out in a less trade restrictive manner and is, therefore, in violation of Article 2, Section 2.3 in the TBT Agreement.

Non-Halal Certification

- Chapter 1, Article 2, Paragraphs 2 - 4

This provision requires a label of "non-halal" for imported products that do not meet halal product assurance requirements. Requiring non-halal labels is costly and creates consumer confusion without necessarily advancing the objective of halal assurance (violates TBT Article 2.3). This unnecessary restriction is not required of domestic products (violates TBT Articles 2.2 and 2.1)



Recommendations

While the consequences remain unclear, any import restrictions, shipment delays, or disruptions to product clearance could have material commercial impacts for both suppliers and customers. Customers may place orders in good faith but subsequently find themselves unable to import products if the regulatory requirements cannot be met or are not clearly understood. U.S. businesses, likewise, may find themselves in violation of contract obligations due to difficulty enacting halal requirements. This could create downstream challenges for customer relationships, demand planning, inventory management, and broader supply chain operations.

We respectfully request that USDA push for Indonesia to adopt a more transparent policymaking process supported by meaningful dialogue with affected stakeholders. We also recommend providing clear technical guidelines for the implementation and scope of proposed Halal framework, as well as conducting a full review of enforcement provisions and transition arrangements. These steps are essential to enabling industry preparation, maintaining a reliable flow of products to the Indonesian market, and establishing a more proportionate approach that is adherent to WTO obligations and the U.S. - Indonesia ART.

Sincerely,

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International Dairy Foods Association (IDFA)