



Statement by

**The Delegation of Indonesia
at the Sixth Committee of the General Assembly
on**

Agenda item 77:

**“Report of the United Nations Commission on International Trade Law
on the work of its fifty-second session”**

October 2019

Mr. Chairman,

Our delegation wishes to express its appreciation to the Secretary General for providing document A/74/17 on the report of the UN Commission on International Trade Law on the work of its 52nd session available for us.

We also would like to congratulate the Commission for the completion of its 52nd session held in Vienna from 8-19 July 2019.

As a member of the Commission, we wish to reiterate our readiness in enhancing our contribution to the work of the Commission, particularly in ensuring the achievement of the 2030 Agenda as well as advancing sustainable economic growth.

Mr. Chairman,

Following the previous year’s work of the UNCITRAL, 2018-2019 was indeed a dynamic yet productive year for the Commission.

In this regard, allow me to outline several pertinent points as follows:

First, with respect to Working Group 1 on micro, small and medium-sized enterprise, Indonesia welcomes the finalization and adoption of the Draft Legislative Guide on UNCITRAL Limited Liability Organization.

Indonesia would like to underline that cost-effective and efficient business registration is critical to assist business formation, which will contribute to the MSME’s growth and their ability to access financial services.

In the national context, Indonesia has made the business of MSME sector a priority, especially under the President of Joko Widodo’s administration.

During his inauguration for the second term, President Joko Widodo has reassured his commitment through the introduction of two new major draft legislations namely the Law on MSME Empowerment and the Law on the Job Creation.

Mr. Chairman,

On Working Group 3 with regard to investor-State dispute settlement reform, Indonesia has conveyed its view on this matter by submitting document number A/CN.9/WG.III/WP.156 to the Working Group. We note that the deliberations in the Working Group's previous meetings have served as an important stage towards laying out a number of ISDS concerns and facilitating the way forward for such reform.

However, much work still needs to be done in this regard. We underline the need to continue the discussion in order to facilitate a meaningful ISDS reform towards a fairer investment dispute settlement mechanism.

In this regard, we are concern that the ISDS has increased state's exposure to foreign investor claims in international arbitration even if such claims are frivolous, bad faith or unmeritorious. This phenomenon has certainly posed threat to a regulatory chill undermining a state's fundamental right to undertake legitimate regulatory measures for public purposes.

The current ISDS regime should, therefore, be improved in order to effectively and efficiently reduce state's exposure to ISDS through, among others: (i) putting in place more safeguards both substantive and ISDS provisions to preserve the right to regulate; (ii) the application of exhaustion of local remedies before resorting to ISDS; (iii) reviewing automatic consent and requiring a separate written consent for an investor to make ISDS claims; and (iv) the promotion of early settlement of investment dispute, including mandatory mediation, which could help limit cost and duration as well as access to ISDS.

On Working Group 4 with regard to electronic commerce, Indonesia welcomes the deliberation as well as progress made by the Working Group and encouraged the continuation of its work on the basis of the revised set of provisions to be prepared by the Secretariat.

Furthermore, in relation to the progress report of Working Group 5 on insolvency law, we would like to welcome the finalization and adoption of the model law on the recognition and enforcement of insolvency-related judgments and its guide to enactment.

Mr. Chairman,

To conclude, I would like to convey our profound gratitude for all the supports extended to us in the last year's election of the member of the Commission. We fervently believe that with the strong commitment and effective cooperation among all stakeholders, we could succeed the Commission's work to the benefit of all nations, particularly the developing and least developed countries.

I thank, **Mr. Chairman.**