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# REGULATION OF THE MINISTER OF TRADE NO. 51/M-DAG/PER/7/2015 CONCERNING THE PROHIBITION OF IMPORTING USED CLOTHING: AN EFFORT TO PROTECT THE LOCAL INDUSTRY OR HINDER CONSUMER CHOICE?

Norhaifa<sup>1</sup>, Nida Fitriani<sup>2</sup>, Ayu Natasya<sup>3</sup>, Anwar Hafidzi<sup>3</sup>, Ahmad Muhajir<sup>4</sup>
State Law Study Program, Faculty of Sharia, Antasari State Islamic University Banjarmasin e-mail: <a href="mailto:norhaifa.nha15@gmail.com">norhaifa.nha15@gmail.com</a>, <a href="mailto:norhaifa.nha15@gmail.com">nidafitriani200@gmail.com</a>, <a href="mailto:yunatasya02@gmail.com">yunatasya02@gmail.com</a>, <a href="mailto:Anwar.hafidzi@uinantasari.ac.id">Anwar.hafidzi@uinantasari.ac.id</a>, <a href="mailto:ahmad.muhajir@uin-antasari.ac.id">ahmad.muhajir@uin-antasari.ac.id</a>

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#### **Abstract**

This research examines Minister of Trade Regulation no. 51/M-DAG/PER/7/2015 concerning the Prohibition of Imports of Used Clothing in the context of protecting local industry and its impact on consumer choices in Indonesia. The research uses normative juridical methods with a literature study approach through analysis of various literary sources, statutory regulations and related scientific studies. The research results show that this regulation has a complex impact. On the one hand, this policy aims to protect the domestic textile industry and public health, supported by the findings of the Ministry of Trade which found dangerous microbial contents in imported used clothing. On the other hand, this ban has a significant impact on micro traders and lower middle class consumers who rely on used clothing as an affordable alternative. Challenges to policy implementation include difficulties in monitoring in the field and the continued prevalence of illegal import practices. The research recommends the need for a more balanced approach between protecting domestic industry and meeting.

**Keywords**: Import of Used Clothing, Consumer Protection, Trade Policy

#### Abstrak

Penelitian ini mengkaji Peraturan Menteri Perdagangan No. 51/MDAG/PER/7/2015 tentang Larangan Impor Pakaian Bekas dalam konteks perlindungan industri lokal dan dampaknya terhadap pilihan konsumen di Indonesia. Penelitian menggunakan metode yuridis normatif dengan pendekatan studi kepustakaan melalui analisis berbagai sumber literatur, peraturan perundangundangan, dan kajian ilmiah terkait. Hasil penelitian menunjukkan bahwa regulasi ini memberikan dampak yang kompleks. Di satu sisi, kebijakan ini bertujuan melindungi industri tekstil dalam negeri dan kesehatan masyarakat, didukung oleh temuan Kementerian Perdagangan yang menemukan kandungan mikroba berbahaya pada pakaian bekas impor. Di sisi lain, larangan ini berdampak signifikan terhadap pedagang mikro dan konsumen ekonomi menengah ke bawah yang mengandalkan pakaian bekas sebagai alternatif yang terjangkau. Tantangan implementasi kebijakan mencakup kesulitan pengawasan di lapangan dan masih maraknya praktik impor ilegal. Penelitian merekomendasikan perlunya pendekatan yang lebih seimbang antara perlindungan industri domestik dan pemenuhan kebutuhan konsumen, termasuk peningkatan kapasitas pengawasan, sosialisasi kepada masyarakat, dan evaluasi berkala kebijakan untuk menyesuaikan dengan dinamika pasar.

Kata Kunci: Impor Pakaian Bekas, Perlindungan Konsumen, Kebijakan Perdagangan



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#### A. INTRODUCTION

As a developing country, Indonesia is one of the most populous countries in the world. Indonesia often faces problems in the field of international trade management, one of which is the import of used clothing. Recently, the government issued a policy to ban the import of used clothing in order to protect and support the domestic industry.<sup>1</sup>

Fashion trends are always evolving with the times. People, especially young people, often feel pressure to follow current fashion trends and look stylish in public. However, not all can afford to buy clothes at high prices, so second- hand clothing imports have become a popular alternative. Second-hand clothing offers diverse and affordable fashion options, although it presents challenges regarding regulations and its impact on local industries.<sup>2</sup>

Minister of Trade Regulation No. 51/M-DAG/PER/7/2015 on the Prohibition of Imports of Used Clothing is an important regulation in the context of trade and the textile industry in Indonesia. The phenomenon of massive imports of used clothing has become an issue that affects various aspects, ranging from the economy to public health. In recent years, the market for imported second-hand clothing has grown rapidly, attracting consumers with more affordable prices than local products. However, the presence of these items also poses a negative impact on the local textile industry which struggles to compete with these second-hand products, which are often cheaper and more varied in options.<sup>3</sup>

The impact of imported second-hand clothing is not only limited to economic aspects, but also includes consumer health and safety considerations. Used clothing that is not guaranteed clean can carry health risks, including potential contamination with germs or other hazardous materials. Therefore, the urgency of regulations in governing the import of used clothing is becoming increasingly clear, given the need to protect consumers from the risks that these goods may pose.

The debate on this policy often revolves around two sides: the protection of local industries and the right of consumers to have a variety of choices. On the one hand, the import ban on second-hand clothing is seen as an attempt to protect the domestic textile industry from the threat of unfair competition; on the other hand, it is also seen as hindering consumers' access to more affordable and varied products.

The problem that arises in this context is: Is the import ban on used clothing really effective in protecting the local industry or does it hinder consumer choice? This study aims to explore the impact of the policy on both aspects and provide recommendations for better decision-making in the future. By understanding the dynamics between industry protection and consumer rights, it is hoped that a balanced and sustainable solution can be found for all parties concerned.

#### **B. RESEARCH METHODS**

This research uses a normative juridical method with a literature study approach. The normative juridical method was chosen because this research examines aspects of law and regulation, specifically Regulation of the Minister of Trade No. 51/M-DAG/PER/7/2015 on the Import Ban of Used Clothes, as well as its implementation in the context of protecting local industries and consumer rights. The research data is obtained through literature study by collecting and analyzing various sources of literature such as laws and regulations, books, journals, and articles.

Scientific articles, research articles, and official documents related to used clothing import policies in Indonesia. The data collected is then analyzed qualitatively by conducting in-depth interpretation and analysis of the legal substance, the impact of policy implementation, and various perspectives related to the research problem. The results of the analysis are presented descriptively to provide a comprehensive picture of the effectiveness of the used clothing import ban policy in the context of protecting local industries and its impact on consumer choice.

#### C. RESULT AND DISCUSSION

## **Definition of Thrifting**

Imported used clothing is an item that is considered illegal in Indonesia. This means something that is not in accordance with applicable laws or regulations. This imported used clothing can be categorized as dangerous goods because it circulates freely and without any prior checks. Imported used clothing that comes to Indonesia does not all have quality. Exports and imports are one of the important factors in international trade to increase economic growth. Export and import activities provide benefits to the countries involved. Exports are one of the sources of foreign exchange that is needed by countries whose economies are open, because exports can work widely in various countries. So that it will allow an increase in the amount of production that triggers economic growth and makes a major contribution to the stability of the country's economy.

Meanwhile, through imports, the country can fulfill its domestic needs that cannot be produced domestically so that the costs incurred for goods and services are more affordable. Imports of used clothing from Korea are the largest imports in Indonesia. One of the causes, namely because the Korean country has an entertainment world that has already been developed. binding in Asia, namely in the field of K-pop. Korean culture is also a trendsetter in the world of clothing fashion, because the Korean way of dressing has distinctive, unique, and funny characteristics so that teenagers like this style. Departing from this, it creates unrest and confusion for *fashion industry* stakeholders in Indonesia. So, the purpose of this paper is to find out, how the impact of used clothing imports on the stability of the textile and textile products (TPT) industry in Indonesia.<sup>4</sup>

## Analysis of MOT Regulation No. 51/M-DAG/PER/7/2015

Analysis of MOT 51/M-DAG/PER/7/2015 on the import ban of used clothing in Indonesia reflects the government's efforts to protect the local textile industry and

public health. The background of this regulation stems from the increasing flow of second-hand clothing imports that threatens the competitiveness of local products as well as the potential health risks of unsanitary goods. The government sees that this phenomenon not only has an impact on the economy, but also on consumer health, so strict regulations are needed to regulate the circulation of used clothing.<sup>5</sup>

The regulatory scope of this MOT includes a total ban on second-hand clothing imports, with a focus on protecting the domestic industry and consumers. This policy aims to encourage the growth of the domestic textile industry, which has been pressured by cheaper and more diverse second-hand clothing. With this ban, it is expected that local producers can compete better and consumers get safer and higher quality products.<sup>6</sup>

The monitoring and enforcement mechanism in this regulation involves various government agencies, including the Directorate General of Standardization and Consumer Protection of the Ministry of Trade, which is tasked with conducting testing of goods circulating in the market. Surveillance is conducted to ensure that there are no violations of the import ban and to protect consumers from the health risks posed by unfit second-hand clothing. Enforcement against violations is also an important part of the implementation of this policy, so that the objectives of protecting local industries and public health can be effectively achieved.<sup>7</sup>

Thus, MOT 51/M-DAG/PER/7/2015 serves not only as a trade regulation tool, but also as a strategic step in safeguarding public health and supporting local economic growth.

# Impact on Local Industries and Consumer Rights Perspective

The use of second-hand clothing has become a favorite among the public as it offers a unique and different style, especially since many second-hand clothes have international leading brands and rare models in the market.<sup>8</sup> The rise of second-hand clothing imports from countries such as Japan, Malaysia, China, Hong Kong, Korea,

and Singapore opens up business opportunities for people who have the capital to set up shops or become second-hand clothing distributors. These second-hand clothes are sold at very affordable prices, making it a frugal alternative for consumers, especially for the middle to lower economic community, who prefer second-hand clothes to new clothes.<sup>9</sup>

With the Minister of Trade Regulation No. 51/M- DAG/PER/7/2015 banning the import of used clothing, this has a significant impact on micro or small-line traders. Although this policy has the aim of supporting the domestic clothing industry, micro merchants have been affected. face various consequences that affect their businesses. The impact of the *thrift* import ban on micro merchants falls into several contexts, one of which is economic.

In terms of the economy, the ban on second-hand clothing imports has a negative impact on micro merchants. Second-hand clothing is one of the sources of cheap clothing that is often traded at affordable prices. With the implementation of the import ban, the supply or quantity of used clothing will decrease. This may cause the price of new clothes to rise and consumer purchasing power to decrease. As a result, micro merchants will find it difficult to compete with the more expensive new clothes and their businesses may experience a decrease in revenue and even losses.

The import ban on second-hand clothing in the context of consumers is considered quite detrimental. Second-hand clothing is usually used as an alternative choice for the middle to lower economic groups because it is more affordable. With the import ban, consumers who have a limited budget will find it difficult to get affordable clothes. Therefore, their quality of life will change as they will have to sacrifice options that are usually available at *thrift shops* or be forced to spend more money on new clothes.<sup>10</sup>

From a health perspective, the government has a strong case for banning second-hand clothing, given the risk of bacterial contamination or diseases that may be brought in from abroad. Imported used clothing that is not properly treated can

contain a lot of bacteria and microorganisms that can potentially harm the health of consumers. This can lead to the spread of diseases and other health issues, especially if the clothes are not properly sanitized before sale.<sup>11</sup>

The Directorate General of Standardization and Consumer Protection of the Ministry of Trade has tested 25 samples of used clothing that are circulating in the market. Samples were taken at Pasar Senen Jakarta consisting of several types of clothing, namely children's clothing (jackets), women's clothing (vests, sweaters, dresses, skirts, tops, hot pants, shorts), men's clothing (jackets, trousers, shorts, shirts, t-shirts, shirts, sweaters, shirts, boxers, underwear). Tests were carried out on several types of microorganisms that can survive on clothing, namely Staphylococcus aureus (S. aureus) bacteria, Escherichia coli (E. coli) bacteria, and fungi (mold or yeast), based on the results of the tests carried out, a number of bacterial and fungal colonies were found as indicated by the Total Plate Count (ALT) and mold testing parameters on all samples of used clothing which were quite high. The microbial content of used clothing has a total microbial value (ALT) of 216,000 colonies/g and mold of 36,000 colonies/g.

Bacterial and mold contamination can cause various health problems. Staphylococcus aureus bacteria can cause boils, acne, and wound infections on human skin. While Escherichia coli bacteria cause digestive disorders (diarrhea), and types of fungi such as molds (Aspergillus sp) and yeasts (Candida sp) can cause itching, allergies and even infections in the genital tract. This is because the total plate number (ALT) parameter value of the test results shows the total number of bacterial colonies and 3 fungi in the sample, but in the sample there are still other bacteria and mold fungi, which have not been identified which may be pathogenic.<sup>12</sup>

The ban on imports of used clothing through Minister of Trade Regulation No. 51/M-DAG/PER/7/2015 is seen as an effort to protect local industries and public health. However, a consumer rights perspective shows a significant impact on people's freedom of choice and purchasing power. Various studies suggest the need for a more

balanced approach between protecting domestic industries and providing affordable alternatives for consumers. Thus, the evaluation of and policy adjustments are important so that these policies not only fulfill economic and health aspects, but also pay attention to consumers' rights to choose products that suit their preferences and needs.

# Evaluation of the Implementation of MOT Regulation No. 51/M-DAG/PER/7/2015

An evaluation of the implementation of the Minister of Trade Regulation No. 51/M- DAG/PER/7/2015 on the import ban of used clothing shows the relatively good effectiveness of the policy in protecting the local textile industry and public health. The policy succeeded in reducing the volume of used clothing entering the domestic market, thus providing room for local products to compete better. However, despite the significant reduction in imports, challenges in law enforcement remain a major issue. Challenges in enforcement include difficulties in on-the-ground supervision, where many traders still find ways to illegally import used clothing, as well as a lack of resources to conduct adequate checks on goods circulating in the market. This suggests that although policies have been implemented, their effectiveness is hampered by inappropriate practices and lack of support in terms of supervision.<sup>13</sup>

To improve the implementation of the used clothing import ban policy, recommendations include the need for increased supervisory capacity by the government, including training for officers in the field and the use of technology to monitor the circulation of goods. In addition, it is important to conduct public outreach on the health risks of second-hand clothing and the benefits of using local products, so that consumers better understand their options. Policies also need to be evaluated regularly to adjust to market dynamics and consumer needs, so as to strike a balance between the protection of local industries and consumers' right to affordable and quality products. In this context, to address the impact of the used clothing import ban on macro and micro traders, solutions need to be implemented from both the government and the traders themselves. The government can implement a more flexible import policy for goods that cannot be efficiently produced

domestically. In addition, incentives and assistance can also be provided to traders to improve their competitiveness. On the traders' side, they can seek domestic solutions to meet their raw material needs, establish partnerships with local producers, and utilize technology and innovation to improve operational efficiency and product marketing.<sup>14</sup>

#### D. CONCLUSIONS

Minister of Trade Regulation No. 51/M-DAG/PER/7/2015 was made to ban the import of second-hand clothing in Indonesia to protect local industries and consumers. The fashion industry is growing rapidly, but not everyone can afford expensive clothing, so second-hand clothing is an alternative. The regulation focuses on the impact of second-hand clothing imports on local industries and consumer health. Regulations are needed to monitor imports to avoid health risks. This research aims to explore the impact of the regulation on local industries and consumer rights, to promote fair trade. In conclusion, the regulation supports local industries, consumers, and sustainable consumption.

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