**STATEMENT OF THE DELEGATION OF INDONESIA**

 **Fourth Session of the Open-Ended Working Group on TNCs and OBEs**

 **GENERAL STATEMENT**

 **Geneva, 15 October 2018**

**Mr. Chairperson,**

First of all, my delegation wishes to congratulate you for being elected as the Chairperson for the fourth Session of the Open-Ended Working Group. We trust your very able and strong stewardship in guiding the deliberation of the Working Group.

We thank the Permanent Mission of Ecuador for preparing a zero draft of the Legally Binding Instrument and its Optional Protocol. We also appreciate the core group for inviting very knowledgeable keynote speakers and experts during the discussion to provide views and inputs to our work of drafting a legally binding instrument. The participation of relevant stakeholders, including states, experts, business sector and civil society in this process is important in ensuring inclusivity of the process.

**Mr. Chairperson,**

While supporting the process of the drafting of a legally binding instrument, Indonesia needs to strike a balance between different priorities including development strategy, investment, human rights, environment, and poverty eradications.

Indonesia is a country that hosts many Transnational Corporations, including in the extractive sectors. Therefore, we need to ensure that the activities of their business should promote and protect human rights of our community and that they provide remedy for victims if violations occur. However, at the same time, we must make sure that the improvements made through a legally binding instrument should also contribute positively to our development priorities.

In the case of Indonesia, more than 57 millions people or 99% of our business sectors are dealing with SMEs and state-owned enterprises, in which many of them have transnational characters as part of supply chains. These SOEs and SMEs are regulated by national laws. In this regard, negotiation on a legally binding instrument should also consider specific characteristics of many developing countries with similar condition like Indonesia.

The Government of Indonesia now is undertaking a careful approach and in-depth observations and engaging relevant stakeholders inclusively in the deliberation of the zero draft at the national level.

**Mr. Chairperson,**

We also would like to reaffirm our position that this process stems from resolution 26/9 and therefore wish to underline that the legally binding instrument should focus on Transnational Corporations, which take place or involve actions in two or more national jurisdiction. It should not apply to local businesses registered in terms of relevant domestic law.

**Finally,** rest assured that our delegation will participate and contribute constructive to this Session of Working Group and will provide inputs in the discussion of the articles of the zero draft.

 I thank you.