

Legal Analysis of Consumer Protection in the Application of SNI in Batam Free Trade Zone

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ABSTRACT

*This study aims to analyse the regulation of the Indonesian National Standard (SNI) under Law Number 8 of 1999 concerning Consumer Protection and its implications for consumer protection in Batam City as a Free Trade Zone. The study is grounded in the discrepancy between *das sollen* and *das sein*, in which the prevailing legal framework obliges business actors to comply with SNI requirements, whereas in practice the implementation of SNI in Batam remains ineffective due to high certification costs, limited legal awareness among business actors, and the distinctive characteristics of the Free Trade Zone. This research employs a normative juridical method with statutory and case approaches, utilising primary, secondary, and tertiary legal materials. The findings demonstrate that Article 8 paragraph (1) and Article 4 letter (c) of Law Number 8 of 1999 impose an obligation upon business actors to implement SNI standards, while Article 19 paragraphs (1) and (2) provide consumers with the right to seek compensation for damages, and Article 45 paragraph (1) regulates the mechanism for dispute resolution through the Consumer Dispute Settlement Agency (BPSK). Nevertheless, normative inconsistencies between Law Number 39 of 2009 concerning Special Economic Zones and other related regulations have created obstacles to the implementation of SNI in Batam. Despite these challenges, the enforcement of SNI remains a legal obligation for business actors in order to ensure consumer protection, legal certainty, and the enhancement of trade quality within the free trade zone.*

keywords: Indonesian National Standard (SNI), Free Trade Zone, Consumer Protection

A. BACKGROUND

The Free Trade Zone (FTZ) policy implemented in Batam City allows local communities to compete economically with neighbouring countries such as Malaysia and Singapore¹. Nevertheless, Batam's designation as a free trade zone has generated complex cross-border trade challenges, particularly regarding enforcing the Indonesian National Standard (SNI), a fundamental consumer protection legal instrument. The SNI is a normative regulatory framework established by the National Standardisation Agency (BSN) through a consensus-based formulation process involving industrial authorities, consumer representatives, and relevant experts². The Batam City Central Bureau of

¹ Cherlyne Baby Florencia and Rasji Rasji, "Implementasi Kebijakan Kawasan Perdagangan Bebas/Free Trade Zone (FTZ) Terhadap Masyarakat Bukan Pelaku Usaha Di Kota Batam," *UNES Law Review* 6, no. 1 (2023): 3425–30, <https://doi.org/https://doi.org/10.31933/unesrev.v6i1.1137>.

² Gilang Hamzah Akbar, "Daya Saing Pertanian Indonesia Menghadapi ASEAN Economic Community (AEC) 2015," *Seminar Nasional Dan Sidang Pleno ISEI XVI* 03, no. 01 (2019): 13–16, <https://jurnal.unigal.ac.id/mediateknologi/article/view/2350/2055>.

Statistics data indicate that three key sectors—manufacturing, construction, and wholesale trade—contributed 83.83% to Batam’s total Gross Regional Domestic Product (GRDP) in 2023³. Furthermore, Batam’s monthly export value under the Free on Board (FOB) scheme reached USD 1.2 billion in May 2024, where *FOB* refers to the transfer of goods from the seller to the carrier at the port of shipment⁴.

Although the data above indicate significant economic growth in Batam City, such progress has not been accompanied by adequate compliance from business actors with the Indonesian National Standard (SNI). This condition reflects a clear disparity between *das sein* (the legal reality in practice) and *das sollen* (the ideal legal norms formulated in legislation). Research conducted by ⁵ revealed that only 12 percent of micro, small, and medium enterprises (MSMEs) in Batam possessed mandatory SNI certification. The same study also found that 88 percent of MSMEs complained about the high cost of obtaining SNI certification, which ranged from IDR 8 million to IDR 15 million per product. The high certification costs and limited awareness among business actors have resulted in 34 percent of steel products and 28 percent of imported electronic goods in Batam failing to meet SNI requirements ⁶. This noncompliance phenomenon demonstrates an imbalance between a development orientation focused on economic growth and the legal obligation to ensure consumer protection. Such disparity stems from low levels of awareness among business actors, the high cost of certification, and government policies that tend to favour industrial productivity over consumer safety ⁷. This finding aligns with the view of ⁸, who assert that consumers often occupy a weak position when facing business entities, thereby necessitating clear and enforceable legal protection—particularly since business practices in Batam are not yet fully consistent with the prevailing legal norms.

This condition illustrates that consumer protection requires not only a

³ BP Batam, “Industri Pengolahan Jadi Kunci Pertumbuhan Ekonomi Batam - BP Batam,” [bpbatam.go.id](https://bpbatam.go.id/en/industri-pengolahan-jadi-kunci-pertumbuhan-ekonomi-batam/), March 1, 2024, <https://bpbatam.go.id/en/industri-pengolahan-jadi-kunci-pertumbuhan-ekonomi-batam/>.

⁴ Anastasia Zefanya, Purnama Trisnamansyah, and Mursal Maulana, “Risiko Dalam Implementasi Free On Board (FOB) Berdasarkan Incoterms 2010 Pada Penyelenggaraan Pengangkutan Laut,” *IKRA-ITH HUMANIORA: Jurnal Sosial Dan Humaniora* 7, no. 3 (2023): 251–58, <https://doi.org/https://doi.org/10.37817/ikraith-humaniora.v7i3.3405>.

⁵ Hendra Wijaya, “Analisis Pemberlakuan Peraturan Standar Nasional Indonesia Mainan Secara Wajib Terhadap Usaha Mikro, Kecil Dan Menengah Dalam Free Trade Zone Di Wilayah Kota Batam, Kepulauan Riau,” *Repository Universitas Gaja Mada*, 2016, 328597, <https://doi.org/https://etd.repository.ugm.ac.id/penelitian/detail/96311>.

⁶ TISTA RINA, “Perlindungan Konsumen Tentang Produk Elektronik Standar Nasional Indonesia (SNI) Wajib Di Kota Pekanbaru.,” <https://repository.uin-suska.ac.id/>, 2020, https://repository.uin-suska.ac.id/27831/2/SKRIPSI_GABUNG.pdf.

⁷ Kea Ezati A.K and Lawrina Cristi Natalia, Syakira Almanisa, “Konsep Dan Karakteristik Penegakan Hukum Perlindungan Konsumen Ditinjau Dari Undang-Undang No. 8 Tahun 1999,” *Jurnal Ilmiah Wahana Pendidikan* 9, no. 19 (2023): 417–28, <https://doi.org/https://doi.org/10.5281/zenodo.8404581>.

⁸ David Tan. Rufinus Hotmaulana Hutauruk, Lu Sudirman, Hari Sutra Disemadi, “CONVERGENCE OF CONSUMER PROTECTION, INVESTMENT LAW, AND CYBERSECURITY: An in-Depth Analysis of Three-Way Legal Intersections in Investment Apps,” *JURISDICTION: Jurnal Hukum Dan Syariah* 14, no. 1 (2023): 127–53, <https://doi.org/http://dx.doi.org/10.18860/j.v14i1.21180>.

comprehensive legal framework but also effective implementation through the collaboration of consumer protection institutions, law enforcement authorities, and public participation, as mandated by the Consumer Protection Law.⁹ The obligation to implement the Indonesian National Standard (SNI) is explicitly stipulated in several statutory instruments, including Article 8 paragraph (1) of Law Number 8 of 1999 concerning Consumer Protection (**UU No. 8/1999**), which prohibits business actors from producing or trading goods and/or services that do not conform to the standards established under prevailing legislation. Similarly, Article 20 paragraph (1) of Law Number 20 of 2014 concerning Standardisation and Conformity Assessment (**UU No. 20/2014**) provides that the implementation of the SNI may be carried out voluntarily but may also be made mandatory under certain circumstances. In line with this, Article 4 paragraph (1) of Government Regulation Number 34 of 2018 concerning the Standardisation System (**PP No. 34/2018**) emphasises that the formulation of the SNI aims to standardise technical provisions, qualifications, and competencies related to goods, services, systems, processes, and personnel. These provisions affirm that SNI is a legal instrument ensuring product quality and consumer protection, reinforcing the state's responsibility to guarantee legal certainty and public safety within Indonesia's regulatory framework.

Furthermore, there exists a regulatory disharmony between the provisions of Article 8 paragraph (1) of Law Number 8 of 1999 concerning Consumer Protection (**UU No. 8/1999**), Article 20 paragraph (1) of Law Number 20 of 2014 concerning Standardization and Conformity Assessment (**UU No. 20/2014**), and Article 4 paragraph (1) of Government Regulation Number 34 of 2018 concerning the Standardization System (**PP No. 34/2018**), in relation to Law Number 39 of 2009 concerning Special Economic Zones (**UU No. 39/2009**). The enactment of Law No. 39/2009 grants special privileges to specific regions designated as Special Economic Zones (SEZs), including Batam City, which is recognised as a Free Trade Zone (FTZ). Establishing SEZs aims to promote regional development based on geo-economic and geo-strategic advantages.¹⁰ However, these special provisions have significant implications for implementing the Indonesian National Standard (SNI) within SEZs such as Batam. One notable example is Article 39 of Law No. 39/2009, which stipulates that business sector restrictions on investment activities do not apply within SEZs, except for those reserved for micro, small, and medium enterprises (MSMEs) and cooperatives. This exemption potentially weakens the enforceability of mandatory SNI requirements in SEZ regions, thereby creating a conflict between economic liberalisation policies and the state's obligation to ensure consumer protection and product quality standards.

⁹ Rufinus H. Hutahuruk Dian Riama L.Tobing, Lu Sudirman, "Consumer Protection in High Yield Promissory Notes Issued By PT Indosterling Optima Investa," *Journal of Law and Policy Transformation* 18, no. 40 (2024): 135–44, <https://doi.org/https://doi.org/10.37253/jlpt.v9i1.9488>.

¹⁰ Muh Ali Masnun, Eny Sulistyowati, and Mahendra Wardhana, "Evaluasi Pengaturan Kelembagaan Kawasan Ekonomi Khusus Di Indonesia," *Jurnal Magister Hukum Udayana* Vol 10 No., no. April (2021): 150–65, <https://doi.org/10.24843/JMHU.2021.v10.i01. p12>.

Several prior studies have examined similar topics ¹¹, conducted a normative juridical study which found that the provisions of Law Number 20 of 2014 substantially ensure consumer protection. However, the limitation of this research lies in its failure to address the implementation of the Indonesian National Standard (SNI) within Special Economic Zones, such as Free Trade Zones, thereby reducing the applicability of its findings in such contexts. Another study by ¹² employed an empirical juridical method and revealed that SNI-based legal protection for consumers of electronic products in Pekanbaru had not been effectively implemented. The weakness of this study is its lack of discussion on inter-sectoral regulatory inconsistencies. Similarly, ¹³ conducted research using normative and empirical legal methods and concluded that enforcing legal protection for consumers against the circulation of cosmetic products containing hazardous substances in Batam has not been optimal. Nevertheless, this study also lacks a comprehensive analysis of the interaction between the regulatory policies of the National Agency for Drug and Food Control (BPOM) and the special legal regime governing Special Economic Zones, particularly in Free Trade Zone areas.

A study conducted by ¹⁴ employed a normative legal method and found that the practice of selling branded bags in Batam contravenes consumer protection law, as such transactions are not accompanied by authenticity certificates issued by the manufacturers. The limitation of this study lies in its failure to analyse the issue of non-compliance with the Indonesian National Standard (SNI), which directly harms consumers. Similarly,¹⁵ conducted a normative juridical study and concluded that legal protection for consumers manifests through mandatory SNI requirements regulation. However, this research did not address the normative conflict between Law Number 8 of 1999 on Consumer Protection and Law Number 39 of 2009 on Special Economic Zones, leaving a critical gap in understanding how these overlapping legal regimes affect the enforcement of consumer protection standards in Free Trade Zone areas.

Compared to the five prior studies discussed above, the novelty of this research lies in adopting the concept of *Adaptive Standardization*. This concept is employed to analyze issues concerning the implementation of the Indonesian National Standard (SNI) within

¹¹ Ciptawan Ciptawan et al., "Upaya Perlindungan Hukum Konsumen Terhadap Produk Yang Tidak Memenuhi Kewajiban Standar Nasional Indonesia," *Locus: Jurnal Konsep Ilmu Hukum* 3, no. 1 (2023): 21–34, <https://doi.org/10.56128/jkih.v3i1.39>.

¹² Miftahul Haq and Januaris Purba, "Perlindungan Hukum Terhadap Penerapan Standar Nasional Indonesia (SNI) Bagi Konsumen Barang Elektronik Di Kota Pekanbaru," *Jurnal Of Criminology and Justice* 1, no. 2022 (2022): 43–46, <https://doi.org/https://journal.fkpt.org/index.php/criminology/article/view/197/133>.

¹³ dan Erniyanti Khairil Hidayat, Christiani Prasetyasari, "Perlindungan Hukum Konsumen Terhadap Peredaran Kosmetik Berbahaya Yang Ditarik Di Provinsi Jawa Tengah Consumer Legal Protection Against the Distribution of Recalled Hazardous Cosmetics in Central Java Province," *UNES Law Review* 5, no. 1 (2025): 3–33, <https://doi.org/https://doi.org/10.15294/ipmhi.v5i1.28961>.

¹⁴ Andryawan Viana Shecar, "Pemenuhan Hak Konsumen Atas Informasi Yang Benar (Studi Kasus Tas Branded Di Batam)," *UNES Law Review* 6, no. 1 (2023): 1158–67, <https://doi.org/https://doi.org/10.31933/unesrev.v6i1.833>.

¹⁵ Tulus Sartono and Valensia, "Product Standardization through SNI as A Form of Consumer Protection in Indonesia," *Legality: Jurnal Ilmiah Hukum* 28, no. 1 (2020): 1–10, <https://doi.org/10.22219/ljih.v28i1.10953>.

Special Economic Zones such as Batam City. *Adaptive Standardisation* integrates two key approaches, *adaptation* and *standardisation* in the formulation and implementation of public policy.¹⁶ The essence of this concept is to allow regulatory implementation to be contextually adjusted to specific regional characteristics without disregarding fundamental consumer protection principles. Accordingly, applying the *Adaptive Standardisation* concept in this study aims to ensure that the implementation of SNI functions as a legal instrument for safeguarding consumers and remains adaptable to the regulatory and economic framework governing Free Trade Zones such as Batam.

The theoretical contribution of this research is to provide recommendations on implementing the Indonesian National Standard (SNI) in Batam City as a Free Trade Zone to ensure the optimal realisation of consumer protection. This is achieved through an in-depth analysis of the statutory regulations governing consumer protection, national standardisation, and special economic zones. Despite relying primarily on secondary data derived from written legal and academic sources, this study is expected to contribute to national policymaking—particularly by assisting the Government of the Republic of Indonesia and the House of Representatives in formulating harmonised regulations concerning the application of SNI within Free Trade Zones such as Batam. The SNI label on products serves as tangible evidence of business compliance with national quality standards, forming a crucial foundation for future consumer protection policies in Batam. In this context, the study addresses two interrelated legal questions: how the Indonesian National Standard (SNI) is regulated under Law Number 8 of 1999 concerning Consumer Protection, and how the implementation of SNI affects consumer protection in Batam as a Free Trade Zone. Accordingly, the research aims to analyse the legal framework governing SNI and assess its practical implications for ensuring consumer rights in Batam's unique regulatory and economic environment, ultimately offering insights for achieving a balanced and enforceable standardization system within Indonesia's special economic regions.

B. RESEARCH METHODOLOGY

This research employs a doctrinal or normative legal research method, which is essential for understanding contemporary legal issues in a systematic and analytical manner.¹⁷ The study applies a normative juridical approach designed to construct coherent legal arguments in resolving regulatory inconsistencies concerning the implementation of the Indonesian National Standard (SNI) within Free Trade Zones, while adopting both statutory and case approaches to examine the internal structure, consistency, and hierarchy of Indonesia's positive law. Data collection relies primarily

¹⁶ Yacob Noho Nani et al., "Collaboration Operating Standards: Development Of Dynamic-Adaptive Policy Model Sawala," *Sawala Jurnal Administrasi Negara* 4039, no. May (2024): 94–114, <https://doi.org/10.30656/sawala.v12i1.8040>.

¹⁷ Hari Sutra Disemadi, "Lensa Penelitian Hukum : Esai Deskriptif Tentang Metodologi Penelitian Hukum," *Journal Of Judicial Review* 24, no. December (2022): 289–304, <https://doi.org/https://doi.org/10.37253/jjr.v24i2.7280>.

on library research encompassing primary, secondary, and tertiary legal materials. The primary legal sources analysed include Law No. 8 of 1999 on Consumer Protection, Law No. 39 of 2009 on Special Economic Zones, Law No. 20 of 2014 on Standardisation and Conformity Assessment, and Government Regulation No. 34 of 2018 on the Standardisation System. Secondary materials consist of legal literature, scholarly journals, expert opinions, and previous studies, while tertiary materials are obtained from reputable online legal databases and official government websites. The collected legal materials are analysed using qualitative-descriptive and prescriptive legal analysis methods. The qualitative-descriptive analysis is employed to identify, classify, and interpret legal norms governing consumer protection and SNI implementation, particularly in relation to the regulatory framework applicable within Free Trade Zones, whereas the prescriptive approach is utilised to formulate legal arguments and provide recommendations aimed at resolving normative inconsistencies among relevant laws and regulations. The analytical process is conducted systematically through several stages, namely the identification of legal issues, the classification of relevant legal materials, the interpretation of statutory provisions through legal reasoning, and the formulation of legal conclusions based on the principles of legal certainty, consumer protection, and regulatory harmonisation. This methodological framework enables the research to establish a solid theoretical foundation and critically evaluate academic perspectives and prior findings relevant to consumer protection and standardisation law in Indonesia.

C. RESULT AND DISCUSSION

1. The regulation of the Indonesian National Standard (SNI) is explicitly stipulated in Article 8 paragraph (1) of Law Number 8 of 1999 concerning Consumer Protection

which states that “business actors are prohibited from producing or trading goods and/or services that do not conform to the standards established by legislation.” Including this provision signifies that the term “standard,” including SNI, constitutes a binding legal obligation for business actors in production and distribution processes. In this regard, SNI serves as a normative instrument that ensures products circulating in the market meet quality, safety, and compliance requirements per statutory mandates. The provision also functions as an overarching legal framework that integrates and reinforces the state’s commitment to consumer protection by emphasising accountability and adherence to established product standards¹⁸. Hence, the regulation of SNI under the Consumer Protection Law reflects not only the preventive dimension of legal protection—aimed at avoiding consumer harm—but also the prescriptive function of law in promoting fair business practices within Indonesia’s economic system.

Another provision related to the Indonesian National Standard (SNI) is found in Article 4 letter (c) of Law Number 8 of 1999, which stipulates that “consumers have the right to obtain correct, clear, and honest information regarding the condition and

¹⁸ Yahya Abdul and Jacobus Jopie Gilalo, “Penyelesaian Dan Sanksi Atas Tindak Pidana Konsumen Terhadap Kejahatan Pelaku Usaha,” *IBLAM LAW REVIEW*, 2024, 69–78, <https://doi.org/https://doi.org/10.52249/ilr.v4i2.446>.

guarantee of goods and/or services.” Although this provision does not explicitly refer to SNI, it serves as an essential legal foundation for standardisation, ensuring that consumers can judge the products they purchase. Within Indonesia’s positive legal framework, SNI functions as a nationally binding benchmark that establishes minimum quality and safety standards for all goods circulating in the market, including those produced by micro, small, and medium enterprises (MSMEs) ¹⁹. As such, SNI provides a measurable indicator of product eligibility and reliability in trade, forming the cornerstone of consumer trust and protection.²⁰

Implementing the Indonesian National Standard (SNI) to ensure product eligibility aligns with the preventive legal protection introduced by Philipus M. Hadjon, which aims to prevent disputes by promoting prudence and legal compliance in decision-making processes²¹. The enforcement of SNI guarantees that products distributed in the market meet established quality and safety requirements, functioning not merely as an administrative formality but as a concrete manifestation of legal protection that assures consumers of product reliability and safety²². Beyond the provisions of Law No. 8 of 1999, SNI regulation is further reinforced under Article 20, paragraph (2) of Law No. 20 of 2014 on Standardisation and Conformity Assessment, which stipulates that the application of SNI may be voluntary or mandatory depending on specific circumstances. This dual nature indicates that while certain industries must comply mandatorily, others may implement SNI voluntarily as a form of corporate responsibility and consumer assurance.²³

The regulation of the Indonesian National Standard (SNI) is further elaborated in Article 4 paragraph (1) of Government Regulation Number 34 of 2018, which provides that “SNI is designed and formulated to standardize technical requirements, qualifications, and/or competencies related to goods, services, systems, processes, and personnel.” This provision establishes that the scope of SNI is broad, extending beyond products to include systems and processes, thereby reflecting its comprehensive role in ensuring quality assurance and operational integrity. However, despite the detailed regulation of SNI under Law No. 8 of 1999, Law No. 20 of 2014, and Government Regulation No. 34 of 2018, these provisions lack harmony with Law No. 39 of 2009 on

¹⁹ Yuliana Indah Sari and M Rizki Azmi, “Perlindungan Hukum Konsumen Terhadap Produk UMKM Yang Tidak Bersertifikat SNI Dan BPOM Consumer Legal Protection for MSME Products Not Certified by SNI and BPOM,” *Jurnal USM LAW REVIEW* 8, no. 2 (2025): 1–12, <https://doi.org/https://doi.org/10.26623/julr.v8i2.11064>.

²⁰ Resmaya Agnesia Mutiara Sirait Isis Ikhwansyah, “Penerapan Standar Nasional Indonesia Produk Beras Yang Beredar Pada Masyarakat Dalam Perspektif Perlindungan Konsumen,” *Retical Review* 2, no. 1 (2020): 26–38, <https://online-journal.unja.ac.id/RR/article/view/8659>.

²¹ Edy Purwito, “Konsep Perlindungan Hukum Konsumen Dan Tanggung Jawab Hukum Pelaku Usaha Terhadap Produk Gula Pasir Kaladuaesa Di Kota Surabaya,” *DEKRIT: Jurnal Magister Ilmu Hukum* 13, no. 1 (2023): 109–29, <https://doi.org/https://doi.org/10.56943/dekrit.v13n1.152>.

²² Ciptawan et al., “Upaya Perlindungan Hukum Konsumen Terhadap Produk Yang Tidak Memenuhi Kewajiban Standar Nasional Indonesia.”

²³ Faizah Bafadha Nainggolan Rotua, “Kewajiban Pelaku Usaha Dalam Menjamin Mutu Barang Dan Jasa Konstruksi Dalam Perspektif Perundang-Undangan,” *Zaaken : Jurnal Of Civil and Business Law* 2, no. 2021 (2021): 144–63, <https://doi.org/https://doi.org/10.22437/zaaken.v2i1.11345>.

Special Economic Zones (SEZs). Article 39 of Law No. 39 of 2009 stipulates that business sector restrictions on investment activities do not apply within SEZs, except for those reserved for micro, small, and medium enterprises (MSMEs) and cooperatives. This special exemption generates legal disharmony and ambiguity in the implementation of SNI within SEZs such as Batam City, where economic liberalization policies often conflict with the mandatory nature of product standardization, ultimately challenging the consistency and enforceability of consumer protection norms in free trade environments.

The obligation to implement the Indonesian National Standard (SNI) as stipulated in Article 8 paragraph (1) of Law Number 8 of 1999 constitutes a binding duty for business actors. The mandatory application of SNI particularly applies to sectors directly related to health, safety, security, and environmental sustainability, underscoring its preventive legal function in safeguarding public welfare. In this regard, Law No. 8 of 1999 also affirms the consumer's right to claim compensation from business actors who violate the provisions of Article 8 paragraph (1)²⁴. This is explicitly reinforced in Article 19 paragraph (1) of the same law, which stipulates that "business actors are responsible for providing compensation for damage, pollution, and/or consumer losses resulting from the consumption of goods and/or services produced or traded." Thus, the integration of SNI enforcement with the liability provisions of the Consumer Protection Law reflects the legislature's intent to ensure both preventive and corrective legal protection mechanisms, guaranteeing that consumer rights are preserved through compliance and accountability frameworks.

Furthermore, Article 9 paragraph (2) of Law Number 8 of 1999 further reinforces the consumer's right to obtain adequate compensation for any loss incurred from goods or services that fail to meet established standards. This provision elaborates that compensation may be a refund, replacement of goods or services of equivalent value, health care services, or other indemnities stipulated by prevailing laws and regulations. In this context, business actors who are legally obligated to implement the Indonesian National Standard (SNI) but neglect to do so remain fully liable for consumer losses arising from such non-compliance. Therefore, the legal framework embeds a dual dimension of accountability: preventive, through the mandatory enforcement of SNI to avert potential harm, and corrective, through restitution mechanisms designed to restore consumer rights once a violation occurs. Collectively, these provisions illustrate the state's strong commitment to ensuring justice, fairness, and reliability within Indonesia's consumer protection system, while underscoring the crucial role of standardisation as both a regulatory tool and a manifestation of public legal responsibility.

Moreover, the obligation to comply with the Indonesian National Standard (SNI) is further reinforced by Article 32 of Government Regulation Number 34 of 2018, which stipulates that "when SNI is made mandatory, business actors may only trade goods that have obtained the SNI Mark or a conformity mark on their packaging or label, as well as

²⁴ Intan Kumalasari, B Asfiani, and Zainal Said, "Implementasi UU Nomor 8 Tahun 1999 Tentang Perlindungan Konsumen : Relasi Produk Perawatan Kecantikan Di Kota Parepare," *Jurnal Hukum Ekonomi Syariah* 1, no. 1 (2022): 81–92, https://doi.org/https://doi.org/10.35905/shighat_hes.v1i1.3392.

services that have received SNI certification.” In addition, Article 34 paragraph (1) of the same regulation mandates that “business actors who trade goods or services without fulfilling the requirements of Article 32 must immediately cease their trading activities.” Beyond the obligation to provide compensation to consumers as stated in Article 19 paragraph (2) of Law No. 8 of 1999, business actors who violate SNI provisions may also be subjected to administrative or corrective sanctions under Article 34 paragraph (2) of Government Regulation No. 34 of 2018, which requires the withdrawal of non-compliant products from circulation. These provisions embody the repressive dimension of legal protection as theorised by Philipus M. Hadjon, emphasizing dispute resolution mechanisms as a means to restore consumer rights. In this context, Article 45 paragraph (1) of Law No. 8 of 1999 grants consumers the right to file claims against business actors through the Consumer Dispute Settlement Agency (BPSK) or the general courts, thereby institutionalising access to justice for aggrieved consumers. Although Indonesia’s existing legal framework provides a comprehensive basis for consumer protection, empirical findings indicate that its practical enforcement remains limited. For instance,²⁵ found that the implementation of SNI-based consumer protection in the electronic goods sector in Pekanbaru has not yet operated effectively, demonstrating a persistent gap between normative legal guarantees and their actual realisation in practice.

2. The Impact of the Implementation of the Indonesian National Standard (SNI) on Consumer Protection in Batam City as a Free Trade Zone

Implementing the Indonesian National Standard (SNI) in Batam City encounters a range of complex challenges, particularly due to the city’s status as a Free Trade Zone. One major issue arises from the high cost of certification, which poses a significant burden for business actors, especially micro, small, and medium enterprises (MSMEs). A study conducted by²⁶ Revealed that 88 percent of Batam MSMEs reported difficulties obtaining SNI certification, citing costs ranging from IDR 8 million to 15 million per product. This finding highlights the economic constraints local businesses face in fulfilling their legal obligations to comply with SNI requirements. Consequently, the financial barriers associated with certification undermine the effectiveness of SNI enforcement in Batam, where the practical challenges of compliance within a liberalized trade environment often overshadow the goal of consumer protection through product standardization.

In addition to the financial barriers discussed above, business actors in Batam City also exhibit a low level of compliance with the mandatory implementation of the Indonesian National Standard (SNI). A study conducted by²⁷ only 12 percent of micro, small, and medium enterprises (MSMEs) in Batam had obtained the mandatory SNI certification, indicating a significant gap in regulatory adherence among local businesses.

²⁵ Haq and Purba, “Perlindungan Hukum Terhadap Penerapan Standar Nasional Indonesia (SNI) Bagi Konsumen Barang Elektronik Di Kota Pekanbaru.”

²⁶ Wijaya, “Analisis Pemberlakuan Peraturan Standar Nasional Indonesia Mainan Secara Wajib Terhadap Usaha Mikro, Kecil Dan Menengah Dalam Free Trade Zone Di Wilayah Kota Batam, Kepulauan Riau.”

²⁷ Wijaya.

This lack of compliance demonstrates that many business actors in Batam prioritise production efficiency and cost reduction over compliance with product standardisation requirements. Furthermore, another major issue in the implementation of SNI in Batam lies in the bureaucratic inefficiency of the certification process itself. According to the Chairman of the Indonesian Employers Association (Apindo) of the Riau Islands, Cahya, the administrative procedures for obtaining SNI certification in Batam are excessively slow, often delaying exporting goods outside the region.²⁸ These factors collectively illustrate that structural and administrative obstacles have weakened the enforcement of SNI in Batam's Free Trade Zone, thereby limiting the law's capacity to ensure adequate consumer protection and equitable business competition.

As previously discussed, there exists a normative conflict between the provisions governing Special Economic Zones (SEZs) as regulated under Law Number 39 of 2009 and the policy framework established by Law Number 8 of 1999, Law Number 20 of 2014, and Government Regulation Number 34 of 2018 concerning the implementation of the Indonesian National Standard (SNI) in Batam City. Article 39 of Law No. 39 of 2009 generates legal ambiguity, as it may be interpreted to exempt business actors operating in Batam's Free Trade Zone from the obligation to comply with SNI requirements. This regulatory inconsistency has resulted in a fragmented legal framework where economic liberalization policies often undermine the enforceability of consumer protection standards. Consequently, the overlapping jurisdiction between national standardisation law and special economic legislation creates uncertainty in law enforcement, weakening consumer protection's preventive and corrective dimensions within Batam's unique trade environment.

Although Batam City operates as a Free Trade Zone, business actors within the region remain legally obligated to comply with the Indonesian National Standard (SNI). This obligation is reinforced by the continued enforcement of SNI in other Free Trade Zones such as Bintan Island and Karimun Island, which share a similar regulatory status.²⁹ Furthermore, the applicability of SNI in Batam can also be justified through the principle of *lex posterior derogat legi priori*, which provides that a later law overrides an earlier one.³⁰ However, this principle applies only to laws of equal hierarchical standing within the Indonesian legal system. Accordingly, the enactment of Law Number 8 of 1999 on Consumer Protection, being the later statute, takes precedence over the provisions of Law Number 39 of 2009 to the extent that they conflict with SNI enforcement. In this sense, the hierarchical and temporal interpretation of statutory norms supports the view that the Consumer Protection Law remains binding in Free Trade Zone areas, ensuring that the

²⁸ Batam Pos, "Pengusaha Di Batam Keluhkan Lambatnya Mengurus SNI – Batampos.Co.Id," Batam Pos, 2019, <https://batampos.co.id/2019/10/05/pengusaha-di-batam-keluhkan-lambatnya-mengurus-sni/>.

²⁹ Tribunnews, "Meski FTZ, Aturan SNI Tetap Diterapkan Di Batam, Bintan, Dan Karimun - Tribunbatam.Id," tribunnews.com, 2014, <https://batam.tribunnews.com/2014/10/14/meski-ftz-aturan-sni-tetap-diterapkan-di-batam-bintan-dan-karimun>.

³⁰ Wiina Septiany and Hesti Septianita, "Akibat Hukum Onvoldoende Gemotiveerd Dalam Putusan Anak Berdasarkan Asas Lex Posterior Derogat Legi Priori (Studi Putusan Nomor 9 / Pid . Sus-Anak / 2023 / Pn Kwg)," *JIIHP: Jurnal Ilmu Hukum, Humaniora Dan Politik* 5, no. 1 (2024): 268–82, <https://doi.org/https://doi.org/10.38035/jihhp.v5i1.2902>.

fundamental purpose of SNI—to safeguard consumer rights and public welfare—continues to apply in Batam despite its special economic designation.

As previously discussed, although Batam holds the legal status of a Free Trade Zone, business actors within the region remain subject to the mandatory requirements of the Indonesian National Standard (SNI). Nevertheless, compliance levels among businesses in Batam remain low, with many still facing difficulties obtaining the SNI certification mark. A study conducted by RINA (2020) revealed that the high cost of obtaining SNI certification, combined with a general lack of awareness among business actors regarding standardisation procedures, has resulted in 34 per cent of imported steel products and 28 per cent of imported electronic goods in Batam failing to meet SNI requirements³¹. This empirical evidence demonstrates that the challenge of implementing SNI in Batam is not merely a matter of legal obligation but also of economic feasibility and informational accessibility, which collectively hinder the realisation of effective consumer protection within the region's liberalised trade framework.

The weak implementation of the Indonesian National Standard (SNI) in Batam City has generated not only administrative and regulatory challenges for business actors but also tangible risks for consumers as end users. This condition is reflected in the continued circulation of imported electronic and steel products that fail to comply with mandatory SNI requirements, primarily due to high certification costs and the limited awareness of business actors regarding standardisation obligations. Such circumstances potentially expose consumers to unsafe, low-quality, and unreliable products that do not fulfil nationally established safety and quality standards. In addition, reports published by *Batam Pos* in 2019 highlighted that the SNI certification process in Batam was perceived as excessively slow and bureaucratically inefficient, thereby obstructing product supervision and delaying market distribution. These inefficiencies may indirectly weaken consumer protection mechanisms, particularly in sectors involving products closely related to public safety and health. Furthermore, the circulation of non-compliant products within Batam's Free Trade Zone illustrates the persistent gap between the normative objectives of consumer protection law (*das sollen*) and the realities of legal implementation in practice (*das sein*). Consequently, the ineffective enforcement of SNI obligations in Batam demonstrates that consumer protection, as mandated under Law Number 8 of 1999 concerning Consumer Protection, has not yet been optimally realised within the region's liberalised trade environment.

The low level of compliance among business actors in Batam with implementing the Indonesian National Standard (SNI) for electronic products is consistent with similar findings from a study conducted in Pekanbaru, which highlighted weak enforcement of mandatory SNI requirements in the electronics sector. A subsequent study by Khairil Hidayat and Christiani Prasetyasari (2025) revealed that legal protection for consumers against the circulation of hazardous cosmetic products in Batam has not been effectively

³¹ RINA, "Perlindungan Konsumen Tentang Produk Elektronik Standar Nasional Indonesia (SNI) Wajib Di Kota Pekanbaru."

implemented.³² Together, these studies indicate that consumer protection issues in Batam extend beyond the mere enforcement of SNI, encompassing broader regulatory weaknesses across multiple sectors that pose potential risks to public safety and consumer welfare. This pattern underscores the need for a more coherent and adaptive regulatory framework to ensure that the objectives of standardisation and consumer protection are realised consistently across industries operating within Batam's Free Trade Zone.

D. CLOSING

Conclusion

The obligation to implement the Indonesian National Standard (SNI) is mandated under Article 8, paragraph (1) and Article 4, letter (c) of Law Number 8 of 1999 concerning Consumer Protection. As a form of consumer protection, Articles 19 paragraphs (1) and (2) of the same law establish the right of consumers to claim compensation from business actors, while Article 45 paragraph (1) provides consumers with the legal avenue to bring disputes before the Consumer Dispute Settlement Agency (BPSK). Although a normative conflict exists between Law Number 39 of 2009 on Special Economic Zones and other statutory regulations due to Batam's designation as a Free Trade Zone, the implementation of SNI remains a mandatory obligation within the region to ensure consumer safety and product reliability. Nevertheless, several practical challenges persist in its enforcement, including low compliance among business actors, bureaucratic delays in the certification process, and high certification costs. These issues collectively undermine the effectiveness of SNI enforcement and increase the potential for consumer harm resulting from the circulation of goods that have not obtained the official SNI certification mark.

Recommendations

Based on the above conclusions, this study puts forward several policy recommendations. First, in collaboration with the House of Representatives, the Central Government should consider amending Law Number 39 of 2009 on Special Economic Zones to harmonise its provisions with the regulatory framework governing the Indonesian National Standard (SNI), particularly concerning its implementation within SEZs. Such harmonisation is essential to eliminate normative conflicts and strengthen the consistency of consumer protection policies across Indonesia's economic regions. Second, central and regional governments should formulate incentive-based policies and provide subsidies for the costs of obtaining the SNI certification mark. Additionally, authorities should conduct comprehensive and continuous public outreach programs to enhance awareness and improve compliance among business actors regarding their legal obligations to implement SNI. These measures are expected to foster a more balanced regulatory environment where trade liberalisation and consumer protection can coexist within Indonesia's Free Trade Zones.

³² Khairil Hidayat, Christiani Prasetyasari, "Perlindungan Hukum Konsumen Terhadap Peredaran Kosmetik Berbahaya Yang Ditarik Di Provinsi Jawa Tengah Consumer Legal Protection Against the Distribution of Recalled Hazardous Cosmetics in Central Java Province."

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