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Food and Agricultural Import Regulations and Standards

Annual

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Report Highlights:

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Sections updated: II. Labeling Requirements; IV. Food Additives Regulations; VI. Other Regulations and Requirements; VII. Other Specifics Standards; VIII. Copyright and Trademark Laws; IX. Import Procedures: Rice, Sugar, Seed, Ruminant Products Imported from the United States, Fresh Fruit and Fruit Vegetables, Alcoholic Beverages.

Includes PSD Changes: No
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DISCLAIMER:

This report was prepared by the Office of Agricultural Affairs of the USDA/Foreign Agricultural Service in Jakarta, Indonesia for U.S. exporters of domestic food and agricultural products. While every possible care has been taken in the preparation of this report, information provided may not be completely accurate either because policies have changed since its preparation, or because clear and consistent information about these policies was not available. It is highly recommended that U.S. exporters verify the full set of import requirements with their foreign customers, who are normally best equipped to research such matters with local authorities, before any goods are shipped. FINAL IMPORT APPROVAL OF ANY PRODUCTS IS SUBJECT TO THE IMPORTING COUNTRY'S RULES AND REGULATIONS AS INTERPRETED BY BORDER OFFICIALS AT THE TIME OF PRODUCT ENTRY.

EXECUTIVE SUMMARY

Many of Indonesia's regulations related to marketing food are either not enforced at all, or are only enforced in a haphazard manner. While a review of relevant regulations is important, the reality of what actually occurs in practice may be quite different. Therefore, it is essential that exporters confer with local importers/agents to determine prevailing requirements on imports.

A comprehensive law concerning foodstuffs was signed into force in 1996, but essential regulations required to implement the law entered into force in 2000. Changes in recent years have seen a reduction of the Government's controls on food imports and distribution, but imports are still highly regulated. The most difficult problem for exporters shipping high value products may be the requirement that all imported products be registered. This can be a long and onerous process, but experienced local agents can get it accomplished. Another significant piece of legislation was the Consumer Protection Act of 1999, which includes general provisions applicable to food retailing. Imports of meat are always subject to shifting regulations and requirements. The ban on U.S. beef imports remains in effect.

Food imports require product registration with the National Agency of Drugs and Food Control (BPOM) and some products require additional approvals. Food additives require approval, and special labeling requirements apply. Food labels are to be in the Indonesian language and must be easily understood by consumers. Mandatory information includes the product name, weight or volume in metric units, use by date, production code, BPOM registration number, and the name and address of the manufacturer or importer. Stickers are acceptable. Certain foods, meat, poultry, and dairy products are also required to have Halal labeling. Nutritional labeling is not mandatory, but is subject to regulation if applied. The law requires the industry to inform consumers of nutritional requirements as well as list quantitative values of nutritional constituents. Misleading information is forbidden and breaches are subject to criminal proceedings.

Packaging is legislated to provide for safety from contamination but no "green" regulations apply. There are no laws affecting waste disposal, except as applicable to time expired food.

The "use by date" is to be determined by the manufacturer and must be shown on the label or on the package. The date may not be changed from the date placed by the original manufacturer. While the date may be of the form "best before", it is actually interpreted as an expiry date. After the use by date passes, unsold food must be destroyed, or otherwise disposed of under the approval of the National Agency of Drugs and Food Control (BPOM).

SECTION I. FOOD LAWS

Republic of Indonesia Act No. 7 of 1996 concerning Food (*Undang-undang Republik Indonesia Nomor 7 tahun 1996 tentang Pangan*) is the most comprehensive legislation governing production, import and distribution of foodstuffs. Although this was signed into force in November 1996, many of its provisions have not been enacted. For example, the Act included five clauses concerning labeling of packaged food, but an adjacent clause states that four of those five clauses would be further clarified by an additional Government Regulation. Until the required regulations are in force, the affected provisions of the Act would not be enforced.

Other significant legislation concerning food and agricultural imports include:

- Law Number 6 of 1967 concerning Essential Stipulations for Animal Husbandry and Health of Livestock.
- Law Number 9 of 1985 concerning Fisheries.
- Law Number 12 of 1992 concerning Cultivation of Plants.
- Law Number 23 of 1992 concerning Health.
- Law Number 25 of 1992 concerning Cooperatives.
- Law Number 9 of 1995 concerning Small Business.
- Law Number 10 of 1995 concerning Customs Tariff.
- Law Number 8 of 1999 concerning Consumer Protection.

In addition to the Acts listed above there are a number of Presidential Instructions, Ministerial Regulations, Ministerial Decisions and Departmental Determinations that regulate food production, import and distribution. A list of matters covered by these authoritative documents is included at Appendix A.

Food Act (UU No 7/1996)

The broad scope of the Food Act of 1996 can be seen in its preamble, which includes the following statements:

- Food is a basic need of mankind and fulfillment of that need is a basic right of all Indonesians.
- Food that is safe, of good quality, nutritious, diverse, and provided in adequate quantity is the primary condition that must be achieved to provide a nutritional system protecting the health and improving the well being of society.
- Food as a commercial commodity requires an honest and responsible trading system so that sustenance is available within the purchasing power of the society and the trade in food can play a role in national economic growth.

The definition of food in the Act further indicates its comprehensive coverage:

'Food is everything that originates from biological sources and from water, either processed or unprocessed, that is intended to be eaten or drunk by humans, including food additives, basic food materials and other materials used in the preparation, processing and/or manufacture of food and drink.'

The official amplification appended to the legislation states that the Food Act covers the following aspects:

- Technical criteria concerning food - covering safety, quality and nutrition as well as provisions for labeling and advertising foodstuff.
- Responsibilities of those who produce, store, transport and/or distribute food, together with legal sanctions to enforce the determinations. (This aspect includes import and export of foodstuff.)
- The role of government and society in achieving self-sufficiency in food and diversity in the foodstuffs consumed.
- The role of government in fostering a domestic food industry aiming to improve the characteristics of food for domestic consumption and for export.

The Act contains the following chapters and sections:

1. Food Safety covering:
 - Sanitation.
 - Food additives.
 - Genetic engineering and irradiation.
 - Food packaging.

- Quality assurance and laboratory testing.
- Contaminated food.
- 2. Food Quality and Nutrition:
 - Food quality.
 - Nutrition.
- 3. Labeling and Advertising Food:
- 4. Imports and Export of Food:
- 5. Legal Responsibility within the Food Industry.
- 6. National Resilience in Food.
- 7. Participation by Society.
- 8. Monitoring and Enforcement.
- 9. Criminal Provisions.
- 10. Delegation of Supplementary Tasks and Responsibilities.
- 11. Other provisions (Government may override the Act in an emergency).
- 12. Effect on earlier acts (remain in force unless in contradiction with the Act).
- 13. Closing provision (the Act is valid from the date of enactment).

SECTION II. LABELING REQUIREMENTS

General Labeling

Requirements for labeling of food products are broad in scope and in a phase of transformation. Changes resulting from the Food Act 1996, Government Regulation on Food Labels and Advertisement 1999 and the Consumer Protection Act 1999 came into effect in 2000. At the end of 2003, the head of the National Agency of Drugs and Food Control (BPOM) published the guideline of food labeling. However, many of these requirements are still not enforced.

All food packaged for sale must be labeled using:

- The Indonesian language
- Roman text
- Arabic numerals
- Writing that is firmly affixed and clear so as to be easily understood by the community.

Information on the package must include at the minimum:

- The name of the product.
- Net weight or net volume - using metric units.
- Name and address of the manufacturer or importer.
- Registration number
- Composition or a list of ingredients.
- Date of expiry.
- Production date or production code

In 2005, the head of BPOM also published the guidelines for nutrition value information on food labels.

Product specific requirements for labeling:

- On products derived from swine: the words "*MENGANDUNG BABI.*" (Contains pork) to be written in red 'universe medium corps 12' font and enclosed in a red rectangle together with a drawing of a pig.

- On sweetened condensed milk: the words "*PERHATIKAN! TIDAK COCOK UNTUK BAYI.*" (Beware! Not suitable for babies) to be written in Indonesian in red 'universe medium corps 8' font and enclosed in a red rectangle.
- Irradiated packaged food must carry a certain green logo and the word "RADURA:PANGAN IRADIASI" (Irradiated food), together with phrases that indicate the reason for irradiation. If the food is not allowed to be re-irradiated, then the label should include the word: "Tidak boleh diradiasi ulang" (Not to be re-irradiated). Also required are the name and address of the radiation facility, the month and year of irradiation, and the country in which the process was carried out.
- MINUMAN BERALKOHOL (Alcoholic beverage), DIBAWAH UMUR 21 TAHUN ATAU WANITA HAMIL DILARANG MINUM (Prohibited for use by people under 21 years or pregnant women) is to be written on all alcoholic beverages.
- Food derived from genetic engineering must use the word "PANGAN REKAYASA GENETIKA" (Genetically Engineered food).
- Processed food for infants, children below five, pregnant or breast feeding mothers, people on special diets, elders, and sufferers of certain diseases should be informed of the allocation, method of use and other necessary instructions, including the impact of the food on human health.
- If the product has been approved as meeting Indonesian Islamic standards, then "Halal" should appear on the package.

Product specific regulated or prohibited claims or implications include:

- On baby food it is not permissible to state or imply that the food can replace mother's milk.
- A label is not permitted to imply that the contents have an advantage over products that do not carry a nutritional claim on their label.
- A special claim is not permitted if the nutritional value derives from associated food items. For example a breakfast cereal package may not include the nutritional contribution of the milk and sugar normally added.
- A claim for benefits to health must be supported on the basis of the product composition and normal daily consumption.

U.S. labels would be unacceptable unless they meet all the requirements of the Indonesian law, but stick on labels meeting Indonesian requirements may be affixed. Foreign languages in addition to the mandatory Indonesian labeling may be used. In general, although they can be widely found on retail products, foreign expressions are discouraged since they are seen as potentially misleading to a majority of the population. Moreover, Indonesia has an indigenous list of recommended daily average (RDA) nutritional intakes, and therefore U.S. comparisons to RDA would be invalid. In reality, there is an abundance of retail products with two or more languages on the labels.

Labeling regulations are primarily applicable to packaged food for retail sale. Food delivered in bulk for repackaging or industrial use is subject only to requirements associated with irradiated foodstuff or food additives.

Enforcement of regulations is the responsibility of BPOM. The amount of packaged food in the market place that does not comply with the rules indicates that the Agency does not have sufficient resources to enforce the law. Breaches would normally come to the notice of the government only in the event of a complaint - most likely from a consumer group, a religious movement, or a competitor.

Nutritional Labeling

Government regulation for food label and advertisement requires that information on the nutrition content should state the vitamin content, mineral, or other kinds of nutrition supplements with in the following order: total volume of energy based on amount of energy derived from fat, protein, and carbohydrate; total volumes of fat, saturated fat, cholesterol, carbohydrate, fiber, sugar, protein, vitamins and minerals. The statement that the food is a source of a nutritional substance is not be prohibited as long as the volume of nutrition in the relevant food is at least 10% higher than the recommended daily nutrition adequacy volume in a dose for the food.

Any claim for benefit to health must be supported on the basis of the product composition and normal daily consumption. Implied claims are not acceptable because they tend to mislead and do not fit the concept of informing consumers of nutritional facts.

The Agency view is that claims for therapeutic or physiological benefit can be divided into three classes:

1. Nutritional claims relating to the food's value as a source of energy, protein, vitamins, or minerals can be placed into two divisions: identification of the elements present and clarification of their benefits.
 - The nutritional elements must be listed and quantified. CODEX standards are to be used by preference, but are not permitted to conflict with BPOM guidelines.
 - Clarification of the benefits of the food elements is intended to improve the general knowledge of nutritional requirements in society. The clarification is not an essential addition to the listing of nutritional values, but if included it must be an addition, not substituted for the quantified list.
2. Therapeutic claims relating to benefit in curing a disease or health condition.
 - Food for the treatment of obesity or diet food may only be identified as such if the calorific value is at least 25% lower than regular food of the same type.
 - Food may be identified as "diabetic food" only if it does not contain carbohydrate, or the carbohydrates content is far lower than regular food of the same type, or the carbohydrate content is stated on the label. Diabetic food may not be labeled "low in sugar" or "free of sugar" if the food contains carbohydrates.
3. Claims that a foodstuff has restorative effect. In this respect:
 - It is forbidden to claim that one foodstuff can ensure good health.
 - A claim that a foodstuff constitutes a tonic is not permitted. In general the word "tonic" should not be used except for "tonic water".

Health claims must be substantiated by legitimate research. Only a functional claim that is not misleading is permitted. Examples of acceptable claims are:

- Calcium aids in the development of strong bones and teeth.
- Protein helps to develop and restore body cells.
- Iron is a factor in red blood cell formation.
- Vitamin E helps protect fat from oxidation.
- Folic acid aids in the development of fetal cranium and spinal cord.

Examples of non-acceptable claims are:

- Food with natural fiber content helps improve health and vitality.
- Food for kids and baby with DHA content helps improve brain cells and intelligence.
- Soy sauce helps to improve IQ.

In addition to the provisions specified for food labeling, the Consumer Protection Act 1999 contains general provisions against misleading claims. The provisions are wide ranging and apparently give consumers a high degree of protection from unethical business practices. However, enforcement of the provisions is still lax.

SECTION III. PACKAGING AND CONTAINER REGULATIONS

Packaging is regulated under the Food Act of 1996 as follows:

- Any person producing food for sale is forbidden to use any material that has been banned and/or can release contaminants that are dangerous or harmful to good health.
- Food for sale is to be packaged using methods that avoid spoiling or contamination.
- The government will decide if materials forbidden for use in packaging, and methods for packaging certain food.
- If the effects of a packaging material on human health are not known, it can not be used before being checked for safety. New types of material may be used for packing food only after receiving government agreement.
- No person is permitted to unwrap and re-pack food, except in the case of bulk food intended to be packed into smaller packages.

There are no industry regulations or practices applicable to package size. Weights and measures used are metric, but imperial sizes labeled with the corresponding metric value are acceptable. Waste disposal is not regulated, except as covered in Section VI for time expired food.

SECTION IV. FOOD ADDITIVE REGULATIONS

The Food Act of 1996 states that food additives are not to be used if they have been banned and may not exceed specified limits. This implies a "negative" regulation of food additives, but the subsequent clause states that the government will determine which substances are banned as food additives and may be used in food production and the content limit. Hence the regulation is "positive" in that the government states those additives that may be used.

Moreover, a regulation issued by the Director General for Control of Food and Medicine, No. 02592/B/SK/VIII/91 makes it clear that all uses of food additives require approval. The process to request approval is detailed in that regulation, including sample forms to be completed and sample approval forms. Approval is the prerogative of the Director of Food Safety Evaluation, BPOM. The regulation states that approval will be based on assessment against guidelines prepared by the head of BPOM. There are other related regulations concerning food additives: Head of BPOM decree in 2004, Ministry of Health regulation in 1999, Director General Control of Food and Medicine in 1991, and Director General Control of Food and Medicine decree in 1990.

Approved food additives may be used subject to limitations or conditions in the approval granted. They may also be used in other food products provided that their use does not contravene special conditions for that product.

Every import of food additives must be reported in writing to the Division of Food Certification, BPOM after the goods arrive in harbor. The report must include:

- The name of the substance and batch quantity and weight.
- The name and address of the importer.
- The name and address of the exporter.
- The name and address of the producer.
- The port and date of lading.
- The port of destination and date of arrival.
- The name, nationality, and registration number of the ship or aircraft carrying the food additive import.

- The name and address of the warehouse and date into storage.
- An outline of any accidents that may have occurred during shipping.

A certificate of analysis for the applicable batch must accompany every import of food additives. The certificate may be issued by the production plant or by the responsible authority in the country of origin. Before the import is cleared from the point of entry the Director of Food Certification, BPOM must agree to the certificate. If a certificate does not accompany an intended import, then a certificate must be requested from the Director of Food Certification before the food additive shipment may enter the country. The certificate must include:

- Date that the sample was taken.
- Batch number of the product
- Test date.
- Test method.
- Statement that the test result was in accordance with criteria for the product.

A food additive product from an animal source must also have a certificate of conformity with Islamic purity, "Halal". That certificate is to be issued by the responsible authority in the country of origin.

Food additives produced, imported, or distributed must comply with the Indonesian Food Codex or conditions approved by BPOM. For food additives not listed in the Indonesian Codex, or not having conditions determined by the BPOM, then the FAO/WHO Codex Alimentarius Commission, Food Chemicals Codex, or appropriate European or FDA regulation applies.

SECTION V. PESTICIDE AND OTHER CONTAMINANTS

Pesticides and other contaminants are positively regulated, in general by the Food Act 1996 and in detail by a joint decree by the Minister for Health and the Minister for Agriculture, plus a Health Department regulation regarding metal contamination and also one concerning microscopic organism contamination.

Regarding pesticide residues the joint decree states that:

- The maximum allowable residue for products directly or indirectly consumed by humans is as per the appended list. (Ref: *Keputusan Bersama Menteri Kesehatan dan Menteri Pertanian Nomor: 881/Menkes/SKB/VIII/1996, 711/Kpts/TP.270/8/96*).
- Agricultural products circulated in Indonesia, whether locally produced or imported, are not permitted to contain higher levels of pesticide than those in the list.
- Agricultural products imported with greater than the allowed pesticide residue must be refused.
- Tests for pesticide residue are to be conducted in a laboratory appointed by the Minister for Health or the Minister for Agriculture.
- The Minister of Health and the Minister of Agriculture will monitor and enforce the joint decree according to their tasks and functions.
- The Minister of Health and the Minister of Agriculture will act in concert to make changes to the joint decree.

The list appended to the joint decree includes 218 pesticides and a number of potentially contaminated agricultural products for each pesticide. Example entries and the layout are as follows:

No.	Pesticide	Commodity		Maximum (mg/kg)
		Indonesian	English	
1	<i>Abamektin</i>	<i>Daging</i>	Meat	0.01
	(abamectin)	<i>Susu</i>	Milk	0.01
2	<i>Aldikarb</i>	<i>Bawang Bombay</i>	Onion	0.05
	(aldicarb)	<i>Biji-biji</i>	Cereals (dry)	0.1
		<i>Bit gula</i>	Sugar beet	0.05
		<i>Bit gula (daun)</i>	Sugar beet (leaf)	1
		<i>Buncis (kering)</i>	Beans (dry)	0.1
		<i>Daging</i>	Meat	0.01
		<i>Jagung</i>	Maize	0.05
		<i>Jagung (pakan ternak)</i>	Maize (forage)	5
		<i>Jeruk</i>	Citrus	0.2
		<i>Kacang kedelai (kering)</i>	Soybean (dry)	0.02
		<i>Kacang tanah</i>	Peanut	0.05
		<i>Kapas (biji)</i>	Cotton (seeds)	0.1
		<i>Kemiri</i>	Pecan	0.5
		<i>Kentang</i>	Potato	0.5
		<i>Kopi (biji)</i>	Coffee (beans)	0.1
		<i>Nanas</i>	Pineapple	0.5
		<i>Pisang</i>	Banana	0.5
		<i>Sorgum</i>	Sorghum	0.2
		<i>Susu</i>	Milk	0.01
		<i>Tomat</i>	Tomato	0.5
		<i>Ubi jalar</i>	Sweet potato	0.1
3	Aldrin	<i>Asparagus</i>	Asparagus	0.1

There is no provision for use of alternative standards, for example CODEX, for pesticides not listed.

Regulation No. 03725/B/SK/VII/89 issued by the Director General for Control of Food and Medicine specifies maximum allowable levels for heavy metal contamination. The list covers six metals arsenic, lead, copper, zinc, tin, and mercury. For each element an allowable level is specified for fifteen food classes, for example fruit and fruit products, soft drinks, and meat and derived products. The final category is "other food not listed above" thus making the list comprehensive.

Similarly, Regulation No. 03726/B/SK/VII/89 issued by the Director General for Control of Food and Medicine lists sixteen classes of food and gives allowable limits for specified micro-organisms in the food categories.

Lists giving maximum allowable contamination of pesticide, metal, and microscopic organisms can be obtained from BPOM.

SECTION VI. OTHER REGULATIONS AND REQUIREMENTS

Registration

All imported processed food products imported must be registered with BPOM except for:

- Processed food with a life of less than seven days at room temperature.
- Processed food representing a donation to the government or to a social institution.
- Processed food in small quantities for the specific purpose of registering with the BPOM, scientific research, or personal consumption.

While the regulation indicates that small quantities for personal consumption do not require registration, Customs officials decide the quantity permissible and so even small quantities have been seized and subjected to approval procedures.

Registration requires submission of five standard forms in triplicate together with:

- A sample of the food.
- The label (10 copies) and brochure if applicable.
- For repackaged product, the operating license of the Indonesian business involved and a letter of reference from the original production plant.
- For product produced under license, the Indonesian company's license and a letter of reference from the overseas factory.
- For imported products a reference letter from the overseas factory, a health certificate and a radiation free certificate in accordance with existing law.

Information required on the forms includes, but is not limited to, the following:

- Form A provides general information about the food, the name and address of the applicant and the factory or company.
- Form B gives the composition and quality of the product and its packaging.
- Form C covers the production process including method of cleaning the inner wrapping and closure.
- Form D explains quality control and final inspection.
- Form E lists the documents and substances submitted by the applicant.

Once BPOM has received the submission and determined that it is complete, BPOM will issue a Form M8. Incomplete submissions will be returned with Form M9. The cost of the registration process is not published in the regulations. Laboratory tests required would be conducted at a facility nominated by BPOM at the expense of the applicant.

Certificates required for the import of food products include:

- BPOM Approval Registration (Form M1 or M2)
- Radiation free for specific food types (see Section VII below)
- Certification of Islamic purity standards - "Halal"
- Certificate of Health from Country of Origin (see Section VII below)
- Irradiated food Certificate (see Section VII below)

- Food additive analysis certificate (see Section IV above)
- Alcoholic liquor requirements

Following consideration, the product may be:

1. Registered with the issue of Form M1;
2. Conditionally registered with the use of Form M2; or
3. Rejected from registration via the issue of Form M3.

The Elimination of 10 Percent VAT on Imports of Certain Strategic Taxable Goods

On January 8, 2007 the GoI issued the third amendment to GoI Regulation No. 12/2001 on Imports and/or Delivery of Certain Strategic Taxable Goods which Value Added Tax are Exempted. This regulation stated that in order to accelerate the improvement and to increase the competitiveness of business industry, i.e. in agricultural sector, the GoI decided that on the import and/or delivery of certain strategic taxable goods the 10 percent VAT is eliminated.

List of Certain Strategic Taxable Goods which the 10 Percent VAT is Eliminated

No.	Commodity	Process	Type of Goods
I. ESTATE CROPS			
1.	Cocoa - Fruit	- Picked, ripened, shelled, fermented and unfermented, dried	- Dried fermented and unfermented cocoa bean - shell, hull, bran, and other residue for animal feed
2.	Coffee - Fruit	- picked, ripened, shelled, fermented and unfermented, dried - picked, ripened, shelled, fermented and unfermented, dried, roasted	- dried coffee beans - roasted coffee beans - shell, hull, bran, and other residue for animal feed
3.	Palm Oil - Fruit - Shell	- picked, taken off from bunches - picked, boiled, taken off from bunches, chopped, pressed, dried, cracked, separated from shell and kernel	- Fresh Fruit Bunches - Shell, waste, leaves, and residue for feed - Wet/dry shell
4.	Rubber - sap	- sap tapped, coagulated - sap tapped, coagulated, ground, and winded - sap tapped, coagulated, ground, winded, fused, and preserved	- slab - sheet - thick latex

5.	Tobacco - leaf	- picked, cut, dried, - picked, dried, sorted	- wet/dried cut tobacco - wet/dried tobacco sheet
6.	Sugar cane - stalk	- felled - felled, cut	- sugar cane stalk - sugar cane shoot
7.	Cotton - fruit	- picked, dried, lint, - carded, combed	- combed carded cotton - uncombed and uncarded cotton - cotton lint
8.	Jatropha - fruit	- picked, crushed	- seed, waste
9.	Coconut - fruit - husk - shell - stalk	- picked - picked, pried, dried - picked, shelled, chopped - picked, shelled, dried - cut in fresh or preserved	- fresh coconut - copra - dried husk - dried shell - fine hairs of coconut
II. HORTICULTURE			
Fresh, cut, chilled, and frozen fruits (banana, oranges, pomelo, tangerine, citrus, mango, snake fruits, pineapple, star fruits, mangosteen, rambutan, durian, honeydew, watermelon, papaya, jack fruit, lanseh fruit, and juicy tubers)			
III. VEGETABLES			
Fresh, cut, chopped, chilled leaves, fruits, tubers, and mushrooms vegetables			
IV. ORNAMENTAL PLANTS AND MEDICINAL HERBS			
1.	Ornamental plants	- In media or without media, - packed/unpacked	- Flowers and leaves ornamental plants in media
2.	Cut ornamental plants	- Picked, cut, soaked in refreshing liquid, - bonded, packed, wrapped	- Packed/unpacked cut flowers and leaves
3.	Medicinal herbs - fruits - leaf - seed - tubers - skin, stalk, flowers	- cut, dried, packed	- fresh, dry
V. FOOD CROPS			
1.	Paddy	- cut, husked, separated, dried	- rice straw - hull - bran - dried rice stalk and waste
2.	Corn	- dried, dried, chopped	- wet/dry whole/chopped corn cob - wet/dry whole leaf - wet/dry whole/chopped stalk

			- wet/dry sheet/chopped corn husk
3.	Peanut - nut	- harvested, pulled out, cleaned, dried, cracked, shelled	- fresh peanut - dry peanut
4.	Cassava - tuber - stalk - leaf	- pulled out, cleaned, skinned, dried - cut - picked, dried	- dried cassava - wet/dry chopped/minced cassava tuber - waste - stalk - wet/dry leaf
V. LIVESTOCK			
1.	Cows, buffaloes, goat/sheep, swine and other livestock - skin - tongue, tail, muscle, bone - liver and other edible offals	- unprocessed - slaughtered, skinned, cut, chilled, frozen, packed/unpacked - salted, acidified, other preserved - salted, boiled	- parent stock - live - fresh, chilled, frozen meat - carcass, non carcass, fresh, chilled, frozen - raw leather and skin, not tanned - fresh, chilled, frozen offals
2.	Poultry (chicken, duck, quail, etc) - poultry - eggs	- unprocessed - slaughtered, cleaned, whole/cuts, fresh or frozen - collected, cleaned, salted, packed	- live poultry - fresh, chilled, frozen meat including feather - carcass and non carcass, fresh, chilled, frozen including offals and bone - fresh and salted eggs
3.	Dairy cattle - dairy cattle (milk)	- milked, chilled, heated, unsweetened, contained no additives, packed, unpacked	- fresh, pasteurized, concentrated, unsweetened, contained no additives, cold

SECTION VII. OTHER SPECIFIC STANDARDS

GMO's

Any producer using genetic engineering must ensure that the product is safe for human consumption before distribution.

In terms of labeling requirements for GMO's: 1) The words GENETICALLY ENGINEERED FOOD shall be contained in labels of food resulting from genetic engineering; 2) For processed

foods containing genetically modified ingredients, identifying the genetically modified product in the ingredient list is sufficient. However, specific implementing provisions on the above requirements have not been issued nor has a level been set for adventitious presence; thus, GMO labeling requirements are not enforced.

Halal Certification

Islamic purity: "Halal" is important. Any imported meat products should have the halal certificates issued by approved Islamic Centers in the United States. A list of eight approved Islamic Centers in the United States, provided by the Indonesian Council of Ulama (MUI) and notified by the Ministry of Agriculture on June 18, 2005, includes:

1. Islamic Food and Nutrition Council of America (IFANCA), Chicago-Illinois: for meat, chicken, and processed products
2. Halal Food Council SEA, Salisbury, Maryland: for chicken, and processed products
3. International Institute of Islamic Thought, Marjac Abbatoir, Virginia: for chicken only
4. Islamic Service of Omaha (Halal Transaction), Omaha-Nebraska: for meat and chicken
5. Islamic Service of America, Cedar Rapids – Iowa: for meat, chicken, and processed food
6. Muslim Consumer Group for Food Product, Rolling Meadows, Illinois: for meat, chicken, and processed food
7. Islamic Information Center of America, Des Palines, Illinois: for meat, chicken, and processed food
8. American Halal Foundation (AHF), Boling Brook, Illinois: for meat, chicken, and processed food

The phrase "*halal slaughtering of poultry*" refers to the slaughtering of poultry by a Moslem butcher who is physically and spiritually healthy and who performs his duties pursuant to Moslem procedures set forth in the Codex Alimentarius Commission, CAC/GL 24-1997.

Health Certificates

A health or safety certificate from the country of origin must accompany all food imports. The certificate is to be issued by the responsible authority in the country of origin or the exporting country. It should state that the food is safe or fit for human consumption, and that its distribution is permitted in the country of origin.

Wine and Spirits

Alcoholic beverages are strictly controlled and subject to high rates of excise. The requirements for obtaining approval for importing alcoholic liquor are stated in several Ministerial and Departmental documents that should be researched before contemplating the export of alcohol.

Irradiation Certificates

A certificate stating that the product is not contaminated by radiation greater than the level stated is required to accompany imports of the food types listed below:

- Milk and milk products: Cs137 150 Bq/kg
- Fresh or processed fruit and vegetables: Cs137 300 Bq/kg
- Fish and seafood both fresh and processed: Cs137 100 Bq/kg
- Meat and meat products: Cs137 100 Bq/kg
- Mineral water: Cs137 150 Bq/kg
- Cereals including corn flour and barley: Cs137 300 Bq/kg

The radiation compliance certificate is to be issued by the responsible authority in the country of origin or exporting country.

Food products that may be irradiated are as follows:

- Dry spices to prevent or retard insect infestation.
- Tubers and root crops (potatoes, onions, garlic) to retard sprouting.
- Grain cereals to prevent insect infestation.

Irradiated food must be labeled as such, using the specified green logo and the word "RADURA: PANGAN IRADIASI". A certificate that states the following information for the batch must accompany the food:

- That the food has been irradiated.
- The objective of the irradiation.
- The national or international code of the radiation facility.
- The date of treatment.
- The radiation source used with the type, quantity and batch number of the food irradiated.

Others

- Milk products have special regulations.
- Baby food has special regulations.
- Food sanitation laws are contained in the guide to good food processing.
- Seafood has a special law relating to production standards for export rather than for imports.
- Animal quarantine applies and current law should be checked before planning export of live animals.

SECTION VIII. COPYRIGHT AND TRADEMARK LAWS

Indonesian copyright law was released in 2002; patent and trademark laws were released in 2001. This past year, Indonesia was moved from the U.S. priority watch list to the U.S. watch list for protection of intellectual property.

In general a copyright is valid for 50 years and a patent is valid for 10 to 20 years.

A trademark should be registered at the Directorate General for Intellectual Property Rights in the Ministry of Justice and Human Rights. Generally, the process requires over 1 year to complete.

Once registered, trademarks have to be extended every 10 years.

SECTION IX. IMPORT PROCEDURES

Import procedures are relatively straightforward, but require meticulous attention to detail. Seemingly insignificant omissions or errors can result in considerable delay.

Import documents may be prepared in English, but the level of comprehension by public servants is limited. As an example, Customs would not accept the term "cartage" on an invoice as meaning a freight charge because "cartage" is not in the most widely used English-Indonesian dictionary.

Documents should be concise, with simple language, and complete.

Standard documents, such as invoices, regularly used in the domestic market, may not be suitable in export dealings. For example invoices that show a list price, a discount percentage, and a total price charged will result in the duty being levied based on the price before discount, because the list price is the "correct" price.

If all documentation is complete, customs clearance could be finished in two days. However, attention to detail is most important. Incomplete documentation could result in delays of several weeks. For example, processing BPOM registration can take eight weeks if no certificate accompanies the goods.

A determination by a Government official can be appealed. However, the official's determination would invariably be couched in terms of the current legislation and hence would be unlikely to be over-ruled. Indonesian Courts give judgments on the basis of perceived justice, and are not strictly bound by precedent. Hence decisions have a degree of inconsistency and unpredictability.

To comply with the Minister of Health decree No. 180/Menkes/Per/IV/1985 concerning expired food, the BPOM issued a circular letter No. 0018/BB/EM/4.4/IV/90 and No. 0026/BB/EM/4.4/V/90 (implemented on August 1990) to clarify the expired date term for product to be imported as follow:

Product shelf life	Arrival at the destination port must be:
>= 2 years	1.5 years before the expired date
1 year	8 months before the expired date
6 months	4 months before the expired date
3 months	2 months before the expired date

Rice

The soaring price of medium quality rice in the domestic market during the last quarter of 2006 and the first harvest delay during first quarter of 2007 forced GOI to give rice import licenses to Bulog as stated in the Minister of Trade Regulation No. 1294/M-DAG/12/2006 dated December 27, 2006 and the Letter of Minister of Trade No. 208/M-DAG/2/2007 dated February 28, 2007.

The first regulation gave Bulog license to import approximately 500,000 tons of 15 percent broken rice classified in HS Code No. 1006.30.64.00. The first tranche arrived at Javanese ports before February 28, 2007 for rice being discharged and before March 30, 2007 for rice being discharged at other ports.

The second regulation gave Bulog a license to import another 500,000 tons of maximum 15 percent broken rice classified in HS Code No. 1006 and an additional option of 500,000 tons to be executed if needed. Some 200,000 tons of rice out of the 500,000 tons can be imported in cooperation with other parties and can be distributed directly to the market and must arrive in Indonesian ports no later than March 31, 2007, while the remaining 300,000 tons must arrive no later than May 15, 2007. However, due to difficulties in finding Indonesian vessels to load the rice and problems experienced by the exporting country to meet the rice qualification required by GOI, the second tranche of the imports can not be completed on time and the imported rice is still arriving Indonesian ports until now.

Imports of specialty rice such as rice for medicinal purposes, 100 percent broken rice, and some other types of rice not produced in Indonesia are allowed only after obtaining approval from the Ministry of Trade based on a written recommendation from the Ministry of Agriculture.

Sugar

The Minister of Industry and Trade (MOIT) decree No. 18/M-DAG/PER/4/2007 dated April 30, 2007 as the fourth amendment to MOIT Decree No. 527/MPP/Kep/9/2004 stated that plantation white sugar (semi-refined, HS No. 1701.91.00 and 1701.99.90) may only be imported by Registered Importers for sugar (IT sugar), state-owned sugar mills that must have 75 percent of the cane they mill come from domestic farmers. Imported semi-refined sugar shall have the minimum ICUMSA figures ranging from 70 IU to 200 IU. Semi-refined sugar can only be imported if the farm gate price of semi-refined sugar is above Rp. 4,900/kg and if the domestic production or supply of semi-refined sugar is not sufficient to meet demand. Imports are strictly prohibited one month prior to, during, and two months after the season when local cane is milled. The beginning and end of the milling seasons is determined by the Minister of Agriculture. These ITs are also instructed to support the price should it fall under Rp. 4,900/kg. An IT is renewable for three years. Beside the abovementioned ITs, the Minister of Trade may also appoint other companies to import semi-refined sugar to support the price and to maintain national semi-refined sugar stock.

Imports by IPs (Importers Producers) and ITs may be carried out upon approval from the Directorate General of Foreign Trade in Ministry of Trade based on the volume of sugar, type of sugar, ports of destination and the valid period of import approval. The verification and technical inspection by a surveyor appointed by the Minister of Trade would be conducted in the country where shipments are made. The results of verification and technical inspections will be issued as a Surveyor Report and be used as an import document. Surveyors may charge to IPs, ITs, or donors (for grant sugar) for their service. Verification and technical inspections do not apply to imports of sugar intended for research and technological development, samples, promotion, carried as personal belongings, and packages of sugar sent via aircraft.

The acknowledgement of IPs and appointment of ITs, and the revocations are managed by the Directorate General in the Ministry of Trade. ITs and IPs are required to submit monthly reports to the Directorate General, c/o Director for Import, Ministry of Trade with the copies to the Directorate General for Chemical Industry, Agro, and Forest Products of the Ministry of Trade and to the Directorate General for Estate Crop Productions in the Ministry of Agriculture.

Seed

The Indonesian seed import and export procedures are mainly regulated based on the Minister of Agriculture Regulation No. 37 and 38/Permentan/OT.140/8/2006 issued on August 31, 2006. Following is the summary of the regulations:

The Regulation of the Minister of Agriculture No. 37/Permentan/OT.140/8/2006 on Variety Testing, Evaluation, Release, and Withdrawal:

The objective of this regulation is to become the basis for variety testing, evaluating, release, and withdrawal to affirm that the varieties distributed in the market have potential quality and will not be harmful to the environment and community.

Every variety, whether domestically produced or imported introductory varieties proposed to be released in Indonesia must undergo an adaptation test for seasonal crops or observation test for annual crops. Before conducting the test, the requestor must report to the National Seeds Agency (Badan Benih Nasional = BBN). Tests are evaluated by BBN which is supported by the Variety Evaluation and Releasing Team. The results are reported to the Minister of Agriculture. After completing the test, the license from the variety holder must be attached to the introductory varieties, the parent seed description must be attached to the hybrid varieties, and genetically modified organism must meet the bio security requirement.

All written proposals for tested and named variety releases must be submitted to the Minister of Agriculture through BBN. For every introductory hybrid variety, it must be documented that the seed can be produced in Indonesia, and must have attached a guarantee letter from the seed release requestor containing a statement that the F1 hybrid seed will be produced in Indonesia within two years after the date of the release.

Based on the BBN recommendation, the Minister of Agriculture can release the variety to the market or reject the variety. A released variety will be published in a Minister Decision letter on variety release, while the seed release requestor of a rejected variety will be informed in a written notification containing the refusal reason. An already released variety can be withdrawn from the market if it is proven to spread new and dangerous pests or disease and cause some loss to the environment and the community.

The Regulation of the Minister of Agriculture No. 38/Permentan/OT.140/8/2006 on Seed Import and Export:

The objective of the regulation is to guarantee the genetic resource sustainability, to improve genetic resource diversity, to maintain bio security, to guarantee seed availability, to develop the domestic seed industry, and to increase national income. This regulation covers import and export licenses.

Seed for research purposes or non-research purposes can be imported after receiving a license from the Minister of Agriculture.

To acquire an import license for research purposes, the seed a person, a legal entity, or a government institution is applying for must meet the following requirements:

- The amount of seed or parent seed is limited only to meet the research needs stated in the summary of the research proposal.
- The seed or parent seed are not currently available in Indonesia
- The seed must be completed with a seed description
- The seed must comply with the plant quarantine law.

The Head of the Agricultural Research and Development Agency will issue the import license for research purposes and must receive the import realization report from the importer.

The seed that a person, a legal entity, or a government institution is seeking to acquire an import license for must meet the following requirements:

- The variety must exhibit potential quality, uniqueness, and specific uses.
- The amount is limited to what is needed for the seed release preparation.
- The seed has already been released in the Indonesian market but the amount is not sufficient to meet domestic demand or the propagation cannot be conducted in Indonesia.
- Must comply with plant quarantine law.

The import license for non-research purposes will be issued by the Director General of each crop (Horticulture, Food Crops, and Estate). The import license can be used for:

- variety release preparation
- F1 seed procurement
- plant observer needs
- export objective needs

Imports of transgenic seeds for non-research purposes must pass bio security and food security tests.

The Head of the Agricultural Research and Development Agency and the Director General of each crop who will issue the import license will coordinate with the Head of the Agricultural Quarantine Agency.

To acquire a seed import license, an importer must first submit a written request to the Head of the License and Investment Center (Pusat Perijinan dan Investasi = PPI) complete with the Information Required for Seed Introduction/Importation to Indonesia form. The Head of the License and Investment Center will forward the request to each Directorate General or Head of Agricultural Research and Development Agency within 3 working days after receiving the importer request. The decision to accept, postpone or reject the import request will be issued within 10 working days after they receive the request from the Head of PPI. If no notification is received by an importer after 10 working days, it means that the import license request is accepted. The seed import license will be valid for six months, and import must be completed within that period of time.

The importer must submit the seed or parent seed import license to quarantine officials at the entrance point. The seed or parent seed importer must:

- Have a data record of the imported seed and must keep the record for one year.
- Report to the Head of the Agricultural Research and Development Agency or Director General with a cc to the Head of PPI on the import progress.

In addition to this regulation, the Decision of the Head of the Agricultural Quarantine Agency No. 152/Kpts/PD.540/L/8/03 stated that the import of seed must:

- be accompanied with a Phytosanitary from the country of origin and transit country.
- be through the determined entrance point.
- be reported and delivered to Plant Quarantine Officials at the entrance point for quarantine treatments.
- be accompanied with an Import License form the Ministry of Agriculture or appointed officials.
- Be accompanied by the original copies of the phyto and import license, copies of invoice, packing list, and airway bill or bill of lading to be produced for review by Quarantine Officials.

A similar procedure is imposed on seed exports.

Although no Indonesian quarantine lab has been accredited by ISTA, the Ministry refers to the International Standard for Phytosanitary Measures from the United Nations Food and Agriculture Organization for every quarantine inspection and action taken. However, the seed industry reports some cases where Indonesian labs showed a different understanding of what is classified as a seed borne disease. There was also a report that a certain pest or disease that was declared absent on the phytosanitary certificate was found during the test in the Indonesian lab. When such a case occurs all of the imported seed must be burned, with no chance for re-export.

Approximately IDR 450/kg Import Duty is currently imposed on the imports of rice seed since GOI classifies it HS code 1006.10.00 unhusked rice instead of HS code 1006.10.10 unhusked rice seed suitable for sowing. No import duty is imposed on the import of other seed variety.

Biotechnology

On October 19, 2004, the President signed into law the ratification of the Cartagena Protocol. The Ministry of Environment, with input from related ministries, finalized a "national biosafety framework," which will be used as a foundation for designing regulations to implement the Biosafety Protocol. These regulations have not yet been issued, so the signing of the Cartagena Protocol has not had any impact on trade.

In May 2005, a new regulation was issued, which names the Ministry of Environment as the focal point for approvals on foods containing genetically modified organisms (GMO). This new regulation effectively halted progress on approvals already underway. Relevant ministries will need to issue new guidelines to implement the new government regulation. The process for obtaining approval to market foods containing GMOs is still unclear and no definite guidelines exist on what is required to import such foods. BPOM will continue to conduct the food safety assessments on these products, but it remains unclear exactly what will be assessed and what will be required of those seeking approval. Also, as stated above, labeling regulations pertaining to foods containing GMOs remain un-enforced.

Meat and Poultry Products

Importers' requirement

An Import Permission Certificate, issued by the Director General of Livestock Services (DGLS), must accompany every import of poultry and meat. In a letter, requesting the certificate, importers must indicate the product being imported, quantity, and destination (restaurant, hotel, wet market, etc.).

Exporters' requirements

In December 24, 2002, the DGLS issued a decree letter regarding the requirements and procedures necessary for a specific country to gain eligibility to export meat and other livestock products, including poultry, to Indonesia. Below is a summary of these requirements:

First, the exporter's government should submit an official request to the office of Veterinary Public Health, DGLS, to bring the products to the country. Based on the official request, DGLS Services will send a questionnaire to obtain information on the status of animal diseases and the food safety system in the exporting country. Upon receipt, DGLS will: 1) approve; 2) request additional information; or 3) reject the application. If approved, a Memorandum of Understanding (MOU) will be signed between the Indonesian government and the exporting country, acknowledging the requirements. The MOU is void if: 1) the government of Indonesia suspends imports from a country due to a violation of health requirements or halalness; 2) in two consecutive years the approved exporting country failed to export meat to Indonesia. An exporting country whose approval certificate is declared null and void is required to file a new application if the country plans to resume export of poultry meat or parts of poultry meat to Indonesia.

Following the approval as an exporting country, evaluation of individual slaughterhouses and processing plants is required. First, a plant that intends to export its products to Indonesia must submit an official request to the Indonesian DGLS, through the Veterinary Public Health agency. Based on the request, DGLS sends an application form to obtain a general description of the business unit, including information relating to veterinary public health. Then, the application form submitted is reviewed to determine if a plant fulfills Indonesian export requirements. Upon completion of the review, DGLS will recommend if: 1) an on-site review is needed; 2) an on-site review is delayed to allow for improvements or additional information; 3) the application is rejected. A team of auditors, appointed by DGLS, will conduct the on-site review. Team members will review: 1) the food safety assurance program in the establishment; 2) the halal assurance in the establishment; 3) and the Halal certificate issued by an authorized Halal Certification Institution. The on-sites review will be conducted at the establishment and the Halal Certification Institution or listed Islamic Organization in the country of origin. On-site reviews may also be conducted on the authorized agencies in the country of origin to verify conditions on animal diseases, animal health status, and supervision of the animal-based foods safety system.

Upon completion of the on-site reviews, the audit team member may either recommend an approval, a rejection, or improvements. Based on the recommendation, the DGLS issues either an approval, a postponement, or a rejection of the business unit to export all meat to Indonesia.

The regulation also states that DGLS may also appoint Indonesian inspectors to oversee application of food safety requirements and halal assurances during production. The inspectors will inspect unit facilities, sanitation programs, slaughtering procedures, carcass and product inspections, transport and warehouse facilities, port facilities, and shipping processes.

A team of Indonesian auditors will conduct random surveillance of a processing unit that is certified to export its products to Indonesia. Surveillance is conducted at least once every two years.

Ruminant Product Imports from the United States

Due to a second reported case of BSE in the United States, the Ministry of Agriculture banned imports of U.S. meat and other ruminant products on 1 July 2005

The Minister of Agriculture released regulation No. 64/Permentan/OT.140/12/2006 dated December 28, 2006 and No. 27/Permentan/OT.140/3/2007 regarding the importation and control of distribution of carcasses, meat and edible offal from foreign countries. These regulations control the importation of those products from large size ruminants, small size ruminants, pork, poultry, as well as processed meat. An import permit from the Ministry is required before importing ruminant products. GOI is limiting beef import to boneless beef from animals less than 30 months from countries classified as negligible BSE risk and controlled BSE risk. In addition, it requires that GOI officials inspect all plants for safety considerations and halal.

The Ministry of Agriculture regulation No. 482/Kpts/PD.620/8/2006 states regulations regarding the importation of ruminant and its product from a country or zone infected with BSE. Ruminants and its products that are allowed to be imported from countries classified as negligible BSE risk and controlled BSE risk include Meat Bone Meal (MBM) and pet food also containing non ruminant materials. MBM should be from animals less than 30 months, and it never fed with MBM.

Poultry Products from the United States

Imports of U.S. poultry parts are effectively banned. In September 2000, the Ministry of Agriculture (MOA) declared that the "Halalness" of U.S. poultry parts could not be guaranteed, shutting off imports. MOA has since further stated that trade in poultry parts cannot resume until an overall review of U.S. sanitary and halal certification systems is conducted.

MOA has banned the importation of U.S. chicken leg quarters since 2000. The ban was instituted without notification, just based on concerns that U.S. poultry parts were not halal. A secondary reason stated was to protect local broiler producers.

Fresh Fruit And Vegetables

On January 27, 2006, the Minister of Agriculture issued a decree on the requirements and plant quarantine actions for the importation of fresh fruit and vegetables into the territory of the Republic of Indonesia No. 37/Kpts/HK.060/1/2006. The purpose of this rule is to ensure that fresh fruit and vegetables are free from fruit flies. The mandatory requirements are: plant phytosanitary certificate from country of origin or country of transit, entry through the specified seven ports. Importation of fresh fruit and vegetables originating from pest free producing areas must be declared in Additional Declaration section of the plant phytosanitary certificate that accompanies the shipment. Importation from production areas not free must be given a treatment that may take the form of cold treatment with temperature appropriate for fresh fruit and vegetables and for the prevention of the appropriate pest. The treatment must be declared in the treatment section of the phytosanitary certificate. Importation "plan" of fresh fruit and vegetables that include the amount, type of product, brand, type of packaging, type of transportation, container information, country of origin, entrance port, and transit location, should be submitted prior to the loading of the goods in the country of origin to the Head of Operational Plant Quarantine with attention to the Unit Head of Operational Plant Quarantine in the destination port. Head of Quarantine Agency will determine further treatment instruction after reviewing the importation "plan". This new regulation was effective on March 27, 2006.

Imported fresh fruit and vegetables treatments were identified in the Head of the Agricultural Quarantine Agency decree No. 53/Kpts/HK.060/3/06 in March 2006.

In October 2006, the Ministry of Agriculture released regulation No. 52/Permentan/OT.140/10/2006 on Additional requirements of plant quarantine. The regulation stated mandatory and additional requirements for plant quarantine action. Additional requirements include specific treatment in country of origin as specified in the treatment column on the attached certificate of plant qualification and plant quarantine action in third country as stated in certificate of plant health, treatment certificate, plant health certificate, and certification of origin.

During December 2006, the Head of the Agricultural Quarantine Agency released decree No. 348/Kpts/PD.540.220/12/06 to establish California as a free area for mediterania fruit fly (*Ceratitis capitata*) in the United Sates.

Procedures to treat imported fresh fruit and vegetables were identified in a decree from the Head of the Agricultural Quarantine Agency No. 18/Kpts/HK.060/L/07. This decree allows for cold treatment during shipment which is to be noted in the Additional Declaration on Phytosanitary Certificate from the country of origin and as well as from the transit country on the Phytosanitary Certificate for Re-Export.

Alcoholic Beverages

Based on decree of the Minister of Industry and Trade NO. 406/MPP/Kep/6/2004, dated June 25, 2004, only two government owned companies have been appointed as registered alcoholic beverage importers. One supplies hotels, pubs, restaurants, and members of Hotel and Restaurant Association. The other supplies duty free stores. Every semester, GOI issues an import quota of beer, wine, and spirits.

On March 29, 2006, Minister of Trade released decree No: 15/M-DAG/PER/3/2006 concerning monitoring, controlling, distributing, selling, and licensing of alcoholic beverages. Alcoholic beverages are classified into three categories: A is for alcoholic beverages with 1-5% ethanol (C₂H₅OH) content; B with 5-20% ethanol; and C with 20-55% ethanol. The government controls the production, importation, distribution and selling of alcoholic beverages in category B and C. Importers of an categories are determined and assigned quotas by the Minister. The Minister determines the type and the amount of the products to be imported. Distributors and sub distributors of categories B and C are not allowed to retail products. Retailers for categories B and C are only permitted to sell products to be consumed directly in the hotels (3,4, and 5 star), certain restaurants, bars, pubs, night clubs, and in certain places assigned by a mayor or head of district. Duty free shop is the only outlet that is allowed to sell B and C category products in smaller package (<187 ml).

October 13, 2006, the Minister of Finance released a regulation on excise duties for drinks and concentrates containing ethyl alcohol. This regulation has been in force since November 1, 2006.

I. Drinks containing ethyl alcohol

Category	Content of ethyl alcohol	Tariff of excise duty (IDR per liter)	
		Domestic	Import
A1	Up to 1%	2,500	2,500
A2	More than 1% to 5%	3,500	5,000
B1	More than 5% to 15%	5,000	20,000
B2	More than 15% to 20%	10,000	30,000
C	More than 20%	26,000	50,000

II. Concentrate containing ethyl alcohol

Category	Content of ethyl alcohol	Tariff of excise duty (IDR per liter)	
		Domestic	Import
	All types of concentrates, content and category, as raw materials or auxiliary materials for making of drinks concentrates ethyl alcohol	50,000	50,000

SECTION X. CONCLUSIONS AND RECOMMENDATIONS

As this report indicates, many of Indonesia's regulations related to food imports are either not enforced at all, or are only enforced in a haphazard manner. Therefore, it is essential that exporters confer with local importers and agents to determine prevailing requirements on imports.

Food law in Indonesia controls domestic production, import of foodstuffs, processing and distribution. Import licensing is no longer generally required (except for meat, poultry, and other livestock products), but imported food products must be registered with the Department of Health before clearance through the Customs.

Packaged food for sale in the Indonesian market must be labeled in the Indonesian language and must conform to mandatory inclusions. The original "use by date" affixed by the producer may not be altered by the importer, and "best before ..." dates are interpreted as expiry dates. The consumer protection law requires that the date of production be shown on the package. In some cases the exporter and importer could be jointly liable for penalties if the law was not observed. Moreover strict conditions apply to some products, notably food additives and alcoholic liquor.

It is important to obtain "Halal" certification to market a food product, particularly those of animal origin. The process should be verified with the Indonesian Council of Ulama (MUI) because certification specifically for Indonesia must be obtained.

The process for registration of food is time consuming and should be carried out before shipping. The typical amount of time required for an uncomplicated approval is reported to be two months.

Transportation and storage infrastructure in Indonesia is limited, and hence availability of suitable facilities should be checked before shipping. Tropical conditions lead to rapid deterioration of products if not adequately protected.

Protection of intellectual property is underdeveloped in Indonesia, but trademarks should be registered to provide an element of protection. The process is not expensive but requires two years to complete. However, once registered the trademark remains valid indefinitely.

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