



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

Date: 3/24/2009

GAIN Report Number: ID9004

Indonesia

FAIRS Subject Report

Import Requirement and Procedures for Processed Food

2009

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Report Highlights:

BPOM action continues to restrict trade while placing small and medium sized Indonesian business and their employees at risk.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Jakarta [ID1]
[ID]

Many of Indonesia's regulations related to marketing food are unclear and confusing and therefore either not enforced at all, or are only enforced inconsistently. 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 their local importers and agents to determine current requirements.

A comprehensive law concerning food was signed into force in 1996 that controls domestic production, imports, processing, and distribution of food but regulations needed to implement the law were issued slowly. The Food Act comprehensively covers legislative regulations related to food, reviewing those already in existence as well as creating new ones.

The most difficult problem for exporters shipping high valued products may be the requirement that all imported products be registered with the National Agency for Drug and Food Control (BPOM) to obtain food registration (ML) number. This can be a long and onerous process. In addition, some products require additional approval from BPOM and animal-based food requires an import permit from the Director General of Livestock in the Ministry of Agriculture.

I. CURRENT SITUATION

At the end of 2007, the Indonesian government began gradual implementation of the National Single Window, an electronic system that simplifies the process for export and import documentation submission and review. As the system is more widely used and efforts to combat corruption at the port are more successful, government officials are not as flexible about the onerous documentation requirements needed to approve imports. In addition, BPOM is increasing its documentation requirements. For example, legislation issued in March 2008 requires that every shipment of imported raw materials, food additives, processing aids, and food ingredients be accompanied by an import approval by BPOM.

In September 2008, BPOM released a statement prohibiting imported product containing milk from China, due to reports of melamine-contaminated milk. Criticism for how BPOM handled the problem and a desire to appear proactive further prompted BPOM leadership to enforce old Indonesian food related regulations and to remove unregistered product from supermarket shelves in October 2008.

The regulations now being enforced are restricting trade. During December 2008 and January 2009, U.S. exports of snack foods and breakfast cereals declined 87 percent in value when compared to the same period the previous year. BPOM confiscated hundreds of thousands of dollars of products approved for sale in the United States, including some products registered with BPOM. The impact has been on small to medium sized companies that are wholly Indonesian owned. If the situation continues, Indonesians will lose jobs during a global economic crisis.

In addition, a new Ministry of Trade regulation increases the requirements for imported products that fall under 505 Indonesian 10-digit harmonized tariff codes, including food and beverages under 188 lines. The regulation stipulates that importers of certain electronics, textiles, toys, footwear, and food and beverages must obtain a special import permit from the Ministry of Trade. In addition effective February 1, 2009 to December 31, 2010, shipments of the selected products must be surveyed at the exporting port by a local appointee of PT Sucofindo (Persero) or PT Surveyor Indonesia, or in some cases there will be a local office representing both the Indonesian companies.

II. PROCEDURES TO IMPORT FOOD PRODUCT

FAS recommends the following to U.S. exporters:

- Since only an importer may obtain a ML number for each product, make choosing a local agent or distributor a very important decision.
- Work closely with the agent to meet the labeling and packaging requirements
- Cooperate with an agent to prepare all documents needed to apply for registration every 5 years
- Cooperate with the agent to prepare all documents needed for import approval for every shipment

BPOM legislation requires some documents difficult for some U.S. exporters to obtain such as, an agent appointment letter from the manufacturer or regional manufacturer representative, certificate of health or free sale certificate, and flow chart of the manufacturing process.

III. FOOD LABELING REQUIREMENTS

General

Food label regulations are divided into two parts, the main label and additional information.

The main part of the label must contain:

- product name and brand name if available
- net weight or net volume
- name and address of importer and distributor
- ML (registration number)

The additional information should include:

- list of ingredients and composition
- nutrition label
- production code, expiration date, and storage and usage directions

The above information must be provided in Indonesian using Arabic numerals and Latin characters. Foreign languages can also appear on the label as long as it does not contradict the information in Indonesian.

Pictures of fruits, vegetables, meat, fish, or other products can only be used if the food actually contains the product.

Product Name

The product name shall provide clear information about the product. The name of the product can be used as long as it is not misleading and is consistent with a description of the product. For example, a product labeled "milk biscuit" must contain milk, or "egg noodles" must contain egg.

Brand names are also regulated. If the brand name is permitted in the country of origin, it still may not be permitted in Indonesia. BPOM does not permit brand names, such as:

- a generic name or adjective that could influence the interpretation of the food, such as "natural" or "pure"

- a brand name that BPOM considers to make outrageous claims, such as “Hi-tech”, “Hi-Top”, or “Prestige”

Expiration date

The expiration date must follow the words “best before”. An expiration date is not required for fresh vegetables and fruit; alcoholic beverages made from grapes; alcoholic beverages containing more than 10 percent alcohol; vinegar; sucrose; bread and cakes with a self life 24 hours or less; or a food additive that has self life more than 18 months. These products must have the production or packaging date on the label.

Nutritional label claims

Nutritional information is required on the label for food that:

- has a statement that the food has been fortified with vitamins, minerals, or other nutritional claims, or if
- regulations require that the food be fortified, such as with vitamins or minerals

Other claims on label

There are additional requirements for claims on the label. A product can have the following claim on the label if it meets the criteria.

- **Nutritiona**: if the product contains at least 5 percent of the daily nutrition requirements in one serving
- **Less calorie**: if the product contains at least 25 percent less calories compared to a similar product per serving
- **Low calorie**: if the product contains less than or equal to 40 kcal per serving
- **No calorie**: if the product contains less than 5 kcal per serving.
- **Source of protein**: if 20 percent of the calorie content comes from protein and one serving contains at least 10 grams of protein
- **Low fat**: if the product contains less than or equal to 3 grams of fat per serving or 50 grams if per serving amount is less than 50 grams
- **No fat**: if the product contains less than 0.5 grams of fat per serving.
- **Low in saturated**: if the product contains less than or equal to 1 gram of saturated fat per serving and less than or equal to 15 percent of the calories come from saturated fat, or if a snack or main course food contains is less than or equal to 1 gram per 100 grams and less than 10 percent of the calories are from saturated fat
- **Less saturated fat**: if the product contains less than 25 percent saturated fat when compared to one serving of a similar product
- **No saturated fat**: if the product contains less than 0.5 grams of saturated fat per 100 grams in 100 milliliters

- **Less cholesterol:** if the product contains at least 25 percent less cholesterol when compared to one serving of a similar product and the saturated fat content is less than or equal to 2 grams per serving
- **Low cholesterol:** if the product contains less than or equal to 20 milligram of cholesterol and less than or equal to 2 grams of saturated fat per serving or 50 grams if a serving is less than 50 grams
- **No Cholesterol:** if the product contains less than 2 milligrams of cholesterol per serving

In addition to the above, label guidelines exist for the following: ingredient or composition list, net weight or net volume, statement and picture, name and address of manufacture, registration number, serving, usage, storage directions, and nutrition.

IV. FOOD REGISTRATION

Requirements for Imported Products

- Original letter of appointment from the manufacturer
- Original Health Certificate or Certificate of Free Sale from the appropriate authority in the country of origin
- Food sample in the original packaging

Registration Form

Form A:

- Letter of authorization, dated within the last 3 months and with an affixed seal, mentioning the name and title of the company principal and the export registration officer if applicable
- The brand name, product category, net weight, packaging materials, names of companies involved in repackaging, licensing, importing and their addresses
- Name and signature of company principal and stamp

Form B:

- List of ingredients
- Food additives and packaging specifications
- GMO or Non GMO statement as applicable for corn, soybean, potato and their derivative products
- Identify whether the following ingredients are from animal or vegetable origin: protein, L-sistein, enzyme, colostrum, fat, oil, shortening, thickening agents, emulsifiers, stabilizers, monoglycerides, diglycerides, and triglycerides, collagen, gelatin, and other ingredients suspected to originate from animals
- Meat and meat products must have an import recommendation from the Indonesian Ministry of Agriculture for ruminants and their derivative products
- Flow chart of the manufacturing process, production code, and expiration date
- Original certificate of product analysis including chemical, food additive, microbiological and heavy metal contamination, dated within the last year

Food Registration Location

Directorate of Food Safety Assessment
Deputy of Food Safety and hazardous Substances Control
National Agency for Drug and Food Control
Jl. Percetakan Negara No. 23
Building D, 3rd Floor, Jakarta
T: 62-21-4280-0221; F: 62-21-424-5267

V. IMPORT RECOMMENDATION

BPOM requires an import recommendation for each shipment. To obtain the recommendation an importer must provide:

1. Application letter:
 - a. Name and address of the importer
 - b. Type and brand name
 - c. Packaging
 - d. Total quantity imported
 - e. Country of origin
 - f. Name and address of the supplying company
 - g. ML number
 - h. Invoice Number and date
 - i. Bill of Lading or Air Way Bill number and date
 - j. Expiration date
 - k. Lot Number, Batch number, and Production Code
 - l. Arrival port
2. Copy of legal registration approval with valid ML number (registration number) and copy of label and packaging when product was registered. This will be compared with labels on product in shipment.
3. Agreement letter between importer and other company that has an import facility if using dissimilar company name with the ML registration approval letter
4. Letter from the manufacturer in the country of origin if the name on import documents and Health Certificate or Certificate of Analysis differs
5. Certificate:
 - a. Original Certificate of Analysis for every shipment
 - b. Formalin analysis for product from China
 - c. Irradiation free certificate for milk product from Europe
 - d. Genetically Modified Organism certificate for processed soybean, corn, tomato, and potato
 - e. Certificate of 3-Monochloro Propandiol (3-MCPD) residue analysis for Hydrolyzed Vegetable Protein, Isolated Soy Protein, or Soy Sauces
 - f. Certificate of aflatoxin analysis for nut products
 - g. KBr3O3 free certificate for wheat flour
 - h. Certificate of origin for animal based food product
 - i. Indonesian National Standard certificate (SNI) for bottled water, salt, and wheat flour
 - j. Halal certificate if halal claims are on the label
6. Original document stating production date or expiration date

7. Document stating batch number, lot number, and production code
8. Copy of Importer Registration (IT) for the commodity from Ministry of Trade if applicable
9. Import supporting data:
 - a. Import order
 - b. Bill Lading or Air Way Bill
 - c. Invoice
 - d. Packing List
10. Import Permit (SPP) from Directorate General of Livestock Services, Indonesian Ministry of Agriculture for animal based food products.

VI. OTHER RELEVANT REPORTS

New Requirements for Selected Food & Beverages (ID9001)

<http://www.fas.usda.gov/gainfiles/200901/146327020.pdf>

Exporter Guide (ID8032)

<http://www.fas.usda.gov/gainfiles/200811/146306465.pdf>

FAIRS Export Certificate (8024)

<http://www.fas.usda.gov/gainfiles/200811/146306465.pdf>

FAIRS Country Report (ID8022)

<http://www.fas.usda.gov/gainfiles/200808/146295366.pdf>