

Voluntary Report – Voluntary - Public Distribution

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Report Name: Indonesia Raises Palm Exports Levy

Country: Indonesia

Post: Jakarta

Report Category: Oilseeds and Products, Biofuels

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Report Highlights:

On May 14, 2025, Indonesia raised export levies for most palm oil products, from 7.5 percent to 10 percent for crude products and up to 9.5 percent for refined products. The levy increases are meant to sustain the new B40 blend mandate program.

On May 14, 2025, Indonesia issued [Ministry of Finance Regulation No. 30/2025](#) raising export levies for most of its palm products. According to the decree, the levy adjustments are necessary “to increase the productivity of plantation products and provide added value to downstream products at the farm level.” The increases affect 34 palm products, including six additional products that were not previously subject to levies, such as glycerin, soap stocks, and refined palm oil mill effluent (POME). The new levy rates took effect on May 17, 2025.

The new regulation groups palm products into five tariff groups. Palm oil products that fall under HS code 1511, the most exported products, are divided into three different groups. The levy tariff for Group I, which consists of palm meal, kernel and shell as well as fresh and empty fruit bunches, will remain unchanged. For Group II, which includes crude palm oil (CPO), the export levy tariff will increase to 10 percent from 7.5 percent. For Group III, which consists of refined products such as palm olein, the export levy will increase to 9.5 percent from 6 percent.

Table 1. New Export Levy Tariffs for Select Palm Oil Products

	Tariff		Calculated Levy Based on May 2025 Reference Price (\$/MT)		
	Old	New	Old	New	Change
Crude Palm Oil (CPO)	7.5%	10%	69	92	+23.11
Palm Oil Mill effluent (POME)	7.5%	10%	69	92	+23.11
Used Cooking Oil (UCO)	6%	9.5%	55	88	+32.36
Palm Fatty Acid Distillate (PFAD)	6%	9.5%	55	88	+32.36
Refined Bleached Deodorized (RBD) Palm Olein	4.5%	7.5%	42	69	+27.73
Biodiesel	3 %	4.5%	28	42	+13.87

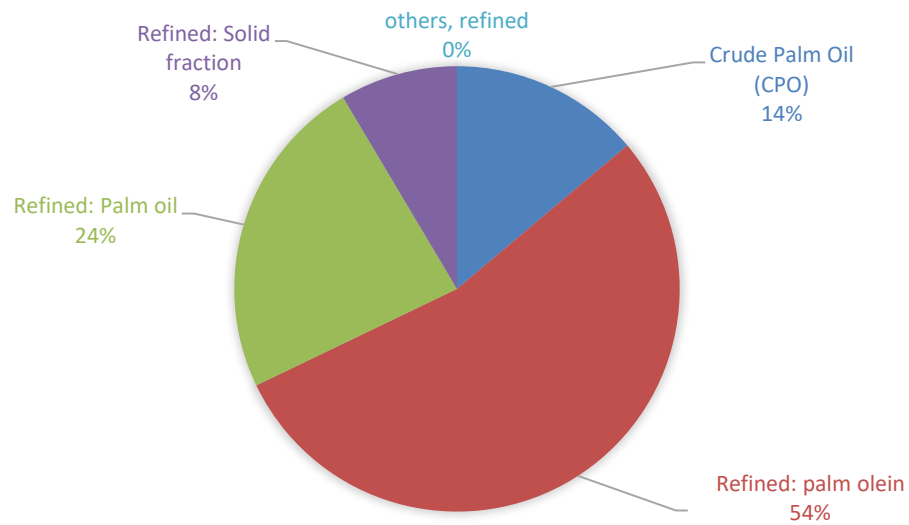
Source: MOF Regulation No. 30/2025, Calculated by FAS Jakarta

These palm export levy increases had been anticipated as the Government of Indonesia (GOI) recently started rolling out its new nation-wide B40 biodiesel blending mandate program, requiring 40 percent biobased content, in March 2025. To meet the 40-percent blending mandate nationwide, the GOI will have to provide \$2.1 billion in subsidies to cover 7.6 billion liters of biodiesel allocated for the 2025 Public Service Obligation (PSO) market (see [ID2025-0015](#) for more detail).

In 2024, Indonesia exported 21 million metric tons (MMT) of palm oil products under HS code 1511, consisting of 3 MMT of CPO and more than 10 MMT of palm olein. Palm oil solid fraction, such as Palm Fatty Acid Distillate (PFAD), represents about 8 percent of total shipments. If these higher export levy rates make Indonesian palm products less competitive vis-

à-vis alternative vegetable oil products, they will likely curb Indonesia's palm product exports for 2025/26.

Figure 1. Palm Olein Made Up More than Half of Indonesia Palm Oil Exports in 2024 (HS Code 1511)



Source: Trade Data Monitor (TDM), LLC

Attachments:

No Attachments.