



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

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GAIN Report #ID0006

## Indonesia

### Solid Wood Products

## Indonesia Reduces Export Tariff on Lumber 2000

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#### Report Highlights:

**The Government of Indonesia has announced a reduction in its export tax on rattan and lumber from 20% to 15%, effective January 1, 2000. This is in accordance with Indonesia's Letter of Intent with the International Monetary Fund, which stipulates a reduction in these export taxes from 20% to 5% by the end of 2001.**

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Includes PSD changes: No

Includes Trade Matrix: No

Unscheduled Report

Jakarta [ID1], ID0006

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**Executive Summary**

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The Government of Indonesia has announced a reduction in its export tax on rattan and lumber (and also sand) from 20% to 15%, effective January 1, 2000.

Among the types of rattan included are: raw rattan washed, smoked and sulpherized and finely polished rattan. Among the woodbased products included are: logs, pulp raw material/chips raw material and veneer. The complete list of HS codes included is as follows:

1401.20.100, 1401.20.500, 1401.20.900, 2505.10.000, 2505.90.000, 4404.10.290, 4404.20.100, 4406.90.000, 4407.10.110, 4408.10.100, 4408.10.900.

The lowering of the export tax for the above materials is in accordance with Indonesia's Letter of Intent (LOI) with the International Monetary Fund, as outlined in 1998. The LOI calls for a gradual reduction in the export tax for rattan, woodbased and sand products from 20% to 15% by the end of 1999, to 10% at the end of 2000, and to 5% by the end of 2001. The GOI indicates that at the end of 2001 it intends to institute a resource rent tax or a forestry resource fee (PSDH) in lieu of an export tax.

In 1998, the United States exported \$35.4 million in forest products to Indonesia. Imports of forest products were roughly \$458.2 million.