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## Indonesia

### Tobacco and Products

### Annual

### 2003

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**Report Highlights:**

The demand for tobacco continues to decline slowly, reflecting reduced consumer purchasing power for cigarettes. Dry weather and high cost of production contribute in lower leaf production. Post estimates CY02 dry tobacco leaf production at 144,500 MT and 139,000 MT in CY03. The government revises cigarette excise and price structures periodically to meet the country's targeted revenue, which reflect in increasing cigarette prices and lower cigarette sales and production. Post estimates a decline in cigarette production/consumption from 200.4 billion sticks/182.0 billion sticks in CY02 to 186.0 billion sticks/171.1 billion sticks in CY03.

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Includes PSD Changes: Yes  
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Annual Report  
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## SECTION I – SITUATION AND OUTLOOK

### Unmanufactured Tobacco

#### Production

Indonesian tobacco is classified as Na-Oogst (used for cigar wrapper, filler and binder); or Voor-Oogst (used for cigarettes), which is planted during dry season (March-May) and harvested during rainy season (August-October). The quality and aroma of tobacco leaves depend on the climate/soil type and the curing method, such as flue cured (Virginia type), dark air sun cured (native Indonesian tobacco type) for cigarettes, and dark air cured (for cigars).

The declining rate of consumption for tobacco over the years, has discouraged farmers to expand tobacco plantings, resulting in reducing planted areas and overall domestic tobacco production. Pest problems with this years tobacco harvest have been reportedly insignificant. However, dry weather during the last phase of the growing season caused a slight decline in the average yields. Virginia tobacco farmers produce higher yields and better quality as “partnership scheme” between farmers and large cigarette manufacturers helps farmers maintain and improve their farming practices, curing processes and leaf quality. This special scheme provides farmers with resources, technical assistance and small loans for expanding or improving operations and for buying inputs. Loans are paid with the sales of the flue cured tobacco leaves to the companies at an agreed price. Area and leaf production of the partnership program is increasing, as demand for Virginia (flue cured) tobacco from domestic and export markets are high. Unlikely, other tobacco type, i.e., native tobacco (dark air and sun cured), which are mostly used for clove cigarettes, have declined due to lower demand from cigarette manufacturers. While dark air cured tobacco production remains fairly stable to meet the demands of the local cigar tobacco production.

In CY 2002, total tobacco production reached 170,000 MT (144.5 MT dry weight basis) from total area of 204,000 hectares and it is expected to decrease slightly to 197,000 hectares in CY 2003, producing 162,000 MT wet leaf basis or 139,000 MT dry weight basis.

Besides the various leaf varieties, the flavor and the texture of tobacco leaves are determined by the soil type and also the curing method (flue cured, dark air and sun cured, or dark air cured). To produce specific flavor and aroma, every brand of tobacco products, i.e., cigarette, cigar, and chewing tobacco requires specific blending of more than one tobacco type. Tobacco Deli is produced in North Sumatra, fermented in dark air cured process, mainly for export and used for cigar binder, filler, and wrapper. With its specific aroma for every district areas, high quality of Virginia leaf is produced in Central Java, East Java, and West Nusa Tenggara, and used mostly for white cigarettes. Approximately 65 percent of tobacco leaf produced in Indonesia is of native tobacco type (dark air and sun cured), which is used mostly in clove cigarette (“kretek”).

#### Consumption

Industry sources indicate that the GOI’s current price and excise tax structure (see policy section) will cause retail cigarette prices to increase, resulting in declining cigarette consumption and production. Post estimated declining total tobacco leaf consumption figures from 155,420 MT in CY02 to 144,300 MT in CY03, to reflect the decline in cigarette production, which is already anticipated by the industry. High prices hampered import volumes, which are also expected to

decline from 33,199 MT in CY02 to 32,000 MT in CY03. Tobacco leaf consumption is primarily price driven in relation to Indonesian consumers purchasing power for cigarettes.

### Prices

The current average farmgate price for tobacco leaves is reportedly low due to tough competition and the availability of lower quality product. Farmers and industry sources report that the average price of native tobacco have been slightly lower compared to last year due to dry weather conditions that occurred during the last phase of this years growing season (March-May), which resulted in varied quality.

As in other commodities, farmers have a weak bargaining position, selling their cured (may be chopped) tobacco leaves to collectors and/or agents of cigarette companies. The quite long trade chain and the price set by the cigarette companies impede (native tobacco) farmers in receiving better prices. Another cause of low prices are the mixing of high and low quality leaves.

The cost of domestic Virginia tobacco production in Lombok is Rp. 18 million per hectare. With an average yield of 2 kg/ha, the cost is approximately Rp. 9,000/kg (US\$ 1.1/kg using Rp. 8,500/US\$1 exchange rate). In contrast, current farmgate prices for tobacco leaves range from Rp. 10,000 (US\$ 1.18/kg) to Rp. 15,000/kg (US\$ 1.76/kg) for third grade, Rp. 15,000 (US\$ 1.76/kg) to Rp. 20,000/kg (US\$ 2.35/kg) for second grade, and Rp. 25,000/kg (US\$ 2.94/kg) to Rp. 30,000/kg (US\$ 3.52) for first grade.

Imported tobacco leaf are required for blending (mostly of Virginia type), prices from China - US\$2.24/kg (51 percent of market share), Brazil – US\$2.64/kg (11 percent market share), Zimbabwe - US\$4.38/kg (7 percent of market share), and USA - US\$7.28/kg (5 percent of market share). Imports of unmanufactured tobacco are subject to a 5 percent import duty and 10 percent value added tax (VAT) on top of 2.5 percent sales tax.

### Manufactured Tobacco

Indonesia's cigarette industry is made up of two main segments that dominate Indonesia's manufactured tobacco industry (approximately 90 percent of total production)--cloves cigarettes ("kretek") and white cigarettes. The remainder is made up of cigar and chewing tobaccos. Currently, there are over than 420 cigarette manufacturers in Indonesia (mostly in East Java), of which 6 companies are classified as large companies (over 2 billion sticks), 12 of medium companies (>500 million but <2 billion sticks), 410 companies are small companies (under 500 million sticks). The industry involving around 5 million people, includes tobacco farmers, cigarette company employees, clove farmers to street vendors, which contributes to 90 percent of the annual government revenue in excise.

Indonesia's local cigarette industry production capacity of is 450 billion sticks per year. However, overall the industry operates at less than 50 percent capacity. Cigarette production reached 200.4 billion sticks in CY 2002 generating substantial revenue from cigarette excise of Rp. 22.3 trillion for the GOI. Due to current economic conditions, the purchasing power for cigarettes is hampered. The increase of retail cigarette prices has resulted in approximately 7 percent decline in cigarette production in CY 2003. Even though consumption continues to

slide, revenues from excise taxes are targeted upward as the GOI imposes increasing taxes. Revenues are expected to reach Rp. 27.9 trillion in CY 2003 and Rp. 36 trillion in 2004.

### **Production**

Increases in cigarette retail prices as a result of increasing excise taxes in 2003 cause declines in Indonesia's overall cigarette production and sales in 2004. The industry estimates white cigarette production will decline by more than 10 percent in 2004. Anti cigarette campaigns are believed to only have a slight impact in lowering cigarette sales (by 0.1 to 0.2 percent). Cigarette consumption in Indonesia is predominately price driven, based on consumer purchasing power.

The average market share for white cigarettes is approximately 10 percent as consumer preference toward cloves cigarettes is higher due to the pungent taste and lower retail prices. Preferences for "kretek" (cloves) cigarettes are improving and the manufacturing industry continues to pick up market share because of its aggressive marketing and advertisement strategies to sell its product as "modern and trendy".

### **Consumption**

The high cost of living following by increasing utility and transportation costs contribute to the decline in consumer purchasing power of cigarettes. In addition, the GOI's increasing excise tax levels push prices up for consumers. As a result, total cigarette consumption (kretek and white cigarettes) in CY02 was 182.0 billion sticks, and the forecast for CY03 is expected to decline by approximately 7 percent to approximately 171.1 billion sticks.

### **Prices**

Cigarette prices are ranging widely according to the type and brands, which are regulated by the government based on the company classification (see table of Minister of Finance Decree No. 121/KM.4/2002 - dated: January 31, 2002 presented in ID2023). The government revises this regulation in an attempt to increase revenue from excise taxes. The most recent retail price regulations are the Minister of Finance Decree No. 537/KMK.04/2002 dated: December 30, 2002 - effective January 1, 2003 (see Table 13) and Table 14 for the Decree of Director General of Customs and Excise No. 100/BC/2002 dated: December 31, 2002 - effective January 1, 2003.

Import of manufactured tobacco is subject to a 15 percent import duty and 10 percent of value added tax (VAT).

### **Policy**

Cigarette excise generates substantial revenue for the GOI. The government adjusts/revises excise tax regularly to meet target revenue goals for all cigarettes (please refer to Table "Classification of Tobacco Product Manufacturers"). Effective January 1, 2003 a new price structure was announced, lowering the lowest unit price of white cigarette and increasing the retail price of white cigarette. According to industry sources the GOI is likely to keep the tax flat for a while.

The government established a new structure of Excise Tax Rate and a new set of Minimum Retail Prices of Imported Tobacco Products to increase the 2003 revenue from cigarette excise. The

Minister of Finance Decree No. 449/KMK.04/2002 (dated October 24, 2002) is effective starting November 1, 2002. For detailed information see report ID2032. Most recently, the GOI (Minister of Finance Decree No. 537/KMK.04/2002, dated: December 30, 2002, effective January 1, 2003) also increased the retail prices of white cigarettes, which is aimed at receiving more revenue from the excise. Furthermore, regulation (Decree of Director General of Customs and Excise No. 100/BC/2002, dated: December 31, 2002, effective January 1, 2003) requires that retail prices of other than white cigarette should be adjusted accordingly. For detailed information see Table 14.

To implement the health law No. 23/1992 and the Government Regulation No. 38/2000 and to ensure the better effective security of cigarettes for health, the GOI announced Government Regulation No. 19/2003 dated March 10, 2003. The regulation was effective March 10, 2003, regulating several aspect of the industry such as: nicotine/tar content per stick and health warning label; cigarette producers should be registered and must use ingredients that satisfy health requirements; advertisement and promotion of cigarettes may only be carried out by producers and importers at designated time period, places etc.; and designated smoking free areas such as public areas, health facilities, schools, religious buildings, and public transportation.

In its efforts to limit the number of teenage smokers, the white cigarette producers association or Gaprindo proposed to the government to announce a regulation that prohibits teenage under 18 years old from buying cigarette. Gaprindo in cooperation with a nationwide Department Store distribute poster that promote no cigarette sales to under 18 years old buyers.

## SECTION II - STATISTICAL INFORMATION AND TABLES

## Tobacco, Unmfg, Total

Table 1. Production, Supply and Demand Table

<b>PSD Table</b>						
<b>Country</b>	<b>Indonesia</b>					
<b>Commodity</b>	<b>Tobacco, Unmfg., Total</b>				<b>(HA)(MT)</b>	
	2001	Revised	2002	Estimate	2003	Forecast
	Old	New	Old	New	Old	New
<b>Market Year Begin</b>		01/2001		01/2002		01/2003
Area Planted	205000	205000	205000	204000	205000	194000
Beginning Stocks	6348	6348	9788	9788	8748	7079
Farm Sales Weight Prod	172200	172200	170150	170000	170150	158900
Dry Weight Production	146100	146100	144700	144500	144700	135000
U.S. Leaf Imports	2262	2262	1400	1749	1400	1500
Other Foreign Imports	42085	42085	30000	31449	30000	30500
TOTAL Imports	44347	44347	31400	33198	31400	32000
TOTAL SUPPLY	196795	196795	185888	187486	184848	174079
Exports	20882	20882	22000	24987	22000	25000
Dom. Leaf Consumption	142325	142325	131340	131620	131340	121391
U.S. Leaf Dom. Consum.	800	800	800	800	800	800
Other Foreign Consump.	23000	23000	23000	23000	23000	20300
TOTAL Dom. Consumption	166125	166125	155140	155420	155140	142491
TOTAL Disappearance	187007	187007	177140	180407	177140	167491
Ending Stocks	9788	9788	8748	7079	7708	6588
TOTAL DISTRIBUTION	196795	196795	185888	187486	184848	174079

Note: Unit in Hectares (ha) and Metric Tons (MT).

Data in the "Old" column reflects FAS/W data. For Post's previous PS&D refer to report ID1028.

Table 2: Trade Matrix of Unmanufactured Tobacco 2002 (by volume)

## Export Import Trade Matrix

<b>Country:</b>	<b>Indonesia</b>	Units:	MT
<b>Commodity:</b>	<b>Tobacco, Unmfg.</b>		
<b>Time period:</b>	<b>Jan-Dec</b>		<b>Jan-Dec</b>
<b>Exports for</b>	<b>2002</b>	<b>Imports for</b>	<b>2002</b>
U.S.	4,582	U.S.	1,749
Others		Others	
Belgium	5,115	China	16,904
Germany	3,136	Brazil	3,762
Malaysia	3,297	Zimbabwe	2,378
Netherland	2,381	Canada	2,241
Thailand	1,811	Greece	2,099
USSR/Russia Fed.	1,615	Turkey	1,821
Philippines	1,647	Singapore	1,257
France	1,403		
<b>Total for Others</b>	<b>20,405</b>	<b>Total for Others</b>	<b>30,462</b>
<b>Others not listed</b>		<b>Others not listed</b>	<b>987</b>
<b>Grand Total</b>	<b>24,987</b>	<b>Grand Total</b>	<b>33,198</b>

Table 3: Trade Matrix of Unmanufactured Tobacco 2002 (by value)

## Export Import Trade Matrix

<b>Country:</b>	<b>Indonesia</b>	Units:	US\$
<b>Commodity:</b>	<b>Tobacco, Unmfg.</b>		
<b>Time period:</b>	<b>Jan-Dec</b>		<b>Jan-Dec</b>
<b>Exports for</b>	<b>2002</b>	<b>Imports for</b>	<b>2001</b>
U.S.	3,942,279	U.S.	12,657,593
Others		Others	
Belgium	9,444,556	China	37,879,085
Germany	5,278,438	Brazil	9,934,143
Malaysia	5,778,417	Zimbabwe	10,423,975
Netherland	6,847,995	Canada	8,458,080
Thailand	3,590,317	Greece	11,835,905
USSR/Russia Fed.	1,218,238	Turkey	7,154,347
Philippines	5,538,024	Singapore	2,884,675
France	938,564		
<b>Total for Others</b>	<b>38,634,549</b>	<b>Total for Others</b>	<b>88,570,210</b>
<b>Others not listed</b>		<b>Others not listed</b>	<b>2,684,408</b>
<b>Grand Total</b>	<b>42,576,828</b>	<b>Grand Total</b>	<b>103,912,211</b>

## Tobacco, Unmfg, Flue Cured

Table 4: Production, Supply and Demand Table

<b>PSD Table</b>						
<b>Country</b>	<b>Indonesia</b>					
<b>Commodity</b>	<b>Tobacco,Unmfg.,Flue Cured</b>				<b>(HA)(MT)</b>	
	<b>2001</b>	<b>Revised</b>	<b>2002</b>	<b>Estimate</b>	<b>2003</b>	<b>Forecast</b>
	<b>Old</b>	<b>New</b>	<b>Old</b>	<b>New</b>	<b>Old</b>	<b>New</b>
<b>Market Year Begin</b>		<b>01/2001</b>		<b>01/2002</b>		<b>01/2003</b>
Area Planted	54000	53400	0	53000	0	50000
Beginning Stocks	824	1024	624	3191	0	3906
Farm Sales Weight Prod	43000	42000	0	43250	0	39300
Dry Weight Production	36500	35650	0	36751	0	33389
U.S. Leaf Imports	1400	2204	0	1749	0	1500
Other Foreign Imports	20000	27085	0	21000	0	20000
TOTAL Imports	21400	29289	0	22749	0	21500
TOTAL SUPPLY	58724	65963	624	62691	0	58795
Exports	500	5172	0	9000	0	9200
Dom. Leaf Consumption	47500	47500	0	40185	0	37016
U.S. Leaf Dom. Consum.	100	100	0	100	0	100
Other Foreign Consump.	10000	10000	0	9500	0	9000
TOTAL Dom. Consumption	57600	57600	0	49785	0	46116
TOTAL Disappearance	58100	62772	0	58785	0	55316
Ending Stocks	624	3191	0	3906	0	3479
TOTAL DISTRIBUTION	58724	65963	0	62691	0	58795

Note: Unit in Hectares (ha) and Metric Tons (MT).

Data in the "Old" column reflects FAS/W data. For Post's previous PS&D refer to report ID1028.

## Unmfg, Dark Air &amp; Sun Cured

Table 5: Production, Supply and Demand Table

<b>PSD Table</b>						
<b>Country</b>	<b>Indonesia</b>					
<b>Commodity</b>	<b>Unmfg., Dark Air &amp; Sun Cured</b>				<b>(HA)(MT)</b>	
	2001	Revised	2002	Estimate	2003	Forecast
	Old	New	Old	New	Old	New
<b>Market Year Begin</b>		01/2001		01/2002		01/2003
Area Planted	137100	132800	0	132300	0	125500
Beginning Stocks	1276	5141	4929	6349	0	3060
Farm Sales Weight Prod	123270	111776	0	108500	0	101400
Dry Weight Production	104853	94795	0	92280	0	86190
U.S. Leaf Imports	0	58	0	0	0	0
Other Foreign Imports	10000	15000	0	10449	0	10500
TOTAL Imports	10000	15058	0	10449	0	10500
TOTAL SUPPLY	116129	114994	4929	109078	0	99750
Exports	0	700	0	960	0	1000
Dom. Leaf Consumption	97500	94245	0	91358	0	83800
U.S. Leaf Dom. Consum.	700	700	0	700	0	700
Other Foreign Consump.	13000	13000	0	13000	0	11300
TOTAL Dom. Consumption	111200	107945	0	105058	0	95800
TOTAL Disappearance	111200	108645	0	106018	0	96800
Ending Stocks	4929	6349	0	3060	0	2950
TOTAL DISTRIBUTION	116129	114994	0	109078	0	99750

Note: Unit in Hectares (ha) and Metric Tons (MT).

Data in the "Old" column reflects FAS/W data. For Post's previous PS&D refer to report ID1028.

## Unmfg, Dark Air Cured, Cigar

Table 6: Production, Supply and Demand Table

<b>PSD Table</b>						
<b>Country</b>	<b>Indonesia</b>					
<b>Commodity</b>	<b>Unmfg., Dark Air Cured, Cigar</b>				<b>(HA)(MT)</b>	
	2001	Revised	2002	Estimate	2003	Forecast
	Old	New	Old	New	Old	New
<b>Market Year Begin</b>		01/2001		01/2002		01/2003
Area Planted	18900	18800	0	18700	0	18500
Beginning Stocks	182	182	382	207	0	113
Farm Sales Weight Prod	18830	18425	0	18250	0	18200
Dry Weight Production	16000	15655	0	15510	0	15421
U.S. Leaf Imports	0	0	0	0	0	0
Other Foreign Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	16182	15837	382	15717	0	15534
Exports	15200	15050	0	15027	0	14800
Dom. Leaf Consumption	600	580	0	577	0	575
U.S. Leaf Dom. Consum.	0	0	0	0	0	0
Other Foreign Consump.	0	0	0	0	0	0
TOTAL Dom. Consumption	600	580	0	577	0	575
TOTAL Disappearance	15800	15630	0	15604	0	15375
Ending Stocks	382	207	0	113	0	159
TOTAL DISTRIBUTION	16182	15837	0	15717	0	15534

Note: Unit in Hectares (ha) and Metric Tons (MT).

Data in the "Old" column reflects FAS/W data. For Post's previous PS&D refer to report ID1028.

**Table 7: Composition of Tobacco Production: Area & Production by Region**  
Initial Estimate of Government of Indonesia for 2002 1/

Island/Province	Area Harvested (Ha)	Yield (MT/Ha)	Production (MT)	Share (%)
<b>SUMATRA</b>	<b>4,853</b>	<b>0.67</b>	<b>3,233</b>	<b>1.43</b>
North Sumatra	3,173	0.58	1,852	0.82
<b>JAVA</b>	<b>224,260</b>	<b>0.84</b>	<b>188,997</b>	<b>83.51</b>
East Java	148,288	0.92	136,413	60.27
Central Java	66,136	0.70	46,130	20.38
West Java	6,835	0.66	4,505	1.99
Yogyakarta	3,001	0.00	1,949	0.86
<b>BALI &amp; NUSA TENGGARA</b>	<b>24,606</b>	<b>1.35</b>	<b>33,304</b>	<b>14.71</b>
West Nusa Tenggara	21,923	1.39	30,424	13.44
Bali	1,241	1.45	1,804	0.80
East Nusa Tenggara	1,442	0.75	1,076	0.48
<b>KALIMANTAN</b>	<b>3</b>	<b>0.00</b>	<b>2</b>	<b>0.00</b>
<b>SULAWESI</b>	<b>1,161</b>	<b>0.68</b>	<b>793</b>	<b>0.35</b>
<b>MALUKU &amp; IRIAN JAYA</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>TOTAL INDONESIA</b>	<b>254,883</b>	<b>0.89</b>	<b>226,329</b>	<b>100.00</b>

Source: Directorate General of Estate Crops.

1/ To describe major producing areas of tobacco. Does not reflect the figure in the PS&D table.

2/ Production is in dry weight leaves.

3/ Java totals include production in the Jakarta and Yogyakarta areas.

**Table 8: Exports and Imports of Unmanufactured Tobacco  
(Calendar Year: January - December)**

Year (Jan-Dec)	Export			Import		
	Volume Metric Tons	Value US\$ (FOB)	Unit Price US\$/MT	Volume Metric Tons	Value US\$ (CIF)	Unit Price US\$/MT
1998	46,960	147,551,956	3,142	17,153	75,971,408	4,429
1999	37,097	91,834,090	2,476	40,913	128,019,658	3,129
2000	35,658	71,287,349	1,999	34,248	114,833,660	3,353
2001	43,031	91,404,293	2,124	44,347	139,609,562	3,148
2002	42,687	76,684,315	1,796	33,289	103,969,611	3,123

Source: Center Bureau of Statistics, Indonesia, Buletin Ringkas.

**Table 9: Exports and Imports of Manufactured Tobacco  
(Calendar Year: January - December)**

Year (Jan-Dec)	Export			Import		
	Volume Metric Tons	Value US\$ (FOB)	Unit Price US\$/MT	Volume Metric Tons	Value US\$ (CIF)	Unit Price US\$/MT
1998	25,246	106,780,008	4,230	2,639	8,503,747	3,222
1999	25,371	120,237,879	4,739	7,928	13,041,193	1,645
2000	24,703	149,689,294	6,060	8,520	48,859,968	5,735
2001	33,374	183,531,216	5,499	11,890	80,616,781	6,780
2002	30,808	171,196,582	5,557	14,156	93,772,934	6,624

Source: Center Bureau of Statistics, Indonesia, Buletin Ringkas.

Table 10: Production, Supply and Demand for Manufactured Tobacco

<b>PSD Table</b>						
<b>Country</b>	<b>Indonesia</b>					
<b>Commodity</b>	<b>Tobacco, Mfg., Cigarettes</b>				<b>(MIL PCS)</b>	
	<b>2001</b>	<b>Revised</b>	<b>2002</b>	<b>Estimate</b>	<b>2003</b>	<b>Forecast</b>
	Old	New	Old	New	Old	New
<b>Market Year Begin</b>		<b>01/2001</b>		<b>01/2002</b>		<b>01/2003</b>
Filter Production	135142	135142	112600	112800	0	98000
Non-Filter Production	86151	86151	87400	87558	0	88000
TOTAL Production	221293	221293	200000	200358	0	186000
Imports	206	206	300	29	0	100
TOTAL SUPPLY	221499	221499	200300	200387	0	186100
Exports	22220	22220	22000	18429	0	15000
Domestic Consumption	199279	199279	178300	181958	0	171100
TOTAL DISTRIBUTION	221499	221499	200300	200387	0	186100

Unit: in million sticks.

Data in the "Old" column reflects FAS/W data. For Post's previous PS&D refer to report ID1028.

Note: Filter production consist of SPM (white cigarette) and SKM (machine-made clove cigarette).

Non-filter production is SKT (hand-rolled clove cigarette).

Table 11: Trade Matrix of Manufactured Tobacco, Cigarettes 2002 (by volume)

Export Import Trade Matrix			
Country:	Indonesia	Units: MT	
Commodity:	Tobacco, Mfg., Cigarettes		
Time period:	Jan-Dec		Jan-Dec
Exports for	2002	Imports for	2002
U.S.	347	U.S.	39
Others		Others	
Cambodia	9303	Indonesia	2
Thailand	8146		
Singapore	3404		
Malaysia	3152		
Philippines	225		
Lebanon	179		
Uni Arab Emirate	146		
Canada	95		
Russia	94		
United Kingdom	88		
Total for Others	24832	Total for Others	2
Others not listed	622	Others not listed	0
Grand Total	25801	Grand Total	41

Note: Data for Cigarette Export and Import (HS Codes: 2402.20.200 and 2402.20.900).

Note: With an average weight of 1.4 gram/stick of cigarette, export in 2002 equivalent to 18,429.3 million sticks, and imports equivalent to 29.3 million sticks.

**Table 12: Trade Matrix of Manufactured Tobacco, Cigarettes 2002 (by value)**

Export Import Trade Matrix			
Country:	Indonesia		Units: US\$
Commodity:	Tobacco, Mfg., Cigarettes		
Time period:	Jan-Dec		Jan-Dec
Exports for	2002	Imports for	2002
U.S.	3,558,947	U.S.	179,873
Others		Others	
Cambodia	28,753,351	Indonesia	6,000
Thailand	43,169,750		
Singapore	41,876,204		
Malaysia	32,993,814		
Philippines	235,645		
Lebanon	586,707		
Uni Arab Emirate	496,600		
Canada	342,280		
Russia	56,430		
United Kingdom	262,032		
Total for Others	148,772,813	Total for Others	6,000
Others not listed	4,665,184	Others not listed	7,456
Grand Total	156,996,944	Grand Total	193,329

Note: Data for Cigarette Export and Import (HS Codes: 2402.20.200 and 2402.20.900).

The following tables outline the most recent GOI regulation (Minister of Finance Decree No. 121/KM.4/2002 dated January 31, 2002) on tobacco products, effective December 1, 2001.

**Table 13: Retail Prices for Machine Made White Cigarettes**

Minister of Finance Decree No. 537/KMK.04/2002  
Dated: December 30, 2002 - Effective January 1, 2003

Machine Made White Cigarettes (SPM)	Company Classification	Old Lowest Retail Prices/Stick	New Lowest Retail Prices/Stick	Increased in Retail Prices	
				Retail Price/Stick	
				> Rp. 270.00	<Rp. 270.00
SPM	I	Rp. 270.00	Rp. 250.00	Rp. 75.00	Rp. 55.00
SPM	II	Rp. 210.00	Rp. 190.00	Rp. 60.00	Rp. 40.00
SPM	III	Rp. 200.00	Rp. 180.00	Rp. 50.00	Rp. 30.00

**Table 14: Retail Prices for Tobacco Products**

Decree of Director General of Customs and Excise No. 100/BC/2002

Dated: December 31, 2002 - Effective January 1, 2003

1. Retail prices for other than SPM may not be lower than the lowest retail prices and the new retail prices structure (Minister of Finance Decree No. 449/KMK.04/2002).
2. Retail prices for SPM may not be lower than the lowest retail prices and the new retail prices structure (Minister of Finance Decree No. 537/KMK.04/2002).
3. Retail prices for tobacco products for export should be the same as the retail prices (of the same brand name) for domestic market.
4. Retail prices for tobacco products per retail pack should be based on the final calculation with a rounding up by Rp. 100,00.

Note:

SPM (Sigaret Putih Mesin): white cigarette

SKM (Sigarete Kretek Mesin): machine-made clove cigarette

SKT (Sigaret Kretek Tangan): hand-rolled clove cigarette

KLM (Kelembak): incense clove cigarette

KLB (Klobot): corn-husked wrapped clove cigarette

CRT: cigar, cigarillos

TIS: chewing tobacco

HPTL: other tobacco products

**Table 15: Exchange Rate**

Exchange Rate (Rp./1US\$) on Period Month Ending Basis

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997	2,387	2,403	2,418	2,443	2,458	2,450	2,528	2,190	3,350	3,700	3,740	5,700
1998	13,513	9,377	8,740	8,211	10,767	15,160	13,850	11,700	11,314	9,142	7,755	8,100
1999	9,419	8,992	8,778	8,632	8,179	6,750	6,989	7,736	8,571	6,949	7,439	7,161
2000	7,414	7,517	7,598	7,988	8,728	8,742	9,055	8,370	8,891	9,483	9,524	9,385
2001	9,488	9,914	10,460	12,117	11,423	11,436	9,744	9,045	9,696	10,358	10,476	10,450
2002	10,383	10,222	9,779	9,441	9,823	8,741	9,171	8,938	9,057	9,233	8,976	8,940
2003	8,876	8,905	8,908	8,675	8,279	8,285	8,505	8,535	8,500			

Source: Central Statistics Agency (BPS-Badan Pusat Statistik) and Business Indonesia Daily Newspaper.

Note: - September 2003 exchange rate is quoted for September 8, 2003

- BPS data available up to Sep. 2002