

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Indonesia's Fees on Import Applications

Report Categories:

Dairy and Products

Trade Policy Monitoring

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Report Highlights:

The Director General of Livestock and Animal Health Services (DGLAHS) recently informed Post that U.S. dairy product establishments seeking to export to Indonesia are required to pay a fee to undergo the "pre-listing" approval review. While meat and rendered product plants have already been paying these fees, this requirement for dairy products is new. This report details the underlying regulation establishing these fees, and how they are to be implemented.

General Information:

The Director General of Livestock and Animal Health Services (DGLAHS) recently informed Post that U.S. dairy product establishments seeking to export to Indonesia must pay a fee to undergo the “desk audit” phase of the approval process. Heretofore, there had been no such fee applied to obtain dairy plant approvals, but the fees did apply to meat and rendering plants. In justifying the fee, DGLAHS cited Government Regulation Number 35, dated August 11, 2016, “Types and Rates of Non-tax State Revenue Applicable to the Ministry of Agriculture.” While the regulation became effective October 11, 2016, the Ag Ministry has still not issued implementing guidelines, and uncertainty regarding how the fees are to be applied and paid continues. This lack of clarity has affected the ongoing approval process for several facilities, including a delay for ten meat processing facilities audited in December 2016, and the cancellation of a swine genetic facility approval.

The regulation authorizes the Ministry of Agriculture to collect fees for services associated with obtaining approval to export live animals, animal products, and veterinary drugs. It applies to imports from all sources. The approval process is divided into three phases, with distinct activities associated with each phase as follows:

- 1) Document review or “desk audit” of establishment’s application;
- 2) Onsite review/audit of establishment;
- 3) Evaluation of onsite audit results.

The fee for each phase is shown in the table below:

TYPES OF NON-TAX STATE REVENUE		UNIT	RATE
1.	Pre-inspection/document evaluation 1) Animal 2) Products of Animal Origin 3) Veterinary Drugs	per business unit per business unit per preparation	IDR15,650,000 IDR15,650,000 IDR7,500,000
2.	On site review/audit of establishment 1) Animal 2) Products of Animal Origin 3) Veterinary Drugs	per auditor per day per auditor per day per auditor per preparation	IDR12,000,000 IDR12,000,000 IDR15,000,000
3.	Evaluation of on site audit results 1) Animal 2) Products of Animal Origin 3) Veterinary Drugs	per business unit per business unit per preparation	IDR15,650,000 IDR15,650,000 IDR4,000,000

The fees must be paid in advance of the activity associated with each phase. For example, the fee for

conducting the desk audit of an establishment application should be paid at the time the application is submitted.

In addition to these fees, the establishments must pay the international and local travel and lodging expenses incurred by the on site audit teams.

The funds transfer mechanism to pay the fees is still unclear, and Post has experienced difficulties in assisting U.S. establishments to pay the fees. Other countries exporting animal products to Indonesia have also encountered difficulties in paying the fees. And many have registered concerns with the Ministry of Treasury regarding these burdensome costs and the difficulty in processing payments.