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Report Highlights:

Imports of tobacco are expected to decline approximately 29 percent, from 44,347 MT in CY01 to 31,400 MT in CY02. New government excise and prices structures have forced cigarette prices to increase, resulting in declining cigarette consumption from 199 billion sticks in CY01 to 180 billion sticks in CY02. Post estimates cigarette production to decline from 199.3 billion sticks in CY01 to 178.3 billion sticks in CY02. Post estimates dry tobacco leaf production in CY01 is 146,100 MT and 144,700 MT in CY02.

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SITUATION AND OUTLOOK

Unmanufactured Tobacco

Production

There has not been any significant expansion in Indonesia's tobacco crop in 2002. Special partnership projects exist between large cigarette companies and small farmers in Lombok, which have resulted in higher quality tobacco. In these projects, large cigarette manufacturers provide farmers with high quality seeds, fertilizer/pesticide, and technical assistant on farming practices, post harvest and the curing processes. Farmers then sell their tobacco leaves back to the companies at a set price. In other cases, tobacco leaves are sold by small farmers to traders/middlemen in the form of cut tobacco leaves. Traders/middlemen cure the leaves for 2 to 3 days before reselling them to cigarette companies. In Java, where large cigarette manufacturers are concentrated, farmers sell their crops directly to cigarette companies for use after being aged for 1.5 years. Indonesia's total production in CY01 (January-December) reached 172,200 MT farm sales weight or 146,100 MT dry weight basis. Due to low farmgate prices for tobacco leaves and high production costs, yields have declined from an average of 840 kilogram/ha in CY01 to 830 kilogram/ha in CY02. As a result, Post forecasts tobacco production to decline to 170,150 MT farm sales weight or 144,700 MT dry weight basis in CY02. Industry sources report that current domestic tobacco leaf quality is good, as dry weather conditions during the harvest (August-October) were favorable for Indonesia's tobacco crop. Compared to imported tobacco leaves, local tobacco leaves have higher sugar, tar (27.2 mg to 44.8 mg) and nicotine content (2.4 mg up to 6.6 mg) per cigarette stick.

Consumption

Industry sources indicate that tobacco leaves command nearly 60 percent of the total raw material used for cloves cigarettes. Post revised total tobacco leaf consumption figures for CY00 to 170,540 MT, to reflect the actual excise tax paid by cigarette producers. Estimates of tobacco leaf consumption in CY01 have been lowered to 166,125 MT, in line with official excise statistics and the decrease in cigarette production. Post's forecast for CY02 tobacco leaf consumption is 155,140 MT, as industry anticipates further declines in cigarette production, due to the GOI's new price and excise taxes structure (see Policy Section), which will cause retail cigarette prices to increase. As a result, import volumes are expected to decline from 44,347 MT in CY01 to 31,400 MT in CY02. Tobacco leaf consumption is primarily price driven in relation to Indonesian consumers purchasing power for cigarettes.

Prices

While the cost of domestic tobacco production is approximately Rp. 30,000/kg (US\$ 3.37/kg using Rp. 8,900/US\$1 exchange rate), current farmgate prices for tobacco leaves range from Rp. 20,000 (US\$ 2.24/kg) to Rp. 25,000/kg (US\$ 2.80/kg), compared to imported tobacco leaf prices from China - US\$2 - \$3/kg (66 percent

of market share), Zimbabwe - US\$5/kg (7 percent of market share), and USA - US\$8 - \$9/kg (5 percent of market share).

Manufactured Tobacco

Indonesia's manufactured tobacco industry produces several types of tobacco products, with clove cigarettes ("kretek") and white cigarettes dominating the market (approximately 90 percent of total production). It is estimated that Indonesia's manufactured tobacco industry has a labor force of nearly 5 million people—from tobacco farmers, cigarette company employees, clove farmers to street vendors.

Production

Hand-rolled clove (kretek) cigarettes, known as Sigaret Kretek Tangan (SKT), production decreased by less than 1 percent in CY01, while the machine-rolled kretek cigarettes (SKM - Sigaret Kretek Mesin) decreased by 8 percent. Based on official excise tapes that were purchased by the manufacturers, the estimates for clove or "kretek" cigarette productions (for hand-rolled or SKT and machine-made or SKM) in CY00 and CY01 are 207.6 billion sticks and 197.9 billion sticks respectively, and estimates for CY02 are 178.2 billion sticks, down almost 10 percent from previous year.

The government added a company classification of a "very-small" for the hand-rolled clove cigarette industry as many of them produce much smaller numbers of cigarettes (maximum production is 6 million per annum) but employ a large number of workers. The minimum retail price for the hand-rolled clove cigarettes is set at Rp. 175/stick and maximum Rp. 220/stick and they are subject to a 4 percent excise tariff.

With 12 member companies in Indonesia, the white cigarette industry association (GAPRINDO-Gabungan Produsen Rokok Putih Indonesia) indicated that their market share for manufactured cigarettes in CY00 and CY01 was around 10 percent, compared to 22 years ago (1980), when they can produced 33.5 million sticks and enjoyed a market share of approximately 40 percent. The loss in market share for white cigarettes is due to their higher retail price and an ongoing shift in consumer preference for clove cigarettes. The "kretek" cigarette manufacturing industry also continues to pick up market share because of it's aggressive marketing and advertisement strategies to sell it's product as "modern and trendy".

Based on GOI excise revenues for cigarettes, Post revised total cigarette production in CY00 to 232.7 billion sticks, CY01 to 221.3 billion sticks, and for CY02 estimates have been revised downward to 200 billion sticks, reflecting nearly a 10 percent decline in sales. Industry sources indicate that there was a major decline in the SKM market by almost 10 billion sticks in CY01. Sales have continued to decline, due to increasing prices set by the government for excise revenues and minimum retail price structures.

Consumption

The major consumers of the cigarette's in Indonesia are the middle-lower income population which make up nearly 35 percent of the population (approximately 212 million people in 2002). The purchasing power of this group has slightly declined, due to GOI increased utilities costs, consumers have less money to spend on luxury items like cigarettes. In addition, increases in cigarette prices will also reduce domestic cigarette consumption. As a result, total cigarette consumption (kretek and white cigarettes) in CY01 was 199 billion sticks, and the forecast for CY01 is expected to decline another 10 percent to approximately 180 billion sticks.

Price

Cigarette prices are set according to a government regulation which is based on the company classification (see table of Minister of Finance Decree No. 121/KM.4/2002 - dated: January 31, 2002). The government revises this regulation each year, in an attempt to increase revenue from excise taxes. For CY 2002, the target revenues continue to increase to Rp. 22.3 trillion (US\$ 2.5 billion using Rp. 8,900/US\$1 exchange rate), compared to Rp. 17.1 (US\$ 1.9 billion) in CY01.

Policy

The government excise tax regulation imposes a minimum retail price and excise structure for all cigarettes (please refer to Table 15: "Classification of Tobacco Product Manufacturers"), effective as of December 1, 2001.

With Ministry of Finance decree No. 597/KMK.04/2001, the government set classifications of cigarette manufacturers into three main classes: large companies with annual production volume of more than two billion sticks; medium companies with production ranging between 500 million to 2 billion sticks; and, small companies with total production less than 500 million sticks per annum. Other than white cigarette (Sigaret Putih Mesin or SPM) and machine-made clove cigarette (Sigarete Kretek Mesin or SKM), other tobacco products have additional classifications, for companies with an annual production volume not more than 6 million sticks including hand-rolled clove cigarette (Sigaret Kretek Tangan or SKT), corn-husked wrapped clove cigarette (Klobot or KLB), and incense clove cigarette (Kelembak or KLM) and companies with production less than 3 million sticks per annum for cigars (CRT-cerutu). This classification will determine the level of excise and the minimum retail price of the product.

The revenue from cigarette excise was targeted to reach Rp. 22.3 trillion in 2002, and is planned to be increased by 24 percent to Rp. 27.6 trillion in 2003. According to Post sources, the target for 2002 is not likely to be reached due to the decline in sales, as retail prices increased.

The GOI has requirements for lower nicotine and tar content of cigarettes. Government regulation No. 38/2000 dated June 7, 2000, which would be effective in 2007 for machine-made white cigarettes (SPM) and machine-

made clove cigarettes (SKM) and effective in 2010 for hand-rolled clove cigarettes (SKT), requires that nicotine and tar content per stick of cigarette be lowered to 1.5 mg and 20 mg respectively.

SECTION II - STATISTICAL INFORMATION AND TABLES

Tobacco, Unmfg, Total

Table 1. Production, Supply and Demand Table

Country:	Indonesia					
Commodity:	Tobacco, Unmfg.					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Planted	210000	210000	210000	205000	210000	205000
Beginning Stocks	2549	2549	2283	6348	5918	9788
Farm Sales Weight Prod	185121	185121	185100	172200	185100	170150
Dry Weight Production	157052	157052	157335	146100	157335	144700
U.S. Leaf Imports	1306	1360	1400	2262	1400	1400
Other Foreign Imports	31688	31688	30000	42085	30000	30000
TOTAL Imports	33048	33048	31400	44347	31400	31400
TOTAL SUPPLY	192649	192649	191018	196795	194653	185888
Exports	15761	15761	15700	20882	15700	22000
Dom. Leaf Consumption	148100	144035	145600	142325	145600	131340
U.S. Leaf Dom. Consum.	800	800	800	800	800	800
Other Foreign Consump.	25705	25705	23000	23000	23000	23000
TOTAL Dom. Consumption	174605	170540	169400	166125	169400	155140
TOTAL Disappearance	190366	186301	185100	187007	185100	177140
Ending Stocks	2283	6348	5918	9788	9553	8748
TOTAL DISTRIBUTION	192649	192649	191018	196795	194653	185888

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 2001 (by volume)

Export Import Trade Matrix			
Country:	Indonesia	Units:	MT
Commodity:	Tobacco, Unmanufactured		
Time period:	Jan-Dec		Jan-Dec
Exports to	2001	Imports from	2001
U.S.	4,382	U.S.	2,262
Others		Others	
USSR/Russia Fed.	5,287	China	29,409
Belgium	3,381	Zimbabwe	3,073
Germany	2,818	Greece	2,890
Netherland	2,731	Turkey	2,325
France	2,283	Brazil	2,233
Total for Others	16,500	Total for Others	39,930
Others not listed		Others not listed	2,155
Grand Total	20,882	Grand Total	44,347

Table 3. Trade Matrix of Unmanufactured Tobacco 2001 (by value)

Export Import Trade Matrix			
Country:	Indonesia	Units:	US\$
Commodity:	Tobacco, Unmanufactured		
Time period:	Jan-Dec		Jan-Dec
Exports to	2001	Imports from	2001
U.S.	4,734,623	U.S.	13,507,896
Others		Others	
Russia Fed.	3,727,327	China	75,122,844
Belgium	7,226,176	Zimbabwe	14,305,221
Germany	16,385,942	Greece	14,288,817
Netherland	3,739,046	Turkey	9,806,660
France	9,913,787	Brazil	6,833,160
Total for Others	40,992,278	Total for Others	120,356,702
Others not listed		Others not listed	5,744,039
Grand Total	45,726,901	Grand Total	139,608,637

Tobacco, Unmfg, Flue Cured

Table 4. Production, Supply and Demand Table

Production Table						
Country:	Indonesia					
Commodity:	Flue Cured					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Planted	54000	54000	54000	53400	54000	52900
Beginning Stocks	950	950	824	1024	624	3191
Farm Sales Weight Prod	43000	43000	43000	42000	43000	41270
Dry Weight Production	36500	36500	36500	35650	36500	35050
U.S. Leaf Imports	1188	1188	1400	2204	1400	1400
Other Foreign Imports	22947	22947	20000	27085	20000	20000
TOTAL Imports	24135	24135	21400	29289	21400	21400
TOTAL SUPPLY	61585	61585	58724	65963	58524	59641
Exports	461	461	500	5172	500	7000
Dom. Leaf Consumption	48200	48000	47500	47500	47500	35765
U.S. Leaf Dom. Consum.	100	100	100	100	100	100
Other Foreign Consump.	12000	12000	10000	10000	10000	10000
TOTAL Dom. Consumption	60300	60100	57600	57600	57600	45865
TOTAL Disappearance	60761	60561	58100	62772	58100	52865
Ending Stocks	824	1024	624	3191	424	6776
TOTAL DISTRIBUTION	61585	61585	58724	65963	58524	59641

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 & Sun Cured

Table 5. Production, Supply and Demand Table

Production Table						
Country:	Indonesia					
Commodity:	Dark Air & Sun Cured					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Planted	136220	136220	137100	132800	0	133400
Beginning Stocks	1517	1517	1276	5141	4929	6349
Farm Sales Weight Prod	123291	123291	123270	111776	0	110630
Dry Weight Production	104552	104552	104853	94795	0	94140
U.S. Leaf Imports	172	172	0	58	0	0
Other Foreign Imports	8740	8740	10000	15000	0	10000
TOTAL Imports	8912	8912	10000	15058	0	10000
TOTAL SUPPLY	114981	114981	116129	114994	4929	110489
Exports	0	0	0	700	0	0
Dom. Leaf Consumption	99300	95435	97500	94245	0	95000
U.S. Leaf Dom. Consum.	700	700	700	700	0	700
Other Foreign Consump.	13705	13705	13000	13000	0	13000
TOTAL Dom. Consumption	113705	109840	111200	107945	0	108700
TOTAL Disappearance	113705	109840	111200	108645	0	108700
Ending Stocks	1276	5141	4929	6349	0	1789
TOTAL DISTRIBUTION	114981	114981	116129	114994	0	110489

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

Production Table						
Country:	Indonesia					
Commodity:	Dark Air Cured					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Planted	18900	18900	18900	18800	0	18700
Beginning Stocks	82	82	182	182	382	207
Farm Sales Weight Prod	18830	18830	18830	18425	0	18250
Dry Weight Production	16000	16000	16000	15655	0	15510
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	16082	16082	16182	15837	382	15717
Exports	15300	15300	15200	15050	0	14950
Dom. Leaf Consumption	600	600	600	580	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	600	600	580	0	575
TOTAL Disappearance	15900	15900	15800	15630	0	15525
Ending Stocks	182	182	382	207	0	192
TOTAL DISTRIBUTION	16082	16082	16182	15837	0	15717

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

Island/Province	Area Harvested (Ha)	Yield (MT/Ha)	Production (MT)	Share (%)
SUMATRA	5,408	0.51	2,784	2.07
North Sumatra	3,492	0.55	1,906	1.42
JAVA	134,647	0.74	100,270	74.62
East Java	91,096	0.74	66,982	49.85
Central Java	37,275	0.81	30,019	22.34
West Java	6,276	0.52	3,269	2.43
Yogyakarta	0	0.00	0	0.00
BALI & NUSA TENGGARA	24,346	1.28	31,153	23.18
West Nusa Tenggara	18,907	1.41	26,621	19.81
Bali	1,947	1.70	3,318	2.47
East Nusa Tenggara	3,492	0.35	1,214	0.90
KALIMANTAN	0	0.00	0	0.00
SULAWESI	611	0.28	172	0.13
MALUKU & IRIAN JAYA	0	0.00	0	0.00
TOTAL INDONESIA	165,012	0.81	134,379	100.00

Source: Directorate General of Estate Crops.

Note:

- 1/ Initial Estimate of Government of Indonesia for 2001.
- 2/ To describe major producing areas of tobacco. Does not reflect the figure in the PS&D table.
- 3/ Production is in dry weight leaves.
- 4/ 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
1994	30,927	53,261,721	1,722	40,322	100,216,307	2,485
1995	21,989	61,455,847	2,795	47,953	115,473,899	2,408
1996	33,205	84,371,381	2,541	45,060	134,152,718	2,977
1997	42,280	104,742,741	2,477	47,108	157,766,947	3,349
1998	46,960	147,551,956	3,142	17,152	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

Source: Central Bureau of Statistics, Buletin Ringkas, Jakarta.

**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
1994	22,860	73,160,360	3,200	2,663	25,083,603	9,420
1995	31,012	125,312,805	4,041	4,564	40,654,462	8,908
1996	28,942	135,127,903	4,669	4,750	47,265,195	9,950
1997	33,602	141,053,003	4,198	5,032	48,781,257	9,695
1998	25,246	106,780,008	4,230	2,639	8,503,747	3,222
1999	25,370	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

Source: Central Bureau of Statistics, Buletin Ringkas, Jakarta.

Note: Data for all types of manufactured tobacco (including cigars, cigarillos, cheroots, etc.)

Table 10. Production, Supply and Demand for Manufactured Tobacco

PSD Table						
Country:	Indonesia					
Commodity:	Tobacco, Mfg., Cigarettes					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Filter Production	149890	146769	145000	135142	0	112600
Non-Filter Production	82577	85955	85000	86151	0	87400
TOTAL Production	232467	232724	230000	221293	0	200000
Imports	400	400	400	206	0	300
TOTAL SUPPLY	232867	233124	230400	221499	0	200300
Exports	16052	16052	14000	22220	0	22000
Domestic Consumption	216815	217072	216400	199279	0	178300
TOTAL DISTRIBUTION	232867	233124	230400	221499	0	200300

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 2001 (by volume)

Export Import Trade Matrix			
Country:	Indonesia	Units:	MT
Commodity:	Tobacco, Mfg., Cigarettes		
Time period:	Jan-Dec		Jan-Dec
Exports to	2001	Imports from	2001
U.S.	670	U.S.	1
Others		Others	
Thailand	11715	China	288
Cambodia	9929		
Malaysia	5315		
Singapore	902		
Philippines	548		
Vietnam	498		
Cyprus	411		
Germany	182		
Lebanon	161		
Jordan	137		
Total for Others	29798	Total for Others	288
Others not listed	640	Others not listed	0
Grand Total	31108	Grand Total	289

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 2001 equivalent 22,220 million sticks, and imports equivalent to 206 million sticks.

Table 12. Trade Matrix of Manufactured Tobacco, Cigarettes 2001 (by value)

Export Import Trade Matrix			
Country:	Indonesia	Units:	US\$
Commodity:	Tobacco, Mfg., Cigarettes		
Time period:	Jan-Dec		
Exports to	2001	Imports from	2001
U.S.	4,894,552	U.S.	5,518
Others		Others	
Thailand	53,389,662	China	570,240
Cambodia	31,221,243		
Malaysia	57,730,018		
Singapore	11,737,275		
Philippines	474,580		
Vietnam	6,771,808		
Cyprus	1,312,796		
Germany	287,458		
Lebanon	524,127		
Jordan	452,920		
Total for Others	163,901,887	Total for Others	570,240
Others not listed	3,267,891	Others not listed	8,752
Grand Total	172,064,330	Grand Total	584,510

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. Excise Tax Rate and the Minimum Retail Prices of Local Tobacco Products

Type of Tobacco Products	Manufacturer Classification	Retail Price Limits		Excise Tariffs %
		Minimum per stick/grm	Maximum per stick/grm	
A. SKM	Large Scale	Rp. 270.00	Free	40
	Medium Scale	Rp. 270.00	Free	31
	Small Scale	Rp. 270.00	Free	26
B. SPM	Large Scale	Rp. 150.00	Free	40
	Medium Scale	Rp. 150.00	Free	31
	Small Scale	Rp. 150.00	Free	26
C. SKT	Large Scale	Rp. 225.00	Free	20
	Medium Scale	Rp. 225.00	Free	12
	Small Scale	Rp. 225.00	Free	8
	Very Small Scale	Rp. 175.00	Rp. 220.00	4
D. KLM and KLB	Large Scale	Rp. 125.00	Free	8
	Medium Scale	Rp. 125.00	Free	8
	Small Scale	Rp. 125.00	Free	8
	Very Small Scale	Rp. 100.00	Rp. 125.00	4
E. TIS	Large Scale	Rp. 25.00	Free	20
	Medium Scale	Rp. 25.00	Free	12
	Small Scale	Rp. 25.00	Free	8
	Very Small Scale	Rp. 15.00	Rp. 20.00	4
F. CRT	Large Scale	Rp. 150.00	Free	20
	Medium Scale	Rp. 150.00	Free	20
	Small Scale	Rp. 150.00	Free	20
	Very Small Scale	Rp. 125.00	Rp. 150.00	20

G. HPPL	Large Scale	Rp. 150.00	Free	20
	Medium Scale	Rp. 150.00	Free	20
	Small Scale	Rp. 150.00	Free	20
	Very Small Scale	Rp. 125.00	Rp. 150.00	20

Minister of Finance Decree No. 121/KM.4/2002 - Dated: January 31, 2002. Effective: December 1, 2001.

Note: "Free" means no maximum limit.

Table 14. Excise Tax Rate and the Minimum Retail Prices of Imported Tobacco Products

Type of Tobacco Products	Manufacturer Classification	Retail Price Limits		Excise Tariffs %
		Minimum per stick/grm	Maximum per stick/grm	
A. SKM	Large Scale	Rp. 270.00	Free	40
	Medium Scale	Rp. 270.00	Free	36
	Small Scale	Rp. 270.00	Free	26
B. SPM	Large Scale	Rp. 150.00	Free	40
	Medium Scale	Rp. 150.00	Free	36
	Small Scale	Rp. 150.00	Free	26
C. SKT	Large Scale	Rp. 225.00	Free	20
	Medium Scale	Rp. 225.00	Free	12
	Small Scale	Rp. 225.00	Free	8
	Very Small Scale	Rp. 175.00	Rp. 220.00	4
D. KLM and KLB	Large Scale	Rp. 125.00	Free	8
	Medium Scale	Rp. 125.00	Free	8
	Small Scale	Rp. 125.00	Free	8
	Very Small Scale	Rp. 100.00	Rp. 125.00	4
E. TIS	Large Scale	Rp. 25.00	Free	20
	Medium Scale	Rp. 25.00	Free	12
	Small Scale	Rp. 25.00	Free	8
	Very Small Scale	Rp. 15.00	Rp. 20.00	4

F. CRT	Large Scale	Rp. 150.00	Free	20
	Medium Scale	Rp. 150.00	Free	20
	Small Scale	Rp. 150.00	Free	20
	Very Small Scale	Rp. 125.00	Rp. 150.00	20
G. HPPL	Large Scale	Rp. 150.00	Free	20
	Medium Scale	Rp. 150.00	Free	20
	Small Scale	Rp. 150.00	Free	20
	Very Small Scale	Rp. 125.00	Rp. 150.00	20

Minister of Finance Decree No. 121/KM.4/2002 - Dated: January 31, 2002. Effective: December 1, 2001.

Note: "Free" means no maximum limit.

Table 15. Company Classification for Tobacco Products

Type of Tobacco Products	Manufacturer Classification	Limits of Production/Year (in billion/million sticks)
A. SKM/SPM/SKT/KLB KLM/CRT	Large Scale	> 2 billion
	Medium Scale	> 500 million but < 2 billion
	Small Scale	< 500 million
B. TIS	Large Scale	> 2 billion gram
	Medium Scale	> 500 million gram but < 2 billion gram
	Small Scale	< 500 million
C. HPTL	Large Scale	> 2 billion gram/sticks
	Medium Scale	> 500 million gram/sticks but < 2 billion gram/sticks
	Small Scale	< 500 million gram/sticks
D. SKT or KLB or KLM	Very Small Scale	< 6 million sticks
	Very Small Scale	< 6 million sticks
	Very Small Scale	< 6 million sticks

CRT	Very Small Scale	> 3 million sticks
or TIS	Very Small Scale	> 50 million gram
or HPTL	Very Small Scale	< 3 million grams/sticks
Or a combination of tobacco prod. as meant in the category of very small manufacturing	Very Small Scale	The total balance in the production quantity not exceeding the CY production limit of each type of tobacco product

Minister of Finance Decree No. 597/KMK.04/2001.

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 16. Exchange Rate

Exchange Rate (Rp./1US\$) on Period Month Ending Basis												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1997	2387	2403	2418	2443	2458	2450	2528	2190	3350	3700	3740	5700
1998	13513	9377	8740	8211	10767	15160	13850	11700	11314	9142	7755	8100
1999	9419	8992	8778	8632	8179	6750	6989	7736	8571	6949	7439	7161
2000	7414	7517	7598	7988	8728	8742	9055	8370	8891	9483	9524	9385
2001	9488	9914	10460	12117	11423	11436	9744	9045	9696	10358	10476	10450
2002	10383	10222	9655	9316	8785	8730	9108	8867	8999			

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

Note: - March 2002 exchange rate is quoted for March 28, 2002

- June 2002 exchange rate is quoted for June 28, 2002

- September 2002 exchange rate is quoted for September 19, 2002

- BPS data available up to Feb 2002

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