



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 3/12/2004

GAIN Report Number: ID4006

Indonesia

Trade Policy Monitoring

New Quarantine Fees

2004

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Report Highlights:

A new Presidential Decree has replaced the previous set of "quarantine" fees on a wide range of agricultural commodities and products. The new fees are significantly lower compared to the old structure. The new fee structure appears to be WTO inconsistent because different fees are levied on the same products depending on if it is being imported, exported or shipped within the country.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Jakarta [ID1]
[ID]

Summary

A Presidential Decree (Peraturan Pemerintah No. 49/2002) has been signed by President Megawati on February 11, 2004 for immediate implementation to replace the old quarantine fee structure (Peraturan Pemerintah No. 49/2002 – See FAS/Jakarta report ID2039) with considerably lower fees for certain agricultural commodities. The fees may be applied on services that relate to agricultural activities such as pesticide registrations, quality and residue evaluations, field observations, seed tests, and registrations for producers/traders/distributors.

Under this regulation, different levels of fees are applied to agricultural products depending on whether they are imported, exported, and distributed within the country. The GOI, Ministry of Agriculture is in the process of notifying the World Trade Organization (WTO) regarding this new regulation, however, the new quarantine fee structure has already been implemented.

Overview

As the previous one, this decree will allow the Agriculture Quarantine Agency (Badan Karantina Pertanian-Barantin) to impose various fees on imported, exported, and inter-regional distribution of agricultural products, including animal and animal products, i.e., meat, milk, egg and products and plant and plant products, i.e., fresh fruits, grains (bulk and non-bulk), fiber, processed plant products including in liquid form, and wood products. See the attached table for details.

Quarantine procedures which are subject to fees include examination, isolation, and observation of live animal (pet animal, laboratory, and wild animals), animal products (for food and non-food), animal products (processed), animal feed, pet food, services such as disinfections, disinfestations, fumigation, immunization/vaccination, medication, laboratory/diagnostic, quarantine document issuance, and quarantine facility (cowshed, warehouse, cold storage, incinerator, and scale) utilizations.

The new policy is now being applied for quarantine fee payments if plant and/or animal pest quarantine is rejected and/or eradicated. Under this new regulation the owner of the commodities are waived from paying the quarantine fees. However, they are required to pay the eradication costs and any costs incurred as a result of rejection.

Besides the aim of protecting Indonesia's food safety, this decree also functions as a revenue generation program for the GOI. The agricultural sector reports that this new policy can improve the competitiveness of products and business climate that used to be discouraged by the previous unreliable fee structure. Under this new quarantine fee structure, GOI revenue is expected to decline by approximately 10 percent.

Potential impact of this decree if fully implemented include:

1. Quarantine inspection fee for beef and poultry meat imports – lowered from Rp 500/kg to Rp. 125/kg (US\$0.015/kg or US\$0.007/lb). This is equivalent to about US\$240 on a 20-foot container. Inspection for imported offals for human consumption is now charged at Rp. 50/kg (US\$ 0.006/kg or US\$0.003/lb).

2. Quarantine inspection fee for milk imports – lowered from Rp. 100/kg to Rp. 50/kg (US\$ 0.006/kg or US\$0.003/lb).
3. Quarantine inspection fee for egg imports (for consumption as well as hatching eggs) – lowered from Rp 50/kg to Rp. 25/kg (US\$0.006/kg or US\$0.003/lb).
4. Quarantine inspection fee for wood imports – lowered from Rp 5,000/Cu M to Rp. 1,000/Cu M (US\$0.118/Cu M).
5. Quarantine inspection fee for rice seed imports – lowered from Rp 2,000/kg to Rp. 225/kg (US\$0.026/kg or US\$0.012/lb).
6. If they determine that rice/grains need to be isolated and observed the charge is now lowered from Rp 10,000/kg to Rp. 100/kg (US\$0.012/kg or US\$0.005/lb.) while for fruits and vegetables the charge is lowered from Rp 50,000/kg to Rp. 100/kg (US\$0.012/kg or US\$0.005/lb.)

Note: Exchange rate for the above calculation is Rp. 8,500/US\$1.

Comment

It is rather obvious that if fully implemented this decree still has the potential to disrupt trade because add costs to U.S. products. However, the impact is at least less than the previous regulation. If the government does not implement the new policy consistently with strict law enforcement, it will provide for additional opportunities to pressure importers for informal payments to avoid spurious Sanitary and Phytosanitary Standard or SPS issues. The ambiguous status of the regional autonomy might also lead to double taxation for the very same products that are being distributed across borders within the country.

Quotation and Unofficial Translation; Partial Listing Extracted from the Regulation

QUARANTINE FEES ON AGRICULTURAL PRODUCTS
Government Regulation No. 7/2004 - Dated February 11, 2004

Type of Government non-tax Revenue	Unit	Fees (in Rupiah)		
		Import	Export	Inter Province
Plant Quarantine Services				
I. Inspection				
a. Life Plant and Seeds				
-- Tuber	Per Kg.	(100) 50	(50) 25	10
-- Leaves	Per Kg.	(100) 50	(50) 25	10
-- Rice/Paddy	Per Kg.	(2,000) 225	(1,000) 50	(100) 25
-- Grains	Per Kg.	180	40	20
-- Vegetables	Per Kg.	270	60	30
-- Fruits	Per Kg.	450	90	45
b. Plant Products (non-seeds)				
-- Fresh Fruits	Per Kg.	10	5	5
-- Grains (bulk)	Per Kg.	0.5	0.3	0.1
-- Grains (non-bulk)	Per Kg.	1	0.5	0.1
-- Leaves, Flowers	Per Kg.	1	0.5	0.2
-- Tuber	Per Kg.	1	0.5	0.2
c. Processed/Unprocessed Plant Prod.				
-- Bark, Leaves, Dried Flowers, Fruits	Per Kg.	5	2	1
-- Grains, Flour, Pelets (bulk)	Per Kg.	(0.5) 0.4	(0.3) 0.2	0.1
-- Grains, Flour, Pelets (non-bulk)	Per Kg.	(1) 0.4	(0.5) 0.2	0.1
-- Fibre	Per Kg.	1	0.25	0.1
-- Tuber, Roots	Per Kg.	1	0.5	1
-- Wood, Rattan, Bamboo Products	Per Cubic M	(5,000) 1,000	(2,000) 500	(1,000) 200
2. Isolation and Observation				
- Life Plant and Seeds				
--- Tuber	Per Kg.	(100) 30	(50) 6	(20) 3
--- Leaves	Per Kg.	(5,000) 100	(2,000) 20	(1,000) 10
--- Rice, Grains	Per Kg.	(10,000) 100	(5,000) 20	(1,000) 10
--- Vegetable, Fruits	Per Kg.	(50,000) 100	(25,000) 20	(10,000) 10
3. Treatments				
a. Physical				
-- Cold	Per Cubic M	---	---	---
-- Heat Vapour	Per Cubic M	---	---	---
-- Water Soaked	Per Kg.	1,000	1,000	1,000
	Per Piece	(---) 100	(---) 100	(---) 100
-- Irradiation	Per Cubic M	(100) ---	(100) ---	(100) ---

Type of Government non-tax Revenue	Unit	Fees (in Rupiah)		
		Import	Export	Inter Province
b. Chemical				
-- Fumigation	Per Cubic M	7,500	7,500	7,500
-- Spraying	Per Cubic M	1,000	1,000	1,000
-- Water Immersed	Per Piece	500	500	500
	Per Kg.	1,000	1,000	1,000
-- Powdered	Per Kg.	5,000	5,000	5,000
c. Mechanical				
-- Washing	Per Kg.	250	250	250
	Per Cubic M	500	500	500
4. Qrnt Treatment Inspections	Per Serv./Pers.	10,000	10,000	10,000
5. Laboratory Test incl. Biotechnology	Per Sample	10,000-100,000	10,000-100,000	10,000-100,000
6. Documentation of Quarantine Action	Per Pc of Form	5,000	5,000	(5,000) 1,000
B. Quarantine Facilities Utilization				
1. Glass/Screened House	Per Cubic M per Day	50	25	10
2. Warehouse	Per Cubic M per Day	25	25	10
3. Incinerator	Per Cubic M	10,000	10,000	10,000
4. Quarantine Plot	Per Square M per Day	25	25	10

Type of Government non-tax Revenue	Unit	Fees (in Rupiah)		
		Import	Export	Inter Province
Animal Quarantine Services				
I. Examination, Isolation, Observation				
a. Life Animal				
1. Bovine Animal				
-- Bovine Animal -Large				
--- Breeding Animal	Per Head	10,000	10,000	5,000
--- Slaughtered Animal	Per Head	10,000	5,000	2,500
-- Bovine Animal -Small				
--- Breeding Animal	Per Head	5,000	5,000	1,000
--- Non-Breeding Animal	Per Head	5,000	2,500	500
-- Non-Bovine Animal	Per Head	5,000	2,500	500
-- Large Poultry				
--- Large Poultry Breeding	Per Bird	1,000	500	250
--- Large Poultry Non-Breeding	Per Bird	750	250	100
-- Small Poultry				
--- Small Poultry Breeding	Per Bird	10	5	5
--- Small Poultry Non-Breeding	Per Bird	10	5	5
-- Day Old Poultry	Per Bird	10	5	5
2. Pet Animal				
- Horse	Per Head	100,000	50,000	25,000
- Dog	Per Head	20,000	10,000	5,000
- Cat	Per Head	15,000	10,000	5,000
- Primate	Per Head	50,000	20,000	10,000
- Large Poultry	Per Head	20,000	10,000	5,000
- Small Poultry	Per Head	10,000	5,000	2,500
- Reptile	Per Head	20,000	10,000	5,000
b. Animal Products (unprocessed)				
1. For Food				
-- Bovine Animal Meat	Per Kg.	(500) 125	(250) 75	(100) 50
-- Poultry Meat	Per Kg.	(500) 125	(250) 75	(100) 50
-- Milk	Per Kg.	(100) 50	(50) 25	(25) 10
-- Egg for consumption	Per Kg.	(50) 25	(25) 15	(10) 5
-- Honey	Per Kg.	(100) 50	(50) 25	(25) 10
-- Bird Nest	Per Kg.	(100,000) 10,000	(150,000) 5,000	(50,000) 2,000
-- Offals for consumption	Per Kg.	(500) 50	(250) 25	(100) 10
2. Non-Food				
-- Leather of Large Animal	Per Piece	1,000	500	500
-- Leather of Small Animal	Per Piece	500	250	250
-- Leather of Wild Animal/Reptile (large)	Per Piece	20,000	10,000	5,000
-- Leather of Wild Animal/Reptile (small)	Per Piece	(10,000) 1,000	(5,000) 500	(2,500) 125
-- Hatching Eggs	Per Piece	(50) 25	(25) 15	(10) 5
-- Material for Reproduction	Per Pack	100,000	50,000	25,000
-- Bone, horn, feather and its side products	Per Kg.	100	50	25
-- Feed Ingredients, i.e., kangaroo meat, MBM, Blood	Per Kg.	10	5	5

Type of Government non-tax Revenue	Unit	Fees (in Rupiah)		
		Import	Export	Inter Province
c. Animal Products (processed)				
1. For Food				
-- Bovine Animal Meat Products	Per Kg.	(200) 100	(100) 50	(50) 25
-- Poultry Meat Products	Per Kg.	100	50	25
-- Milk Products	Per Kg.	(100) 50	(100) 25	(50) 10
-- Egg Products	Per Kg.	(100) 25	(50) 15	(25) 5
-- Proc. Animal Products for Consumption	Per Kg.	(100) 25	(50) 15	(25) 5
-- Side Products	Per Kg.	100	50	25
2. Not for Consumption (Non-Food)				
-- For Industry	Per Kg.	100	50	25
-- For Feed	Per Kg.	50	25	10
d. Other Substance				
-- Animal Feed	Per Kg.	10	5	5
-- Pet Food	Per Kg.	(1,000) 200	100	50
II. Quarantine Treatment				
a. Desinfection, Desinfestation, Fumigation				
-- Life Animal				
--- Large Animal	Per Head	500	500	500
--- Small Animal	Per Head	100	100	100
--- Pet Animal	Per Service	10,000	10,000	10,000
--- Animal for Research				
--- Large Poultry	Per Head	50	50	50
--- Small Poultry	Per Service	5,000	5,000	5,000
--- Day Old Poultry	Per Service	5,000	5,000	5,000
--- Wild Animal/Reptile (large)	Per Head	500	500	500
--- Wild Animal/Reptile (small)	Per Service	5,000	5,000	5,000
--- Bees and other Insects	Per Colony	5,000	5,000	5,000
--- Mammal (live in water)	Per Head	1,000	1,000	1,000
- Animal Products/Prod. of Animal Orig.	Per Cubic M	500	500	500
- Other Products				
--- Animal Feed	Per Cubic M	100	100	100
--- Pet Food	Per Cubic M	500	500	500
b. Vaccination/Immunization				
--- Large Animal	Per Head/Service	500	250	50
--- Small Animal	Per Head/Service	200	100	25
--- Non-Bovine Animal	Per Head/Service	100	50	25
--- Large Poultry	Per Head/Service	100	50	10
--- Small Poultry	Per Head/Service	25	10	5
--- Day Old Poultry	Per Head/Service	1	1	1
-- Pet Animal				
- Horse	Per Head/Service	20,000	10,000	5,000
- Dog	Per Head/Service	10,000	5,000	1,000
- Cat	Per Head/Service	10,000	5,000	1,000
- Primate	Per Head/Service	25,000	15,000	10,000
- Large Poultry	Per Head/Service	5,000	2,500	1,000
- Small Poultry	Per Head/Service	2,500	1,000	500
- Reptile	Per Head/Service	15,000	10,000	5,000

Type of Government non-tax Revenue	Unit	Fees (in Rupiah)		
		Import	Export	Inter Province
c. Medical Treatment/Promotif				
--- Large Animal	Per Head/Service	500	250	50
--- Small Animal	Per Head/Service	200	100	25
--- Non-Bovine Animal	Per Head/Service	100	50	25
--- Large Poultry	Per Head/Service	100	50	10
--- Small Poultry	Per Head/Service	25	10	5
--- Day Old Poultry	Per Head/Service	1	1	1
-- Pet Animal				
- Horse	Per Head/Service	20,000	10,000	5,000
- Dog	Per Head/Service	10,000	5,000	1,000
- Cat	Per Head/Service	10,000	5,000	1,000
- Primate	Per Head/Service	25,000	15,000	10,000
- Large Poultry	Per Head/Service	5,000	2,500	1,000
- Small Poultry	Per Head/Service	2,500	1,000	500
- Reptile	Per Head/Service	15,000	10,000	5,000
d. Diagnostic Services/Laboratorium				
- Preparation/Sending Sample				
--- Large Animal	Per Sample	5,000	5,000	1,000
--- Small Animal	Per Sample	1,000	1,000	500
--- Pet Animal	Per Sample	5,000	5,000	1,000
--- Large Poultry	Per Sample	1,000	1,000	500
--- Small Poultry	Per Sample	1,000	1,000	500
--- Day Old Poultry	Per Sample	1,000	1,000	500
- Animal Products and Processed				
-- For Human Consmp (meat & products)	Per Sample	1,000	1,000	500
-- For Human Consmp (offals)	Per Sample	1,000	1,000	500
- Other Carriers				
-- Animal Feed	Per Sample	1,000	1,000	500
-- Pet Food	Per Sample	1,000	1,000	500
- Quarantine Release Document	Per Certificate	5,000	(5,000) ---	5,000
III. Quarantine Facility Utilization				
- Animal Stall				
--- Large Animal	Per Head/Day	1,000	1,000	500
--- Small Animal	Per Head/Day	500	500	250
--- Pet Animal	Per Facility/Day	5,000	5,000	1,000
--- Animal for Research	Per Facility/Day	1,000	1,000	500
--- Large Poultry	Per Facility/Day	500	200	100
--- Small Poultry	Per Facility/Day	200	100	50
--- Pet Bird	Per Facility/Day	1,000	1,000	500
--- Wild Animal/Reptile (large)	Per Facility/Day	5,000	5,000	1,000-5,000
--- Wild Animal/Reptile (small)	Per Facility/Day	1,000	1,000	500
- Storage				
- Cold Storage	Per Cu M/Day	500	500	250
- Cold Storage	Per Cu M/Day	1,000	1,000	1,000
- Incinerator	Per Cu M	5,000	2,500	1,000
- Animal Scale	Per Animal/Each Time	100	100	50

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