

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Indonesia

Post: Jakarta

Indonesia Deregulates Soybean Imports and Waives Import Duties

Report Categories:

Oilseeds and Products

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Report Highlights:

The Government of Indonesia has eliminated import quotas, preshipment inspection, local soybean purchase requirements, and government-mandated sales at set prices for soybeans. The Government also has taken steps to temporarily remove the five percent duty on soybeans. These measures were taken in order to combat dwindling local stocks and high soybean prices.

General Information:

Indonesia has made significant reforms to its soybean import policy in order to facilitate imports and augment supply. Measures include eliminating:

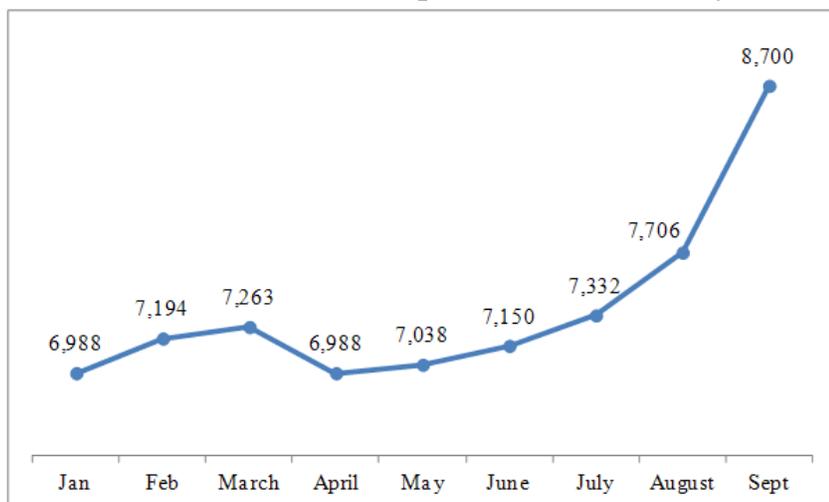
- import quotas,
- pre-shipment inspection,
- local soybean purchase requirements,
- sales allocations to tempeh/tofu cooperatives at government-set prices.

Sources indicate that these steps were taken in response to the devaluation of the rupiah and dwindling domestic stocks, which have helped drive up domestic prices. These reforms are summarized in Ministry of Trade Regulation No. 51/2013 (Regulation 51) and No. 52/2013 (Regulation 52), which were not published as of the finalization of this report. The Ministry of Trade, however, provided details through an [official press release](#) on September 20, 2013. (Please note that the press release is only available in Bahasa Indonesia).

Regulations 51 and 52 also mandate Indonesia's National Logistics Agency (BULOG) to purchase local soybeans in the event that prices fall below a government-set reference. Private importers and other businesses associated with soybeans are not required to buy local soybeans. Additionally, in order to encourage imports and lower prices, the Government of Indonesia will temporarily eliminate the five percent soybean import duty. Note that the duty change will only be implemented upon issuance of a regulation from the Ministry of Finance. This regulation has not yet been issued, although it is expected in October, 2013.

For additional information on Indonesia's prior soybean import regulations, please refer to GAIN reports [ID1334](#), [ID1344](#).

FIGURE 1: Indonesia, Jan-Sept 2013, Wholesale Soybean Price (IDR/kg)



Source: USSEC Indonesia