

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 6/27/2013

GAIN Report Number: ID1334

Indonesia

Post: Jakarta

Indonesian Minister of Trade Regulations on Soybeans

Report Categories:

Oilseeds and Products

Approved By:

Rachel Nelson

Prepared By:

Jonn Slette/Edy Wiyono

Report Highlights:

On May 8, 2013, the Government of Indonesia (GOI) released Presidential Regulation No. 32, 2013, which directed the National Logistics Agency (BULOG) to maintain stable prices and distribution of soybeans in Indonesia. Recently the Indonesian Ministry of Trade (MOT) issued four new implementing regulations to implement the domestic soybean price stabilization program.

1. Minister of Trade Regulation No. 23, 2013 (Regulation No. 23) provides a general set of guidelines and rules concerning how soybeans can be imported, procured locally and distributed to domestic end users. Specifics can be found in the subsequent regulations.
2. Minister of Trade Regulation No. 24, 2013 (Regulation No. 24) provides the rules for importing soybeans; Importers must apply to become 'registered' and must then apply for an import permit. Whenever domestic beans are available (to be determined by GOI), proof of domestic bean procurement is a requirement for import permit applicants.
3. Minister of Trade Regulation No. 25, 2013 (Regulation No. 25) fixes prices for domestically procured soybeans at the farm gate level;
4. Minister of Trade Regulation No. 26, 2013 (Regulation No. 26) fixes prices for sales of soybeans to the tempeh and tofu producer cooperative (KOPTI)

NOTE:

The Office of Agricultural Affairs (OAA) at the U.S. Embassy in Jakarta is working with GOI interlocutors, local stakeholders and the U.S. Soybean Export Council to try to clarify the following requirements. Moreover, Embassy officials are engaging with GOI officials to address challenges contained in the regulations. U.S. suppliers are strongly encouraged to work closely with their Indonesian importers to manage any potential challenges in exporting soybeans to Indonesia.

Unofficial English translation of Minister of Trade Regulation No. 23, No. 24, No. 25, and No. 26 can be downloaded at www.usdaindonesia.org

Policy:

Indonesian Trade Minister Regulations on soybeans

Regulation No. 23

Regulation No. 23 was issued on May 28, 2013. This regulation appoints BULOG as the principle agency to oversee the GOI's price stabilization objectives; mandates importers to purchase domestically produced soybeans at fixed prices; and restricts volumes of imports based on individual importers levels of domestic procurement and history of importing over the past three years.

Regulations No. 23 also establishes a soybean 'price stabilization' team which consists of a steering committee chaired by the Vice Minister of Trade and a technical committee chaired by the Head of Research and Development of Trade Policy. The team will estimate Indonesian domestic consumption and production via input from related ministries. Based on recommendations from the team, the MOT will determine quantitative limits for the import of soybeans. More detailed stipulations concerning the importation of soybeans were given in Regulation No. 24, issued on May 28, 2013.

Regulation No. 24

Regulation No. 24 was also issued on May 28, 2013. Key elements of Regulation No. 24 include:

- Imports may be restricted during Indonesia's peak soybean harvest period;
- All soybean importers, to include cooperatives and private sector stakeholders must be issued an import license by the MOT;
- Import licenses will be granted to importers willing to sign a letter of commitment to the GOI's soybean price stabilization program.
- Regulation No. 24 indicates a two steps import licensing process to include the following:
 - Step 1 – Registered Importer (IT, from the original bahasa)
 - Regulation No. 24/2013 requires soybean importers register with the MOT. To be eligible, importers must demonstrate at least three years of experience importing and distributing soybeans in Indonesia. Each registration, or IT, is valid for three years. BULOG will not be required to apply for or maintain an IT. BULOG can import soybeans after receiving authorization from the MOT.
 - Step 2 – Import Permit (PI)
 - BULOG and eligible IT importers must apply to the MOT for import permits by attaching receipts of local soybean purchases that are verified and signed by

BULOG. Local soybean procurement requirements can be exempted in the event of no local soybean production. Import permits are valid for one year.

- Pre-shipment inspection by surveyors appointed by the MOT will inspect for the following at the country of origin:
 - Country and port of origin
 - HS Code and product description
 - Type and volume
 - Shipment time
 - Port of destination
- Once the inspection is completed, importers will receive a surveyor report (*LS, from the original bahasa*) from the surveyors. The LS will be required by the Customs Authority for the release of soybeans at the port of entry.
- BULOG and registered importers must submit a monthly import realization report to MOT through the INATRADE system.
 - Transition period:
 - Soybeans shipped before May 28 and arriving in Indonesia before July 28, 2013 are exempted from these regulations.
 - Soybeans shipped after May 28 are subject to the aforementioned regulations *except* pre-shipment inspection and/or LS requirements.
 - Soybeans shipped after July 28 are subject to all requirements, to include pre-shipment inspections and LS requirements.

Regulation No. 25

Regulation No. 25 was issued on June 13, 2013 and establishes a minimum price of IDR 7,000 per kilogram for purchase of local soybeans from the farmers. This price will be valid from July 1 to September 30, 2013.

Regulation No. 26

Regulation No. 26, issued on June 13, 2013, sets the price of soybeans sold to the KOPTI chapters around Indonesia at IDR 7,450 per kilogram. This price will be valid from July 1 to July 31, 2013. This Regulation implies that there are two segments of the Indonesian soybean market i.e. KOPTI and non-KOPTI market. Soybean sales to the KOPTI market are subject to all stipulations written in these MOT Regulations. By contrast, non-KOPTI markets will not be subjected to price-fixing.