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GAIN Report

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Indonesia

Post: Jakarta

Ministries of Agriculture and Trade Revise Horticultural Import Regulations

Report Categories:

Agricultural Situation

Fresh Fruit

Trade Policy Monitoring

FAIRS Subject Report

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Report Highlights:

Indonesia's Ministry of Agriculture and Ministry of Trade have revised their import policies for horticultural products. Key changes include the stipulation that registered importers of horticultural products must import 80% of the total allocation within a six month period. Chili and shallot imports will be subject to a reference price system.

General Information:

On August 30, 2013, Indonesia's Ministry of Agriculture (MOA) released a new regulation, No. 86/2013, revising the process for issuing import recommendations for horticultural products (RIPHS). The regulation replaces MOA regulations No. 47/2013 and 16/2013. The Ministry of Trade (MOT) simultaneously released regulation No. 47/2013, which amends regulation No. 16/2013 on the importation of horticultural products and the issuance of import approvals. The new regulations stipulate that registered importers of horticultural products must import 80% of the total allocation during the specified import period (January – June or July – December). Chili and shallot imports will be subject to a reference price system. No procedure for determining reference price has been specified, although the MOT regulation states that it will be “stipulated by the Team of Horticulture Product Price Monitoring.”

Key changes are indicated below. *Unofficial English translations of MOA and MOT regulations can be viewed [at this link](#).*

Changes specified in MOA regulation No. 86/2013 are as follows:

- RIPHS will be issued twice annually for the January-June period and the July-December period. The application for the January-June period is Nov 1-15. The application for the July-December period is May 1-15.
- In the case of shallots and chilies, imports will be permitted based on a reference price. The MOT sets a reference price, which, if exceeded, triggers the issuance of RIPHS and the opening of imports. The market will remain open until the market price falls below the reference price.
- RIPH's are issued by the Director General of Processing and Marketing of Agricultural Products, Ministry of Agriculture. A RIPH must be obtained prior to seeking an import approval from the Ministry of Trade.

Changes specified in MOT regulation No. 47/2013 are as follows:

- Import approvals will be issued twice annually. Once for the January-June period and once the July-December period. The application for the January-June period is December of the previous year, while the application for the July-December period is June.
- Import approvals for chilies (HS 0709.60.10.00) and fresh shallots (HS 0703.10.29.00) can be applied for at any time, although this will be subject to a reference price system. Under the reference price, chilies and shallots will only be imported when domestic retail prices rise above the reference price.
- According to article 14 of MOT regulation No. 47, registered importers of horticultural products with a RIPH must import 80% of the total import allocation per period. Failure to do so may result in losing the right to future imports. The time periods for horticultural product imports are January-June and July-December. Shallots and chili imports are issued on an open basis (subject to reference price), but must be imported within three months.

