

BUSINESS GUIDE



VOLUME II

HOW TO
EXPORT AND SOURCE
TO AND FROM INDONESIA

INTRODUCTION

DURING THE PROJECT IMPLEMENTATION, THE EU-INDONESIA BUSINESS NETWORK (EIBN) HAS COLLECTED A LARGE KNOWLEDGE LIBRARY ABOUT DOING BUSINESS IN INDONESIA. AFTER INTENSIVE MARKET RESEARCHING AND COMPILING OF EXISTING INFORMATION FROM VARIOUS SOURCES AND LOCAL ACTORS, EIBN PRESENTS ITS BUSINESS GUIDE.

This publication aims to provide guidance to European Union (EU) small and medium-sized enterprises (SMEs) who look to Indonesia as a possible market, attempting to clarify as easily as possible what doing business Indonesia entails, as well as exporting and importing to and from the country. In addition, these guide books also aim to encourage those of the European business community that are not familiar with Indonesia's potential to follow economic developments in the country and identify possible business opportunities in their industries.

EIBN exists to support EU SMEs in discovering and accessing the Indonesian market, supported by an Indonesian and European team of market experts and project officers. The EIBN team works every day to discover and develop knowledge on key sectors in which European companies can bring the much sought added value that an emerging and large market such as Indonesia demands.

The Network's mission is not simply to make more knowledge about business opportunities in Indonesia available, but most importantly to help EU companies on the ground. In order to this, EIBN provides a set of free-of-charge and useful features on its Web Portal (www.eibn.org) and a fast-responding business enquiry helpdesk. Finally, EIBN offers prospective EU companies business support services at competitive rates, delivering quality business intelligence and privileged contact with players on the ground, in both the private and the public sector.

EIBN is a truly pan-European business support platform which stands ready to help all businesses headquartered in any of the 28 EU Members States. Across many sectors the network enables SMEs to explore and tap into the high potential of the Indonesian market. Mustering the expertise of the most well-established European chambers of commerce in Indonesia, EIBN presents itself as a genuine and smart alternative to purely private business consultancies and is the result of a project initiated and co-funded by the European Union.

The information in this guide book reflects the work and mission of EIBN, and is but one of the many publications that we offer as a free download to all EU companies who register for free on www.eibn.org.

Due to a dynamic regulatory environment, Indonesian provisions, laws and regulations issued by the different government bodies change frequently, even though some of them have been issued recently. This, of course, highly depends on the sector. Particularly regulations which are released by the National Agency of Food and Drug Control (BPOM, *Badan Koordinasi Penanaman Modal*) tend to change quickly, effecting Food & Beverages, Cosmetics or Agribusiness, among others.

The present volume II *How to EXPORT & SOURCE* is dedicated to provide standards, procedures and requirements regarding exporting to and sourcing from Indonesia. It compiles information from many different sources, including publications, live interviews and case-studies, using the most recently available data in 2015, while reverting to previous years where the most updated information was either not available or inaccessible. This publication is part of the EIBN Business Guide series, which is compared also of volume III *How to SET UP A BUSINESS* and volume I *Introduction on THE MARKET POTENTIAL*.

TABLE OF CONTENT

INTRODUCTION	1
1. EXPORT TO INDONESIA	7
1.1 Indonesia's Promising Business Potential	7
1.2 Import Service Institutions and Regulations	8
1.3 Importance of Indonesian Distributors and Agents	8
1.4 Requirements for Importers	9
1.5 Procedures for Importing - Clearance of Goods	10
1.6 Computation of Import Duty and Taxes.....	12
1.7 Service Facilities, Fiscal Facilities, Bonded Storage.....	13
1.8 Standards, Labeling and Product Approval and Registration	15
1.8.1 Marketing Products in Indonesia: National Standards and Labelling	15
1.8.2 Case Study: Food and Beverage	16
1.8.3 Case Study: Importing Alcoholic Beverages	18
1.8.4 Case Study: Exporting Hospital Beds.....	19
1.9 Indonesia in Free Trade Agreements	23
2. SOURCE FROM INDONESIA	27
2.1 Introduction	27
2.2 Export Service Institutions and Regulations.....	29
2.3 Requirements when Exporting from Indonesia.....	29
2.3.1 Indonesian Exporting Requirements – Step-by-Step Procedure	29
2.3.2 Export from Indonesia to Another ASEAN Country.....	32
2.3.3 European Union Importing Requirements.....	32
2.4 Trade Tariffs and Duty Relief.....	34
2.5 Prohibited Goods for Export.....	35
2.6 Online Tools for Finding Suppliers in Indonesia.....	35
2.7 Case Study: European Importation of Wooden Furniture from Indonesia	36
3. CONCLUSION	41
INCOTERMS GLOSSARY	43
ANNEX I - EXPORT PROCEDURE STEP BY STEP	44
CONTACTS	48
RESOURCES	50
REFERENCES	52
ABBREVIATIONS	53

EXPORT TO INDONESIA



1. EXPORT TO INDONESIA

1.1 INDONESIA'S PROMISING BUSINESS POTENTIAL

INDONESIA HAS PROVEN ITSELF A PROFITABLE MARKET AS IT HAS BEEN TRANSFORMED INTO A MIDDLE-INCOME SOCIETY. IN THE WAKE OF THE GLOBAL FINANCIAL CRISIS, THE COUNTRY HAS BEEN ABLE TO MAINTAIN ITS ECONOMIC GROWTH ABOVE 5.5%. THESE TWO FACTORS HAVE ENCOURAGED MANY EU COMPANIES TO ENTER THE INDONESIAN MARKET AND PROMOTE THEIR PRODUCTS IN THE COUNTRY.

Although exporting to Indonesia can prove challenging due to lengthy processes required for the release of goods from seaports, the potential of the market is undoubtedly promising. Certain products are the subject of more protectionist policy, namely those that may compete with locally produced goods, such as electronics and a range of agricultural products, including coffee and tea¹, as well as luxury goods. But other products enjoy low or non-existent import tariffs, such as raw materials for pharmaceuticals and machinery related to the print industry.

¹ Atradius – Managing risk, enabling trade, *Trade Successfully With Indonesia*, 2013, Section 5.

To understand the richness and complexity of the Indonesian market, businesses should equip themselves with sufficient information. Above all, it is crucial for companies to have a thorough understanding of the administrative procedures that exporting to Indonesia entails. This section intends to help European businesses to obtain the best possible introductory to understand the Indonesian market's various dimensions when exporting to the country.

1.2 IMPORT SERVICE INSTITUTIONS AND REGULATIONS

The authority in charge of regulating import/export procedures in Indonesia is the Ministry of Trade (MOT), through its Directorate General of National Export Development (DGNED), which administers trade activities such as the registration of companies and market development. Another important player is the Investment Coordinating Board (BKPM, *Badan Koordinasi Penanaman Modal*), which is the coordinating body with consulting functions in the area of trade and investment.

In turn, customs areas are under the supervision of the Directorate General of Customs and Excise (DGCE, *Direktorat Jenderal Bea Cukai*).² This body has four major tasks:

- To protect the community from the import of dangerous goods.
- To protect particular domestic industries from unfair competition with similar foreign industries.
- To carry out law enforcement at the borders and in customs areas.
- To collect import duty and taxes.

To import to Indonesia, the most relevant regulations to be taken into account are:

Indonesian Customs Law No. 17 of 2006 (ICL)
Ministry of Finance Regulation No. 144/PMK.04/2007
DGCE Regulation No.P.42/BC/2008 and P.08/BC/2009
Ministry of Trade Regulation No.57/2010
Ministry of Trade Regulation No 36/2014
National Drug and Food Control Agency (BPOM) Regulation No. 27 of 2013

1.3 IMPORTANCE OF INDONESIAN DISTRIBUTORS AND AGENTS

Export and import operational knowledge is at the heart of international trade, which in itself entails a high degree of complexity. In Indonesia, it has to be complemented with a strong know-how regarding the rather long list of applied regulations. Therefore, it is advisable at an early stage that European exporters seek out a local business partner that will act as either an agent or distributor.

Establishing a partnership with a reliable Indonesian counterpart who understands the complexities and *modus operandi* of doing business in Indonesia can be of crucial importance to the expansion of sales in the country, as acquiring this necessary site-specific knowledge can be a lengthy process for newcomers.³

² Deloitte, *Indonesian Customs Guide*, 2012. p. 31.

³ U.S. Department of Commerce, *Doing Business In Indonesia: 2015 Country Commercial Guide for U.S. Companies*, 2015. Section 1.



More detailed information on the cooperation with Indonesian partners can be found in Business Guide Volume III *How to SET UP A BUSINESS*, Section 1.4 “Market Entry Strategies and Partnerships”.

1.4 REQUIREMENTS FOR IMPORTERS

Every importer, whether a company or an individual, should have the following administrative elements (depending on the goods and the purpose of the import).

Importer Identification Number (API, *Angka Pengenal Impor*). The API, regulated by Ministry of Trade Regulation No. 27/2012, is the importer’s mandatory proof of identification. It is valid for five years, and may be extended.

There are two types of API:

- **General Importer Identification Number (API-U, *Angka Pengenal Impor Umum*)**, granted to importers that import goods only for trading purposes. It is issued by the Ministry of Trade (or the related Head of Provincial Service).
- **Producer Importer Identification Number (API-P, *Angka Pengenal Impor Produsen*)**, granted to importers that import goods for their own use, such as raw materials and/or others, which are intended to support the production process. In turn, there are three types of API-P, as follows:
 - API-P for Production Sharing Contracts, issued by the Indonesian Directorate General of Foreign Trade;
 - API-P for Foreign and Local Liability Companies, issued by BKPM;
 - API-P for other purposes issued by Ministry of Trade (Head of Provincial Service).

Please note that importation without an API can only be performed after approval of the Ministry of Trade and it is only possible for infrequent importation of self-consumed goods (which are not for trading purposes).

Customs Identification Number (NIK, *Nomor Identitas Kepabeanan*)

The NIK is a required personal identity number used to access the importers’ record file in the system of the DGCE which uses both information technology and manual procedures in monitoring customs obligations. The NIK must be obtained from the DGCE and will remain valid unless cancelled by the same authority.

Special Importer Identification Number (NPIK, *Nomor Pengenal Importir Khusus*)

The NPIK is only necessary for the importation of certain products, namely commodities and goods such as: rice, electronics, sugar, corn, soybeans, toys, footwear and textiles. The NPIK is issued by the Ministry of Trade. In addition, NPIK importers are required to report their import realization by the 15th day of every month.

The Registered Importer Number (ITPT, *Importir Terdaftar Produk Tertentu*)

The ITPT is mandatory to import electronics, ready-made garments, toys, footwear, food and drink products, cosmetic products, as well as traditional and herbal medicines.

Import Approval for Used Capital Goods (*Persetujuan Impor Barang Modal Non Baru*)

This is issued by the Ministry of Trade and necessary for imports of used capital goods conducted by direct users, reconditioning and remanufacturing companies and/or hospital equipment suppliers.

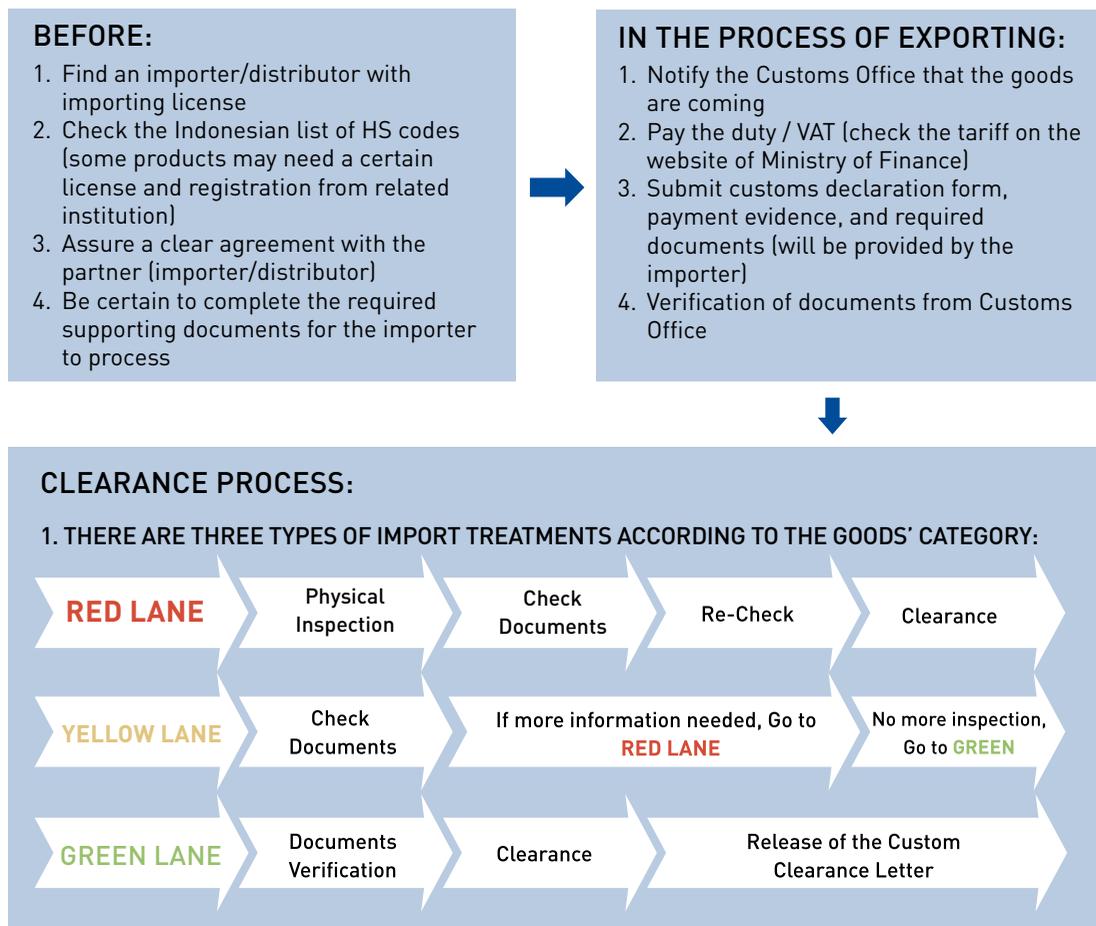
Company Master Number (NIPE, *Nomor Induk Perusahaan*)

The NIPE is a registration certification number that is needed for entitlement to the exemption or drawback of import duties, value added tax and sales tax on luxury goods.

1.5 PROCEDURES FOR IMPORTING - CLEARANCE OF GOODS

For every importation by a registered importer⁴, a verification or import technical investigation shall be carried out by a surveyor to shipment at the loading port.

The results of the verification or investigation by the surveyor shall be contained in the form of a Surveyor Report (LS, *Laporan Surveyor*).



⁴ To import Certain Products a company must hold the status as a Registered Importer. Certain Products are all products that are liable to import provisions based on Regulation of Trade Minister of the Republic of Indonesia No. 56/M-DAG/PER/12/2008.

Import Procedure

Once the importer completes the payment, the Customs Declaration Form (PIB, *Persetujuan Import Bareng*) needs to be submitted along with its supporting documents to the customs office, in order to obtain the Customs Clearance (SPPB, *Surat Persetujuan Pengeluaran Barang*).

The supporting documents should comprise the following:

- Payment Evidence;
- Import Identification Number (API);
- Tax Registration Number (NPWP, *Nomor Pokok Wajib Pajak*);
- Customs Registration Letter (SRP, *Surat Registrasi Pabean*);
- Letter of Deposit of Customs Duty, Excise and Taxation (SSPCP, *Surat Setoran Pabean, Cukai dan Pajak*);
- Commercial Invoice;
- Bill of Lading (B/L) or Airway Bill (AWB);
- Insurance Letter;
- An Authorization Letter, if the informant is a Customs Clearance Services Company (PPJK, *Pengusaha Pengurusan Jasa Kepabeanan*).

It is worth noting that the revision of an Import Declaration can be carried out only under certain circumstances: if the goods have not been released from the temporary customs area, the error was not discovered by the customs officials, and if no further examination has been requested.

The **types of import declaration forms** based on purpose of the importation are as follows:

IMPORT DECLARATION FORM	FORM CODE
Declaration for importing goods (PIB Form)	BC 2.0
Declaration for importing particular goods (PIBK Form)	BC 2.1
Declaration on the import of goods belonging to passengers or transport facility crew	BC 2.2
Declaration on the import of goods to be stored in a bonded storage place	BC 2.3
Declaration on the settlement of imported goods receiving import facility for export purpose (KITE)	BC 2.4
Declaration for importing goods from bonded storage place	BC 2.5
Declaration on the release of goods from a bonded storage place with guarantee	BC 2.6.1
Declaration on the reintroduction of goods that were released from bonded storage place with guarantee	BC 2.6.2
Declaration on the release of goods to be transferred from one bonded storage place to another bonded storage place	BC 2.7
Document on the entry of goods originating from customs territory (DPIL) to bonded zone	BC 4.0

Source: Deloitte, Indonesian Customs Guide, 2012. p.9-10

1.6 COMPUTATION OF IMPORT DUTY AND TAXES

As mentioned above, when importing goods, it is required to provide notification of the incoming freight through the PIB and to pre-pay customs duties and import taxes. There is a 10% penalty (of the total custom duty payable amount) if the deadline is not met.⁵

Hereafter, the due value is calculated as follows:

- **CIF⁶ price:** (FOB⁷ + Insurance + Freight cost⁸) x Exchange rate;
- **Insurance** related to the transported goods. If the insurance document is absent there is penalty of 0.5% x [FOB + Freight];
- **Sea Cargo:** 15% x FOB value of goods imported from EU; 10% x FOB from Asia (non-ASEAN) and Australia; 5% x FOB from ASEAN countries;
- **Air cargo:** price (x item or total) x transportation fee;
- **Import Duty:** Import duty tariff x CIF (if the insurance and freight cost are unknown, the DCGE provides guidance to calculate them);
- **VAT calculation:** 10% x (CIF + Import Duty);
- **Income Tax⁹:** 2.5% (if API holder) or 7.5% (if not) x (CIF + Import Duty);
- **Luxury Goods Sales Tax¹⁰ (LGST):** Tariff x (CIF + Import Duty).

Customs duty tariffs depend on the HS Code of the imported goods as classified in the Indonesian Customs Tariff Book (BTBMI, *Buku Tarif Bea Masuk Indonesia*). Knowing the correct classification is essential, as the HS Code is one of the factors that determine the rate of customs duties and taxes, as well as the import/export requirements for the product.¹¹ Indonesian tariff classifications are governed under Article 12 of ICL.

A preferential tariff rate is extended to partner countries that have signed Free Trade Agreements (FTA) and Economic Partnership Agreements (EPA) with Indonesia.¹² This means that customs duties for selected imported goods originating in FTA/EPA partner countries are lower or totally eliminated. Preferential tariffs are not applicable for the delivery of goods from bonded storage to the local market.¹³

A limited liability company funded by foreign investment may obtain favorable import duty reductions on imported production equipment, spare parts and raw materials that are not locally available. To be recognized as eligible, the PT PMA must submit a Master List Application to BKPM or the Customs Office (in certain circumstances). After the Master List is approved, the PT PMA receives an import duty reduction on the item(s) listed in the letter, up to a maximum 5% duty rate.

⁵ Indosight – Market Entry Services in Indonesia, *Calculate Your Import Tax And Custom Duty*, 2012.

⁶ Cost, Insurance and Freight (CIF); regarding delivery in export business, it is included in the selling cost of goods. For more details, please see INCOTERMS Glossary below.

⁷ Free on Board, for more information please see INCOTERMS Glossary below.

⁸ "Freight cost is the cost incurred when transferring the imported goods. The importer should be able to prove the freight cost by showing an invoice, which should be attached to the Bill of Landing..." Indosight – Market Entry Services in Indonesia, *Calculate Your Import Tax And Custom Duty*, 2012.

⁹ Sometimes referred to as "Article 22";

¹⁰ Regulation of Ministry of Finance No.175/2013, for further information consult European Commission Directorate-General for Trade, *11th Report on Potentially Trade-Restrictive Measures*, 2014. p 79; Available at: http://trade.ec.europa.eu/doclib/docs/2014/november/tradoc_152872.pdf.

¹¹ Deloitte, *Indonesian Customs Guide*, 2012. p.24.

¹² For more info please see "Annex I – Export Procedures Step-by-Step".

¹³ Deloitte, *Indonesian Customs Guide*, 2012. p. 36ff.



To learn more about setting up a business in Indonesia, please refer to Business Guide Volume III *How to SET UP A BUSINESS*, Chapter 1 “Setting-Up a Business in Indonesia”.

1.7 SERVICE FACILITIES, FISCAL FACILITIES, BONDED STORAGE

Service Facilities are considered a special case in the process for customs formalities, providing an effective, efficient, and cost-effective service to clear customs procedures. There are several forms of Service Facility, namely:

- **Discharging or Piling Outside Customs Area:** When certain conditions apply, such as those relating to the condition of the imported goods or the adequacy of the customs area, the Head of Customs Office is allowed to take proper measures in allowing the goods to be discharged or piled outside the Customs Area.
- **Vooruitslag Facility:** Special treatment allows the imported goods to go through customs, although they are still liable for Import Tariff and Tax on Import (PDR, *Pajak Dalam Rangka Impor*), by entrusting their guarantees. The guarantees can take the form of a cash guarantee, bank guarantee, customs bond, amongst others.
- **Rush Handling Facility:** This facility is provided on certain imported goods because of specific characteristics, which require immediate removal of the goods from the customs area.
- **Priority Facility:** This allows the release of the imported goods without physical and, under certain conditions, even document examination. Goods eligible to be released without inspection can be imported by “priority companies”.¹⁴
- **Pre-Notification Facility:** This involves the submission of an PIB before the carrier hands the inbound manifest to the Customs Office.

Forms of **Fiscal Customs Facility** are as follows:

- Exemption from customs duty may be applied for the importation of certain categories of goods: goods of diplomatic representative offices; goods for the need of international organizations; consigned goods in the form of donation; goods for scientific research and development; goods and materials for state defense and security purposes; sample goods not for commercial purposes; personal goods of passengers; goods exported for the purposes of repair, processing, finishing, and testing; goods previously exported and then re-imported in the same state as at the time of export.

¹⁴ The requirements for a company to be considered a “priority importer” or Authorized Economic Operator (AEO) are addressed by the MITA program: clear nature of business; not having been found to misuse the facility during the past year; not having declared the wrong amount, type of goods, or the customs value of the imported goods during the past year; having been audited by a public accounting firm who have certified the absence of related disclaimers or adverse opinions; and having no outstanding debt in the form of outstanding payments of duties to the Directorate General (Decree of Director General of Customs and Excise No. P-11/BC/2005 and P-24/BC/2007).

- Exemption or relief of customs duties may be given to goods if they are: imported for the purpose of developing and advancing of an industry (capital investment), prevent environmental pollution, advance the agriculture and animal husbandry sectors, for sport, for government projects financed by foreign loans, or are being processed for the purpose of export.
- Exemption or relief of import tariff on temporarily imported goods: imported goods can be classified as temporarily imported goods if they are to be re-exported within maximum of three years from the time of importation.
- Payment suspension of import tariff against bonded zone: incentives received by the party storing the goods in a Bonded Zone (TPB, *Tempat Penimbunan Berikat*) in the form of a suspension of the customs duties and taxes.
- For the purpose of fulfilling the supply of goods and services considered of public interest and leading to the improvement of competitiveness in certain national industries, the Indonesian Government will sometimes bear the custom duty.
- Goods or materials that are introduced into a **bonded warehouse** may be granted postponement of customs duty, exemption from collection of the Value Added Tax (VAT), luxury tax on sales and income tax on import.¹⁵ These facilities are provided to goods or materials introduced solely for the purpose of supporting the local industry or for re-exporting.



To learn more about the different regulations governing taxation and tax relief, please consult Business Guide Volume III *How to SET UP A BUSINESS*, Chapter 3 “Taxation System”.

Temporary Import is the importation of goods into a customs area with the purpose of re-exporting them within three years. The temporary import is managed through the regulations of the Ministry of Finance No.615/PMK.04/2004, No. 142/PMK.04/2011 and Regulation of the DGCE No. PER-51/BC/2012.

Imported goods can be declared as a temporary import if they meet the following requirements:

- They are inexhaustible during import;
- Their form remains unchanged during the period of temporary import;
- There is supporting documentation sustaining that the goods will be re-exported.

Goods that can be categorized for temporary import include those intended for exhibitions; for seminars or similar activities; for demonstrations; for research, education, science and culture; for sports purposes; packaging materials used for export purposes; samples or models; goods to be repaired, reconditioned, tested, and calibrated; live animals for public performance, sports, race, training, and mitigation of security disturbances; specialized equipment which is to be used for disaster management; equipment to aid maritime and air transport in the country; for the activity purposes of the Indonesian National Army and the Indonesian National Police; personal belongings of passengers, crew personal belongings, and personal goods crossing the border; and supporting goods financed with government

¹⁵ Deloitte, *Indonesian Customs Guide*, 2012. p. 37.

project loans or grants from abroad. Such goods nevertheless remain subject to certain terms of import duty, value added tax, and sales tax on luxury goods (STLG) for temporary import.

1.8 STANDARDS, LABELING AND PRODUCT APPROVAL AND REGISTRATION

Exporting a product to Indonesia can be a challenging process, but a worthwhile one, given the potential of the country's large consumer market, which is seeing middle-class and premium consumption growth. Most products need to be registered at different governmental authorities and undergo several stages of bureaucratic and technical scrutiny before they can be imported to Indonesia.

Rather than seeking to describe the overall process, this section provides several case studies in order to give EU companies an idea of how it works and why resilience is of key importance when entering the Indonesian market. A reliable local partner makes a great difference in the facilitation of import authorization procedures, but persistence and openness are of the highest importance.

1.8.1 MARKETING PRODUCTS IN INDONESIA: NATIONAL STANDARDS AND LABELLING

If one item is declared to meet the technical standard/requirement by Indonesian National Standard (SNI, *Standar Nasional Indonesia*), it will be granted a SNI certificate and a SNI label will be placed on the product.

The implementation of SNI is not mandatory, except for products related to the safety, security, society health or environment protection purpose, and/or economic considerations; the technical institution can impose a part or whole technical specification required by SNI. When a product is required to comply with SNI, any company with the specified product cannot produce or market the product without SNI compliance. If a company has already been declared to meet SNI requirements for a given product, it must continue to produce and market the product in conformity with SNI.

CHECK INDONESIA NATIONAL STANDARD (SNI)

<p>APPLICABILITY</p> <p>SNI is applicable to products and/or services, processes, systems, and personnel, whether imported or produced locally.</p>	<p>SNI CERTIFICATE</p> <p>If one item is declared to meet the technical standard/requirement by SNI, it will be granted a SNI certificate and a SNI label will be placed on the product.</p>	<p>SELECTIVELY MANDATORY</p> <p>Not required in all cases, but may be required regarding security, safety, health, environmental preservation, and/or economic consideration.</p>
<p>START PRODUCT LABELING PROCEDURE</p> <p>The label must contain specific information shown through a picture, writing or a combination of both.</p>	<p>SUBMIT LABEL SAMPLE</p> <p>Send a sample in Bahasa Indonesia to Director of Consumer Empowerment [Directorate General of Standardization and Consumer Protection] through INATRADE or via direct mailing to the related institution.</p>	<p>ISSUING OF CERTIFICATE</p> <p>Your label is finally approved with the Certificate of Labeling in Bahasa Indonesia. [Certificate is considered as complementary in regards to goods release action by the Customs Office]</p>

Products with mandatory SNI are as follows:

Toys, tires, cement, single inorganic fertilizer, bottled drinking water, helmets and low-pressure regulators for LPG steel tubes

1.8.2 CASE STUDY: FOOD AND BEVERAGE

a) BPOM Code Attribution

The Indonesian government has implemented a control system for medicines and food, which is administered by the **National Agency for Food and Drug Control** (BPOM, *Badan Pengawas Obat dan Makanan*).

As a result, all imported or locally-produced foods and beverages – applying also to cosmetics, medicines and complementary products - are required to be registered at BPOM before they can be distributed in Indonesia. This registration should be undertaken by a local business agent or partner. As the registration process in BPOM can be time-consuming, it is advisable for the exporter to allow for the finalization of the process prior to exporting the goods to Indonesia.

Three unique labels are applied to registered products in the market from the Division of Administration, Directorate of Food Safety Assessment, namely:

<p>CODE “SP” (<i>Sertifikat Penyuluhan, Counseling Certificate</i>)</p> <p>Granted to small and medium enterprises with counseling assistance from the Health Agency (Municipality).</p>	<p>CODE “MD” (<i>Makanan Produksi Dalam Negeri, Domestically Produced Food</i>)</p> <p>Granted to large capital food and beverage producers, tacitly considered to have the competence to comply with the food safety requirements set by the government.</p>	<p>CODE “ML” (<i>Makanan Luar, Imported Food</i>)</p> <p>Granted to processed food and beverage products derived from imported products, either directly or repackaged. A registration number with the initial code “ML” is placed on the package of the imported food and drug product. The registration number remains valid as long as no changes occur to the composition, process or the location of the processing plant.</p>
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b) Required Administrative Documents for Registration:

- Copy of authorization letter from the country of origin;
- Health Certificate;
- Laboratory Survey Report;
- Color Label;
- Samples of at least three pieces;
- Composition and Specification;
- Copy of Business License (SIUP, *Surat Ijin Usaha Perdagangan*, and API-U).

c) Food Importing Process



d) Different types of SKI:

- Certificate of import for raw materials to produce drugs (*SKI Bahan Baku Obat*).
- Certificate of import for drugs (*SKI Obat Jadi*).
- Certificate of import for raw materials to produce traditional drugs, cosmetics, and complementary products (*SKI Bahan Baku Obat Tradisional, SKI OT Kosmetik dan Produk Komplemen*).
- Certificate of import for traditional drugs, cosmetics, and complimentary products (*SKI OT, Kosmetik dan Produk Komplemen*).
- Certificate of import for raw materials to produce food (*SKI Bahan Baku Pangan*).
- Certificate of import for additive food (*SKI Bahan Tambahan Pangan*).
- Certificate of import for retail food products (*SKI Produk Pangan Olahan, Produk Ritel*).

1.8.3 CASE STUDY: IMPORTING ALCOHOLIC BEVERAGES**a) Introduction to the Alcohol Importing Landscape**

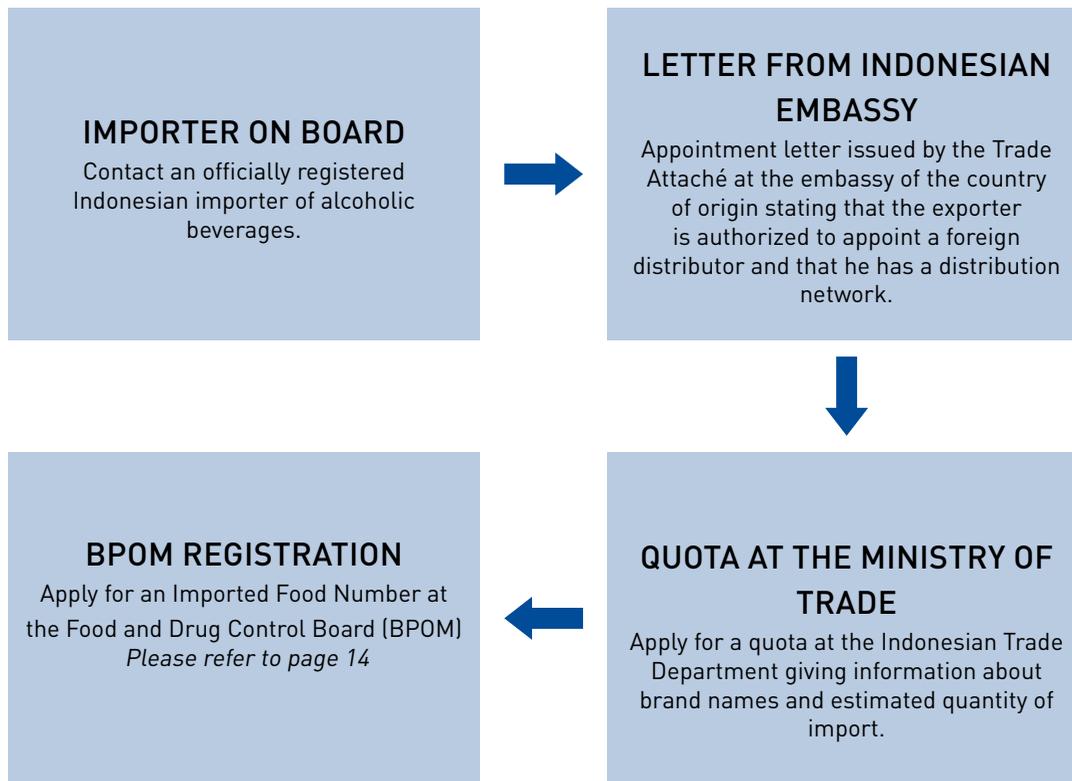
Since early 2010, the Indonesian government has allowed registered importers of alcoholic beverages to import duty-paid beverages with an alcohol content of up to 55% alcohol. The importation of beverages with more than 55% alcohol or alcohol concentrates for the production of alcoholic beverages is prohibited.

Foreign companies are not allowed to import alcoholic beverages. Foreign exporters must therefore establish a partnership with a local company registered as an importer of alcoholic beverages. In 2015, there were only 15 licensed alcohol importers in Indonesia. To check whether an importer is ready to do business with an EU exporter, the importing company should be a holder of the following documents:

- Importer Identification Number (API);
- Customs Identification Number (NIK);
- Company Registry Number (TDP);
- Tax Number (NPWP);
- Trading Business License (SIUP) for alcoholic beverages of category A;
- Trading Business License for Alcoholic Beverages (SIUP-MB, *Surat Ijin Usaha Perdagangan Minuman Beralkohol*) for alcoholic beverages of category B and C.

The Indonesian Ministry of Trade imposes import duties on all alcoholic beverages depending on the content of ethyl alcohol (ethanol). Furthermore, as food and beverage imports are under the control of the Indonesian government, every imported product has to be registered and all food and non-food products have to be labeled in the Indonesian language with relevant information about ingredients, expiration date, as well as storage and preparation.

b) Procedure for Importing Alcoholic Beverages



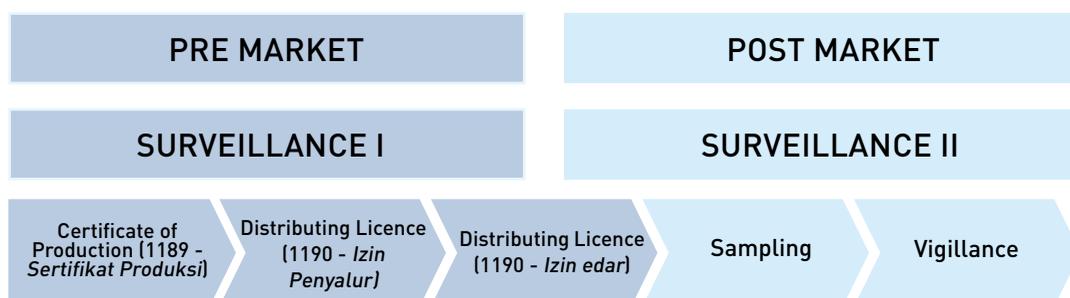
1.8.4 CASE STUDY: EXPORTING HOSPITAL BEDS

"We are a medical equipment company based in the EU, manufacturing hospital beds. After hearing about the growing demand of hospital beds in Indonesia, we sought to expand our business there. Therefore, we would like to know what to consider when exporting and selling hospital beds with HS code 94029010."

a) Introduction to Medical Equipment Importing

As a result of rising income levels, changes in demography and implemented the long-awaited National Health Insurance System (JKN, *Jaminan Kesehatan Nasional*) in 2014, the Healthcare sector in Indonesia is booming. Opportunities exist for foreign suppliers to successfully enter the Indonesian market, since the new system creates a great need for equipment. Currently, foreign suppliers account for over 95% of total demands of Indonesian hospitals, which are largely related to sophisticated medical and surgical instruments. In your case, hospital beds can be considered as basic medical equipment.

b) Registration Process



c) Ministry of Health Supervision

It is compulsory to consult and involve the Indonesian Ministry of Health (MOH) in all matters related to obtaining licenses and import permits. The Ministry controls the process of registering medical equipment and supplies, which needs to be done by agents or distributors in Indonesia. Goods registered by the MOH are subject to an import tariff between 0 and 5% and VAT of 10%. According to Indonesian law, operating licenses are issued and supervised by the MOH. Other general requirements that may need to be met prior to the distribution of the products relate to advertising, quality maintenance issues and labeling in Bahasa Indonesia prior to arrival in Indonesia.

d) Types of Licenses

1. Certificate of Production of Medical Equipment

For components of hospital beds produced inside Indonesia: apply for the production certificate, based on the Indonesian Standard of medical devices (SNI ISO13485:2003).

This is achieved by sending information about the manufacturing process of the beds to the National Accreditation Body (KAN, *Komite Akreditasi Nasional*), who will audit the documentation. When granted, the certificate for production is valid for five years and can be extended.

When using components produced outside Indonesia, show the production certificate from the country-of-origin.

2. Distributor license (IPAK, *Ijin Penyalur Alat Kesehatan*)

IPAK gives the holder the rights to import the beds into Indonesia. The distributor license is valid indefinitely, but subject to audit controls by the MOH every five years.

3. Distributing license (Ijin Edar)

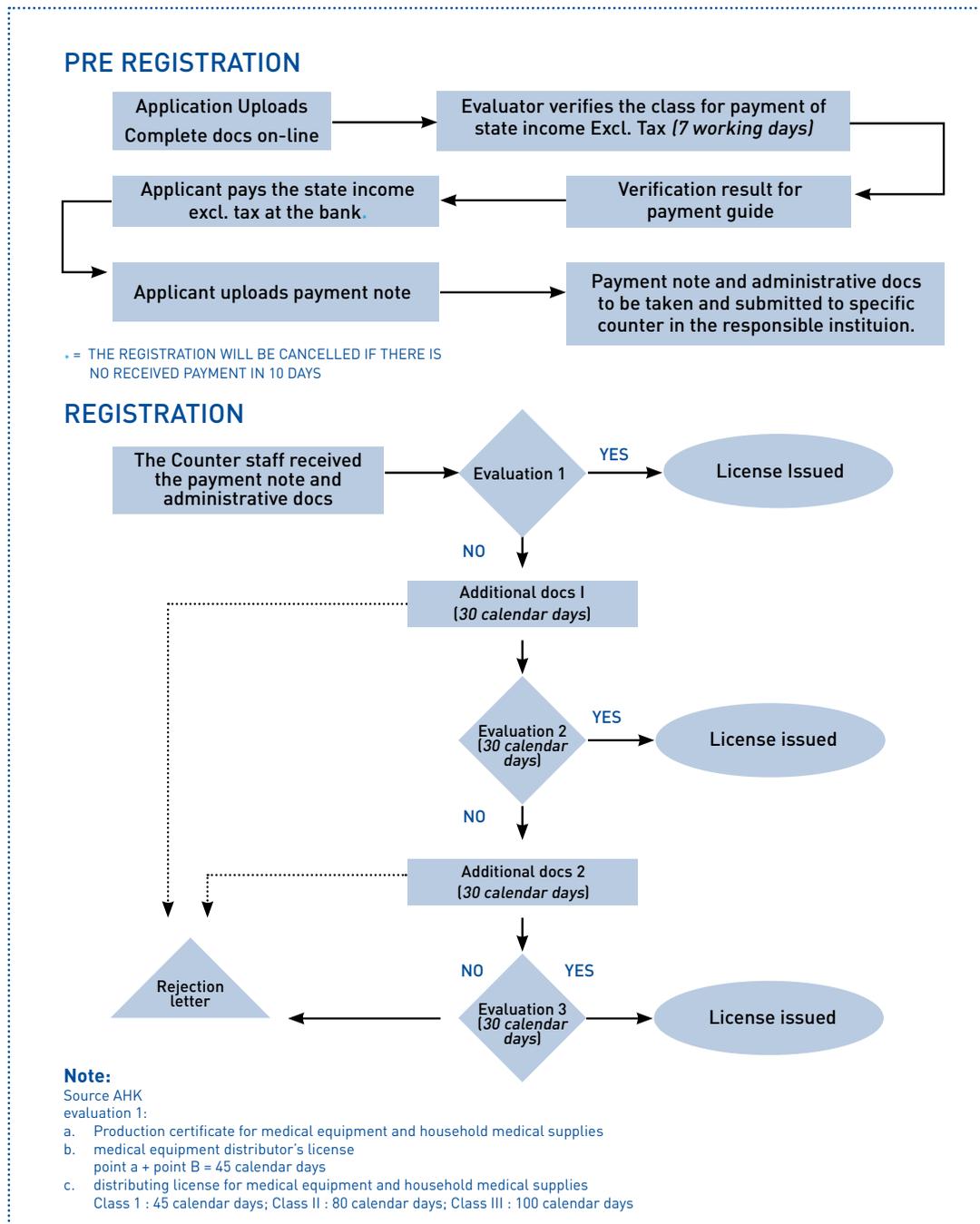
The Distribution License allows the holder to distribute the beds to Indonesian hospitals. This license is valid for five years and can be extended.

e) Registration Procedure

You need to apply for the distributor and distribution license at the MOH and follow

the steps shown in Figure 1: Registration Procedure to Obtain Distributor License. The licenses described above can take around six months and the procedure can become costly. Therefore, having an Indonesian partner already holding these licenses will significantly save time and lower your costs. EIBN can help you to identify these potential local partners.

Figure 1: Registration Procedure to Obtain Distributor License



f) Licensed Selling in Indonesia

After your products are duly licensed to be sold in Indonesia, there are two types of potential buyers in the medical equipment industry, whose character will entail different procedures.

i) **The public sector**, which acquires equipment through:

- a. *Government procurements.* It is generally mandatory for public hospitals to have a competitive public tender. Here are some things your firm has to keep in mind:

LOCAL COMPONENTS PREFERENCE	REGISTER FOR PUBLIC TENDERS	SNI IS IMPORTANT	HARD TO GO IT ALONE
The Government of Indonesia privileges products which encourage local production, regarding manufacturing and components, in government procurement. For goods such as hospital beds, these costs include material, labor, and indirect manufacturing costs. It has to be noted that the calculation excludes profits, company overhead and VAT.	To apply to public tenders, your company has to be registered at https://inaproc.lkpp.go.id/v3/daftar_lpse (website only available in Bahasa Indonesia) Most tenders require that the company has been established for a minimum of 2 years.	Having the SNI is important in the procurement. At http://sisni.bsn.go.id/index.php?/sni_main/sni/cari_simple it is stated that an SNI is needed for the castors and wheels of hospital beds (ISO22882:2011).	Foreign companies are only allowed to bid on government tenders for projects above a certain value. For goods like hospital beds, the value has to be above IDR 20 billion, or approximately EUR 13 million.

- b. *E-Catalogue.* As a controlling tool the Government of Indonesia maintains a catalogue, where all the medical devices sold in Indonesia are available online.

REGISTER AT MOH ELECTRONIC CATALOGUE	DOCUMENTATION	FASTER PUBLIC BUYING
http://www.regalkes.depkes.go.id/cms.php	Notary Deed of Business Entity Statement of Authenticity Data Letter of Assignment Appendix TIN	E-catalogue purchasing does not require procurements.

- ii) **The private sector**, which is able to directly acquire equipment from your firm. The private sector is growing more rapidly than the public sector, and the rules and regulations for foreign companies are less strict. However, these advantages also mean that competition is very tough.

The EIBN *Sector Report Healthcare 2014* offers a guide to understanding the challenges and business opportunities of Indonesia's health care market including regulations and standards as well as growth potential and key stakeholders.

1.9 INDONESIA IN FREE TRADE AGREEMENTS



Indonesia is a member of Association of Southeast Asian Nations (ASEAN).¹⁶ which is about to become a unified Economic Community through its ASEAN Free Trade Area (AFTA) to be launched in the end of 2015. With the aim of lowering intra-regional tariffs between the members through a Common Effective Preferential Tariff (CEPT) Scheme, ASEAN Member Countries have agreed to set the tariff for intra-AFTA trade between 0 and 5%.

More than 99% products in the CEPT Inclusion List (IL) of ASEAN-6 (Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand) are already covered by 0-5% tariffs. However, in Cambodia, Laos, Myanmar and Vietnam, the tariff is still in the development stage.

Currently, Indonesia has not only developed a free market policy between ASEAN Member States, but also made progress in cooperating with other countries, such as Australia, New Zealand, Japan, China, India, Korea and India.

One of the ASEAN's major projects is the establishment of an ASEAN Economic Community (AEC), which aims to integrate Southeast Asia's diverse economies, a region with 600 million people and a combined gross domestic product of \$2.4 trillion.

AEC is defined by four pillars: a single market and production base, a highly competitive economic region, a region of equitable economic development, and a region fully integrated into the global economy. The process of regional economic integration is expected to encourage SMEs to upgrade their capabilities and narrow the development gap among ASEAN economies. As a result, ASEAN countries are committed to both implementing the AEC Blueprint¹⁷ for easing tariff and non-tariff barriers, and to monitoring the process based on statistical measures.

¹⁶ Directorate General for National Export Development, *Indonesia in FTAs*, 2011.

¹⁷ ASEAN Secretariat, *ASEAN Economic Community Blueprint*, 2008. p. 26.

SOURCE FROM INDONESIA



2. SOURCE FROM INDONESIA

2.1 INTRODUCTION

IN THE DELIVERY OF GOODS AND SERVICES, GLOBAL SOURCING CAN GRANT BUSINESSES ACCESS TO LOW-COST RAW MATERIALS, TAX BREAKS AND LOW TRADE TARIFFS.

Beyond cost, **the advantages for SMEs of global sourcing may include:**

- Learning how to do business in a potential market;
- Tapping into skills or resources unavailable domestically;
- Developing alternate supplier/vendor sources to stimulate competition and increasing total supply capacity.

Conversely, some key disadvantages of global sourcing can include:

- Hidden costs associated with different cultures and time zones;
- Exposure to financial and political risks in countries with emerging economies;
- Added risk of loss of intellectual property;
- Increased monitoring costs relative to domestic supply;
- Long lead times;
- Risk supply route disruption;
- Difficulty of monitoring product quality.

Indonesia has become a preferred market for the sourcing of many products, starting with its own natural resources and raw materials supply. In addition, Indonesia is becoming an industrial giant and many international businesses have selected it as either a privileged sourcing country or as a location to establish manufacturing hubs. Indonesia's manufacturing focuses include textiles, electronics, automotive, and palm oil processing, among others.

Export Destination Countries for the Top-10 Indonesian Commodities (non Mineral, non Oil & Gas)

PRODUCT		Export Country Destination
1.	 Textiles	USA, Japan, Germany , Turkey, South Korea, UK , Saudi Arabia, China, Brazil, Malaysia, Belgium, Italy, Netherlands, Spain , Canada, Thailand, France , Vietnam, Taiwan
2.	 Electronics	Singapore, USA, Japan, Hong Kong, China, Germany , Malaysia, Netherlands , South Korea, Philippines, France , Thailand, India, Australia, Saudi Arabia, UK , Taiwan, Vietnam, Belgium, Italy
3.	 Rubber and Rubber Products	US, Japan, China, South Korea, Singapore, Brazil, Germany , Canada, Netherlands , Turkey, France , India, Spain , Italy, UK, Belgium , Taiwan, South Africa, Australia, Argentina
4.	 Crude Palm Oil	Hong Kong, India, Vietnam, China, Germany , Singapore, South Korea, Italy, Malaysia, Thailand, Spain , Taiwan, Japan, Cambodia, Sri Lanka, South Africa, France , US, Mexico
5.	 Furniture	India, China, Malaysia, Bangladesh, Netherlands , Egypt, Singapore, Italy, Spain , Ukraine, Iran, Russian Federation, Pakistan, Germany , Tanzania, Brazil, South Africa, Vietnam, Myanmar, Kenya
6.	 Footwear	Japan, China, US, South Korea, Australia, Malaysia, Taiwan, Saudi Arabia, India, Germany, Netherlands, UK , Vietnam, Singapore, Belgium, Italy, France , Bangladesh, Thailand
7.	 Motor Vehicle Components	US, Belgium, Germany, UK, Netherlands, Italy , Japan, Mexico, France , Brazil, China, Denmark , Panama, South Korea, Singapore, Spain, Australia, Russian Federation, Chile, South Africa
8.	 Shrimp	Thailand, Japan, Saudi Arabia, Philippines, Malaysia, Singapore, South Africa, Brazil, Vietnam, China, Mexico, Oman, Cameroon, Taiwan, UK , Myanmar, Germany , India, Kuwait
9.	 Cacao	US, Japan, China, UK, Belgium , Hongkong, Vietnam, Singapore, France , Canada, Australia, Malaysia, Taiwan, Russian Federation, Netherlands, Italy, Germany , South Korea, Denmark
10.	 Coffee	Malaysia, US, Singapore, North Korea, Spain, Germany, France, Netherlands, UK , Australia, Philippines, India, Canada, Thailand, Japan, Brazil, Saudi Arabia, Estonia , Russian Federation, New Zealand

Source: Ministry of Trade, *Economic Profile*, 2015

2.2. EXPORT SERVICE INSTITUTIONS AND REGULATIONS

The Authority responsible for regulating import and export procedures is the Ministry of Trade, through its Directorate General of National Export Development. This institution administers all trade activities, such as the registration of companies and businesses, and market development. All matters related to Customs are monitored by the Directorate General of Customs and Excise (DGCE)¹⁸.



A list of restricted exports from Indonesia is shown in section 2.5 “Prohibited Goods for Export” below.

2.3 REQUIREMENTS WHEN EXPORTING FROM INDONESIA

Sourcing from Indonesia requires businesses to seek local exporters that fulfill two sets of requirements, stemming from both domestic and European Union regulations. It is important to explain both sides for EU companies to have a clear image of the complexity of the procedure expected by the local counterpart, but also if in the future they decide to manufacture in Indonesia.

2.3.1 INDONESIAN EXPORTING REQUIREMENTS - STEP-BY-STEP PROCEDURE

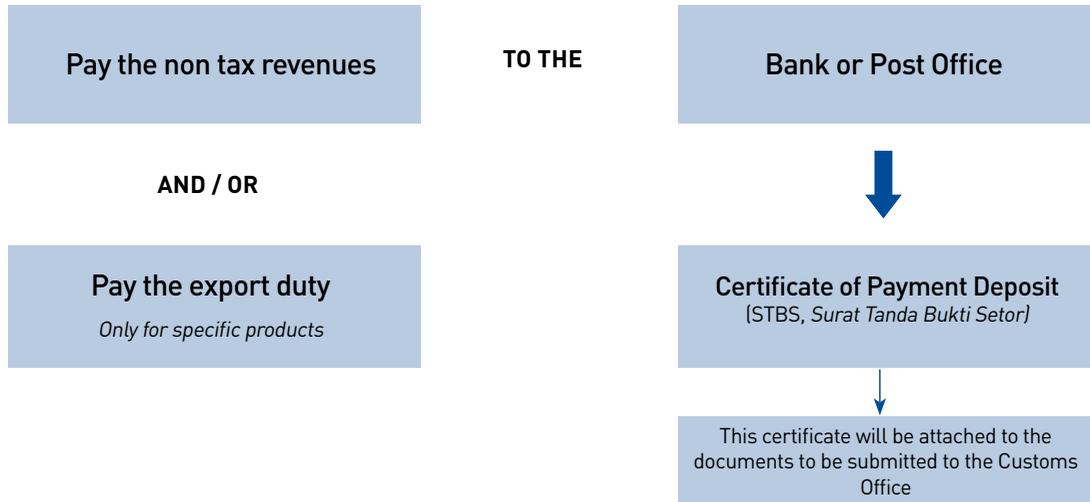
According to the Ministry of Trade regulation (*Peraturan Menteri Perdagangan*) No.13/M-DAG/PER/3/2012, exporters should meet the following requirements:

<p>Be a legal entity</p>	<p>Hold a Taxpayer's Identification Number</p>	<p>Possess the following licenses:</p> <ul style="list-style-type: none"> • Trading License • Business Registration Certificate • Export Identity Number • Industrial License
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¹⁸ Deloitte, *Indonesian Customs Guide*, 2012. p.7.

Administrative steps to be able to export your product are the following:

Pay the Taxes Before Submitting Documents to Customs Office



Submit PEB and Additional Documents

In order to be authorized to export, local-based companies need to fill the Export Declaration (PEB, *Pemberitahuan Ekspor Barang*).

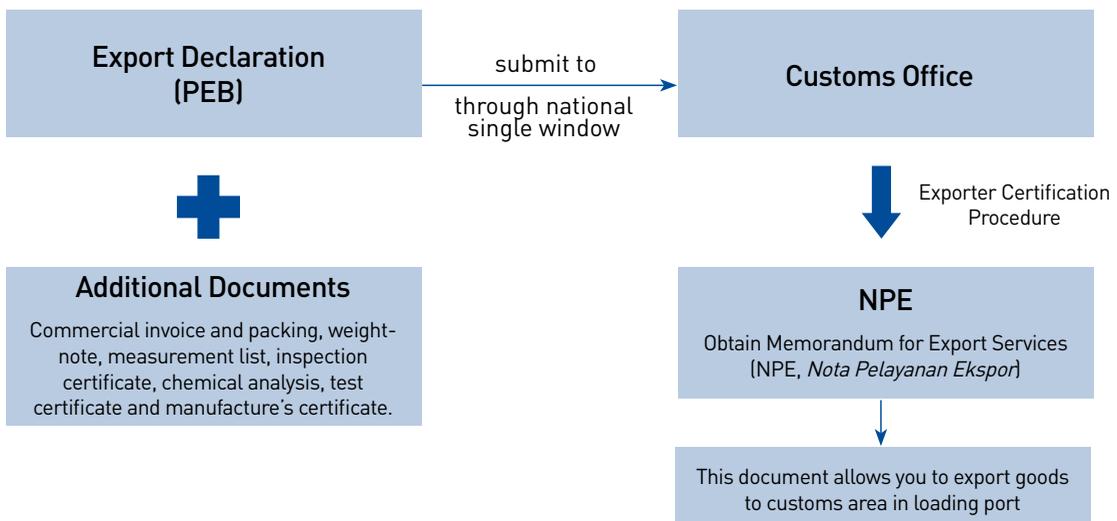
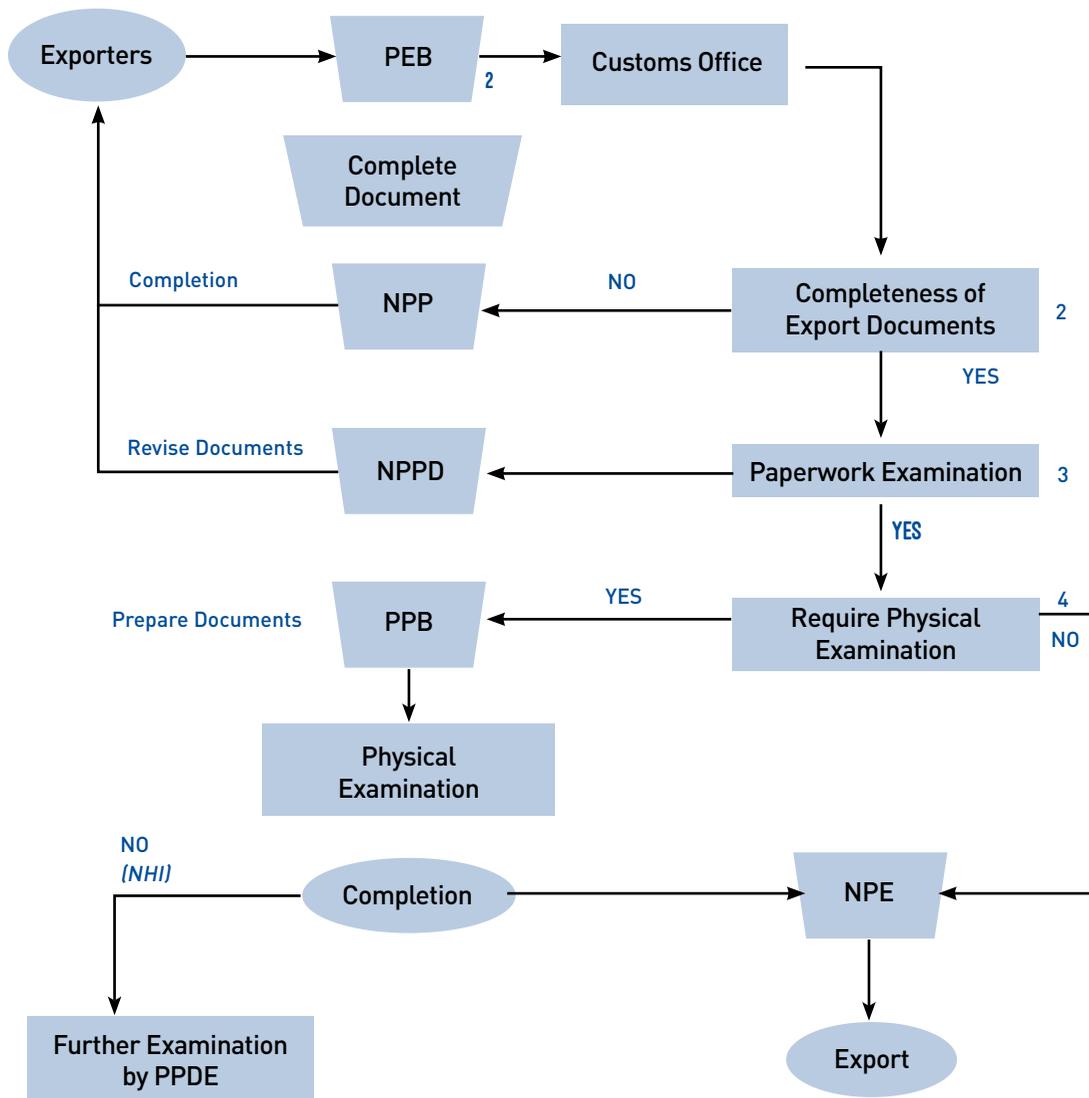
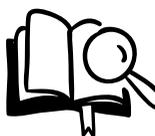


Figure 2: Flowchart of Export Procedure



ABBREVIATION:

- PEB: Export Declaration (*Pemberitahuan Ekspor Barang*)
- NPP: Rejection Notification Note (*Note Pemberitahuan Penolakan*)
- NPPD: Memorandum of Notification Requirements Document (*Nota Pemberitahuan Persyaratan Dokumen*)
- PPB: Material Examination Notification (*Pemberitahuan Pemeriksaan Barang*)
- NHI: Inteligency Result Note (*Nota Hasil Intelegen*)
- NPE: Memorandum for Export Service (*Nota Pelayanan Ekspor*)
- PPDE: Export Document Examination Officer (*Pejabat Pemeriksa Dokumen Ekspor*)



To find a detailed overview of the export procedure please refer to “Annex I – Export Procedure Step-by-Step” below.

2.3.2 EXPORT FROM INDONESIA TO ANOTHER ASEAN COUNTRY

Under the ASEAN Free Trade Area (AFTA) rules, EU companies producing goods in Indonesia may find more market opportunities, especially regarding procurement in ASEAN, while enjoying AFTA's comprehensive tariff elimination, which varies from country to country in ASEAN, as well as from industry to industry.¹⁹

The establishment of an ASEAN Economic Community (AEC) at the end of 2015 will bring new tariff rules for intra-ASEAN trade. The main focus of ASEAN will be placed on the full elimination of non-tariff barriers (NTB). The elimination of tariffs on all intra-ASEAN goods in accordance with the CEPT-AFTA Agreement and other relevant Agreements/Protocols will also push towards the introduction of Rules of Origin (ROO) responding to dynamic changes in global production processes so as to facilitate trade and investment among ASEAN Member Countries.²⁰



A more detailed dissertation on the ASEAN Free Trade Area (AFTA) can be found in section 1.9 "Indonesia in Free Trade Agreements".

2.3.3 EUROPEAN UNION IMPORTING REQUIREMENTS

The required type of certification depends on the company, the product category and the business sector. The food sector, for example, normally requires many types of certifications, while other sectors require less or none.

The following are the highlights of the requirements established by the EU. Before starting a sourcing operation from Indonesia, companies should consult the respective website of the EU Export Helpdesk for the most updated information,²¹ which also states the administrative documents required.

HS Code of the Product

The first 6 digits of the HS Code are the same in every country worldwide. Possible additional digits may be used by individual countries if they require a more detailed system to suit their national standards.

Europe has an 11-digit system based on the international 6-digit system. The additional digits indicate European product categories (the 7th-10th digits) and a national number used for national VAT purposes and national restrictions (the 11th digit).

TARIC Code

The integrated Tariff of the European Union (TARIC) is a multilingual database covering all measures relating to EU customs tariffs, including commercial and agricultural legislation.

¹⁹ KPMG, Investing In Indonesia, 2013. p. 34

²⁰ ASEAN Secretariat, ASEAN Economic Community Blueprint, 2008. p 6ff.

²¹ The EU Export Helpdesk is available at: <http://exporthelp.europa.eu>.

By integrating and coding these measures, the TARIC ensures their uniform application by all Member States and gives economic operators a clear view of the wide set of provisions which are to be undertaken when importing in or exporting goods from the EU.²²

Finding the right tariff category for particular goods is very important, because it will affect the duty and taxes, as well as the importation documents.

Packaging

The European Packaging Directive (Directive 94/62/EC, revised by Directive NO. 2004/12/EC) regulates packaging requirements in Europe. There are three main packaging types which depend on the purpose of the packaged goods. Each main type is subject to requirements.

They can be divided into sales packaging for private consumers, sales packaging for business customers and other business packaging (e.g. transport packaging).

Labeling

The labeling requirements depend on the imported goods. Violating labeling regulations can cause several problems, including fines or even the prohibition of goods from entering the European market. Usually, there are stricter regulations for products that will be directly distributed to the consumer. To find the specific labeling regulations for goods, check the EU Export Helpdesk website mentioned above.

Wood Packaging Material

According to EU regulations, all wood packaging material entering the EU has to carry the ISPM 15 mark. This mark proves that the wood met the requirements during inspection at the point of export or import. The ISPM 15 mark can be granted by the NPPO (National Plant Protection Organization). According to the most recent amendment to the regulations in 2009, used wood must be free of bark, with small exceptions. This mark has a specific IPPC (International Plant Protection Convention) logo and three codes (the country code, the number assigned by NPPO and the treatment measure applied). The markings should be legible, visible, permanent and non-transferable.



For more details about the requirements and duties that need to be fulfilled for exporting to the EU please consult the Export Helpdesk of the European Commission (address to be found in “Resources” below).

²² For more information please visit the webpage of the European Commission: http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm.

2.4 TRADE TARIFFS AND DUTY RELIEF

A trade tariff is a tax or duty placed on goods crossing political borders (or Customs Unions). Import tariffs are the most common barriers, involving a tax being levied on products entering from another country. It is possible to check in advance the duty that applies to a given product and the required documents for the importation process to the EU. The EU Export Helpdesk has a broad and up-to-date library of procedures and requirements for export that apply in Indonesia.²³

The EU's Binding Tariff Information (BTI) system can help you identify the right tariff classification for the goods you intend to export. To obtain the product's tariff information, the importer must apply to the customs authorities of the EU country he/she wishes to export to. Common customs tariff duties are applicable to all goods imported into the EU.

Duty Relief – Preferential Tariff Quotas

Duty Relief may be granted under circumstances where such taxation is not justified (Council Regulation 1186/2009). Customs duties can be temporarily suspended (totally or partially) for certain goods. Under tariff quotas, specified quantities of goods can be imported at reduced or zero duty rate, as long as they do not overlap with any anti-dumping duties also in place.

Preferential tariff quotas exist under trade agreements and autonomous preferential arrangements between the EU and selected countries. This means that a predetermined volume of goods originating in a specified country can be imported into the EU at a more favorable duty rate. Indonesia is part of the EU's Generalized Scheme of Preferences (GSP). The GSP allows country exporters to pay less or no duties on their exports to the EU. Indonesia benefits from GSP for all products covered by the system except:

- Live animals and animal products excluded fish;
- Animal or vegetable oils, fats and waxes;
- Chemicals other than organic and inorganic chemicals (Section 6b);

Autonomous tariff quotas can be opened for some economic sectors in order to stimulate competition inside the EU. They are normally granted to raw materials, semi-finished goods or components not available in the EU in sufficient quantities. No tariff quotas are granted for finished products.

In 2015, the EU and Indonesia are restarting negotiations towards a Comprehensive Economic Partnership Agreement. These are developments that are worthwhile to keep up with, as a future agreement might have an important bearing on facilitating EU-Indonesia trade for certain goods and services.

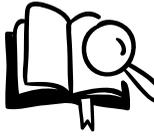
The agreement should be fulfilled on the on basis of conditions described through INCOTERMS such as FCA or FOB.²⁴



To find a detailed overview of INCOTERMS please refer to the “INCOTERMS” Glossary at the end of this volume.

²³ A deeper knowledge about EU's import tariffs and related issues is available at EU's Export Helpdesk: http://exporthelp.europa.eu/thdapp/display.htm?page=it%2fit_Tariffs.html&docType=main&languageId=en.

²⁴ Please see the INCOTERMS Glossary below for detailed information.



More detailed information on the required documents for the import process can be found in “Annex 1 – Export Procedures to Indonesia Step-by-Step” at the end of this volume.

2.5 PROHIBITED GOODS FOR EXPORT

The Regulation by Ministry of Trade (*Peraturan Menteri Perdagangan*) No.44/M-DAG/PER/7/2012 enshrines the provisions regarding prohibited goods, which are generally related to:

- Threats to national security or public interest.
- Protection of intellectual property rights.
- Protection of human life and health.
- Damage to the environment and ecosystems.
- Commitments of international treaties or agreements concluded by the government.

List of Restricted Materials for Export²⁵:

- Natural Rubber and its derivative products;
- Wood Products;
- Fishery Products;
- Scrap Products;
- Mining Products;
- Products/materials classified in the CITES List (Convention of International Trade in Endangered Species).

2.6 ONLINE TOOLS FOR FINDING SUPPLIERS IN INDONESIA

Ministry of Trade Membership Supplier Forum

The Ministry of Trade of Indonesia has an own online tool for buyers and sellers, composed mostly of verified Indonesian companies. For more information, please check <http://djpen.kemendag.go.id/membership/>.

²⁵ The following website provides you with additional information regarding the HS Code of each product: <http://eservice.insw.go.id/index.cgi?page=hs-code-information.html>.

2.7 CASE STUDY: EUROPEAN IMPORTATION OF WOODEN FURNITURE FROM INDONESIA

Indonesia has a well-established regional and global reputation for furniture and handicrafts. This is strongly related to the country's strong historical traditions in woodwork and artistic crafts. Indonesia has access to a variety of wood types such as teak, suar, mahogany or tamarind. The diversity of Indonesian wood has been the base upon which the country's extensive furniture and homeware industry was developed.

The furniture industry in Indonesia is one of the sectors with the highest potential for import into the EU. While bringing Indonesian wooden furniture to Europe can be a profitable business, a good knowledge of wood and furniture import/export procedures to the EU can provide the prospective European importer with a picture of what to expect.

Regarding timber products, especially exotic woods, EU Regulations have tightened in order to prevent illegal logging products from entering EU soil.



EU FAO
FLEGT
Programme



Under the EU Forest Enforcement Law, Governance and Trade (FLEGT)²⁶, reinforced by rules and principles of the Food and Agriculture Organization of the United Nations (FAO), a number of terms and regulations have been signed with several countries. This series of agreements were the result of the "EU-FAO FLEGT Programme", aiming to support worldwide sustainable development.

Indonesia is a part of FLEGT and has signed a Voluntary Partnership Agreement (VPA) with the EU, which certifies quality and regulated timber products traded between the two countries.

Since the EU-Indonesia VPA entered into force on 1 May 2014, Indonesian wooden furniture can be imported more easily into the EU, if its terms are correctly applied to the imported products. The terms of the VPA are applicable to all Indonesian wooden furniture sellers

who intend to export to EU countries.

They must be in possession of valid documents proving that the wood used for manufacturing furniture does not originate from illegal logging.

As mentioned in section 2.3 "Requirements when Exporting from Indonesia", exporters of wood products, must:

- Obtain an export licence issued from the Republic of Indonesia Government (NPE).
- Obtain a Timber Product Export License (Dokumen V-Legal) which is obtainable through the Timber Legality Verification System (SVLK, *Sistem Verifikasi dan Legalitas Kayu*);
- Complete Certification Procedures implemented by the Indonesian Ministry of Forestry. The Timber Product Export License can also be used for the traceability of the product's origin if necessary.

²⁶ To find detailed information about the EU-FAO FLEGT consult: <http://www.fao.org/forestry/eu-flegt/en/>.

Importing wooden furniture from Indonesia requires a strong understanding of trade requirements and country standards at source and destination. One way to facilitate process is for EU importers to work with reliable Indonesian counterparts. However, finding a work-ready partner may take some time, given that they need to be in possession of all the necessary documents.

Meanwhile, there are some obligatory certificates that are required in order to access the European Market.



To find detailed information on import requirements from the EU, please refer to "Requirements for Importers" in section 1.4 above.

Indonesian Standards COO and SVLK in Relation to Timber Products

An exporter should obtain the Certificate of Origin (COO or SKA, *Surat Keterangan Asal*) prior to exporting the goods. For more information on Rules of Origin, please refer to "Annex I – Export Procedure Step-by-Step" below.

The Indonesian Timber Legality Assurance System (INDO-TLAS or SVLK) is an Indonesian scheme to guarantee the legality of its timber products before entering the international timber market. This implementation will help Indonesia to meet growing demand for legal timber. It is expected to enhance the competitive advantage of the country's timber products in the wider international market and form a part of its contribution to global environmental sustainability.

INDO-TLAS has been developed in response to increasingly rigorous timber legislation in key markets, including the EU Timber Regulation No. 995/2010 (effective since 3 March, 2013), Australia's Illegal Logging Prohibition Bill, the US Lacey Act and Japan's Goho Wood System.

The Ministry of Trade of the Republic of Indonesia issued Regulation No. 64/M-DAG/PER/10/2012 on October 22, 2012, on Forestry Product Export Regulation, to support INDO-TLAS/SVLK. This regulation classifies forest products into two categories. Each category has a different mandatory date for achieving INDO-TLAS/SVLK certification:

- **Group A:** plywood, sawmill, chip wood, LVL and veneer. This group category will have INDO-TLAS/SVLK certification before 1 January, 2013.
- **Group B:** furniture, woodworking, pulp and paper. This group category will have INDO-TLAS/SVLK certification before 1 January, 2014.

Relationship between INDO-TLAS/SVLK and VPA

The EU adopted the Timber Regulation to halt the circulation of illegal timber in the European market. The EU Timber Regulation (EUTR) became effective in March 2013. From that date on, all imports of timber into any EU Member State have to pass a due diligence assessment to prevent illegal timber from entering the market. Importers do not have to apply this due diligence assessment to timber products arriving from exporting countries that have signed and implemented a voluntary partnership agreement (VPA) with the EU, including Indonesia. Such timber is considered as having zero risk of being illegal under the EUTR.

To ensure transparency the VPA outlines the forest-related information to be placed in the public domain, the institutions responsible for making that information available and the mechanisms by which this information can be accessed.

Indonesia and the EU have been negotiating a VPA for the past four years to ensure that key forestry-related information is made available to the public under the FLEGT-VPA in a timely and appropriate manner. Indonesia is the first Asian country to have a VPA with the EU, although negotiations between Malaysia and Vietnam and the EU are showing progress.

By signing the VPA, timber products exported from Indonesia to the EU may be considered as having a negligible risk of illegality under the EUTR, saving European operators and their supply chains time and money. In addition, this may increase confidence for Indonesian timber suppliers and make Indonesian timber products more attractive than those originating from non-VPA countries.



For a closer look at the export procedures, please refer to “Annex I – Export Procedure to Indonesia Step-by-Step” below.

CONCLUSION



3. CONCLUSION

THE INFORMATION PRESENTED ABOVE PROVIDES ESSENTIAL INSIGHTS ON THE PROCEDURES, REGULATIONS AND REQUIREMENTS TO BE CONSIDERED BY EUROPEAN SMES SEEKING TO EXPORT TO AS WELL AS SOURCE FROM INDONESIA. THIS HAS BEEN ILLUSTRATED THROUGH BOTH GENERAL INFORMATION AND SPECIFIC DETAILS ON CERTAIN SECTORS, SUCH AS FOOD & BEVERAGES OR HEALTHCARE. EU TRADE POLICY FACILITATES TRADE WITH INDONESIA AND OTHER NON-MEMBER COUNTRIES BY ELIMINATING PROTECTIVE TRADE BARRIERS, BUT ALSO BY OFFERING HANDS-ON BUSINESS SUPPORT THROUGH PROJECTS SUCH AS THE EIBN OR THE EXPORT HELPDESK.

While obstacles remain, the Indonesian market is becoming more accessible and profitable than ever before. Many environmental-friendly, innovative and high-quality products and services by EU SMEs provide solutions to the ecological, industrial and social challenges and opportunities that Indonesia is facing. The EIBN is perfectly prepared to support your business activities here in Indonesia and help you to figure what your business stand and gain by entering the Indonesian market, what risks you are likely to face and how to manage those potential risks.

The prospects for future trade between the European Union and the Republic of Indonesia are very promising. Although the GSP regime, which entitles Indonesia to privileged access to the markets of the EU, will

ultimately be suspended as Indonesia's economic wealth grows, negotiations are currently underway with the aim of bringing bilateral relations to another level. The signing of a Comprehensive Economic Partnership Agreement (CEPA) aims to create a win-win situation for both parties in order to strengthen trade. The potential impact includes a recovery in EU-FDI-flowing into Indonesia as well a potential increase in exports from Indonesia to Europe of 5.4%. More than one-third of this growth would derive from traditional products, while the rest would be generated by diversifying trade with new products.

INCOTERMS GLOSSARY

Incoterms (International Commercial Terms) are a set of three letter codes which are used in international trading to regulate contracts and requirements to be fulfilled in shipping or in the delivery of goods.

C	CFR	Cost and Freight	The seller delivers the goods to the vessel at the mentioned port, the goods are clear for export and the cost of freight is paid by the seller (please mention the port)
	CIF	Cost, Insurance and Freight	Similar to the CFR, however the seller must procure and pay the insurance and premium (please mention the destination port)
	CPT	Carriage Paid To	Similar to CFR, however the goods are delivered to certain place of destination (please mention the place of destination)
	CIP	Carriage and Insurance Paid To	Almost similar to CPT, however the seller pays for insurance for the risk during transport (please mention the place of destination)
D	DAF	Delivered At Frontier	The seller delivers the goods at the place in the border area but not yet entering the custom area of the destination country (please mention the place of destination)
	DES	Delivered at Ship	The seller delivers the goods to the buyer on board the ship, the passing of risk does not occur until the goods are made available for unloading (please mention the destination port)
	DEQ	Delivered Ex Quay	The seller delivers the goods to the buyer on the destination port, uncleared for import (please mention the destination port)
	DDU	Delivered Duty Unpaid	The seller delivers the goods which are not cleared for import or unloaded at the place of destination, of which the authority of the buyer, uncleared for import (please mention the place of destination)
	DDP	Delivered Duty Paid	Similar to DDU, however the import matters is cleared.
E	EXW	Ex Works	The seller makes available the goods which have not received export license in its premise or other places (please mention the place).
F	FCA	Free Carrier	The seller hands over the goods which have received export license at the carrier's disposal appointed by the buyer in the place of destination (please mention the place).
	FAS	Free Alongside Ship	The seller delivers the goods which have received export license alongside the ship at destination port (please mention the port).
	FOB	Free on Board	The seller must load the goods on board the vessel at the mentioned port, the goods are clear for export (please mention the port)

ANNEX I - EXPORT PROCEDURE STEP-BY-STEP

COMPLETE DOCUMENTS

An export declaration has to be submitted together with “Complete Documents”. This means that it has to be submitted together with the commercial invoice and packing list (Bill of Lading will be provided by the freight forwarding companies after the inspection by the Customs Office), certificate of origin, weight-note, measurement list, manufacturer’s certificate; and where applicable inspection certificate, chemical analysis, and test certificate.



COMPLETENESS OF EXPORT DOCUMENTS

The Customs Office will check the export documents to confirm:

- The status of the exporter/PPJK (whether they were blocked or not).
- Conformity between PEB and the supporting documents, such as: proof of paid Non-State Tax Revenue (PNBP, *Pendapatan Negara Bukan Pajak*) the state income before taxes have been deducted), proof of paid Export Duty (if it applicable).

The Customs Office will declare documentation as follows:

(YES) If it is declared complete and correct.

(NO) If it is declared incomplete and/or incorrect, then Customs will issue a Rejection Notification Note (NPP) stating that the exporter should complete his documents accordingly before handing them in again to the Customs Office.

Document Examination

If the document examination is deemed complete, customs will continue its process by checking the fulfillment of prohibition requirements and/or restrictions (Iartas).

(YES) If it is deemed fulfilled, the Customs will move it on to the next stage, which is the physical examination.

(NO) If it is declared unfulfilled, then the Customs will issue a Memorandum of Notification Requirements Document (NPPD).

Conditions Under Which the Physical Examination Might Be Necessary

Once the documents are approved and the restriction provisions are declared met, then Customs will decide whether it will be necessary to conduct a physical examination.

The physical examination might be required for export goods, if the any of the following is deemed applicable:

- If the goods received the Import Facilities for Export Purpose (KITE facility, *Kemudahan Import Tujuan Ekspor*);
- If it is decided by the customs office to check if the export duty is applicable to the export goods;

- If it is decided by the Customs Office, based on the information received from the Directorate General of Taxation; or
- If it is decided by the Customs Office, based on the analysis of the Examination Unit (if there is a strong indication of infringement or a conclusive legal infringement has been found).

(YES) If physical examination is considered necessary, the Customs will issue a Material Examination Notification (PPB).

(NO) If it is deemed unnecessary, Customs will issue an Export Notification Note (NPE)

The Physical Examination

The required documents for physical examination are as follows:

If the goods require physical examinations, thus the Indonesian exporters must provide following documents :

1. PPB (PEB) completed with registration number and application date, signed and stamped with the company stamp (or corrected PEB with signature and stamp of exporter);
2. A signed and stamped Consolidated Notification of Export Goods (PKBE, *Pemberitahuan Konsolidasi Barang Ekspor*). The PKBE is a notification of export of consolidated goods made by exporters, which contains details of all export documents already approved and customs declarations of goods to be exported as a batch.
3. The copy of invoice and packing list.

The physical examination is always required when exporting under the following circumstances:

- The products are to be re-imported;
- During the importation, the goods are designated to be re-exported;
- The products receive KITE facility;
- The export tariff applies to the products;
- If determined by the General Directorate of Taxation; or
- If required, based on an analysis report of the Controlling Unit that suggests strong indications of infringement or violation of existing regulations.

The physical examination can take place in the following areas:

- The customs area of the loading port.
- The exporter's warehouse (bonded zone).
- Any place where the exporter stored their goods after receiving an approval from the Head of Customs Office.

(YES) If the physical examination is completed without deficiencies, Customs will issue an Export Notification Note.

(NO) If the examination is completed with deficiencies, the Customs Office will issue an Intelligence Result Note (NHI). The goods will be stamped and further examined by an Export Document Examination Officer (PPDE). In this case, the export of the goods may not be allowed.

Export – Shipment/Further Examination by PPDE

In order to allow for entry of the export goods into the Customs area of the loading port, the following documents are necessary:

- NPE
- PEB and PPB, if the physical examination is conducted in the Customs area.
- PKBE, if the export goods are considered consolidated goods.
- The detailed descriptions for export management and samples for administrative procedures, as per the flowchart shown above, are included in the Directorate General for Customs Act No. P-40/BC/2008 about Customs Management for Exports.

Pre-shipment Inspection

European buyers or importers might request a pre-shipment inspection by a third party, in order to determine whether the goods are ready to be exported. There a number of companies providing this service, such as:

- SGS: <http://www.sgs.co.id/>
- Sucofindo: <http://www.sucofindo.co.id/>
- TUV: <http://www.tuv.com/en/indonesia/home.jsp>

Exporting with a Letter of Credit

In international trade, it is common practice to use a Letter of Credit (L/C) as a payment method: a document that provides a guarantee for both parties, both the exporter and the importer.

Rules of Origin

The Certificate of Origin (COO or SKA) is a document that proves a certain export product has fulfilled the Rules of Origin. The various forms of COO can be extracted online. Please be informed that an exporter should get the COO prior to exporting the goods.

There are two common types of COO's when exporting to Europe:

- Form A: Generalized System of Preferences (GSP) Certificates of Origin. This form is used for preferential tariff treatment.
- Form B: This COO is only used for certain goods. It is advisable for the exporter to check the list of products requiring COO Form B in the MoT regulation No: 59/M-DAG/PER/12/2010.

Form A and Form B can be issued by the Ministry of Trade and The Chamber of Commerce and Industry of the Republic of Indonesia (KADIN, *Kamar Dagang dan Industri*). The price for the KADIN ranges between IDR 25,000 and IDR 350,000 and depends on the invoice value.

In order to be verified and included in KADIN's registry, the exporter will have to provide copies of the following documents:

- Latest Business Accreditation (*Akta Perusahaan*)
- Endorsement Document of the Ministry of Law & Human Rights [*Pengesahan Akta oleh Kementerian Hukum dan Hak Asasi Manusia (Kemenkumham)*]
- Trading License (SIUP)
- Company Registration Certificate (TDP)
- Industrial Business Permission or another specific business permission (*Izin Usaha Industri Atau Izin Khusus lainnya*)

- Tax Registration Number, (NPWP)
- Official Proof Of Residence (*Keterangan Lokas/Domisili*)
- Identification Card, NIK
- Starting on 1 January, 2014; the following products from Indonesia will no longer be eligible for GSP benefits granted by EU, such as:
 - o Live animals and animal products excluding fish (Section 1A);
 - o Animal or vegetable oils, fats, and waxes (Section 3); and
 - o Chemicals other than organic and inorganic chemicals (Section 6B).
- To check whether a product will get a GSP preference during its exportation to Europe, the product's exact HS Code needs to be identified. The details are available at: Export to EU Help Desk.
- For every COO the exporter must provide certified copies of the following documents:
 - o Export Notification (NPE) and Material Export Notification (PEB) from the Indonesian Customs Authority
 - o Bill of Lading (B/L) and Air Way Bill (AWB)
 - o Invoice
 - o Export Permission
 - o Trading contract of both parties

CONTACTS

Customs Office:

Kantor Pusat Direktorat Jenderal Bea dan Cukai
Jl. Jenderal Ahmad Yani (By Pass)
Rawamangun, Jakarta Timur, Jakarta
Phone : (+62-21) 4890308 ext. 821/822
E-mail : humaskpdbc@customs.go.id
Website : www.beacukai.go.id/

Ministry of Trade Republic Indonesia

Jl. M. I. Ridwan Rais No. 5,
Central Jakarta 10110
Phone : (+62-21)3841961/62 ;3858171
E-mail : contact.us@kemendag.go.id
Website : www.kemendag.go.id/

Ministry of Industry Republic Indonesia

Jl. Gatot Subroto Kav. 52-53
Jakarta Selatan
Phone : (+62-21) 5255 509 ext 2666
Website : www.kemenperin.go.id/

National Agency for Food and Drug Control

Badan Pengawasan Obat dan Makanan (BPOM)
Jl. Percetakan Negara No.23
Jakarta 10560 Indonesia
Phone : (+62-21) 4244691/ 42883309/ 42883462,
Fax : (+62-21) 4263333
E-mail : Informasi@pom.go.id
Website : www.pom.go.id/

National Standardization Agency

BSN - Badan Standardisasi Nasional
Gedung Manggala Wanabakti, Blok IV, Lantai 3-4
Jl. Gatot Subroto, Senayan, Jakarta 10270
Indonesia
Phone : (+62- 21)574 70 43
Fax : (+62 21) 574 70 45
E-mail : bsn@bsn.go.id
Website : www.bsn.go.id

Information Center & Standardization Documentation (Division of National Standardization Agency)

Gedung Manggala Wanabakti, Blok IV lantai 3,
Jl. Gatot Subroto, Senayan
Jakarta 10270
Phone : (+62-21) 5747043 with ext .148 (information) and ext. 144 (library)
Fax : (+62-21) 5747045
E-mail : dokinfo@bsn.go.id

National Standard Board

Gedung Manggla Wanabakti, Blok IV Lt. 3-4

Phone : (+62-21) 5747043

Fax : (+62-21) 5747045

E-mail : bsn@bsn.or.id

Website : www.bsn.or.id

Directorate General of Intellectual Property Rights

Jalan Daan Mogot KM 24

Tangerang 15119 – Banten

Phone : (+62-21) 5525388, 5524839

Website : www.dgip.go.id

EU Delegation in Indonesia

Intiland Tower, 16th floor, Jl Jend Sudirman 32, Jakarta 10220

Phone : (+62 21) 2554 6200

Fax : (+62 21) 2554 6201

E-mail : delegation-indonesia@eeas.europa.eu

Website : www.eeas.europa.eu/delegations/indonesia

Indonesian Chamber of Commerce and Industry (KADIN)

Menara Kadin Indonesia Lt. 29

Jalan HR Rasuna Said X-5 kav 2-3, Jakarta 12950

Phone : (+62-21)-5274484

Fax : (+62-21) 5274331 – 5274332

Email : sekretariat@kadin-indonesia.or.id; kadin@kadin-indonesia.or.id

Website : www.kadin-indonesia.or.id

Indonesia - Association of Indonesian Coffee Exporters (AEKI)

Jalan RP Soeroso No. 20 10330 Jakarta

Phone : (+62 21) 315 5054/ 310 6765

Fax : (+62 21) 314 4115

Website : www.aeki-aice.org

Indonesian Textile Association (API)

Gedung Graha Surveyor Indonesia lantai 16

Jl. Jendral Gatot Subroto Kav.56 Jakarta 12950-Indonesia

Phone : (+62-21) 5265212

E- mail : sekretariat.apidki@yahoo.com

Gabungan Perusahaan Karet Indonesia (Gapkindo), Rubber Association of Indonesia

Jl. Cideng Barat No. 62A, Jakarta 10150, Indonesia

Phone : (+62-21) 3501510, 3501511, 3846813

Fax : (+62-21) 3500368, 3846811

E-mail : info@gapkindo.org, karetind@gapkindo.org

GAPKI Indonesian Palm Oil Association

Rukan Sudirman Park, Blok B 18

Jl. KH Mas Mansyur Kav 35, Jakarta 10220

Phone : (+62 – 21) 57943871

Fax : (+62 – 21)57943872

Email : gapki@gapki.or.id

RESOURCES

Customs Regulation

To learn more about customs regulations consult:

<http://peraturan.beacukai.go.id/>

Certificate of Origin (COO)

More on the Certificate of Origin (COO):

<http://e-ska.kemendag.go.id/cms.php>

Directorate General of National Export Development (DGNED)

Under the following link you find valuable information regarding Export:

http://djpen.kemendag.go.id/app_frontend/

EUR-Lex Database

This data base provides detailed information on regulations and arrangements for processing goods and services under customs control:

<http://eur-lex.europa.eu/homepage.html>

EU FAO FLEGT Program

The following website provides a valuable overview about rules and regulations regarding timber export to the EU: <http://www.fao.org/forestry/eu-flegt/en>

Export Helpdesk of the European Union

This platform provides detailed knowledge about regulations concerning imports into the European Union: http://exporthelp.europa.eu/thdapp/index_en.html

Four Primary Stages in the Export Process using L/C Method

Additional information about the Export Process can be viewed at: http://djpen.kemendag.go.id/app_frontend/contents/22-four-primary-stages-in-the-export-process-using-l-c

HS CODE Information

To learn more about HS Code Information, but also Regulation Repository, Lartas Information (relating to eligibility checking for certain imported goods), Rules of Origin, Manifest Information, Exchange Rates, Trade Simulation, and Excise Tax Information:

<http://eservice.insw.go.id/>.

HS Code/Classification

Additional information about your HS Code/ Classification is available here:

<http://www.tarif.depkeu.go.id/Tarif/?menu=info&mode=text>.

Indonesian Import Restrictions and Regulations

How to determine whether your product may be imported into Indonesia:

<http://eservice.insw.go.id/index.cgi?page=lartas-import-export.html> .

Indonesia National Single Window (INSW)

To gain more information about the INSW, please consult <http://www.insw.go.id/index.jsp>.

Registration Procedures at National Agency for Food and Drug Control (BPOM)

Below, please find links for all matters related to registration procedures at BPOM

Online registration: <http://e-bpom.pom.go.id/index.php?what=openacc>.

User guide for e-licensing BPOM: <http://www.pom.go.id/pom/ebpom/data/uga.pdf>.

Manual guide to register via e-BPOM: <http://www.pom.go.id/pom/ebpom/data/careg.pdf>.

Import procedure: <http://e-bpom.pom.go.id/>

Indonesia National Standard (SNI)

To learn more about SNI for products:

http://sisni.bsn.go.id/index.php?/sni_main/sni/cari_simple

Indonesian National Trade Repository (INTR)

For detailed information regarding feature of trade references please consult here

<http://eservice.insw.go.id/>

ISPM 15 Mark – Guide to International Import and Export Regulations

To gain up-to-date news available from government departments, international regulatory bodies, and trade associations please consult: <http://www.ispm15.com>

TARIC – the Integrated Tariff of the EU

The webpage of the Taxation and Customs Union of European Union gives insights in

Online Customs Tariff Database: http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

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- KPMG, *Investing In Indonesia*, 2013. Access is available after registration with EIBN: <http://www.eibn.org>

ABBREVIATIONS

AEC	ASEAN Economic Community
AEO	Authorized Economic Operator
AFTA	ASEAN Free Trade Agreement
ASEAN	Association of South-East Asian Nations
API	Importer Identification Number (<i>Angka Pengenal Impor</i>)
API-P	Importer Identification Number for importers that act as producers in industrial or manufacturing activities (<i>API Produsen</i>)
API-U	Importer Identification Number for importers involved in trade (<i>API Unum</i>)
AWB	Airway Bill
BKPM	Investment Coordinating Board (<i>Badan Koordinasi Penanaman Modal</i>)
B/L	Bill of Lading
BPOM	National Agency for Food and Drug Control (<i>Badan Pengawas Obat dan Makanan</i>)
BTI	Binding Tariff Information
BTBMI	Indonesian Customs Tariff Book (<i>Buku Tarif Bea Masuk Indonesia</i>)
CEPA	Comprehensive Economic Partnership Agreement
CEPT	Common Effective Preferential Tariff
CIF	Cost, Insurance, and Freight (please also refer to INCOTERMS Glossary)
CITES	Convention of International Trade in Endangered Species
COO	Certificate of Origin (please also refer to SKA)
DGCE	Directorate General of Customs and Excise
DGNED	Directorate General of National Export Development
DJBC	Directorate General of Customs (<i>Direktorat Jenderal Bea Cukai</i>)
DPIL	Document on the entry of goods originating from customs territory
EIBN	EU – Indonesia Business Network
EU	European Union
EUR	Euro
EUTR	EU Timber Regulation
EPA	Economic Partnership Agreement
FAO	Food and Agriculture Organization of the United Nations
FCA	Free Carrier (please also refer to INCOMTERMS Glossary)
FLEGT	EU Forest Enforcement Law, Governance and Trade
FOB	Free on Board (please also refer to INCOTERMS Glossary)
FTA	Free Trade Agreement
GSP	Generalized Scheme of Preferences
HS Code	Harmonized Commodity Description and Coding Systems
ICL	Indonesian Customs Law
IDR	Indonesian Rupiah
IL	CEPT Inclusion List
INCOTERMS	International Commercial Terms
INDO-TLAS	The Indonesian Timber Legality Assurance System (please also refer to SVLK)
INSW	Indonesia National Single Window
IPAK	Medical Devices Distributor License (<i>Izin Penyalur Alat Kesehatan</i>)

IPPC	International Plant Protection Convention
ISPM15	International Standards for Phytosanitary Measures No. 15
ITPT	Registered Importer Number (<i>Importir Terdaftar Produk Tertentu</i>)
IUI	Industrial License (Izin Usaha Industri)
IUT	Permanent Business License (<i>Izin Usaha Tetap</i>)
JKN	National Health Insurance System (<i>Jaminan Kesehatan Nasional</i>)
KADIN	Chamber of Commerce and Industry of the Republic of Indonesia (<i>Kamar Dagang dan Industri</i>)
KAN	National Accreditation Body (<i>Komite Akreditasi Nasional</i>)
KITE	Import Facilities for Export Purpose (<i>Kemudahan Impor Tujuan Ekspor</i>)
KPPA	Representative Office Kantor (<i>Perwakilan Perusahaan Asing</i>)
L/C	Letter of Credit
LGST	Luxury Goods Sales Tax
LKPM	Investment Activity Report (<i>Laporan Kegiatan Penanaman Modal</i>)
LPE	Export Inspection Report (<i>Laporan Pemeriksaan Ekspor</i>)
LS	Surveyor Report (<i>Laporan Surveyor</i>)
LVL	Laminated Veneer Lumber
MD	Domestically Produced Food (<i>Makanan Produksi Dalam Negeri</i>)
ML	Imported Food (<i>Makanan Luar</i>)
MOH	Ministry of Health of Indonesia
MOT	Ministry of Trade of Indonesia
NHI	Intelligence Result Note (<i>Nota Hasil Intelijen</i>)
NIK	Customs Registration Number (<i>Nomor Identitas Kepabeanan</i>)
NIPE	Company Master Number (<i>Nomor Induk Perusahaan</i>)
NPE	Export Notification (<i>Nota Pemberitahuan Ekspor</i>)
NPIK	Special Importer Identification Number (<i>Nomor Pengenal Importir Khusus</i>)
NPP	Memorandum of Rejection Notification (<i>Nota Pemberitahuan Penolakan</i>)
NPPD	Memorandum of Required Documents Notification (<i>Nota Pemberitahuan Persyaratan Dokumen</i>)
NPPO	National Plant Protection Organization
NPWP	Tax registration number (<i>Nomor Pokok Wajib Pajak</i>)
NTB	Non-Tariff Barriers
PDRI	Import Tariff and Tax on Import (<i>Pajak Dalam Rangka Impor</i>)
PEB	Export Declaration (<i>Pemberitahuan Ekspor Barang</i>)
PIB	Customs Declaration Form
PKBE	Consolidated Notification of Export Goods (<i>Pemberitahuan Konsolidasi Barang Ekspor</i>)
PIBK	Declaration for Importing Particular Goods (<i>Pemberitahuan Impor Barang Khusus</i>)
PMP	Regulation by Trade Ministry (<i>Peraturan Menteri Perdagangan</i>)
PNBP	Non Tax-State Revenue (<i>Penerimaan Negara Bukan Pajak</i>)
PPB	Goods Inspection Notification (<i>Pemberitahuan Pemeriksaan Barang</i>)
PPDE	Export Document Examination Officer (<i>Pejabat Pemeriksa Dokumen Ekspor</i>)
PPJK	Customs Clearance Service (<i>Pengusaha Pengurusan Jasa Kepabeanan</i>)
PT PMA	Limited Liability Company Founded through a Foreign Investment (<i>Perseroan Terbatas Penanaman Modal Asing</i>)

PT	Limited Liability Company (<i>Perseroan Terbatas</i>)
ROO	Rules of Origin
SIUP	Trading Business License (<i>Surat Ijin Usaha Perdagangan</i>)
SIUP-MP	Trading Business License for Alcoholic Beverages (<i>Surat Ijin Usaha Perdagangan Minuman Beralkohol</i>)
SKA	Certificate of Origin (<i>Surat Keterangan Asal</i>)
SKI	Certificate of Import (<i>Surat Keterangan Import</i>)
SME	Small and Medium Enterprises
SNI	Indonesia National Standard (<i>Standar Nasional Indonesia</i>)
SP	Counseling Certificate (<i>Sertifikat Penyuluhan</i>)
SPPB	Customs Clearance (<i>Surat Persetujuan Pengeluaran Barang</i>)
SRP	Customs Registration Letter (<i>Surat Registrasi Pabean</i>)
SSPCP	Letter of Deposit of Customs Duty, Excise and Taxation (<i>Surat Setoran Pabean, Cukai dan Pajak</i>)
STBS	Certificate of Payment Deposit (<i>Surat Tanda Bukti Setor</i>)
STLG	Sales Tax on Luxury Goods
STP	Registration Certificate (<i>Surat Tanda Pendaftaran</i>)
SVLK	Timber Legality Verification System (<i>Sistem Verifikasi dan Legalitas Kayu</i>)
TARIC	Tarif Intégré de la Communauté (The Integrated Tariff of the Community)
TDP	Business Registration Certificate (<i>Tanda Daftar Perusahaan</i>)
TPB	Bonded Zone (<i>Tempat Penimbunan Berikat</i>)
VAT	Value Added Tax
VPA	Voluntary Partnership Agreement

ABOUT EIBN

The EIBN is a partnership project between five European bilateral chambers of commerce in Indonesia (BritCham, EKONID, EuroCham, IFCCI, INA) and two counterparts in Europe (EUROCHAMBRES, CCI Barcelona). The EIBN's aim is to promote Indonesia and ASEAN as high potential trade and investment destinations towards companies from all EU28 member states – particularly SMEs – and support them in their endeavor to explore the full market potential in Indonesia. The project was initiated and is co-funded by the EU.



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RESEARCH AND WRITING

EIBN Team

EDITING

Jonathan Ulrich

CREATIVE DESIGN CONCEPT AND PRODUCTION

Syafruddin Arief [EKONID]

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