

PRESS RELEASE

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Ministry of Trade Issues Minister of Trade Regulation Number 19/M-DAG/PER/3/2014 Concerning Provisions of Rice Export and Import

Jakarta, 15 April 2014 – Ministry of Trade issued Minister of Trade Regulation (*Permendag*) Number 19/M-DAG/PER/3/2014 Concerning Provisions of Rice Export and Import on 28 March 2014. This provision became effective as of the stipulation date, namely 3 April 2014.

"This Minister of Trade Regulation was issued bearing in mind that rice is a staple food for Indonesian people, making rice procurement and distribution activities become very important in creating national economic stability, maintaining food security, increasing farmers' income and welfare, and protecting consumers' interest," explained the Director General of Foreign Trade, Bachrul Chairi, in the dissemination of Minister of Trade Regulation No. 19 of 2014 at the Ministry of Trade Office, Jakarta, today (15/4).

Director General Bachrul conveyed several points of arrangement in the Trade Minister Regulation related to rice exports, namely that rice exports may only be conducted if the domestic rice supply has exceeded domestic requirements.

The types of rice that are eligible for exports include rice that are not produced through organic farming systems, black glutinous rice, and organic rice with the highest breakage rate of 25%. Moreover, rice exports can only be conducted after receiving export approval that are in accordance with the recommendation from the Ministry of Agriculture, except for rice exports that are conducted by the National Logistics Agency (BULOG) in which case the export approval need only be in accordance with the recommendation of the Coordinating Team.

Meanwhile, Bachrul further explained that rice imports can be conducted for the needs of price stabilization, emergency management, the poor, and food insecurity; particular needs in order to meet industry need as raw/auxiliary materials which are not or partially not produced domestically; particular needs that can be conducted under terms relating to health/dietary purposes and specific consumption/particular segment; and also rice from grants.

"Rice imports for health/dietary purposes and specific consumption/particular segment can only be conducted by companies that already has an appointment letter as a Registered Importer (Importir Terdaftar/IT) of Rice. While rice imports for specific needs in order to meet the industry need as raw/auxiliary materials which are not or partially not produced domestically, can be conducted by companies that have received acknowledgment as an Importer Producer (Importer Produser/IP) of Rice in accordance with a recommendation from the Ministry of Industry," explained Bachrul.

The types of rice that can be imported include rice with the highest breakage rate of 25%, broken rice with the breakage rate of 100%, broken glutinous rice with the breakage rate of 100%, Japonica rice with the highest breakage rate of 5%, whole glutinous rice and Thai Hom Mali with the highest breakage rate of 5%, and also steamed rice and Basmati rice with the highest breakage rate of 5%.

Director General Bachrul also conveyed that the requirements for Registered Importer of Rice are, among others, a photocopy of the General Importer Identification Number (*Angka Pengenal Importir Umum/API-U*) that states section II, evidence of warehouse occupancy in accordance with the product characteristics in the form of a photocopy of the Warehouse Registration (*Tanda Daftar Gudang/TDG*), and a statement affixed with duly revenue stamps declaring that it has no affiliation or relation of ownership with other companies in the rice business.

The Registered Importer of Rice that will import rice shall obtain an import approval from the Ministry of Trade considering the recommendation from the Ministry of Agriculture. After obtaining the import approval, the Registered Importer of Rice shall realize the rice import at least 80% of the import approval. "If the obligation to realize the rice import of at least 80% of the import approval is not conducted, the approval will be revoked, "Bachrul accentuated.

Bachrul also talked about other points of arrangement, among others, every implementation of rice export and import shall require a verification or technical tracking in the loading port for exports and in the country of origin for imports. Besides that, the imported rice must meet the packaging requirements and when entering Indonesia shall be labeled in Indonesian Language. Director General Bachrul also mentioned that there was an adjustment for Tariff Lines/HS in the Attachment of the Minister of Trade Regulation from the Indonesian Customs Tariff Book (*Buku Tarif Bea Masuk Indonesia/BTBMI*) of 2007 to the Indonesian Customs Tariff Book (*Buku Tarif Kepabeanan Indonesia/BTKI*) of 2012.

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