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Food & Agricultural Import Regulations and

Standards

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> **Report Highlights:** Indonesia's regulations governing food and agricultural imports are in a state of change. A comprehensive law concerning foodstuff was signed into force in 1996, but essential regulations required to implement the law are entering into force in 2000. Changes within recent years have seen a radical reduction of the Government's controls on food import and distribution, and generally progress towards a more favorable environment for trade. However, there remain secondary barriers that can disrupt trade. It is therefore highly recommended that U.S. exporters ensure that all necessary customs clearance requirements have been verified with local authorities through your foreign importers before the sale conditions are finalized.

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FOOD & AGRICULTURAL IMPORT REGULATIONS: INDONESIA

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EXECUTIVE SUMMARY

Indonesia's regulations governing food and agricultural imports are in a state of change. A comprehensive law concerning foodstuff was signed into force in 1996, but essential regulations required to implement the law are entering into force in 2000. Changes within recent years have seen a radical reduction of the Government's controls on food import and distribution, and generally progress towards a more favorable environment for trade.

The Food Act 1996 covers most aspects of food regulation, but it is broad in scope and requires several supplementary determinations. Many of those regulations remain from earlier decrees, but some - notably labeling law - require new government regulations. Another new piece of legislation is the Consumer Protection Act of 1999, which includes general provisions applicable to food retailing.

Food imports require product registration with the Department of Health and some products require additional approvals. Food additives require approval, and special labeling requirements apply. Food labels are to be in the Indonesian language and must be easily understood by consumers. Mandatory information includes the product name, weight or volume in metric units, use by date, production code, Department of Health registration number, the name and address of the manufacturer or importer and whether the food is pure by Islamic standards.

Nutritional labeling is not mandatory, but is subject to regulation if applied. The law requires the industry to inform consumers of nutritional requirements as well as list quantitative values of nutritional constituents. Misleading information is forbidden and breaches are subject to criminal proceedings.

Packaging is legislated to provide for safety from contamination but no "green" regulations apply. There are no laws affecting waste disposal, except as applicable to time expired food.

The use by date is to be determined by the manufacturer and must be shown on the label or on the package. The date may not be changed from the date placed by the original manufacturer. While the date may be of the form "best before", it is actually interpreted as an expiry date. After the use by date passes unsold food must be destroyed, or otherwise disposed of under the approval of the Department of Health.

Import of food products requires certification by the Department of Health and Customs clearance. Plants and animals are subject to quarantine requirements. Food material control by the Bureau of Logistics (BULOG) is no longer in force. Tariffs are being progressively lowered, but high duty rates were recently applied to rice and sugar imports as a reaction to claims that imports were prejudicing the survival of indigenous production.

SECTION I. FOOD LAWS

Republic of Indonesia Act No. 7 of 1996 concerning Food (*Undang-undang Republik Indonesia Nomor 7 tahun 1996 tentang Pangan*) is the most comprehensive legislation governing production, import and distribution of foodstuff in the Indonesian system. Although the Food Act 1996 was signed into force in November 1996 many of its provisions are only now coming into effect because complementary regulations have taken a long time to be enacted. For example, the Act included five clauses concerning labeling of packaged food, but an adjacent clause states that four of those five clauses will be further regulated by Government Regulation. The Indonesian view is that until the required regulations are in force the affected provisions of the Act could not be enforced.

Other significant legislation concerning food and agricultural imports includes:

- 001. Law Number 6 of 1967 concerning Essential Stipulations for Animal Husbandry and Health of Livestock.
- 002. Law Number 9 of 1985 concerning Fisheries.
- 003. Law Number 12 of 1992 concerning Cultivation of Plants.
- 004. Law Number 23 of 1992 concerning Health.
- 005. Law Number 25 of 1992 concerning Cooperatives.
- 006. Law Number 9 of 1995 concerning Small Business.
- 007. Law Number 10 of 1995 concerning Customs Tariff.
- 008. Law Number 8 of 1999 concerning Consumer Protection.

In addition to the Acts listed above there are a number of Presidential Instructions, Ministerial Regulations, Ministerial Decisions and Departmental Determinations that regulate food production, import and distribution. A list of matters covered by these authoritative documents is included at Appendix A.

Food Act (UU No 7/1996)

The broad scope of the Food Act of 1996 can be seen in its preamble, which includes the following statements:

- Food is a basic need of mankind and fulfillment of that need is a basic right of all Indonesians.
- Food that is safe, of good quality, nutritious, diverse, and provided in adequate quantity is the primary condition that must be achieved to provide a nutritional system protecting the health and improving the well being of society.
- Food as a commercial commodity requires an honest and responsible trading system so that sustenance is available within the purchasing power of the society and the trade in food can play a role in national economic growth.

The definition of food in the Act further indicates its comprehensive coverage:

'Food is everything that originates from biological sources and from water, either processed or unprocessed, that is intended to be eaten or drunk by humans, including food additives, basic food materials and other materials used in the preparation, processing and/or manufacture of food and drink.'

The official amplification appended to the legislation states that the Food Act covers the following aspects:

- Technical criteria concerning food covering safety, quality and nutrition as well as provisions for labeling and advertising foodstuff.
- Responsibilities of those who produce, store, transport and/or distribute food, together with legal sanctions to enforce the determinations. (This aspect includes import and export of foodstuff.)
- The role of government and society in achieving self-sufficiency in food and diversity in the foodstuffs consumed.
- The role of government in fostering a domestic food industry aiming to improve the characteristics of food for domestic consumption and for export.

The Act contains the following chapters and sections:

- 1. Food Safety covering:
 - Sanitation.
 - Food additives.
 - Genetic engineering and irradiation.
 - Food packaging.
 - Quality assurance and laboratory testing.
 - Contaminated food.
- 2. Food Quality and Nutrition:
 - Food quality.
 - Nutrition.
- 3. Labeling and Advertising Food:
- 4. Import and Export of Food:
- 5. Legal Responsibility within the Food Industry.
- 6. National Resilience in Food.
- 7. Participation by Society.
- 8. Monitoring and Enforcement.
- 9. Criminal Provisions.
- 10. Delegation of Supplementary Tasks and Responsibilities.
- 11. Other provisions (Government may override the Act in an emergency).
- 12. Effect on earlier acts (remain in force unless in contradiction with the Act).
- 13. Closing provision (the Act is valid from the date of enactment).

SECTION II. LABELING REQUIREMENTS

General Labeling

Requirements for labeling of food products are broad in scope and in a phase of transformation. Changes resulting from the Food Act 1996 and the Consumer Protection Act 1999 have come into effect in 2000. However, how those changes will impact on the food industry and on consumer groups, and their practical application and interpretation is yet to be seen.

Previously existing labeling regulations will remain in force, except where they are in conflict with the new law. The "old" regulations are contained in the following ministerial and departmental regulations:

- Minister for Health Regulation No. 79 of 1978 concerning Food Labels and Advertisements
- Minister for Health Regulation No. 76 of 1975 concerning Distribution and Labeling of Sweetened Condensed Milk
- Joint Decree by Minister for Health and Minister for Religion No. 68 of 1985 concerning the Inscription "Halal" on Food Labels
- Minister for Health Regulation No. 280 of 1976 concerning Distribution and Labeling of Foodstuff Containing Material Originating from Swine
- Minister for Health Regulation No. 826 of 1987 concerning Irradiated Foodstuff
- Director General for Control of Food and Medicine No.02240/B/SK/VII/1991 concerning a Guide to Quality Criteria and to Labeling and Advertising Food.

The latter document is the most comprehensive, outlining detail of the policy as interpreted in 1991 for implementing the Minister's regulation No. 79 issued in 1978. The director general who issued the guide is the public official responsible for enforcing the legislation.

All food packaged for sale must be labeled using:

- The Indonesian language,
- Roman text
- Arabic numerals.
- The writing must be firmly affixed and clear so as to be easily understood by the community.

Required items for labels under the Food Act 1996 include as a minimum:

- The name of the product.
- A list of ingredients.
- Net weight or net volume using metric units.
- Name and address of the manufacturer or importer.
- Information whether the product is "Halal" (Pure by Islamic standards).
- Date of expiry. (Expiry date is amplified in Section VI of this report.)

The Act further states that the Government may stipulate additional items for inclusion, or may ban certain items from appearing on labels. Items that would therefore be required include:

- Production date as required by the Consumer Protection Act 1999.
- On sweetened condensed milk: the words "*Perhatikan! Tidak cocok untuk bayi*." (Beware! Not suitable for babies) to be written in Indonesian in red 'universe medium corps 8' font and enclosed in a red rectangle.
- On products derived from swine: the words "*MENGANDUNG BABI*." (Contains pig) to be written in red 'universe medium corps 12' font and enclosed in a red rectangle together with a drawing of a pig.
- Irradiated packaged food must carry a logo and the word "*RADURA*", together with phrases that indicate the reason for irradiation. Also required are the name and address of the radiation facility, the month and year of irradiation and the country in which the process was carried out.
- "*Minuman keras*" (Hard liquor) is to be written on all alcoholic beverages.
- "*Bahan tambahan makanan*" (food additive substance) to printed in accordance with the relevant regulation.
- The Department of Health registration number is required on all labels.

Regulated or prohibited claims or implications under pre-1996 legislation include:

- On baby food it is not permissible to state or imply that the food can replace a mother's milk.
- A label is not permitted to imply that the contents have an advantage over products that do not carry a nutritional claim on their label.
- A special claim is not permitted if the nutritional value derives from associated food items. For example a breakfast cereal package may not include the nutritional contribution of the milk and sugar normally added.
- A claim for benefit to health must be supportable on the basis of the product composition and normal daily consumption.

U.S. labels would be unacceptable unless they meet all the requirements of the Indonesian law, but stick on labels meeting Indonesian requirements may be affixed. Whether foreign language in addition to the mandatory Indonesian labeling may be used is yet to be clarified. Previous instructions allowed foreign language provided that it was not dishonest or could lead to dishonesty. In general foreign expressions are discouraged since they are seen as potentially misleading to a majority of the population. Moreover, Indonesia has an indigenous list of recommended daily average (RDA) nutritional intakes, and therefore US comparisons to RDA would be invalid.

The newly introduced labeling regulations state that labels must be written in the Indonesian language. Officials have indicated that this means "only in the Indonesian language" because there is no provision for additional or duplicated labeling in a foreign language. The industry objects to that interpretation because it would necessitate labeling printed specially for Indonesia. The regulation has only recently come into force and whether the narrow interpretation will be enforced is not yet clear.

The Director General for Control of Food and Medicine may require food carrying a label in breach of regulations to be withdrawn from circulation. The Department suggests that labels be presented for approval by the Director General to obviate sanctions after a product has been released on the market. The suggestion has merit, but no regulation exists to require approval before release.

Labeling regulations are primarily applicable to packaged food for retail sale. Food delivered in bulk for repackaging or industrial use is subject only to requirements associated with irradiated foodstuff or food additives.

Enforcement of the labeling regulations is the responsibility of the Department of Health. The amount of packaged food in the market place that does not comply with the rules indicates that the Department does not have sufficient resources to enforce the law. Breaches would normally come to notice only in the event of a complaint - most likely from a consumer group, a religious movement or a competitor.

Nutritional Labeling

Nutritional labeling to date has been sporadic and varied. The regulatory document is the guide to food labeling issued by the Director General for Control of Food and Medicine in 1991. Since that document is a "guide" nutritional labeling is a voluntary practice.

Nutritional labeling is considered an educational service. Consequently labels are not permitted to lead consumers to believe that a certain amount of a particular substance must be consumed on a daily basis to ensure health. The view is that individuals have different requirements, and therefore no daily requirement should be promoted. Any claim for benefit to health must be supportable on the basis of the product composition and normal daily consumption. Implied claims are not acceptable because they tend to mislead and do not fit the concept of informing consumers of nutritional facts.

The Departmental view is that claims for therapeutic or physiological benefit can be divided into three classes:

1. Nutritional claims relating to the food's value as a source of energy, protein, vitamins or minerals in two divisions: identification of the elements present and clarification of their benefits.

- The nutritional elements must be listed and quantified. CODEX standards are to be used by preference, but are not permitted to conflict with the Departmental guidelines.
- Clarification of the benefits of the food elements is intended to improve the general knowledge of nutritional requirements in the society. The clarification is not an essential addition to the listing of nutritional values, but if included it must be an addition, not substituted for the quantified list.
- 2. Therapeutic claims relating to benefit in curing a disease or health condition.
- Food for the treatment of obesity or diet food may only be identified as such if the calorific value is at least 25% lower than regular food of the same type.
- Food may be identified as "diabetic food" only if it does not contain carbohydrate, or the

carbohydrate content is far lower than regular food of the type, or the carbohydrate content is stated on the label. Diabetic food may not be labeled "low in sugar" or "free of sugar" if the food contains carbohydrate.

- 3. Claims that a foodstuff has tonic or restorative effect. In this respect:
- It is forbidden to claim that one foodstuff can ensure good health.
- A claim that a foodstuff constitutes a tonic is not permitted. In general the word "tonic" should not be used except for "tonic water".

Health claims must be substantiated by legitimate research. Only a functional claim that is not misleading is permitted. Examples of acceptable claims are:

- Fibre helps to improve digestion.
- Fat free produce is good for the heart.
- Calcium aids in the development of strong bones and teeth.
- Iron is a factor in red blood cell formation.

Examples of non-acceptable claims are:

- Omega 3 develops the brain cells and intelligence.
- Calcium prevents osteoporosis and bone fractures.
- Iron prevents anaemia.

The foregoing examples are taken from an article published by the Directorate of Food Control, Directorate General for Control of Food and Medicine, Department of Health (*Percetakan Negara 23*).

In addition to the provisions specifically for food labeling, the Consumer Protection Act 1999 contains general provisions against misleading claims. The provisions are wide ranging and apparently give consumers a high degree of protection from unethical business practices after coming into force on 1 April 2000. However, the effectiveness of the legislation is yet to be established.

SECTION III: PACKAGING AND CONTAINER REGULATIONS

Packaging is regulated under the Food Act of 1996 as follows:

- Any person producing food for sale is forbidden to use any material that has been banned and/or can release contaminants that are dangerous or prejudicial to good health.
- Food for sale is to be packaged using methods to avoid spoiling or contamination.
- The Government will decide materials forbidden for use in packaging, and methods for packaging certain food
- If the effects of a packaging material on human health are not known, it must be not be used before being checked for safety. New types of material may be used for packing food only after receiving Government agreement.

• No person is permitted to unwrap and re-pack food, except in the case of bulk food intended to be packed into smaller packages.

The regulations to implement the legislation have not been issued to date. There are no industry regulations or practices applicable to package size. Weights and measures used are metric, but imperial sizes labeled with the corresponding metric value are acceptable. Waste disposal is not regulated, except as covered in Section VI for time expired food.

SECTION IV. FOOD ADDITIVE REGULATIONS

The Food Act 1996 states that food additives are not to be used if they have been banned, or may not exceed specified limits. This implies a "negative" regulation of food additives, but the subsequent clause states that the Government will determine which substances are banned as food additives and/or may be used in food production and also the content limit. Hence the regulation is "positive" in that the Government states those additives that may be used.

Moreover, a regulation issued by the Director General for Control of Food and Medicine, No. 02592/B/SK/VIII/91 makes it clear that all uses of food additives require approval. The process to request approval is detailed in that regulation, including sample forms to be completed and sample approval forms. Approval is the prerogative of the Director of Food and Beverages, a subordinate of the Director General for Control of Food and Medicine. The regulation states that approval will be based on assessment against guidelines prepared by the Director General.

Approved food additives may be used subject to limitations or conditions in the approval granted. They may also be used in other food products provided that their use does not contravene special conditions for that product.

Every import of food additives must be reported in writing to the Director General for Control of Food and Medicine after the goods arrive in harbor. The report must include:

- The name of the substance and batch quantity and weight.
- The name and address of the importer.
- The name and address of the exporter.
- The name and address of the producer.
- The port and date of lading.
- The port of destination and date of arrival.
- The name, nationality and registration number of the ship or aircraft carrying the food additive import.
- The name and address of the warehouse and date into store.
- An outline of any accidents that may have occurred during shipping.

A certificate of analysis for the applicable batch must accompany every import of food additives. The certificate may be issued by the production plant or by the responsible authority in the country of origin. Before the import is cleared from the point of entry the Director General for Control of Food and Medicine must agree the certificate. If a certificate does not accompany an intended import, then a certificate must be requested from the Director General for Control of Food and Medicine before the food additive shipment may enter the country. The certificate must include:

- Date that the sample was taken.
- Batch number of the product
- Test date.
- Test method.
- Statement that the test result was in accordance with criteria for the product.

A food additive product from an animal source must also have a certificate of conformity with Islamic purity "Halal". That certificate is to be issued by the responsible authority in the country of origin.

Food additives produced, imported or distributed must comply with the Indonesian Food Codex or conditions approved by the Minister for Health. For food additives not listed in the Indonesian Codex, or not having conditions determined by the Minister for Health, the FAO/WHO Codex Alimentarius Commission or Food Chemicals Codex is applicable.

Whether a new regulation subsidiary to the Food Act 1996 and replacing the regulation No. 02592/B/SK/VIII/91 is to be issued has not been announced.

SECTION V. PESTICIDE AND OTHER CONTAMINANTS

Pesticide and other contaminants are positively regulated, in general by the Food Act 1996 and in detail by a joint decree by the Minister for Health and the Minister for Agriculture, plus a Health Department regulation regarding metal contamination and also one concerning microscopic organism contamination.

Regarding pesticide residues the joint decree states that:

- The maximum allowable residue for products directly or indirectly consumed by humans is as per the appended list. (Ref: *Keputusan Bersama Menteri Kesehatan dan Menteri Pertanian Nomor: 881/Menkes/SKB/VIII/1996, 711/Kpts/TP.270/8/96*).
- Agricultural products circulated in Indonesia, whether locally produced or imported, are not permitted to contain higher levels of pesticide than those in the list.
- Agricultural products imported with greater than the allowed pesticide residue must be refused.
- Tests for pesticide residue are to be conducted in a laboratory appointed by the Minister for Health or the Minister for Agriculture.
- The Minister for Health and the Minister for Agriculture will monitor and enforce the joint decree according to their tasks and functions.
- The Minister for Health and the Minister for Agriculture will act in concert to make changes to the joint decree.

The list appended to the joint decree includes 218 pesticides and a number of potentially

contaminated agricultural products for each pesticide. Example entries and the layout are as follows:

No.	Pesticide	Commodity		Maximum
		Indonesian	English	(mg/kg)
1	Abamektin	Daging	Meat	0.01
	(abamectin)	Susu	Milk	0.01
2	Aldikarb	Bawang Bombay	Onion	0.05
	(aldicarb)	Biji-biji	Cereals (dry)	0.1
		Bit gula	Sugar beet	0.05
		Bit gula (daun)	Sugar beet (leaf)	1
		Buncis (kering)	Beans (dry)	0.1
		Daging	Meat	0.01
		Jagung	Maize	0.05
		Jagung (pakan ternak)	Maize (forage)	5
		Jeruk	Citrus	0.2
		Kacang kedelai (kering)	Soybean (dry)	0.02
		Kacang tanah	Peanut	0.05
		Kapas (biji)	Cotton (seeds)	0.1
		Kemiri	Pecan	0.5
		Kentang	Potato	0.5
		Kopi (biji)	Coffee (beans)	0.1
		Nanas	Pineapple	0.5
		Pisang	Banana	0.5
		Sorgum	Sorghum	0.2
		Susu	Milk	0.01
		Tomat	Tomato	0.5
		Ubi jalar	Sweet potato	0.1
3	Aldrin	Asparagus	Asparagus	0.1

There is no provision for use of alternative standards, for example CODEX, for pesticides not listed.

Regulation No. 03725/B/SK/VII/89 issued by the Director General for Control of Food and Medicine specifies maximum allowable levels for heavy metals contamination. The list covers six metals: arsenic; lead; copper; zinc; tin and mercury. For each element an allowable level is specified for fifteen food classes, for example fruit and fruit products, soft drinks and meat and derived products. The final category is "other food not listed above" thus making the list comprehensive.

Similarly Regulation No. 03726/B/SK/VII/89 issued by the Director General for Control of Food and Medicine lists sixteen classes of food and gives allowable limits for specified micro-organisms in the food categories.

Lists giving maximum allowable contamination of pesticide, metal and microscopic organisms can be obtained from the Department of Health, Director General for Control of Food and Medicine.

SECTION VI. OTHER REGULATIONS AND REQUIREMENTS

<u>Registration:</u>

All processed food products imported must be registered with the Department of Health except for:

- Processed food with a life of less than seven days at room temperature.
- Processed food representing a donation to the Government or to a Social Institution.
- Processed food in small quantities for the specific purposes of registration with the Department of Health, scientific research or personal consumption.

While the regulation indicates that small quantities for personal consumption do not require registration, the Customs barrier official decides the quantity permissible and so even small quantities have been seized and subjected to approval procedures.

Registration requires submission of five standard forms in triplicate together with:

- A sample of the food.
- The label (10 copies) and brochure if applicable.
- For repackaged product, the operating license of the Indonesian business involved and a letter of reference from the original production plant.
- For product produced under licence, the Indonesian company's licence and a letter of reference from the overseas factory.
- For imported products a reference letter from the overseas factory, a health certificate and a radiation free certificate in accordance with existing law.

Information required on the forms includes, but is not limited to, the following:

- Form A provides general information about the food, the name and address of the applicant and the factory or company.
- Form B gives the composition and quality of the product and its packaging.
- Form C covers the production process including method of cleaning the inner wrapping and closure.
- Form D explains quality control and final inspection.
- Form E lists the documents and substances submitted by the applicant.

The submission will be checked on receipt and complete submissions accepted for processing by the issue of Form M8. Incomplete submissions will be returned with Form M9, the rejection format. The cost of the registration process is not published in the regulations. Laboratory tests required would be conducted at a facility nominated by the Director General for Control of Food and Medicine at the expense of the applicant.

Certificates required for the import of food products include:

- Department of Health Approval Registration (Form M1 or M2)
- Radiation free for specific food types (see Section VII below)
- Certification of Islamic purity standards "Halal".
- Certificate of Health from Country of Origin (see Section VII below)
- Irradiated food Certificate (see Section VII below)
- Food additive analysis certificate (see Section IV above)
- Alcoholic liquor requirements

Following consideration, the product may be:

- 1. Registered with the issue of Form M1;
- 2. Conditionally registered with the use of Form M2; or
- 3. Rejected from registration via the issue of Form M 3.

SECTION VII. OTHER SPECIFIC STANDARDS

GMO's

Genetically engineered food is regulated under the Food Act 1996. Any producer using genetic engineering must ensure that the product is safe for human consumption before distribution. The Government will issue regulations to complement the Food Act 1996 in its application to the use of genetic engineering in the food industry.

In terms of labeling requirements for GMO's:

- 1. The words GENETICALLY ENGINEERED FOOD shall be contained in labels of food resulting from genetic engineering.
- 2 In the case of processed food which results from genetic engineering as meant in paragraph

being ingredients used in certain food products, the information on genetically engineered ingredients of foods resulting from the genetic engineering on labels shall be enough.

Halal Certification:

Islamic purity: "Halal" is important. The approval authority in Indonesia is the Islamic Association of Indonesia (MUI). MUI will advise which Islamic authorities in the US are recognized as competent to issue certificates of compliance since not all Islamic institutions are regarded as competent to certify food as "Halal". Approval by other countries' authorities, even neighboring Malaysia, is irrelevant to the process of "Halal" certification for Indonesia. A list of approved Islamic Centers in the Unites States is provided by MUI and notified by the government through the appropriate ministry.

Health Certificates:

A health or safety certificate from the country of origin must accompany all food imports. The principle being that food may only be imported if it is accepted in its country of production. The certificate is to be issued by the responsible authority in the country of origin or the exporting country. It should state that the food is safe or fit for human consumption, and that its distribution is permitted in the country of origin.

Wine and Spirits:

Alcoholic beverages are strictly controlled and subject to high rates of excise because consumption of alcohol is contrary to the religion of the majority and not part of the culture. The requirements for obtaining approval for importing alcoholic liquor are stated in several Ministerial and Departmental documents that should be researched before contemplating the export of alcohol.

Irradiation Certificates:

A certificate stating that the product is not contaminated by radiation greater than the level stated is required to accompany imports of the food types listed below:

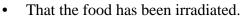
- Milk and milk products.
- Fresh or processed fruit and vegetables.
- Fish and seafood both fresh and processed. Cs137 100 Bq/k
- Meat and meat products.
- Mineral water.
- Cereals including corn flour and barley.

Cs137 150 Bq/kg Cs137 300 Bq/kg Cs137 100 Bq/kg Cs137 100 Bq/kg Cs137 150 Bq/kg Cs137 300 Bq/kg The radiation compliance certificate is to be issued by the responsible authority in the country of origin or exporting country.

Food products that may be irradiated are as follows:

- Dry spices to prevent or retard insect infestation.
- Tubers and root crops (potatoes, onions, garlic) to retard sprouting.
- Grain cereals to prevent insect infestation.

Irradiated food must be labeled as such, using the logo illustrated and the word "RADURA". A certificate that states the following information for the batch must accompany the food:



- The objective of the irradiation.
- The national or international code of the radiation facility.
- The date of treatment.
- The radiation source used with the type, quantity and batch number of the food irradiated.

Others:

- Milk products have special regulations.
- Baby food has special regulations.
- Food sanitation laws are contained in the guide to good food processing.
- Seafood has a special law relating to production standards for export rather than for imports.
- Animal quarantine applies and current law should be checked before planning export of live animals.

SECTION VIII. COPYRIGHT AND/OR TRADEMARK LAWS

Copyright and trademark law is under review to meet world standards for protection of intellectual property. Indonesia is one of the countries on the US watch list for protection of intellectual property. However, efforts on the part of the Indonesian Government to improve legislation and enforcement in the field have resulted in downgrading of the caution status from the highest level to the second highest level.

Trademarks should be registered with the patent office. The process requires over two years to completion, but the mark is provisionally protected from the date of lodgement. The cost is in the order of US\$700.

Trademarks once registered have no limitation on period of validity.



SECTION IX. IMPORT PROCEDURES

Import procedures are relatively straightforward, but require meticulous attention to detail.

Seemingly insignificant omissions or errors can result in considerable delay.

Import documents may be prepared in English, but the level of comprehension by public servants is limited. As an example Customs would not accept the term "cartage" on an invoice as meaning a freight charge because "cartage" is not in the most widely used English-Indonesian dictionary.

Documents should be:

- concise;
- use simple language; and
- complete.

Standard documents, such as invoices, regularly used in the domestic market may not be suitable in export dealings. For example invoices that show a list price, then a discount percentage, then a total price charged result in duty being levied on the price before discount on the basis that the list price is the "correct" price.

Customs clearance if all documentation is complete could be finished in two days. However, attention to detail is most important. Incomplete documentation could result in delays of several weeks. For example processing Health Department registration could be expected to take in the order of eight weeks if no certificate accompanies the goods.

A determination by a Government official could be appealed. However, the official's determination would invariably be couched in terms of the current legislation and hence would be unlikely to over-ruled. Indonesian Courts give judgements on the basis of perceived justice, and are not strictly bound by precedent. Hence decisions have a degree of inconsistency and unpredictability.

SECTION X. CONCLUSIONS AND RECOMMENDATIONS

Food law in Indonesia controls domestic production, import of foodstuffs, processing and distribution. Import licensing is no longer generally required, but food products must be registered with the Department of Health before clearance through the Customs barrier.

Packaged food for sale in the Indonesian market must be labeled in the Indonesian language and must conform to mandatory inclusions. The original "use by date" affixed by the producer may not be altered by the importer, and "best before ..." dates are interpreted as expiry dates. The consumer protection law requires that the date of production be shown on the package. In some cases the exporter and importer could be jointly liable for penalties if the law was not observed. Moreover strict conditions apply to some products, notably food additives and alcoholic liquor.

Since the majority of the population professes the Muslim faith it is important to obtain "Halal" certification to market a food product. The process should be checked with the Islamic

Association of Indonesia (MUI) because certification specifically for Indonesia must be obtained.

The process for registration of food is well documented and relatively straight forward, but it is time consuming and should be carried out before shipping. Typical time required for an uncomplicated approval is reported to be two months.

Transportation and storage infrastructure in Indonesia is limited, and hence availability of suitable facilities should be checked before shipping. The tropical conditions lead to rapid deterioration of products if not adequately protected.

Protection of intellectual property is underdeveloped in Indonesia, but trade marks should be registered to provide an element of protection. The process is not expensive but requires two years to complete. However, once registered the trade mark remains valid indefinitely.

IMPORTANT: It is highly recommended that U.S. exporters ensure that all necessary customs clearance requirements have been verified with local authorities through your foreign importers before the sale conditions are finalized. Final import approval of any products is always subject to the rules and regulations as interpreted by the country of import at the time of product entry.

APPENDIX A

SUMMARY OF LAWS, REGULATIONS AND DECISIONS

The following list of laws, regulations and decisions is arranged hierarchically. With the enactment of the Food Act 1996 and subsequently the Consumer Protection Act 1999, most ministerial and departmental regulations and decisions rely on the authority of those acts, and especially the Food Act. A number of regulations are being drafted to complement the relatively new legislation. Up to date information regarding regulations should be sought from the Department of Health, Directorate General for Control of Food and Medicine.

Acts covering most aspects of food law

- , Republic of Indonesia Act No. 7 of 1996 concerning Food
- , Republic of Indonesia Act No. 8 of 1999 concerning Consumer Protection

Primarily Concerned with Production and Distribution

- , Presidential Instruction No. 2 of 1985 concerning the Coordination of Fostering and Development of National Companies.
- , Presidential Instruction No. 2 of 1991 concerning Improving the Development and Control of Production and Distribution of Processed Food.
- , Minister of Health Regulation No. 329/Menkes/Per/XII/1976 concerning the Production and Distribution of Food.
- , Minister of Health Regulation No. 86/Menkes/Per/IV/1977 concerning Alcoholic Beverages.
- Minister of Health Regulation No. 59/Menkes/Per/II/1982 Forbidding the Distribution, Production and Import of Alcoholic Beverages not Registered with the Department of Health.
- , Minister of Health Decision No. 23/Menkes/SK/II/1978 concerning a Guide to Good Production Practices for Food.
- , Director General for Control of Food and Medicine Decision No. 153/B/SK/1980 concerning Procedures for Licensing Alcoholic Beverages.

Primarily Concerned with Food Quality and Safety

- , Presidential Instruction No. 2 of 1990 concerning a Guide for the Simplification of Quality Assurance of Fresh Fish and Frozen Fish.
- Joint Decision by the Ministers for Agriculture, Health and Trade No.363/Kpts/IK.120/5/1990, No.248/Menkes/SKB/V/1990, No.143/ Kpb/V/1990 concerning a Guide for Implementation of Presidential Instruction No. 2 of 1990 concerning a Guide for the Simplification of Quality Assurance of Fresh Fish and Frozen Fish for Export.
- Joint Decision by the Ministers for Industry, Health, Trade and Internal Affairs No. 185/M/SK/5/1985, No. 242A/Menkes/SKB/V/1985, No. 756A/Kpb/V/1985, No. 22 of 1985 concerning Iodized Salt.
- Joint Decision by the Ministers for Health and Agriculture No. 881/Menkes /SKB/VIII/1996, No. 771/Kpts/TP.270/8/1996 concerning Maximum Levels of Pesticide Residues in

Agricultural Products.

- , Minister of Health Regulation No. 712/Menkes/Per/X/1986 concerning Health Criteria for Serving Prepared Food.
- , Minister of Health Regulation No. 240/Menkes/Per/V/1985 concerning Substitutes for Breast Milk.
- , Minister of Health Regulation No. 76/Menkes/Per/XII/1975 concerning Distribution and Labeling of Sweetened Condensed Milk.
- , Minister of Health Regulation No. 180/Menkes/Per/IV/1985 concerning Time Expired Food.
- Minister of Health Regulation No. 208/Menkes/Per/IV/1985 concerning Artificial Sweeteners. Minister of Health Regulation No. 826/Menkes/Per/XII/1987 concerning Irradiated Food.
- , Director General for Control of Food and Medicine Decision No. 02592/B/SK/VIII/1991 concerning the Use of Food Additives.
- , Director General for Control of Food and Medicine Decision No. 02665/B/SK/VIII/1991 concerning Production Methods for Infant and Baby Foods.
- Director General for Control of Food and Medicine Decision No. 01323/B/SK/V/1985 concerning Minister for Health's Regulation No.180/Menkes/Per/IV/1985 about Time Expired Food.
- , Director General for Control of Food and Medicine Decision No. 02942/B/SK/IX/1986 concerning Technical Procedures Guide for Quality Control of Iodized Salt at the Distribution and Consumer Level.
- , Director General for Control of Food and Medicine Decision No. 03725/B/SK/VII/1989 concerning Limits of Metal Contamination in Food.
- , Director General for Control of Food and Medicine Decision No. 03726/B/SK/VII/1989 concerning Limits of Bacterial Contamination in Food.
- , Director General for Control of Food and Medicine Decision No. 02664/B/SK/VIII/1991 concerning Quality Criteria for Breast Milk Substitutes.
- Director General for Control of Food and Medicine Decision No. 02048/B/SK/VI/1991 concerning Procedural Guide for the Minister for Health's Regulation No.240/Menkes/Per/V/1985 about the Marketing of Substitutes for Breast Milk.
- , Director General for Control of Food and Medicine Decision No. 02591/B/SK/VII/1991 concerning Changes to the Appendix to Minister for Health's Regulation No.180/Menkes/Per/IV/1985 about Time Expired Food.

Primarily Concerned with Import of Food

- , Minister of Health Decision No. 2380/Menkes/Per/VI/1979 concerning the Obligation to Include a Certificate of Analysis with Every Import of Food Additives.
- , Minister of Health Decision No. 00474/B/II/1987 concerning the Obligation to Include a Health Certificate and Radiation Free Certificate with Food Imports.

, Director General for Control of Food and Medicine Decision No. 02594/B/SK/VIII/1991 concerning the Import of Food Additives.

Primarily Concerned with Registration of Food

- , Minister of Health Regulation No. 382/Menkes/Per/VI/1989 concerning Registration of Food.
- , Minister of Health Decision No. 1700/B/SK/VIII/1982 concerning criteria for Rejection of Registration of Certain Types of Liquor and Food or Drinks that Contain Alcohol.
- Director General for Control of Food and Medicine Decision No. 03537/B/SK/VI/1989 concerning Procedural Guide for the Minister for Health's Regulation No. 382/Menkes/VI/1989 about the Registration of Food.
- , Director General for Control of Food and Medicine Decision No. 02593/B/SK/VIII/1991 concerning Procedures for the Registration of Food Additive Producers and Products.

Primarily Concerned with Labeling of Food

- , Joint Decision by the Ministers for Health and Religion No.427/Menkes/SKB/VIII/1985, No.68 of 1985 concerning the Printing of Halal" on Food Labels.
- , Minister of Health Regulation No. 280/Menkes/Per/XI/1976 concerning the Distribution and Labeling of Food Containing Substances Originating from Swine.
- , Minister of Health Regulation No. 79/Menkes/Per/III/1978 concerning Labeling and Advertising Food.
- , Director General for Control of Food and Medicine Decision No. 02240/B/SK/VII/1991 concerning a Guide to Quality Criteria and Labeling and Advertising of Food.

APPENDIX B

REGULATORY AGENCIES AND RELEVANT ASSOCIATIONS

Department of Health Director General for Medicine and Food Supervision (*Direktur Jenderal Pengawasan Obatdan Makanan*) Jalan Percetakan Negara No. 23 Jakarta 10560 Tel: +6221-4244688 Fax: +6221-4243605

Director for Supervision of Food and Beverage (*Direktur Pengawasan Makanan dan Minuman*) Address as above. Tel: +6221-4241781 Fax: +6221-4243605

Department of Finance Director General for Customs and Duties (*Direktur Jenderal Bea dan Cukai*) Jalan Jend. A. Yani / By Pass Jakarta Tel: +6221-4897511 Fax: +6221-4890308

Department of Agriculture Director General for Food Crops and Horticulture (*Direktur Jenderal Tanaman Pangn dan Hortikultura*) Jalan AUP Pasar Minggu, Kotak Pos 97 Jakarta 12520 Tel: +6221-7806810 Fax: +6221-7806309

Director General for Animal Husbandry (*Direktur Jenderal Peternakan*) Department of Agriculture, C Building Jalan Harsono RM No. 3, Ragunan Pasar Minggu Jakarta 12550 Tel: +6221-7815580 Fax: +6221-7815581

<u>National Logistics Board</u> Chairman National Logistics Board (*Kepala Badan Urusan Logistik*) Jalan Gatot Subroto No. 49 Jakarta 12950 Tel: +6221-5252209 Fax: +6221-5204334

The Indonesian Food & Beverage Association (GAPMMI)

Duta Mas Fatmawati Blok D-1 no. 30 Jl. RS Fatmawati Raya Jakarta 12150 Tel: +6221-7230391, 7230091 e-mail: gapmmi@indosat.net.id

Fax: +6221- 7230090

Indonesian Consumer Organization (YLKI) Chairperson Jalan Pancoran Barat VII No. 1 Duren Tiga, Pasar Minggu Jakarta 12760 e-mail: <u>konsumen@rad.net.id</u> Homepage: <u>www.ylki.org</u> Tel: +6221-7981858 Fax: +6221-7981038

<u>Council of Indonesian Muslim Scholars</u> (*MUI*) Chairman Masjid Istiqlal Taman Wijaya Kusuma Jalan Masjid Istiqlal Jakarta 10710 Tel: +6221-3841662 Fax: +6221-3847189

Association of Indonesian Fresh Fruit and Vegetable Importers (ASIBSINDO) Chairman Komplek Material Mangga Dua Building Jalan Mangga Dua Raya Blok F4/25 Jakarta 10730 Tel: +6221-3906973 Fax: +6221-39065674

SECTION V. POST CONTACT AND FURTHER INFORMATION

The U.S. Agricultural Trade Office in Jakarta maintains up to date information covering food and agricultural imports into Indonesia and would be pleased to assist in facilitating exports and entry to the Indonesia market. Questions or comments regarding this report should be directed to the U.S. ATO in Jakarta at the following address:

U.S. Commercial Center				
Wisma Metropolitan II, 3rd Floor				
Jalan Jenderal Sudirman Kav.29-31				
Jakarta 12920 - Indonesia				
Tel:	+62215262850			
Fax:	+62215711251			
e-mail:	atojkt@cbn.net.id			
Homepage:	http://www.usembassyjakarta.org/fas			

Please contact our home page for more information on exporting U.S. food products to Indonesia, including "The Retail Sector Report: Indonesia", "The Food Processing Sector Report: Indonesia"; "The HRI Food Service Sector Report: Bali; "The Exporter Guide"; "Market Brief - Indonesian Wine Imports"; "Market Brief - Imports of U.S. Fresh Fruit: Indonesia"; and "Market Brief - Indonesian Meat Processing Industry". As of October 2000, the following reports are available: "The HRI Food Service Sector Report: Indonesia"; "Market Brief - Indonesian Bakery Industry"; and Market Brief - Indonesian Bakery Industry".

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service's Home Page: <u>http://www.fas.usda.gov</u>

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