

**DECREE OF THE MINISTER OF INDUSTRY AND TRADE
NUMBER 441/MPP/Kep/9/1998; DATED SEPTEMBER 25, 1998**

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PROVISIONS ON THE EXPORT OF SAWN TIMBER

THE MINISTER OF INDUSTRY AND TRADE,

Considering:

- a. that the timber industry provides wide job opportunities, particularly to the common people, it is necessary to maintain the sustainability in its supplies of timber;
- b. that in the framework of promoting business orderliness, shoring up efforts to conserve natural resources as the support of the quality of the global environment and expediting supervision and at the same time facilitating exports, it is necessary to stipulate again the provision on the export of sawn timber;
- c. that to this end it is necessary to issue the Decree of the Minister of Industry and Trade.

Bearing in mind:

1. The Trade ordinance of 1934 (State Gazette No. 86 of 1938) as already amended and supplemented;
2. Act No. 5 of 1967 on the Principles of Forestry (State Gazette No. 8 of 1967, Supplement to State Gazette No. 2823);
3. Act No. 5 of 1984 on Industry (State Gazette No. 22 of 1984, Supplement to State Gazette No. 3274);
4. Act No. 5 of 1990 on the Conservation of Biological Natural Resources and their Ecosystem (State Gazette No. 49 of 1990, Supplement to State Gazette No. 3419);
5. Act No. 7 of 1994 on the Validation of the Agreement Establishing the World Trade Organization, (State Gazette No. 57 of 1994, Supplement to State Gazette No. 3564);
6. Act No. 10 of 1995 on Customs Affairs (State Gazette No. 75 of 1995, Supplement to State Gazette No. 3612);
7. Government Regulation No. 1 of 1982 on the Implementation of Exports, Imports and Foreign Exchange Traffic (State Gazette No. 1 of 1982, Supplement to State Gazette No. 3210) as already amended by Government Regulation No. 24 of 1983 (State Gazette No. 33 of 1985, Supplement to State Gazette No. 3291);
8. Government Regulation No. 20 of 1994 on the Ownership of Shares in Companies Established in the Framework of Foreign Investment (State Gazette No. 28 of 1994, Supplement to State Gazette No. 3552);
9. Presidential Decree No. 260 of 1967 on the Confirmation of the Duties and Responsibilities of the Minister of Trade in the Foreign Trade Area;
10. Presidential Decree No. 44 of 1974 on the Organizational Principles' of Ministries;
11. Presidential Decree No. 61 of 1998 on the Position, Tasks, Organizational Structure and Working Procedure of Ministries;
12. Presidential Decree No. 122/M/1998 on the Establishment of the Development Reform Cabinet;
13. Decree of the Minister of Trade No. 225/Kp/X/1995 jo. No. 317/MPP/Kep/9/1997 on the Exports of Goods Outside the General Provisions in the Export Area;
14. Decree of the Minister of Industry and Trade No. 20/MPP/SK /2/1996 jo. No. 92/MPP/Kep/4/1996 on the Organization and Working Procedure of the Ministry of Industry and Trade;
15. Decree of the Minister of Industry and Trade No. 12/MPP/ Kep/1 /1998 on the Establishment of Corporate Registration Obligation;
16. Decree of the Minister of Industry and Trade No. 408/MPP/ Kep/10/1997 on the Provision and Procedure for the Granting of the Trade Business Registration Certificate (TDUP) and the Trade Business License (SIUP);
17. Decree of the Minister of Industry and Trade No. 182/MPPI Kep/4/1998 on the General Provisions in the Export Area.

HAS DECIDED

**To stipulate: THE DECREE OF THE MINISTER OF INDUSTRY AND TRADE ON
PROVISIONS ON THE EXPORT OF SAWN TIMBER.**

Article 1

Sawn timber shall be wood, sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or finger-jointed, of 6 mm thick, included in the tariff heading/HS No. 4406 and tariff heading/HS No. 4407.

Article 2

- (1) The quantity of sawn timber which can be exported every year shall be adjusted to the quantity which shall not pose a threat to the sustainability of forest resources and the environment.
- (2) The quantity as meant in paragraph (1) shall be stipulated by the Minister of Forestry and Estates.

Article 3

- (1) The export of sawn timber may be implemented by every business company which fulfil the general and specific requirements.
- (2) The general requirements as meant in paragraph (1) shall be to attach the following to the export documents:
 - a. a copy of the trade business license (SIUP);
 - b. a copy of the company registration certificate (TDP);
 - c. a copy of the taxpayer code number (NPWP);
 - d. a copy of the notary's act on the establishment of the company;
 - e. a copy of the license for permanent industrial business of sawn and processed timber issued by the technically relevant Ministry or from a non-ministerial government institution.
- (3) The specific requirements as meant in paragraph (1) shall be in keeping with the provision stipulated by the Minister of Forestry and Estates.

Article 4

The export of sawn timber can be implemented only:

- a. by means of sight L/C payment through a government-owned foreign exchange bank;
- b. fulfilling the requirement that the L/C opened by an importer abroad not be lower than the export reference price (HPE) prevailing at the time when the L/C is opened.

Article 5

- (1) After obtaining the stipulated annual export quantity from the Director General of Forest Business Operation, an exporter of sawn timber shall be obligated to present a plan for monthly export of sawn timber to the Director of Export of the Ministry of industry and trade with a copy to be addressed to the Director of Utilization and distribution of Forest Products of the ministry of forestry and estates.
- (2) In keeping with the export plan referred to in paragraph (1), the Director General of International Trade, this case the Director of Export, of the Ministry of Industry and Trade shall notify in writing the customs and excise office at the port of loading:
 - a. the quantity and types of the sawn timber to be exported;
 - b. the port of loading and the port of destination.

Article 6

An exporter of sawn timber shall be obligated to report the realization of the export at the latest 10 (ten) working days after shipment to the Directorate General of International Trade, in this case the Director of Export, the Ministry of Industry and Trade with a copy to the Director of Utilization and distribution of Forest Products of the Ministry of forestry and estates, by attaching a copy of the L/C the export declaration (PEB) and the B/L.

Article 7

Violation of the provision in this decree shall be subject to the imposition of a sanction on the basis of the prevailing laws.

Article 8

With the stipulation of this decree, the Decree of the Minister of Industry and Trade No. 278/MPP/Kep/6/198 on the provision on the export of sawn timber shall be declared null and void.

Article 9

This decree shall take as from the date of stipulation.

For public cognizance, this Decree shall be announced by publishing it in the State Gazette of the Republic of Indonesia.

Stipulated at J A K A R T A
On September 25, 1998
THE MINISTER OF INDUSTRY AND TRADE
signed
RAHARDI RAMELAN