

**DECREE OF THE MINISTER OF INDUSTRY AND TRADE OF THE REPUBLIC OF
INDONESIA**

NUMBER: 185/MPP/KEP/4/1998; DATED: APRIL 20, 1998

RE

THE PROVISIONS ON THE EXPORT OF LOG WOOD

MINISTER OF INDUSTRY AND TRADE OF THE REPUBLIC OF INDONESIA,

Considering:

- a. that in the framework of the national economic reformation and to create a business order as well as to support the efforts to support the efforts to preserve that natural resources as support of the global environment quality, it is necessary to stipulate the provisions on the Export of Log Wood;
- b. that the wood sector industries gives extensive opportunities for employment opportunities in particular for the small community, so that it is necessary to safeguard the sustainability of the wood supply;
- c. that therefore, it is necessary to issue a Decree of the Minister of Industry and Trade.

Bearing in mind:

1. The "Bedrijfsreglementerings Ordonantie" of 1934 (State Gazette of 1938 No. 86) as already amended and added;
2. Act of the Republic of Indonesia No. 5 of 1967 concerning the Act on Forestry Principles (State Gazette of 1967 No. 8, Supplementary State Gazette No. 2823);
3. Act of the Republic of Indonesia No. 5 of 1990 concerning Conversion of Biological Natural Resources and the Ecosystem there-of.
4. Act No. 7 of 1994 concerning the Ratification of the World Trade Organization Establishing Agreement, (State Gazette of 1994 No. 57, Supplementary State Gazette No. 3564);
5. Act No. 10 of 1995 concerning Customs Affairs (State Gazette of 1995 No. 75, Supplementary State Gazette No. 3612);
6. Government Regulation No. 1 of 1982 concerning the Implementation of the Export, Import and Foreign Exchange Traffic (State Gazette of 1982 No. 1, Supplementary State Gazette No. 3210) as already amended by Government Regulation of the Republic of Indonesia No. 24 of 1985 (State Gazette of 1985 No. 33, Supplementary State Gazette No. 3291);
7. Government Regulation of the RI No. 20 of 1994 concerning the Shares Ownership in a Companies established in the framework of Foreign Capital Investment (State Gazette of 1994 No. 28, Supplementary State Gazette No. 3552);
8. Decree of the President of the Republic of Indonesia No. 260 of 1967 concerning the Confirmation of the Task and Responsibility of the Minister of Trade in the Sector of Foreign Trade;
9. Decree of the President of the Republic of Indonesia No. 44 of 1994. concerning the Principles of Departmental Organization;
10. Decree of the President of the Republic of Indonesia No. 2 of 1996 concerning the Amendment on the Decree of the President of the Republic of Indonesia No. 15 of 1984 concerning the Department Organizational structure as already amended twenty five times, ultimately by Decree of the President of the Republic of Indonesia No. 61 of 1995;
11. Decree of the President of the Republik Indonesia No. 62/M of 1998 concerning the Formation of the VIIth. Development Cabinet;
12. Decree of the Minister of Industry and Trade of the Republic of Indonesia No. 323/Kp/II/84 concerning the Implementation of the Compulsory Registration of Companies as already amended by Decree of the Minister of Trade of the RI No. 193/KP/VIII/1990;
13. Decree of the Minister of Industry and Trade of the Republic of Indonesia No. 1458/Kp/XII/84 concerning the SIUP/Trade Business Licence;
14. Decree of the Minister of Industry and Trade of the Republic of Indonesia No. 225/Kp/X/95 concerning the Export of Goods abroad outside the General Provisions in the Sector of Export jo. the Decree of the Minister of Industry and Trade Nomor 254/MPP/Kep/8/1996;
15. Decree of the Minister of Industry and Trade of the Republic of Indonesia No. 29/MPP/SK/2/96jo. No. 92/MPP/Kep/4/1994 concerning the Organization and Working System of the Department of Industry and Trade;

16. The Decree of the Minister of Industry and Trade of the Republic of Indonesia Number 182/MPP/Kep/4/1998 concerning the General Provision in the Export Sector.

HAS DECIDED

To stipulate:

THE DECREE OF THE MINISTER OF INDUSTRY AND TRADE CONCERNING THE PROVISIONS ON THE EXPORT OF LOGWOOD.

Article 1

In this Decree referred to as:

1. Logwood shall be rough wood, skinned, stripped or not from the branches, or formed in a rough rectangle from a natural forest as well as from an artificial forest included in item tariff number HS. 4403 and 4404 originating from Production natural forests and from Artificial Forests;
2. The Production Natural Forests shall be the forest zones which produces wood from trees which grow in a natural way, and are managed through a Silvi cultural system which guarantees preservation;
3. Artificial forest shall be a natural forest developed in the framework of increasing the production and quality of the production forest managed through a silvi culture system to meet the demand for domestic forest yield industrial raw materials;
4. The Smallholders' Cultivation Forest shall be the forests planted by the people on land they own legally;
5. Plantation Area shall be the plantation producing wood from plantation plants which have no longer any economic value on the commodities produced by the plants concerned.

Article 2

- (1) The amount of Log Wood which can be exported annually shall be adjusted to the amount will not endanger the preservation of the forest resources and the environment;
- (2) The number as referred to in paragraph (1) shall be stipulated by the Minister of Forestry and Estates.

Article 3

- (1) The Export of logwood can be conducted by any business entry which meets the general and special requirements.
- (2) The general requirements as referred to in paragraph (1) shall be to attach to the export documents
 - a. a copy of the SIUP/Trade Business Licence;
 - b. a copy of the TDP/Company Registration Evidence;
 - c. a copy of the NPWP/Taxpayer Registration Number;
 - d. a copy or the Company's Establishment Deed.
- (3) The special requirements as referred to in paragraph (1) shall be
 - a. For Logwood originating from Natural Production Forests, to attach
 1. a copy of the HPH/Forest Exploitation Rights Holder Certificate from the Department of Forestry and Estates;
 2. a copy of the RKT/Annual Work Plan of the current year;
 3. the first sheet of the SAK-B/Log Wood Transportation letter (original);
 4. Copy of the AMDAL provisions implementation evidence;
 - b. For Logwood originating from Artificial Forests, to attach
 1. a copy of the HPHTI/Timber Estate Exploitation Right Holder Certificate from the Department of Forestry and Estates;
 2. a copy of the Annual Workplan (RKT) of the current year;
 3. the first sheet of the SKA-B/Logwood Transportation letter (original).
 - c. For Logwood originating from the smallholders estates, to attach
 1. a Certificate of the Origin of the wood to be issued by the local Forest and Land Conservation Service/Ind. Grade Region (original);
 2. a copy of the land ownership certificate from the local territorial Office of the Department of Forestry and Estates.
 - d. For Logwood originating from Plantation Areas, to attach
 1. copy of the Plantation business Licence;

2. a copy of the land ownership Certificate from the local Regional Office of the Department of Forestry and Estates.

Article 4

(1) The Logwood Exporter shall report his monthly Logwood Export Plan to the Director of Export Plan to the Director of Exports of the Department of Industry and Trade with a carbon copy to the Director of Forest Yield Utilization and Distribution of the Department of Forestry and Estates;

(2) The Logwood Exporter shall report the realization of his Export at the latest 10 (ten) working days after the shipment there-of to the Director of Export of the Department of Industry and Trade with a carbon copy to the Director of Forest Yield Utilization and Distribution of the Department of Forestry and Estates by attaching a copy of the L/C, the PEB/Goods Export Notification and the B/L;

Article 5

Violations towards the provisions in this Decree shall be imposed with sanctions based on the legislative regulations in force.

Article 6

This Decree shall start to be effective as of the date of stipulation.

For the information of the public, it is instructed to publish this Decree by inserting it in the Official Gazette of the Republic of Indonesia.

Stipulated in: Jakarta
On: February 20, 1998

THE MINISTER OF INDUSTRY AND TRADE OF THE RI

SGD.

MOHAMAD HASAN