

**INTER-INSULAR TRADE OF SUGAR**  
(Decree of the Minister of Industry and Trade No. 61/MPP/Kep/2/2004 dated February 17, 2004)

THE MINISTER OF INDUSTRY AND TRADE,

Considering:

- a. that in the framework of supporting the realization of control over the import of sugar as well as in order to guarantee the supply and stable price of sugar, protection of domestic sugar industry, cane farmers and consumers, inter-insular trade of sugar needs to be regulated;
- b. that in relation thereto, it is necessary to issue a decree of the Minister of Industry and Trade;

In view of:

1. The Trade Ordinance of 1934 (Statute Book of 1938 No. 86) as already amended and supplemented;
2. Law No. 29/1948 on eradication of hoarding of important goods;
3. Law No. 1/1953 on Stipulation of Emergency Law No. 17/1951 on collection of goods into a law (Statute Book of 1953 No. 4, Supplement to Statute Book No. 155);
4. Law No. 7 Drt/1955 on investigation and legal proceedings for economic crime (Statute Book of 1955 No. 27, Supplement to Statute Book No. 801) as already amended several times, the latest by Law No. 17/1954 (Statute Book of 1964 No. 101, Supplement to Statute Book No. 2695);
5. Law No. 8 Prp/1962 on trade of goods under supervision (Statute Book of 1962 No. 42, Supplement to Statute Book No. 2469);
6. Law No. 11/1965 on stipulation of Government Regulation in lieu of Law No. 5/1962 concerning the Amendment to Law No. 2 Prp/1960 regarding warehousing affairs into a law (Statute Book of 1965 No. 54, Supplement to Statute Book No. 2759);
7. Law No. 21/1992 on navigation (Statute Book of 1992 No. 98, Supplement to Statute Book No. 3493);
8. Law No. 10/1995 on customs affairs (Statute Book of 1995 No. 75, Supplement to Statute Book No. 3612);

9. Law No. 7/1996 on food (Statute Book of 1996 No. 1999, Supplement to Statute Book No. 3656);
10. Law No. 8/1999 on consumer protection (Statute Book of 1999 No. 42, Supplement to Statute Book No. 3821);
11. Law No. 22/1999 on regional administration (Statute Book of 1999 No. 66, Supplement to Statute Book No. 3821);
12. Government Regulation No. 1/1957 on distribution of companies (Statute Book of 1957 No. 7, Supplement to Statute Book No. 1144) as already amended and supplemented the latest by Government Regulation No. 53/1957 (Statute Book of 1957 No. 150, Supplement to Statute Book No. 2473);
13. Government Regulation No. 11/1962 on trade of goods under supervision (Statute Book of 1962 No. 46, Supplement to Statute Book No. 2473);
14. Government Regulation No. 25/2000 on the authority of the government and the authority of provinces as autonomous regions (Statute Book of 2000 No. 54, Supplement to Statute Book No. 3952);
15. Government Regulation No. 68/2002 on food security (Statute Book of 2002 No. 142, Supplement to Statute Book No. 4254);
16. Presidential Decree No. 228/M/2001 on the establishment of the Mutual Cooperation Cabinet;
17. Presidential Decree No. 102/2001 on the status, tasks, functions, authority, organizational structures and working arrangements of ministries;
18. Presidential Decree No. 109/2001 on first-echelon organizational units and tasks of ministries;
19. Decree of the Minister of Industry and Trade No. 86/MPP/Kep/3/2001 on the organizational structure and working arrangement of the Ministry of Industry and Trade;
20. Decree of the Minister of Industry and Trade No. 643/MPP/Kep/9/2002 on control over the import of sugar;
2. Raw sugar and refined sugar shall be sugar used as raw material of production, subsumed into Tariff Heading/ HS 1701.11.00.00; 1701.99.19.00; 1701.99.19.00; 1701.99.90.00.
3. Sugar trade is activity of selling and buying and/or distribution of sugar.
4. Inter-insular trade of sugar is the trade and/or distribution of sugar from an island to another island or in an island with the transport carried out by sea transport.
5. Registered inter-insular sugar traders, hereinafter called PGAPT are sugar distributors undertaking inter-insular trade of sugar that have secured recognition from the Director General.
6. Sugar distributors are companies purchasing, storing, distributing and selling sugar on the basis of a written agreement with sugar producers and/or registered sugar importers.
7. Approval of Inter-insular sugar trade, abbreviated to SPPGAP is a letter of approval of inter-insular sugar trade granted to PGAPT and being document of inter-insular sugar transport.
8. Registered sugar importers, abbreviated to IT Sugar are companies already appointed and stipulated as IT Sugar by the Director General of Foreign Trade.
9. Sugar Producing Importers, abbreviated to IP Sugar are companies already appointed and stipulated as IP Sugar by the Director General of Foreign Trade.
10. Sugar Producers are sugar mills belonging to state- or private-owned enterprises and farmers producing cane into sugar through sugar mills.
11. Business communities are individuals or business entities in the form of both statutory body and non-statutory body, established and domiciled or undertaking activities in the jurisdiction of the Republic of Indonesia, individually or collectively through agreement on the implementation of business activities in various economic fields.
12. Minister is the Minister of Industry and Trade.

D E C I D E S :

To stipulate :

THE DECREE OF THE MINISTER OF INDUSTRY AND TRADE  
ON INTER-INSULAR TRADE OF SUGAR

Article 1

Referred to in this decree as:

1. Plantation white sugar is sugar, which can be consumed directly without further process, subsumed into Tariff Heading/HS 170.12.00.00; 1701.91.00.00 and 1701.99.11.00.

13. Director General is the Director General of Domestic Trade, Ministry of Industry and Trade.

14. Head of Provincial Service is the Head of Service in charge of trading affairs.

#### Article 2

Sugar, which can be traded from an island to another island includes:

- a. domestic and imported plantation-white-sugar; and
- b. domestic refined sugar originating from cane.

#### Article 3

(1) Sugar prohibited from inter-insular trading includes:

- a. domestic refined sugar originating from raw sugar, except for the trade from refinery industry to food, beverage and pharmaceutical industries;
- b. imported refined sugar;
- c. raw sugar.

(2) The sugar as meant in paragraph (1) letter b only can be traded from an island to another island by IP Sugar to mills owned by the said IP Sugar, after securing approval of the Director General on the basis of recommendation of the Director General of Chemical, Agro and Forest-based Industries, Ministry of Industry and Trade.

#### Article 4

(1) The inter-insular trade of the sugar as meant in Article 2 only can be realized by PGAPT.

(2) PGAPT as meant in paragraph (1) can execute inter-insular trade from region of origin of sugar or destination region of sugar or from other regions.

(3) Recognition as PGAPT as meant in paragraph (1) is granted by the Director General.

(4) The model of document of PGAPT as meant in paragraph (3) is contained in Attachment I to this decree.

#### Article 5

(1) In executing the inter-insular trade of sugar as meant in Article 4 paragraph (1), PGAPT are obliged to secure SPPGAP from the Director General.

(2) SPPGAP as meant in paragraph (1) contains at least

information on kind, quantity, region of origin, destination region and receiving distributor.

(3) SPPGAP as meant in paragraph (1) is issued after securing:

- a. recommendation of the Head of Provincial Service of region supplying sugar, which contains information on the excess of sugar stock in the said region;
- b. recommendation of the Head of Provincial Service of region receiving sugar, which contains information about the shortage of sugar in the said region;
- c. statement of sugar producers/sugar mills and/or IT Sugar, certifying that sugar, which will be traded by PGAPT from an island to another island truly comes from the relevant sugar producers/sugar mills and/or IT Sugar.

(4) The model of document of SPPGAP as meant in paragraph (1) is contained in Attachment II to this decree.

#### Article 6

The sugar traded from one island to another island as meant in Article 2 must mention at least the following information in the Indonesian language in sugar package:

- a. name and address of importer/producer;
- b. kind of sugar; and
- c. net weight.

#### Article 7

Recognition as PGAPT is granted to sugar distributors after the relevant submits application to the Director General by enclosing:

- a. photocopy of Trade Business License (SIUP);
- b. photocopy of Corporate Registry Number (TDP);
- c. photocopy of Taxpayer Code Number (NPWP);
- d. original sheet of recommendation of the governor in this case of the Head of Provincial Service;
- e. photocopy of Citizenship Identity Card (KTP) of the president director/personnel in responsible of the company;
- f. photo of the president director/personnel in responsible, sizing 3 x 4 cm as many as 2 (two) sheets;
- g. evidence of experience as sugar distributor in the past three years, from the provincial service;
- h. statement of readiness to participate in maintaining the stability of sugar price in the country;
- i. statement of the president director/personnel in responsible on sufficiently duty stamped paper with regard to the legitimacy of the enclosed documents.

The recommendation as meant in Article 7 letter d contains at least information on the following matters:

- a. the truth of domicile of the relevant sugar distributor; and
- b. having and/or controlling distribution facilities and network.

#### Article 9

- (1) The Director General issues PGAPT not later than 10 (ten) working days as from the date of receipt of complete documents as meant in Article 7.
- (2) The Director General denies the issuance of PGAPT not later than 10 (ten) working days as from the date of receipt of incomplete documents as meant in Article 7.
- (3) The Director General notifies the rejection of application for PGAPT as meant in paragraph (2) to applicants in writing by disclosing reasons for rejection.

#### Article 10

Recognition as PGAPT applies for 3 (three) years and can be extended.

#### Article 11

- (1) The Director General issues SPPGAP not later than 10 (ten) working days as from the date of receipt of application and documents completely or denies application for SPPGAP unless the requirements are complete.
- (2) SPPGAP is granted to PGAPT with a copy made available to the provincial service of region of origin and destination region.

#### Article 12

- (1) The implementation of this decree is supervised by a monitoring team with members consisting of representatives of institutions concerned.
- (2) The organizational structure, membership and tasks of the monitoring team are stipulated by the Director General.

#### Article 13

- (1) PGAPT are obliged to convey report on the realization of inter-insular sugar trade every month to the Director General with a copy made available to the governor in

this case the head of provincial service not later than 10th of the ensuing month by using the form as contained in Attachment III to this decree.

- (2) The head of provincial service is obliged to convey report on recapitulation of realization of inter-insular sugar trade coming and coming out of his/her region and position of stock every 3 (three) months to the Director General by using the form as contained in Attachment IV to this decree.

#### Article 14

- (1) Recognition as PGAPT is frozen in the case of the relevant:
  - a. not executing the obligation to convey the written report as meant in Article 13 paragraph (1) twice; or
  - b. being in the course of investigation for the alleged crime related to misuse of recognition as PGAPT.
- (2) The freezing of PGAPT as meant in paragraph (1) can be liquidated in the case of the relevant:
  - a. securing clarification from the Director General about the negligence and already fulfilling the obligation as meant in Article 13 paragraph (1);
  - b. being not proven to commit crime related to misuse as PGAPT.

#### Article 15

Recognition as PGAPT is revoked in the case of the relevant:

- a. not fulfilling the obligation to convey the written report as meant in Article 13 paragraph (1) more than twice;
- b. changing and/or supplementing or replacing the content mentioned in document of recognition as PGAPT or SPPGAP; or
- c. being declared guilty by the court for crime related to misuse of recognition as PGAPT.

#### Article 16

The freezing as PGAPT and liquidation as PGAPT as meant in Article 14 as well as revocation of recognition as PGAPT as meant in Article 15 are done by the Director General.

#### Article 17

Business communities violating the provisions as meant in this decree are subjected to sanction in accordance with the law in force.

ARTICLE 18

The exception from the provisions regulated in this decree only can be stipulated by the Minister or the appointed official.

Article 19

The Director General further regulates the implementation of this decree.

Article 20

The decree starts coming into force two months after the date of stipulation.

For public cognizance, the decree shall be published by placing it State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On February 17,2004

THE MINISTER OF INDUSTRY AND TRADE

sgd

RINI M SUMARNI SOEWANDI

Jakarta, .....

THE DIRECTOR GENERAL OF DOMESTIC TRADE

ATTACHMENT I

RECOGNITION AS REGISTERED INTER-INSULAR SUGAR TRADER NO. ....

In connection with application of PT ..... No. .... date ..... and considering the recommendation of the governor in this case the Provincial Industry and Trade Service ..... No. .... date ..... and based on Decree of the Minister of Industry and Trade No. .... date ..... on inter-insular sugar trade, it is herewith given recognition as:

REGISTERED INTER-INSULAR/REGIONAL SUGAR TRADER (PGAPT)

To:

- 1. Name of company
2. Address of company
3. No. of telephone/facsimile/ E-mail address of company
4. No. of Trade Business License (SIUP)
5. Corporate Registry No. (TDP)
6. Taxpayer Code Number (NPWP)

With the provision as follows:

- 1. Sugar, which can be traded from an island to another island is domestic and/or imported plantation white sugar and/or domestic refined sugar.
2. The relevant is obliged to convey report on realization of inter-insular trade of sugar to the Director General of Domestic Trade, M.I. Ridwan Rais Street #5 Central Jakarta every month not later than 10th of the ensuing month.
3. Violation of the provisions in no. 1 and 2 is liable to sanction of revocation of recognition as inter-insular sugar trader and/or other sanctions in accordance with the law in force.
4. Recognition as the registered inter-insular sugar trader applies up to .....

Photo 3 x 4 cm The President Director/ Personnel in responsible

ATTACHMENT II

NO. Jakarta,..... 200 Attachment Subject : Approval of Inter- To: insular sugar trade Director ..... (SPPGAP)

Referring to Decree of the Minister of Industry and Trade No. .... date ..... on inter-insular sugar trade and in connection with your application No. .... date ..... concerning the above mentioned matter, it is herewith notified that:

Name and address of company Name of owner/personnel in responsible No. of recognition as PGAPT No. of Trade Business License (SIUP) Corporate Registry No. (TDP) Taxpayer Code Number (NPWP)

