

PROVISIONS ON THE IMPORT OF SALT

(Decree of the Minister of Industry and Trade No. 360/MPP/Kep/5/2004 dated May 31,2004)

THE MINISTER OF INDUSTRY AND TRADE,

Considering:

- a. that salt constitutes a strategic commodity as raw material of industry and foodstuff of Indonesian people so that the production, supply, procurement and distribution of salt is very important in the framework of supporting the public health through ionization program, enhancement of income and welfare of salt farmers and fulfilling the need of domestic industry;
- b. that domestic production has not been able to meet the domestic need so as to need to be imported;
- c. that in the framework of fulfilling the domestic need for salt as raw material of industries as well as increasing income and welfare of salt farmers, it is necessary to regulate provisions on the import of salt;
- d. that in relation thereto, it is necessary to issue a decree of the Minister of Industry and Trade concerning provisions on the import of salt;

In view of:

1. Trade Ordinance of 1934 (Statute Book of 1938 No. 86);

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2. Law No. 5/1984 on industry (Statute Book of 1984 No. 22, Supplement to Statute Book No. 3274);
3. Law No. 23/1992 on health (Statute Book of 1992 No. 100, Supplement to Statute Book No. 3495);
4. Law No. 7/1994 on ratification of the Agreement Establishing the World Trade Organization (Statute Book of 1994 No. 57, Supplement to Statute Book No. 3564);
5. Law No. 10/1995 on customs (Statute Book of 1995 No. 75, Supplement to Statute Book No. 3612);
6. Law No. 7/1996 on food (Statute Book of 1996 No. 99, Supplement to Statute Book No. 3656);
7. Law No. 5/1999 on prohibition on monopolistic practices and unfair business competition (Statute Book of 1999 No. 33, Supplement to Statute Book No. 3817);
8. Law No. 8/1999 on consumer protection (Statute Book of 1999 No. 42, Supplement to Statute Book No. 3821);
9. Government Regulation No. 69/1999 on food label and advertisement (Statute Book of 1999 No. 131, Supplement to Statute Book No. 3867);
10. 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);
11. Government Regulation No. 58/2001 on fostering and supervision over consumer protection (Statute Book of 2001 No. 103, Supplement to Statute Book No. 4126);
12. Presidential Decree No. 260/1967 on affirmation of tasks and responsibility of the Minister of Trade in the international trade sector;
13. Presidential Decree No. 69/1994 on provision of iodized salt;
14. Presidential Decree No. 228/M/2001 on the establishment of the Mutual Cooperation Cabinet;
15. Presidential Decree No. 102/2001 on the status, tasks, functions, authority, organizational structures and working arrangement of ministries;
16. Presidential Decree No. 109/2001 on first-echelon organizational units and tasks of ministries;
17. Decree of the Minister of Industry and Trade No. 77/M/SK/5/1995 on technical requirements for processing, packing and labeling iodized salt;
18. Decree of the Minister of Industry and Trade No. 229/MPP/Kep/7/1997 on import general provisions;
19. Decree of the Minister of Industry and Trade No. 230/MPP/Kep/7/1997 on goods subjected to import control as already amended several times and the latest by Decree of the Minister of Industry and Trade No. 478/MPP/Kep/7/2003;
20. Decree of the Minister of Industry and Trade No. 86/MPP/Kep/3/2001 on the organization and working arrangement of the Ministry of Industry and Trade;
21. Decree of the Minister of Industry and Trade No. 40/MPP/Kep/1/2003 on Importer Identity Number (API);

D E C I D E S :

To stipulate :

THE DECREE OF THE MINISTER OF INDUSTRY AND TRADE CONCERNING PROVISIONS ON THE IMPORT OF SALT

Article 1

Referred to in this decree as:

1. Salt shall be chemical compound with the main component containing natrium chloride and compound of water, magnesium, calcium, sulfate and additive of iodium, anti-caking or free-flowing or not, namely:
 - a. table salt: HS 2501.00.10.00
 - b. mineral salt, not processed, solid or water solution, namely:
 - HS. 2501.00.21.00; and
 - HS. 2501.00.29.00
 - c. Other salt, namely:
 - HS. 2501.00.31.00;
 - HS. 2501.00.32.00; and
 - HS. 2501.00.33.00

- d. others, namely HS. 2501.00.90.00
- 2. Salt K shall be salt whose quality has met the Indonesian National Standard (SNI) of salt being raw material of iodized salt industry.
- 3. Salt K2 and K3 shall be salt whose quality has not met the Indonesian National Standard (SNI) of salt being raw material of iodized salt industry, but can be processed into K1 or used as raw/auxiliary material for the need of other industries.
- 4. Registered Importer of Salt, hereinafter called Salt IT shall be company having Importer Identity Number (API) approved to import salt to be used for the need of industries and/or public consumption.
- 5. Recommendation shall be a letter issued by official of institution/unit concerned, who is authorized to give technical explanation and not being import license/approval.
- 6. Collecting point shall be places of collection of salt by side/edge of highway reachable by trucks or the similar.
- 7. Minister shall be the Minister of Industry and Trade, unless otherwise mentioned firmly.
- 8. Director General shall be the Director General of Foreign Trade, Ministry of Industry and Trade.

Article 2

- (1) The salt as meant in Article 1 point only can be imported by Salt IT.
- (2) Salt imported by Salt IT as meant in paragraph (1) applies the following provisions:
 - a. as raw/auxiliary material of production for self consumption, it cannot be traded or transferred, except that salt as raw/auxiliary material of production of ionization industry and other industry unable to import directly can be traded or transferred by ionization industry already securing the appointment of Salt IT;
 - b. for the need of public consumption, it can be traded or transferred.

- (3) The salt as meant in paragraph (2) letter a shall be:
 - a. mineral salt, not processed, solid or water solution, namely:
 - 1. HS. 2501.00.21.00: salt contains natrium chloride of 94.7% at the minimum, calculated from the dry basis in package with net weight of 50 kg or over; and
 - 2. HS.2501.00.29.00: others.
 - b. others salt contains natrium chloride of 96% at the minimum, namely:
 - 1. HS. 2501.00.31.00 : pure salt;
 - 2. HS. 2501.00.32.00 : other in a package of 50 kgs or over;
 - 3. HS. 2501.00.33.00 : other in a package of less than 50 kg.
 - c. Other : HS 2501.00.90.00

(4) Salt for the need of public consumption shall be table salt, HS 2501.00.10.000.

(5) Ionization industry and other industries unable to import directly, which obtain salt from ionization industry already securing the appointment as Salt IT as meant in paragraph (2) letter a shall be prohibited from trading or transferring the salt to whomever.

Article 3

- (1) The import of salt shall be prohibited in one month before the peak harvest of smallholder salt, during the peak harvest of smallholder salt and two months after the peak harvest.
- (2) The peak harvest as meant in paragraph (1) shall be stipulated by the Minister of Marine and Fishery.
- (3) In addition to the provision as meant in paragraph (1), the import of salt also shall be prohibited if the prices of salt K1, K2 or K3 in bulk in collecting points on trucks remain below Rp 145,000 (one hundred and forty five thousand rupiahs) per ton, Rp 100,000 (one hundred thousand rupiah) per ton and Rp 70,000 (seventy thousand rupiahs) per ton respectively.
- (4) Stipulation of the prices as meant in paragraph (1) can be reviewed and adjusted on the basis of consideration about the benefit and economic principles.

Article 4

The appointment as Salt IT as meant in Article 2 shall be stipulated by the Director General.

Article 5

(1) Companies intending to obtain the appointment of Salt IT shall meet the acquisition of salt at least 50% (fifty percent):

- a. from salt farmers/producers of local raw material salt; or
- b. result of cooperation with local salt farmers/producers of local raw-material salt.

(2) The obligation as meant in paragraph (1) shall apply to Salt IT for the need as meant in Article 2 paragraph (2) letter a, except Salt IT importing salt as auxiliary material for self consumption.

(3) The obligation as meant in paragraph (1) shall be proven by Statement of Acquisition of Salt from Salt Farmers made Salt IT and legalized by regental/municipal service in charge of industrial and trading affairs and local salt-farmer association/group.

(4) The example of the Statement of Acquisition of Salt from Salt Farmer as meant in paragraph (3) shall be mentioned in Attachment I to this decree.

Article 6

(1) In order to obtain recognition as Salt IT as meant in Article 4, companies shall submit written application to the Director General by enclosing:

- a. copy of industrial business license or trading business license or other equivalent business license issued by the authorized institution;
- b. corporate registry number (TDP);
- c. taxpayer code number (NPWP);
- d. copy of importer identity number (API);
- e. the need for salt for one year for the need of production of the said industry;
- f. recommendation from the Director General of Chemical, Agro and Forest Product Industries, Ministry of Industry and Trade.
- g. statement of acquisition of salt from salt farmer made Salt IT and legalized by regental/municipal service in charge of industrial and trading affairs

and local salt-farmer association/group, which certifies the acquisition of salt raw material as high as 50% (fifty percent) in accordance with the provision in Article 5 paragraph (3); and

h. import declaration for salt IT applicant for the need of ionization showing experience in the import of salt in the last three years.

(2) The model of document of appointment as Salt IT shall be mentioned in Attachment II to this decree.

Article 7

Based on the written application of the company as meant in Article 6, the Director General shall consider to issue or deny the appointment as Salt IT not later than 10 (ten) working days as from the date of receipt of application.

Article 8

The appointment as Salt IT as meant in Article 6 shall apply for 3 (three) years at the maximum and can be extended.

Article 9

(1) The import of salt by every importers already securing appointment as Salt IT shall secure import approval firstly from the Director General with regard to the quantity, kind, destination port, country of origin and validity period of the import.

(2) The quantity of salt, which can be imported as meant in paragraph (1) shall be given proportionally after the said Salt IT show acquisition of salt from salt farmers on the basis of evidence of acquisition legalized by regental/municipal service in charge of industrial and trading affairs and local salt-farmer association/group.

(3) The provision as meant in paragraph (2) shall not apply to Salt IT importing salt as auxiliary material for self consumption, wherein the quantity of salt which can be imported is adjusted to the need of production of the said industry.

(4) The model of document of the import approval as meant in paragraph (1) shall be mentioned in Attachment III to this decree.

Article 10

- (1) Importers already securing the appointment as Salt IT shall convey report in writing on the realization of the import of salt to the Director General in this case the Director of Import, Ministry of Industry and Trade every month, not later than the 15th of the ensuing month after the month when the import is realized, with a copy made available to the Director General of Chemical, Agro and Forest Product Industries in this case the Director of Downstream Chemical Industry, Ministry of Industry and Trade.
- (2) The models of the written reports of Salt IT as meant in paragraph (1) shall be respectively mentioned in Attachment III to this decree.

Article 11

- (1) The import of salt by every Salt IT shall be first subjected to verification or technical inquiry in loading countries.
- (2) The verification or technical inquiry as meant in paragraph (1) shall be done surveyor appointed by the Minister.
- (3) Result of the verification or technical inquiry by the surveyor as meant in paragraph (2) shall be mentioned in Survey Report (LS), which constitutes import document.
- (4) Based on the verification or technical inquiry as meant in paragraph (2), the surveyor shall entitle to collect compensation for service from importer/grantors with the amount stipulated on the basis of the principles of benefit.
- (5) In order to obtain the appointment as the executor of the verification or technical inquiry into the import of salt, surveyor shall meet the following requirements:
 - a. experiencing as surveyor for 5 (five) years at the minimum; and
 - b. having branch or representative or affiliate abroad.
- (6) The provisions and technical procedures for verification or technical inquiry into the import of salt shall be stipulated by the Director General.

Article 12

The obligation to undertake verification or technical inquiry as meant in Article 11 paragraph (1) shall be declared ineffective for the import of salt which constitutes:

- a. goods for the need of technology research and development;
- b. sample;
- c. luggage of passengers or crew members of transport means or cross-bordering people;
- d. promotion goods; and/or
- e. delivery goods through courier service by using airborne service.

Article 13

Activities of the verification or technical inquiry into the import of salt by surveyors as meant in Article 11 shall not reduce the authority of the Directorate General of Customs and Excise to undertake customs inspection.

Article 14

- (1) The appointment as Salt IT shall be frozen if the relevant:
 - a. fails to execute the obligation to convey the written report as meant in Article 10 twice; or
 - b. is in the course of investigation into the alleged crime related to the misuse of appointment as Salt IT and/or the misuse of import approval of salt.
- (2) The freezing of appointment as Salt IT can be liquidated after the relevant obtains clarification from the Director General with regard to their negligence in executing the obligation as meant in Article 10 or the relevant is not proven to commit crime related to the misuse of appointment.
- (3) The freezing of appointment as Salt IT as meant in paragraph (1) and liquidation of the appointment as Salt IT as meant in paragraph (2) shall be done by the Director General.

Article 15

- (1) The appointment as Salt IT shall be revoked if the relevant:
 - a. do not execute the obligation to acquire salt from salt farmers;

- b. do not execute the obligation to convey the written report as meant in Article 10 more than twice;
- c. changes and/or supplements and/or replaces content mentioned in document of appointment as Salt IT and/or misuse of import approval of salt.
- d. is declared guilty by the court for crime related to the misuse of appointment as Salt IT or misuse of import approval of salt.

(2) Revocation of the appointment as Salt IT as meant in paragraph (1) shall be done by the Director General.

Article 16

(1) With the stipulation of this decree, the provisions on the import of salt in Decree of the Minister of Industry and Trade No. 230/MPP/Kep/7/1997 shall be declared null and void.

(2) The import approval already issued on the basis of Decree of the Minister of Industry and Trade No. 230/MPP/Kep/7/1997 shall be revoked and declared null and void.

Article 17

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

Article 18

Technical directives and matters not yet regulated in this decree shall be stipulated by the Director General.

Article 19

The decree shall come into force as from July 1, 2004.

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

Stipulated in Jakarta

On May 31, 2004

THE MINISTER OF INDUSTRY AND TRADE

sgd

RINI M SUMARNO SOEWANDI

STATEMENT OF
ACQUISITION OF SALT FROM SALT FARMERS

The undersigned:

Name/form of company

Business line

Address of company

Personnel in responsible

Address of personnel in responsible

Telephone/facsimile no. of company

No. of Industrial Business License

Importer Identity Number (API)

Corporate Registry Number (TDP)

Taxpayer Code Number (NPWP)

Certifies truthfully that we purchased salt from salt farmers as follows:

- a. Names of farmers/groups of salt farmers
- b. Address
- c. Kind of salt
- d. Quantity

The statement is made truthfully and we are ready to accept sanction in accordance with the provisions in force in the case of the statement being untrue.

Place, month/date/year

Making the statement

Duty stamp

(Full name)

Acknowledging and legalized

Regental/Municipal service
in charge of industrial and
trading affairs

Association/group of
salt farmers

Seal/signature

Seal/signature

Full name

Full name

ATTACHMENT II

APPOINTMENT AS REGISTERED IMPORTER OF SALT
No.

In connection with Application No.
date on and on the basis of Decree of the Minister of Industry and Trade No. date concerning provisions on the import of salt, it is herewith granted the appointment as:

REGISTERED IMPORTER OF SALT

To:

- Name/form of company
- Business line
- Address of company
- Personnel in responsible
- Telephone/facsimile no. of company
- No. of Industrial Business License
- General Importer Identity Number (API-U)
- Corporate Registry Number (TDP)
- Taxpayer Code Number (NPWP)

With the provision as follows:

- a. The appointment as registered importer of salt is not effective as import approval.
- b. To report any change in the company to the Director General of Foreign Trade not later than 30 (thirty) days after the change.
- c. To provide data/information and/or ready to accept field inspection (business location/office) if necessary by the authorized official within the Ministry of Industry and Trade.
- d. The appointment as Registered Importer of Salt applies up to
- e. Violation of the provision as meant in letter a up to letter d is liable to sanction in the form of freezing, nullification of import approval of salt or revocation of Registered Importer of Salt.

Jakarta,

THE DIRECTOR GENERAL OF
FOREIGN TRADE

CC:

- The Minister of Industry and Trade;

- The Director General of Chemical, Agro and Forest-Product Industries, Ministry of Industry and Trade;
- The Inspector General, Ministry of Industry and Trade;
- The Director General of Customs and Excise, Ministry of Finance;
- Head of Provincial Industrial and Trading Service

ATTACHMENT III

No. : Jakarta,
Attachment :
Subject : Import approval of salt To:

Referring to Decree of the Minister of Industry and Trade No. date concerning provisions on the import of salt and in connection with Application of PT No. date on the matter as contained in the subject of the letter, it is herewith notified that PT....., owning:

- No. of Registered Importer of Salt (Salt IT)
- No. of Trading Business License (SIUP)
- General Importer Identity Number (API-U)
- Corporate Registry Number (TDP)
- Taxpayer Code Number (NPWP)

is approved to import:

- Kind of salt
- Tariff Heading/HS No.
- Quantity
- Destination port

With the provision that:

1. The import of salt must be in accordance with the provisions on customs procedures in force.
2. You are obliged to show the original sheet of the import approval to local customs and excise officers for every activity of the import of salt for filling the Controlling Card of Import Realization (enclosed) covering verification of quantity and kind of the imported salt.
3. You are obliged to convey copy of the controlling card as meant in point 2, already marked and sealed by customs and excise officers to the Directorate of Import for every activity of the import of goods not later than 2 (two) weeks after the goods are released from the destination port.
4. Violation of the provision on the obligation to convey report is liable to sanction of freezing as Salt IT.

5. The import approval of salt is revoked if the content in this import approval is changed, supplemented and/or replaced.
6. The approval is effective up to

This is for your attention.

THE DIRECTOR GENERAL OF FOREIGN TRADE

CC:

- The Minister of Industry and Trade;
- The Director General of Chemical, Agro and Forest-Product Industries, Ministry of Industry and Trade;
- The Inspector General, Ministry of Industry and Trade;
- The Director General of Customs and Excise, Ministry of Finance;
- Head of Provincial Industrial and Trading Service

ATTACHMENT IV

REPORT ON REALIZATION OF THE IMPORT OF SALT (SALT IT)

Name of company :
 Address of head office :
 Appointment of Salt IT : No. date
 Import Approval of Salt : No. date
 Quantity :
 Tariff Heading/HS No. :
 Unloading Port :

No.	Realization of Import			Realization of Distribution			Remarks
	No. of PIB	Quantity		Names of Companies	Addresses	Quantity	
		Volume	Value				

Jakarta,
 PT/CV

(Director)

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