

THE DEPARTMENT OF AGRICULTURE

**DECREE OF THE MINISTER OF AGRICULTURE
NO. 508/Kpts/PL.810/7/96 ; DATED : JULY 4, 1996**

RE

**SUPPLIES OF FISHING VESSELS AND THE ABOLITION OF
THE SYSTEM OF HIRING FISHING VESSELS
WITH FOREIGN FLAGS**

THE MINISTER OF AGRICULTURE

- Considering :**
- a. that the utilization and the management of fish resources, particularly in the Indonesian Exclusive Economic Zone, have not been implemented to the optimum in accordance with the supporting capacity of the fish resource potential;
 - b. that until now the fish resources as meant in letter a has been utilized by means of using fishing vessels flying foreign flags on a hiring basis;
 - c. that in the framework of optimizing the utilization of fish resources in line with efforts to boost production, it is necessary to develop and consolidate the capacity and independence of national fishing companies in proper manner in conformity with the supporting capacity of the resource potential;
 - d. that to achieve the above-mentioned end, it is necessary to stipulate the decree of the Minister of Agriculture on the supplies of fishing vessels and the abolition of the system of hiring fishing vessels with foreign flags;
- Bearing in mind :**
- 1. Act No.5/1983 on the Indonesian Exclusive Economic Zone (State Gazette No. 44/1983, supplement to State Gazette No. 3299);
 - 2. Act No. 9/1985 on fisheries (State Gazette No. 46/1985, Supplement to State Gazette No. 3299);

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3. **Government Regulation No.15/1984 on the management of biological natural resources in the Indonesian Exclusive Economic Zone (State Gazette No. 23/1984, Supplement to State Gazette No. 3378);**
4. **Government Regulation No. 15/1990 jo No. 46/1993 on fishery business (State Gazette No. 19/1990, Supplement to State Gazette No. 3408 and State Gazette No. 73/1993 Supplement to State Gazette No. 3536);**
5. **Presidential Decree No. 44/1974 on the organizational structure of ministries ;**
6. **Presidential Decree No. 15/1984 on the organizational structure of ministries jo. Presidential Decree No. 83/1993 on the amendment to Presidential Decree No. 15/1984 on the organization of ministries;**
7. **Presidential Decree No. 96/M/1993 on the establishing of Development Cabinet VI;**
8. **Joint Decree of the Minister of Trade, Minister of Finance and Minister of Communications No. 885/Kpb/VII/1985, No. KM.139/HK.205/PHB-85, No. 677/KMK.05/1985, which has been amended the supplement, the latest by Joint Decree of the Minister of Trade, Minister of Communication and Minister of Finance No. 297/Kpb/X/86, No. KM.146/HK.101/PHB-86. No.836/KMK.01/1986;**
9. **Decree of the Minister of Agriculture No. 815/Kpts/IK.120/11/90 on the licensing of the fishery business;**
10. **Decree of the Minister of Agriculture No. 816/Kpts/IK.120/11/90 on the use of fishing vessels with foreign flags on a hiring basis to fish in the Indonesian Exclusive Economic Zone;**
11. **Decree of the Minister of Agriculture No. 96/Kpts/OT.210/2/1994 on the organization and the working system of the Ministry of Agriculture.**

Observing : The Presidential Directive of June 28, 1996;

H A S D E C I D E S

The stipulate : THE DECREE OF THE MINISTER OF AGRICULTURE CONCERNING SUPPLIES OF FISHING VESSELS AND THE ABOLITION OF THE SYSTEM OF HIRING FISHING VESSELS WITH FOREIGN FLAGS.

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CHAPTER I
GENERAL PROVISIONS
Article 1

Referred to in this decree as :

1. A fishing vessel shall be ship or a boat or other floating means used to catch fish, including for fishery surveys and explorations;
2. A hired vessel shall be a fishing vessel flying a foreign flag used by an Indonesian fishery company on a hiring basis to catch fish in the Indonesian Exclusive Economic Zone;
3. Fishing shall be an activity aimed at obtaining in waters fish not being cultivated with whatever instruments or in whatever manner, including the activities of using vessels to load, transport, store, cool, process or freeze the fish;
4. A fish transporting vessel shall be a vessel which is specially used to transport fish, including loading, keeping storing, cooling or freezing it;
5. The components of a fishing vessel shall be the machinery, fishing auxiliary instruments, navigational instruments, communications instruments, a cooling system, and other instruments needed for each kind or type of fishing vessel;
6. Fishing instruments shall be the facilities and equipment or other items needed to catch fish;
7. A fishery company shall be a company undertaking a fishery business and run by a citizen of the Republic of Indonesia or an Indonesian statutory body, including a processing industrial company or a company which in its activities transport fish;
8. A fishermen' cooperative shall be a business undertaking with members made up of individuals (fishermen) or a cooperative statutory body, which has identical activities and economic interest in the fishery area;
9. A fishing business licence (IU) shall be a written licence which must be possessed by a company undertaking a fishery business using production facilities mentioned in the said licence;
10. The Indonesian Exclusive Economic Zone (ZEEI) shall be a path area outside and bordering on the Indonesian territorial seas as stipulated on the basis of the prevailing law on the Indonesian waters, comprising the seabed, the land underneath it and the water above it with the outermost border being 200 (two hundred) nautical miles measured from the base line of the Indonesian territorial seas.

Article 2

- (1) To support efforts to optimize the utilization and management of fish resources, a fishery company may make available fishing vessels and or fish-transporting vessels;

- (2) The fishing vessels and or fish-transporting vessels as meant in paragraph (1) may be supplied from at home and or abroad.

Article 3

To support the improvement of the capacity and independence of national fishery companies, the system of hiring fishing vessels and or fish-transporting vessels flying foreign flags shall be terminated in stages.

CHAPTER III
SUPPLIES OF FISHING VESSELS AND
FISH-TRANSPORTING VESSELS

Article 4

- (1) The supplies of fishing vessels and or fish-transporting vessels as meant in Article 2 shall be prioritized to the production of domestic shipyards, pursuant to the prevailing laws.
- (2) If the supplies from domestic shipyards are not sufficient, new or used fishing vessels and or fish-transporting vessels may be imported.
- (3) A licence must first be obtained from the Minister of Agriculture for the import of fishing vessels and or fish-transporting vessels as meant in paragraph (2).

Article 5

A fishery company may import a fishing vessel and or a fish-transporting vessel after fulfilling the following requirements :

- a. in possession of a fishery business licence (IUP);
- b. for own use;
- c. to be operation only in ZEEI

Article 6

- (1) A fishing vessel and or fish-transporting vessel which may be imported must have steel construction, while with respect to used vessels, they must be 10 (ten) years at most.
- (2) Fishing vessels and or fish-transporting vessels which may be imported shall encompass the following types.
- a. long-line fishing vessels of 100 GT up to 350 GT in a limited number;
 - b. purse-seine/tuna fishing vessels of 100 GT up to 800 GT under a one vessel system;
 - c. fish-trawl fishing vessels of 100 GT up to 300 GT;
 - d. other fishing vessels with shrimp trawls, bouke ami and squid jigging of 100 GT up to 300 GT;
 - e. fish-transporting vessels of 100 GT and above.

Article 7

The repair of a fishing vessel or a fish-transporting vessels which shall result in the change of the type must first obtain an approval from the Director General of Fisheries.

**CHAPTER III
THE ABOLITION OF THE SYSTEM OF HIRING
FISHING VESSELS WITH FOREIGN FLAGS**

Article 8

- (1) To support the boosting of capacity and independence of national fishery companies as meant in Article 3, fishing vessels and or fish-transporting vessels flying foreign flags used on a hiring basis shall be abolished on December 31, 1999 at the latest.
- (2) The abolition of fishing vessels and or fish-transporting vessels flying foreign flags used on a hiring basis as meant in paragraph (1) shall be implemented in stages.

Article 9

A fishery company hiring a fishing vessel and or a fish-transporting vessels flying a foreign flag shall be given :

- a. priority to purchase the hired vessel, as long as it is technically and economically worthy;
- b. an opportunity to set up a joint-venture company on condition that some or all the ships hired shall constitute capital participation of the foreign party.

**CHAPTER IV
THE OBLIGATIONS OF FISHERY COMPANIES**

Article 10

- (1) Fishery companies as meant in Article 5 shall be obligated :
 - a. to undertake and develop business partnership with fishermen's cooperatives ;
 - b. give chance to fishermen to own corporate shares in an easy manner and with easy requirements ;
 - c. export the catch of fish as meant in Article 5 letters b and c through Indonesian export harbours;
 - d. provide opportunities to researchers and or students/pupils to carry out researches/be apprentined in the fishery area in the framework of promoting the fishery sciences and technologies, or improving the quality of human resources through cooperation with research and educational institutions;
 - e. train Indonesian personnel to replace foreign crew on a fishing vessel supplied from abroad.
- (2) It shall be obligatory that the replacement of foreign crew as meant in letter e shall be undertaken at the latest 1 (one) year after the SPI has been obtained.

**CHAPTER V
FOSTERING AND CONTROL**

Article 11

- (1) The enforcement of this decree shall be fostered and controlled by the Minister of Agriculture.
- (2) In carrying out fostering and exercising control as menat in paragraph (1), teh Minister of Agriculture shall be assisted by a team whose membership composition shall be comprised of :
 - a. Director General of fisheries, Ministry of Agriculture, as chairman concurrently member ;
 - b. Director General of sea Communications Ministry of Communications, as member;
 - c. Director General of Metal, Machinery and Chemical industries, Ministry of Industry and Trade, as member;
 - d. Deputy Chairman in charge of the Assessment of Basic and Applied Sciences, Agency for the Assesment and Application of Technology as member;
 - e. Second Assistant to the Coordiantor Minister, Office of the Production and Distribution Coordinator State Minister, as member.

**CHAPTER VI
CLOSING PROVISION
Article 12**

This decree shall take as from the date of stipulation.

Stipulated in Jakarta
On July 4, 1996

THE MINISTER OF AGRICULTURE
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Dr. Ir SJARIFUDIN BAHARSJAH
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