

Dated: December 16, 2020

## **The New Tariff Adjustment in Palm Oil Industry on Minister of Finance Regulation No. 191/PMK.05/2020**

The government of Indonesia has issued a new policy regarding Crude Palm Oil (CPO) export levies. Minister of Finance Regulation (Peraturan Menteri Keuangan) No.191/PMK.05/2020 about the amendments of the Minister of Finance Regulation No. 57/PMK.05/2020 on Tariff for Public Service Bodies of the Oil Palm Plantation Fund Management Agency at the Ministry of Finance. The palm export levy scheme in the Minister of Finance Regulation No.191/2020 has 15 tariff levels with a progressive scheme. Export levy rates will gradually increase in line with the increase in CPO prices.

In the previous regulation, the tariff was US\$ 55 per ton. Now, that levy tariff is only applied when CPO prices are equal to or below US\$ 670 per ton. Meanwhile, if the CPO commodity price is above US\$ 670 per ton, the levy imposed will be US\$ 60 per ton. The highest export levy is US\$ 225 per ton if the CPO price is above US\$ 995 per ton. On the other hand, according to Musdalifah Machmud, Deputy for Coordination of Food and Agribusiness of the Coordinating Ministry for Economic Affairs stated that the policy on palm oil export levies will be evaluated periodically to follow current economic dynamics.

This regulation is issued for the sustainability of support services for the national palm oil industry development. Besides, the government also tries to develop farmer's welfare by providing scholarships and training for farmer's families and the public in general. The human resources development program provided is mainly related to the Good Agricultural Practice (GAP) to support the sustainability of the palm oil industry.

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*Mulyaningsih Prawirowiryo (Lia)*