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1973 CONSULTATION UNDER ARTICLE XVIII:12(b) WITH INDONESIA

Statement Submitted by Indonesia under the Simplified Procedures for Consultations[1]

A. Balance of payments, 1971/1972

During 1971/1972 the goods and services account of the balance of payments showed a deficit of $465 million (Tables 1, 2, 3). This deficit was $115 million higher than that incurred in 1970/1971; a reduced trade surplus accounted for $15 million; and a higher deficit on services account for $100 million. Miscellaneous Capital receipt increased by 65.21 per cent to $190 million as a result of larger foreign direct investment inflows. Receipts from Official transfer and Capital increased by 13.82 per cent to $420 million, and Debt Service Payments increased by 25.88 per cent. Net Errors and Ommissions decreased by 42.67 per cent to minus $43 million. Allocation of SDRs increased by 7.13 per cent to $30 million.

The balance of payments for 1971/1972 shows an overall surplus as measured by monetary movements of $25 million, an increase of 1,150 per cent as compared with a surplus of $2 million in 1970/1971.

(1) Goods and services

Net foreign exchange receipts from the oil sector amounted to $204 million in 1971/1972 compared with $152 million in the previous year. Oil exports rose by 33.18 per cent to $590 million mainly because of the increase in the export prices of crude oil in April and October 1971; oil production increased only by 5 per cent. Imports in the oil sector increased by 36.17 per cent to $132 million; while net service payments increased by 28.93 per cent to $254 million.

Non-oil exports for 1971/1972 at $784 million were 3.02 per cent higher than in 1970/1971. However, the performance of major exports was uneven. Exports of rubber, coffee, tin and coconut products were lower than in 1970/1971 (Table 4). Rubber exports, at $216 million, were 16 per cent lower than in 1970/1971. World market prices for rubber declined considerably, and in December 1971, they had fallen to

[1] L/3772/Rev.1

their lowest level since 1948; there was also some reduction in export volume. The 13 per cent decline in coffee exports was due to a lower volume, while the decline of 4 per cent in tin exports was attributable to lower prices. Exports of coconut products fell by 51 per cent, owing to lower export volume and lower price.

On the other hand, exports of timber, pepper, tea, tobacco and palm-oil products were higher than in 1970/1971. Exports of timber increased by 31 per cent to $170 million, as a result of larger volume. Pepper exports doubled to $20 million as production in 1971/1972 recovered following the successful eradication of the disease which had adversely affected the 1970/1971 crop. Exports of palm-oil products, tobacco and tea were higher than in 1970/1971 by 11 per cent, 36 per cent and 30 per cent, respectively. "Other" exports comprising a variety of exports, such as corn, tapioca, fishery and mineral products and some manufactured goods, were 23 per cent higher than in 1970/1971. Partly to encourage the growth in exports, the exchange rate for the Indonesian rupiah was changed from Rp 378 per US$1 to Rp 415 per US$1 on 23 August 1971. At the time of the general realignment of exchange rates in December 1971, the Indonesian authorities maintained the exchange rate of the rupiah vis-à-vis the United States dollar unchanged at Rp 415 per US$1. This rate represented, in comparison with par value prevailing at the beginning of May 1971, a depreciation of about 16 per cent in the effective exchange rate in trade with Indonesia's major trading partners. As a further measure to encourage exports, levies on exports of copra, pepper and coffee were reduced on 23 August 1971, and, subsequently, levies on exports of rubber and palm kernel were eliminated.

Non-oil sector imports (f.o.b.) increased by 14.58 per cent to $1,155 million in 1971/1972. The major part of the increase (55 per cent) was accounted for by higher imports under foreign direct investment and project aid. The former increased by 86 per cent to $121 million, while project aid imports rose by 29 per cent to $100 million. All other non-oil sector imports increased by 8 per cent to $931 million. Within this category, rice imports, at $74 million, were $11 million lower than in 1970/1971.

The composition of imports in 1971 showed a major change: 24.2 per cent consumer goods (1970 - 30 per cent); 42.3 per cent raw materials (1970 - 33.4 per cent) and 33.5 per cent capital goods (1970 - 36.6 per cent).

The sources of non-oil imports financing were as follows: 31 per cent foreign exchange originating from exports (1970 - 42.7 per cent); 24.9 per cent foreign loans (1970 - 25.1 per cent); 6.4 per cent Food and Project Aid (1970 - 7.5 per cent) 27.7 per cent Merchant's L/C (1970 - 16.9 per cent) and 10.6 per cent other sources (1970 - 7.8 per cent).

The rôle of Merchant's L/C and other sources of financing has become substantially more important. The composition of imports has changed: less consumer goods are imported while raw material imports have increased.

Japan remained the single most important trading partner of Indonesia in 1971 (Table 5), taking 42 per cent of Indonesia's exports, and supplying 25 per cent of its imports. The United States was the second most important trading partner, accounting for 15 per cent of both exports and imports of Indonesia. The Common Market countries accounted for 12 per cent and 18 per cent of Indonesia's exports and imports, respectively. Among other Asian countries, Malaysia and Singapore together accounted for 12 per cent and 7 per cent of Indonesia's exports and imports, respectively.

The 17 per cent increase in service payments abroad of the non-oil sector in 1971/1972 was attributable to larger payments for most service items, including freight on imports, investment income, travel and other services.

(2) Official transfers and capital

Programme aid utilization amounted to $306 million in 1971/1972 an increase of $23 million or 8 per cent over 1970/1971 (Table 5). During 1971/1972 sales of aid exchange rose by $16 million to $155 million, and non-food aid imports (cotton and cotton yarn) increased by $25 million to $47 million. The increases were offset partly by a $18 million or 15 per cent decline in total food aid utilization to $104 million; aid financed rice imports decreased by $15 million to $43 million. There was a considerable increase in the level of project aid utilization in 1971/1972; at $114 million, it was 32 per cent above the 1970/1971 level.

(3) Other non-monetary capital and net errors and omissions

The surplus on miscellaneous capital increased by $75 million or 65 per cent to $190 million in 1971/1972. Foreign private direct investment increased by $98 million to $186 million; the net inflow from other miscellaneous capital items fell from $27 million in 1970/1971 to $4 million in 1971/1972.

Debt service payments increased by 26 per cent to $107 million in 1971/1972. Service payments on pre-July 1966 debts increased by 25 per cent to $70 million; payments on rescheduling debts were considerably higher because they included service payments for more than one year to certain creditors as a result of the signing of additional bilateral agreements. Service payments on debts contracted since 1 July 1966 increased by 28 per cent to $37 million.

Unidentified capital movements and net errors were minus $43 million in 1971/1972 or decreased by 43 per cent as compared with $75 million in the previous year.

(4) Net official international reserves

New international reserves of the monetary authorities improved by $25 million during 1971/1972 (Table 6). The reserves position moved unevenly in the course of the year; it declined by $47 million during April-June, and then

increased to $144 million during June-December. Foreign exchange liabilities, declined by $3 million during April-June, and then increased by $57 million during June-December. Net reserves amounted to minus $91 million at the end of the year.

However, during the first quarter of 1972 international reserves increased by $86 million, partly as a result of the allocation of SDR $30 million.

B. Balance of payments, 1972/1973

Revised balance-of-payments estimates for 1972/1973 indicate a deficit on goods and services of $711 million (Tables 1, 2, 3, 6), an increase of $246 million over the 1971/1972 deficit, or 53 per cent; an increase in trade surplus of $44 million or 51 per cent and a higher deficit in services account of $290 million or 53 per cent. Miscellaneous Capital receipts increased by $363 million or 191 per cent to $553. Receipts from official transfer and capital increased to $518 million or 23 per cent. Debt service payments increased by 4 per cent to $111 million. Net errors and omissions increased by $97 million or 262.79 per cent to $70 million. No allocation of SDR.

The balance of payments for 1972/1973 shows an overall surplus as measured by monetary movements of $319 million, an increase of 1.176 per cent as compared with a surplus of $25 million in 1971/1972.

(1) Goods and services

Revised balance-of-payments estimates for 1972/1973 indicate a 41 per cent increase in total exports over 1971/1972. Gross oil exports are estimated to increase by 64 per cent to $965 million, instead of $993 million as estimated earlier; the revision is due to a downward adjustment in the estimate of production of crude oil.

Imports of the oil sector have been revised slightly upward to $159 million, while net oil sector service payments have been revised considerably downward to $434 million. Net receipts from the oil sector have, therefore, been revised upward by $23 million to $372 million, representing an increase of 82 per cent over 1971/1972.

Non-oil exports in 1972/1973 are estimated to amount to $970 million (revised upward from $885 million in the October estimates), showing an increase of 24 per cent over the previous year. Preliminary data for 1972 on the commodity breakdown of exports indicate that the better than expected performance is due largely to the increase in timber and coffee exports and in "other" exports; exports of several traditional products, such as rubber, palm-oil and copra declined (Table 4).

The value of timber exports increased by 28 per cent in 1972, compared with an increase of 69 per cent in the previous year, largely reflecting an increase in volume. Timber exports, at $216 million surpassed rubber exports to become the largest single item of non-oil exports in 1972. Exports of tin - the most

important hard mineral in Indonesia's exports - increased by only 4 per cent, mainly owing to an increase in price; the volume of tin exports declined slightly. Among the traditional agricultural products, rubber, copra, palm-oil products and pepper exports recorded a decline in 1972. Rubber exports continued the downtrend of the past few years; in 1972, both the volume and the average price of rubber exports declined, and their value was 15 per cent lower than in the previous year. Copra exports declined by 75 per cent, largely because of a fall in volume; this decline was only partly offset by a small increase in exports of copra cake. The value of palm-oil and kernel exports declined by 15 per cent mainly owing to a fall in prices. Pepper exports declined by 17 per cent, reflecting the reduced output and volume exported. Coffee exports, which had suffered a setback in the previous year, rose by 27 per cent in 1972 as a result of increases in both volume and prices. Tea exports also increased by 9 per cent, almost entirely because of an improvement in prices. With an increase of 48 per cent, the share of tobacco exports in total non-oil exports has increased to nearly equal that of tea exports; the increase was largely in the volume of tobacco exported, but there was also an appreciable increase in price. There was a 50 per cent rise in "other" exports in 1972, contributing the largest share to the increase in non-oil exports. This category includes a number of minor agricultural products, fishery and certain mineral products, as well as a few manufactured goods (mainly textiles).

The October estimates of non-oil sector imports has been revised upward from $1,468 million to $1,645 million; the latter figure represents an increase of $490 million or 42 per cent over 1971/1972. Imports of foodgrains and sugar rose from $106 million in 1971/1972 to $273 million in 1972/1973, on a c.i.f. basis. Rice imports increased by $132 million, of which $100 million was in commercial imports. Imports of wheat increased by $35 million and imports of corn and sugar - which were non-existent in 1971/1972 - amounted to $22 million and $30 million, respectively, in 1972/1973. Imports of capital goods under project aid, private foreign investment and the medium-term credit programme rose by $67 million. All other non-oil sector imports are estimated to have increased by about 26 per cent in 1972/1973.

The composition of imports in 1972 was as follows: 23 per cent consumer goods (1971 - 24.2 per cent); 44.7 per cent raw materials (1971 - 42.3 per cent) and 32.3 per cent capital goods (1971 - 33.5 per cent).

The sources of non-oil import financing consisted of 25.58 per cent Foreign aid (1971 - 26.52 per cent); 39.58 per cent Foreign Exchange originating from exports (1971 - 31.40 per cent); 12.59 per cent P.M.C. (1971 - 25.60 per cent); 12.07 per cent P.I.F. (1971 - 8.52 per cent); 8.94 per cent project (1971 - 6.24 per cent) and 1.24 per cent "invoerpas" (Customs clearance certificates).

In this context, the rôle of foreign exchange originating from exports, P.I.F. and Project financing has become substantially more important. The composition of imports indicated that raw material imports increased while consumer goods imports decreased.

The direction of Indonesia's trade did not change appreciably in 1972. Provisional data for the first seven months of the year indicate that Japan continued to be the single most important trading partner, taking 43 per cent of Indonesia's exports and supplying 35 per cent of its imports (Table 5). The United States accounted for 16 per cent of both exports and imports of Indonesia; the Common Market countries accounted for 14 per cent and 17 per cent, respectively, of Indonesia's exports and imports. Malaysia and Singapore together accounted for 16 per cent of Indonesia's exports and 6 per cent of its imports.

The deficit on non-oil sector services has been revised upward from $390 million to $408 million, or 37 per cent above that for 1971/1972; an important element in the higher deficit is the increase in freight payments on the enlarged volume of imports.

(2) Official transfers and capital

Total programme aid utilization during 1972/1973 is now estimated at $368 million instead of the October estimate of $355 million. The utilization of aid exchange has been revised slightly upward to $195 million. Sales of aid exchange amounted to $40 million, $67 million and $47 million in the first, second and third quarters, respectively, of the fiscal year; they are estimated at $41 million during January-March 1973. The October estimates of Public Law 480 imports of cotton and wheat remain unchanged at $36 million, and $35 million, respectively. Public Law 480 imports of rice have been revised slightly upward to $41 million.

Imports of rice from Japan under the Kennedy Round remain unchanged at $8 million, while imports under soft loans have been increased from the October estimate of $21 million to $31 million. Aid imports of rice from other sources have been increased from the October estimate of $2 million to $24 million.

The estimate of project aid utilization remains unchanged at $150 million, representing an increase of 32 per cent over 1971/1972. The carry-over of project aid is estimated at $870 million at the end of March 1973 (Table 3).

(3) Other non-monetary capital and net errors and omissions

The estimate of the surplus on miscellaneous capital has been increased from $246 million to $533 million. The inflow of private direct investments has been revised upward to $282 million showing an increase of 57 per cent over 1971/1972. Investment under the DICS scheme is estimated at $10 million, and net receipts from trade credits are estimated at $11 million. Other miscellaneous capital movements, mainly borrowing of State enterprises, are estimated on a net basis at $250 million.

Debt service payments are estimated at $111 million, an increase by 4 per cent over the 1970/1971; payments on pre-1 July 1966 debts are estimated at $63 million, and on new debts at $48 million compared with $70 million and $37 million, respectively in 1971/1972.

Unidentified capital movements and net errors were $70 million in 1972/1973 or increased by 263 per cent as compared with a minus $43 million in 1971/1972.

(4) Net official international reserves

During 1972/1973 net official international reserves are estimated to increase by $319 million. On 15 March 1973, net official international reserves amounted to $307.3 million; gross reserves amounted to $479.7 million, including $101.2 million of liabilities to the Fund (Table 6). The level of gross reserves is equivalent to about three months total imports at the 1972/1973 rate.

C. 1973/1974. balance-of-payments projections

Balance-of-payments estimates for 1973/1974 indicate a deficit of $770 million (Tables 1, 2, 3). This deficit is $59 million higher than that incurred in 1972/1973, an increase of 8 per cent; an increased trade surplus accounts for $174 million; a higher deficit on services accounts for $23 million. Miscellaneous capital receipts decrease by 15 per cent to $470 million. Receipts from official transfer and capital increase by 10 per cent to $570 million, and debt service payments increase by 17 per cent to $130 million. The balance of payments shows an overall surplus as measured by monetary movements of $140 million, or a decrease of 56 per cent as compared with a surplus of $319 million in 1972/1973.

(a) Goods and services

Certain revisions have been made to the official balance-of-payments projections for 1973/1974 made in October 1972. Net oil exports have been revised upward from $460 million to $570 million. Although crude oil production estimates have been revised downward, the present estimates of gross oil exports assume a higher price than in the October estimates. Non-oil exports have been revised upward from $1,015 million to $1,170 million, based on the recovery of prices of certain export commodities in recent months and the action taken by the Indonesian authorities in the context of the February 1973 realignment of exchange rates to maintain the rate of the rupiah in terms of the United States dollar unchanged. The present estimate shows an increase of 21 per cent over 1972/1973. Gross export receipts from copper are estimated at $50 million compared with $10 million in 1972/1973.

Non-oil sector imports have been revised upward to $1,990 million, showing an increase of 21 per cent over 1972/1973. Imports of rice are estimated at $252 million, compared with $206 million in the previous year, including $142 million of commercial imports. Imports of wheat are estimated at $78 million, compared with $67 million in 1972/1973, and imports of sugar are expected to amount to $40 million in 1973/1974. Imports of capital goods under project aid, private direct investment and the medium-term credit programme are estimated to increase from $337 million in 1972/1973 to $475 million in 1973/1974. All other imports are estimated to increase by 16 per cent.

The deficit on non-oil sector services is projected to increase by 24 per cent from $1,083 million in 1972/1973 to $1,340 million in 1973/1974; higher payments on freight for imports and on investment income account for a large part of this increase.

(b) Official transfer and capital

At the meeting of the International Governmental Group on Indonesia held in Amsterdam in December 1972, the Indonesian authorities presented a request for $370 million of programme aid and $390 million on project aid on a commitment basis. The programme aid request consisted of $210 million of non-food aid. In the balance-of-payments estimates, the estimate of programme aid and project aid utilization remain unchanged at $370 million and $200 million, respectively an increase of 10 per cent as compared with 1972/1973; an increase of 17 per cent for food aid, a decrease by 9 per cent for non-food aid and an increase of 33 per cent for project aid.

(c) Other non-monetary capital and net errors and omissions

The surplus on miscellaneous capital is expected to be $470 million, a decrease by 15 per cent as compared with the estimate of $553 million for 1972/1973; although private direct investment at $366 million is expected to be considerably higher than in the previous year, the net inflow of "other" capital ($100 million) is to be much lower than in the previous year.

Debt service payments is estimated to increase by 17 per cent to $130 million; payments on debts contracted before 1 July 1966 are expected to be $76 million, a decrease of 21 per cent, while payments on new debts are estimated at $54 million an increase of 13 per cent.

(d) Net official international reserves

The balance-of-payments forecast for 1973/1974 provides for an increase of $140 million in net official international reserves. This projected increase in reserves is dependent on the realization of the forecast for substantial increases in both oil and non-oil exports.

(e) Foreign indebtedness

Bilateral agreements for the rescheduling of the pre-July 1966 debts in accordance with the Paris Minute have been signed with all the participating countries. Agreements with non-participating creditor countries have been concluded with Bulgaria, Czechoslovakia, Eastern Germany, Hungary, Poland, Romania, and the USSR.

According to available data on Indonesia's pre-July 1966 guaranteed debts, evaluated at exchange rates in effect on 31 May 1972, the total principal together with rescheduled contractual interest and moratorium interest accrued prior to 1 January 1970, amounted to $1,988.6 million. Of this total, $709.1 million was

owed to the participating creditor countries, $1,261.1 million was owed to the CMEA countries, Mainland China and Yugoslavia, and $18.4 million was owed to other creditor countries (Appendix Table 7). Total interest payments, excluding those already rescheduled and moratorium interest accrued before 1 January 1970, amounted to $266.4 million. With the application of the Bisque clause, annual repayments of principal on pre-July 1966 debts would amount to about $36.6 million during 1973-75, about $56.2 million during 1976-77, about $66.4 million during 1978-91, and about $91.3 million during 1992-99 (Appendix Table 8). In addition to the annual interest payment of about $17.9 million during the years 1985-99, deferred interest will be paid, increasing from about $2.2 million in 1973 to about $13.6 million in 1993 and declining thereafter to about $10.3 million in 1999.

Revised data on Indonesia's non-guaranteed debts outstanding as of 31 December 1972, excluding commitments against which delivery of goods and services were subsequently cancelled, indicate that, of the $82.7 million outstanding on 30 June 1966, $66.2 million had been settled through the DICS scheme by 31 December 1972, leaving an amount of $16.5 million outstanding on that date (Table 9).

Total Government loans contracted from 1 July 1966 through 31 December 1972 amount to $2,471.4 million (Table 10). Service payments on these loans are estimated at about $62.3 million in 1973 and are expected to increase to about $141.3 million in 1982 (Table 11). Available data on other foreign debts of the public sector (primarily foreign debts of Pertamina) indicate service payments due in 1973 of $110.8 million; service payments on these debts are expected to increase to $178.1 million in 1975 and then decline to about $12.4 million in 1980. Taking into account service payments on rescheduled loans, total service payments on public sector external debts amount to $211.9 million in 1973, $304.1 million in 1976 and $209.9 million by 1982 as indicated in Table 11. The ratio of total public sector debt service to gross exports was about 12 per cent in 1972. With oil on a net basis, i.e. including service payments, the ratio would rise to about 14 per cent.

A Presidential Decree was issued 12 October 1972 concerning the approval of public sector foreign borrowing. The Decree requires that the Ministry of Finance negotiate and receive all foreign credits on behalf of the Government. Foreign borrowing by Public Corporate Bodies and Local Government Corporate Bodies is subject to approval by the Ministry of Finance in consultation with the Ministry of National Planning and the Bank Indonesia. The Government, the Bank Indonesia, and State banks are not permitted to guarantee foreign loans contracted by Public Corporate Bodies, Local Government Corporate Bodies and private enterprises.

(f) Exchange and trade system

Foreign exchange is available freely for all exchange transactions at the prevailing exchange rate. Most non-oil exports are subject to a 10 per cent tax.[1] Imports under letters of credit are subject to a 50 per cent deposit requirement

[1] Items exempted from the export tax since October 1972 include: products of the textile industry, fireworks, bay leaves and lime leaves, and alcohol distilled from rice and manioc.

since May 1973. Imports under "merchant letters of credit" are subject to a 25 per cent deposit. No par value has been established with the Fund. The exchange rate of the rupiah was maintained at Rp 415 per US$1, after the December 1971 realignment of the exchange rates of major currencies. This rate was maintained in terms of the United States dollar in the context of the recent exchange rate adjustments. Since October 1972 no other major changes have been made in the exchange and trade system.

TRADE POLICY DEVELOPMENT

Following the policy changes relating to trade and the foreign exchange system which had taken place in April 1970, a series of economic measures have been introduced by the Indonesian Government during 1971 to cushion the adverse effects of the international monetary crisis i.e. the adjustment of the foreign exchange rate to Rp 415 - per US$1 - compared with the previous rate of Rp 378 - per US$1.

The basic strategy in the field of trade, as has been explicitly stated in the "April 17, 1970 economic measures" has remained unchanged. It provides the following principle:

1. Trade should support production through operational policies aiming at the improvement of the marketing machinery, as well as stimulate production for export and the domestic market and create employment opportunities.

2. Guidance should be given to small entrepreneurs facing less advantageous conditions.

3. In case of distortion in free market forces, the Government should intervene by indirectly managing the elimination of the underlying causes.

Export sector

Measures have been taken to improve marketing and export procedures and to reduce or abolish export levies such as "cess", rehabilitation contributions and survey charges. Export policies are to maintain the level and export markets of main and traditional commodities and at the same time to stimulate exports of new products including semi-manufactures, and handicraft products. Furthermore, efforts are being made to expand new markets through trade promotion, improvement of marketing structures and diversification.

Import sector

The Government policy in the import sector includes in the first place an active import planning, particularly related to the production of food and clothing and other strategic commodities. In the second place, the policy is designed to direct imports according to the availability of limited foreign exchange, and to this end import restrictions are applied when necessary.

The general foreign exchange (originating from export proceeds) as well as the credit foreign exchange (originating from foreign loans) are to be spent for the import of raw materials and capital goods, in conformity with the Government policy in order to increase production.

In order to increase production, attention is paid to the determination of priorities which are implemented through indirect ways as follows:

1. Fiscal policy: increase of proceeds from import duties and levies;

2. soft credit;

3. adjusting and improving the composition of foreign exchange expenditure for export industries and essential daily needs;

4. import restrictions (banned goods).

In connexion with the policy as mentioned above, the problems that have been identified are as follows:

1. Which goods can be imported by credit foreign exchange and which by general foreign exchange;

2. goods banned for import (Annex I Trade Ministerial Decree No. 334/Kp/X/71 dated 29 October 1971);

3. import duty is imposed on the following considerations:

   (a) Most essential goods (Group A, varying between 0-10 per cent)

   (b) Essential goods (Group B, varying between 10-30 per cent)

   (c) Less essential goods (Group C, varying between 30-50 per cent)

   (d) Other goods (Group D, higher than 50 per cent).

Commodities included in the Groups A, B, C and D are referred to in the Trade Ministerial Decree No. 334/Kp/X/71 dated 29 October 1971 (Annex I).

Credit foreign exchange/grants are spent for the import of:

(1) Consumer goods: rice
wheat flour
refined sugar

(2) Raw materials/auxiliary goods: fertilizers
insecticide
cloves
raw cotton
cotton yarn

(3) Capital goods for projects

Regulations for the implementation of the import policy mentioned above is applicable to all countries, except to South Africa and Rhodesia.

The prevailing import restriction regulations are stated in the Ministerial Decree No. 33/Kp/X/71 of 29 October 1973 including its amendments.

The implementation of the import policy which is usually done by means of import bans and ways of financing, sometimes requires that a special licence be issued to overcome force majeure cases , such as fire, strike, shipping delay etc. In addition, a special licence is also issued for certain commodities which are not produced domestically or for commodities still needed to cover domestic needs.

Considered from the viewpoint of trade, the effect of import restrictions will improve the levels of employment, industrialization, product quality, national income and foreign exchange saving. For example, the import in bulk of material for the manufacture of bags could be done at a cheaper price and the manufacture into suitable bags will provide employment. The import ban for matches will stimulate the use of wood and develop match industries. For non-essential goods, the effect of the import ban is relatively small, whereas on the country, the effect for essential goods is big.

On 20 January 1973 the Government Regulation No. 2 1973 was promulgated whereby the system of the Brussels Tariff Nomenclature was applicable replacing the system of Geneva Nomenclature in the classification of export and import goods.

The purpose of the Brussels Tariff Nomenclature application is beside the obtaining of a more directed systematic, to modify the differences in the interpretation. Another advantage of the Brussels Tariff Nomenclature application is the uniformity in the production of statistical figures of Indonesia's export and import goods, registered by the Indonesian trade partners.

Together with the effectiveness of the Brussels Tariff Nomenclature system, the perfectioning of the structure of import duties and sales tax was effected with the following purposes:

1. To support general development, production activities and employment.

2. To offer reasonable protection to the development of domestic industries.

3. Modify the pattern of non-essential consumption.

4. To spend foreign exchange in a more efficient way and well-directed.

5. To safeguard the State income.

The tariff system also underwent simplification; only thirteen kinds of tariffs are available varying from 0-100 per cent and only ten items were subject to specific duties, i.e. cement, tyres and films compared with the old system consisting of forty-nine kinds of tariffs varying from 0-300 per cent.

In future, the import policy will be directed to the import of raw materials, capital goods, foreign exchange saving and the procuring of employment. The necessary steps in the direction of liberalizing trade would therefore be taken.

TABLE 1

Balance-of-Payments Summary
1971/72-1973/74

(In US$ million)

	1970/71 Actuals	1971/72 Actuals	1972/73 Estimates	1973/74 Estimates
A. Goods and services	-350	-465	-711	-770
Oil (net)	152	204	372	570
Non-oil	-502	-669	-1,083	-1,340
Exports	(761)	(784)	(970)	(1,170)
Imports	(-1,008)	(-1,155)	(-1,645)	(-1,990)
Services	(-255)	(-298)	(-408)	(-520)
B. Miscellaneous capital	115	190	553	470
Direct investment	88	186	282	366
Other	27	4	271	104
C. Debt service payments	-85	-107	-111	-130
Pre-July 1966 debts	(-56)	(-70)	(-63)	(-76)
Post-July 1966 debts	(-29)	(-37)	(-48)	(-54)
D. Net errors and omissions	-75	-43	70	—
E. Official transfers and capital	369	420	518	570
Programme loans and grants	283	306	368	370
Non-food	(161)	(202)	(231)	(210)
Food	(122)	(104)	(137)	(160)
Project loans and grants	86	114	150	200
F. Total A through E	-26	-5	319	140
G. Allocation of SDRs	28	30	—	...
H. Monetary movements (increase in assets)	-2	-25	-319	-140

Source: Bank of Indonesia.

TABLE 2

Balance of Payments: 1970-1973/74[1]

(In US$ million)

(1)	1970 Actuals (2)	1970/71[1] Actuals (3)	1971 Actuals (4)	1971/72[1][2] Actuals (5)	1972 Actual provisional In millions of US$ (6)	1972 Actual provisional In millions of SDRs (7)	I half actual provisional (8)	1972/73[1] II half estimates (9)	TOTAL estimates (10)	1973/74[1] estimates (11)
A. Goods and services										
1. Exports f.o.b.	1,173	1,204	1,307	1,374	1,757	1,618	883	1,052	1,935	2,595
Oil	434	443	515	590	877	808	435	530	965	1,425
Non-oil	739	761	792	784	880	810	448	522	970	1,170
2. Imports f.o.b.	-1,116	-1,102	-1,223	-1,287	-1,633	-1,504	-776	-1,028	-1,804	-2,290
Oil	-92	-94	-112	-132	-163	-150	-77	-82	-159	-300
Non-oil	1,024	-1,008	-1,111	-1,155	-1,470	-1,354	-699	-946	-1,645	-1,990
3. Services	-447	-452	-512	-552	-768	-708	-371	-471	-842	-1,075
Oil	-196	-197	-221	-254	-384	-354	-190	-244	-434	-555
Non-oil	-251	-255	-291	-298	-384	-354	-181	-227	-408	-520
4. Total (1 + 2 + 3)	-390	-350	-428	-465	-644	-594	-264	-447	-711	-770
Oil	146	152	182	204	330	304	168	204	372	370
Non-oil	-536	-502	-610	-669	-974	-898	-432	-651	-1,083	-1,340
B. Miscellaneous capital	75	113	150	190	490	451	250	303	553	470
Direct (investment)	79	88	141	186	250	230	131	151	282	366
DICS (investment)	18	16	11	--	8	7	2	8	10	10
Suppliers credit	-28	-30	4	4	--	--	--	--	--	--
Trade credit	6	41	-6	--	17	16	4	7	11	16
Other	--	--	--	--	215	198	113	137	250	100
C. Debt service payments	-86	-83	-101	-107	-102	-93	-33	-78	-111	-130
1. Debts contracted before 1 July 1966	-62	-56	-66	-70	-57	-52	-11	-52	-63	-76
Rescheduled debt	-16	-18	-44	-46	-39	-36	-4	-38	-42	-48
Short-term credit	--	--	--	--	--	--	--	--	--	--
Non-guaranteed	-2	-2	-4	-4	-3	-3	-1	-2	-3	-3
DICS	-18	-16	-11	-13	-8	-7	-2	-8	-10	-10
Refinanced debts	-3	-1	--	--	--	--	--	--	--	--
Oil debts	-20	-17	-2	--	--	--	--	--	--	--
Other	-3	-2	-5	-7	-7	-6	-4	-4	-8	-15

1/ April/March

2/ Revised

TABLE 2 (cont'd)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
2. Debts contracted after 1 July 1966	-24	-29	-35	-37	-45	-41	-22	-26	-48	-54
D. Net errors and omissions	-6	-79	-93	-43	110	102	45	25	70	--
E. Official transfers and capital	407	369	389	420	422	452	242	276	518	570
1. Programme loans and grants	323	285	299	306	347	319	167	201	368	370
Aid exchange loans/grants	153	139	148	155	202	186	107	88	195	175
PL 480 (non-food)	31	22	47	47	29	27	17	19	36	35
PL 480 (rice)	52	58	44	43	52	48	16	25	41	60
PL 480 (wheat and bulgur)	34	25	21	21	32	29	14	21	35	35
Other food aid	53	39	39	40	32	29	13	48	61	65
2. Project loans and grants	84	86	90	114	145	133	73	75	150	200
Project loans pre-1967	12	8	2	1	1	1	1	--	1	--
Project loans and grants 1968-74	72	78	88	113	144	133	74	75	149	200
F. Total A through E	--	-26	-83	-5	346	318	240	79	319	140
G. Allocation of SDRs	35	28	28	30	30	28	--	--	--	--
H. Total A through G	35	2	-55	25	376	346	240	79	319	140
I. Monetary movements (increase in assets)	-355	-2	55	-25	-376	-346	-240	-79	-319	-140
SDRs	--	-2	--	-36	-39	-36	-1)			--
Use of fund credit	26	29	-13	-17	-18	-16	-8)	-79	-319	--
Other short-term liabilities	-23	-31	54	40	---	---	-2)			
Short-term assets	-38	2	14	-12	-319	-294	-229)			

Source: Bank of Indonesia.

TABLE 3

Balance of Payments, Summary
1970/71-1973/74

(In US$ million)

	1970/1971 Actual	1971/1972 Actual	1972/1973 Estimate	1973/1974 Estimate	Changes in percentage 1970/71 - 1971/72	1971/72 - 1972/73	1972/73 - 1973/74
A. Goods and services							
1. Exports f.o.b.	1,204	1,374	1,935	2,595	14.12	41.41	34.15
Oil	443	590	955	1,425	33.18	63.22	47.67
Non-oils	761	784	970	1,170	3.02	23.72	20.61
2. Imports f.o.b.	-1,102	-1,287	-1,804	-2,290	16.79	40.17	26.94
Oil	-94	-132	-159	-300	36.17	20.45	88.67
Non-oils	-1,008	-1,155	-1,645	-1,990	14.58	42.51	20.97
Balance of trade	102	87	131	305	14.71	50.57	132.82
3. Services	-452	-552	-842	-1,075	22.12	52.53	27.67
Oil	-197	-254	-434	-555	28.93	70.86	27.89
Non-oils	-255	-298	-408	-520	16.86	36.91	27.45
4. Total	-350	-465	-711	-770	32.85	52.90	8.29
Oils	-152	204	372	570	34.21	82.35	82.35
Non-oils	-502	-669	-1,083	-1,340	33.26	61.88	23.73
B. Miscellaneous capital	115	190	553	470	65.21	191.05	15.01
C. Office transfer and capital	369	420	518	570	13.82	23.33	10.03
1. Programme loans and grants	283	306	368	370	8.12	20.26	0.54
Non-food	161	202	231	210	25.46	14.35	-9.09
Food	122	104	137	160	-14.75	31.73	16.79
2. Projects loans and grants	86	114	150	200	32.55	5.26	33.33
D. Debt service payments	-85	-107	-111	-130	25.88	3.73	17.11
Pre-July 1966, debts	-56	-70	-63	-76			
Post July 1966, debts	-29	-37	-48	-54			

TABLE 3 (Cont'd)

	1970/1971 Actual	1971/1972 Actual	1972/1973 Estimate	1973/1974 Estimate	Changes in percentage 1970/71 - 1971/72	1971/72 - 1972/73	1972/73 - 1973/74
E. Net errors and omissions	-75	-43	70	---	-42.67	62.76	--
F. Total A through E	-26	-5	319	140	-80.76	-6,880.00	-56.27
G. Allocation of SDRs	28	30	---	---	7.13	-	-
H. Monetary movements	-2	-25	-319	-140	1,150.00	1,176.00	-140.00

TABLE 4

Principal Non-Oil Exports

(In US$ million)

	1970	1971			1972		
		I Half	II Half[1]	Total[1]	I Half	II Half[2]	Total
Rubber	281.3	117.2	104.2	221.4	96.9	90.4	187.3
Coffee	72.4	28.8	26.2	55.0	30.7	39.4	70.1
Tin	62.1	30.1	33.7	63.8	33.8	32.7	66.5
Timber	100.0	84.8	83.8	168.6	92.5	124.0	216.5
Palm products	42.0	21.6	30.2	51.8	20.2	24.0	44.2
Oil	(37.1)	(18.8)	(27.5)	(46.3)	(18.3)	(22.5)	(40.8)
Kernel	(4.9)	(2.8)	(2.7)	(5.5)	(1.9)	(1.5)	(3.4)
Coconut products	37.1	15.6	10.5	26.1	7.2	8.8	16.0
Copra	(31.3)	(10.8)	(3.9)	(14.7)	(1.4)	(2.2)	(3.6)
Copra cake	(5.8)	(4.8)	(6.6)	(11.4)	(5.8)	(6.6)	(12.4)
Tobacco	12.2	13.8	6.1	19.9	20.7	8.7	29.4
Pepper	4.1	10.4	14.0	24.4	9.1	11.2	20.3
Tea	17.6	13.4	15.3	28.7	17.6	13.8	31.4
Other[3]	110.2	64.3	68.0	132.3	81.7	117.3	199.0
Total	739.0	400.0	392.0	792.0	410.4	470.3	880.7

[1] Revised

[2] Provisional

[3] Includes a statistical discrepancy between data on total exports derived from the record of exchange transactions and data derived from the E3 forms that exporters are required to complete and from which the commodity breakdown of exports is compiled.

Source: Bank of Indonesia.

TABLE 5

Direction of Trade, 1969-72[1]

(In US$ million)

	Exports			Imports			
	1970	1971	1972[2]	1969	1970	1971	1972[2]
Japan	425	529	310	226	295	390	270
United States	125	182	117	154	179	176	126
Australia	35	15	12	21	28	33	27
Common market	153	153	99	130	180	208	132
Germany	64	60	45	65	93	115	69
Netherlands	42	64	32	39	50	52	36
Belgium/Luxembourg	15	15	10	5	7	7	6
France	15	7	5	11	17	17	12
Italy	17	7	7	10	13	17	8
Other Western Europe	12	11	6	31	37	51	37
United Kingdom	12	11	6	27	35	50	36
Yugoslavia	—	—	—	4	2	1	1
Other ASIA	196	192	129	92	111	114	69
Malaysia and Singapore	169	154	119	44	62	78	45
Philippines	17	26	3	2	1	3	2
Hong Kong	10	11	7	27	22	20	12
Thailand	—	—	—	9	11	7	7
India	—	—	—	7	5	5	3
Burma	—	1	—	3	10	1	—
CMEA countries, Mainland China, etc.	27	12	6	55	48	53	19
USSR	20	9	4	5	5	14	3
Mainland China	—	—	—	43	33	31	14
Other	7	3	2	7	10	8	2
Other countries	179	153	47	72	123	149	100
Total	1,152	1,247	726	781	1,001	1,174	779

[1] Data are based on customs statistics and for various reasons differ considerably from data shown in Table and Appendix Table.

[2] January-July 1972; provisional

Source: Bank of Indonesia.

TABLE 6

Gold and Foreign Exchange Reserves of the Monetary Authorities, December 1968-February 1973

(In US$ million)

	Gross reserves	Foreign exchange liabilities 1/ 2/	Net reserves 2/ 3/
1968			
December	84	122	- 38
1969			
December	119	163	- 44
1970			
December	157	191	- 34
1971			
January	161	178	- 17
February	153	182	- 29
March	182	209	- 27
April	151	181	- 30
May	128	205	- 77
June	104	178	- 74
July	173	232	- 59
August	169	234	- 65
September	168	224	- 56
October	182	206	- 24
November	187	229	- 42
December	144	235	- 91 (-84)
1972			
January	216	224	- 8 (- 7)
February	204	233	- 29 (-27)
March	230	232	- 2 (- 2)
April	268	239	+ 29 (27)
May	289	251 4/	+ 38 (35)
June	342	241	+101 (93)
July	399	239	+160 (143)
August	383	226	+157 (145)
September	460	222	+238 (219)
October	522	214	+308 (284)
November	539	212	+327 (301)
December	489	204	+285 (263)
1973			
January	502	183	+319 (294)
February	500	182	+317 (263)

1/ Includes use for Fund credit

2/ Revised to exclude contingent liabilities under letter of credit

3/ Figures in parentheses represent equivalents in terms of SDRs

4/ Includes an increase of US$10 million due to the adjustment of Fund holdings of rupiahs in 1972

Source: Bank of Indonesia.

TABLE 7

Outstanding Liabilities at 31 December 1969 on External Debts incurred before 1 July 1966 [1] [2]

(In US$ million)

	Principal	Original interest		Moratorium interest	
		Rescheduled	Remainder	Accrued	Remainder
Participating countries	618.4	63.1	32.2	27.6	103.3
France	91.8	11.5	2.2	6.8	20.0
Germany, Federal Republic of	125.9	10.5	8.7	3.8	16.7
Italy	110.8	8.0	2.8	5.4	21.9
Japan	85.0	6.6	3.8	4.5	16.4
Netherlands	26.0	2.1	0.9	0.9	3.6
United Kingdom	26.0	2.5	0.3	2.1	5.5
United States	156.9	21.9	13.5	4.1	19.2
CMEA countries, Yugoslavia and Mainland China [2]	1,173.1	--	--	88.0	128.3
Bulgaria	2.2	--	--	--	0.1
Czechoslovakia	70.5	--	--	3.9	10.1
Eastern Germany	60.6	--	--	0.6	22.0
Hungary	18.3	--	--	0.3	2.0
Mainland China	55.9	--	--	--	1.0
Poland	104.6	--	--	--	13.3
Romania	15.0	--	--	--	2.0
USSR	733.3	--	--	83.2	50.6
Yugoslavia	112.7	--	--	--	27.2
Other debts	15.9	2.5	1.0	--	1.6
Egypt	3.4	--	1.0	--	--
India	2.9	--	--	--	--
Pakistan	9.6	2.5	--	--	1.6
Total	1,807.4	65.6	33.2	115.6	233.2

[1] Data for countries with which bilateral rescheduling agreements have been concluded are based on such agreements; data for other countries are subject to revisions which may be agreed during bilatoral negotiations with a view to implementing the Agreed Minute. Non-guaranteed debts are excluded.

[2] Revised data based on exchange rates effective 31 May 1972.

[3] Includes balance, if any, on bilateral clearing accounts.

Source: Bank of Indonesia.

TABLE 8

Debt Service Payments on pre-1 July 1966 Debt after Biscus Clause Rescheduling[1,2]

(In US$ million)

Year	Principal	Interest	Deferred interest	Total
1970	33.8	—	—	33.8
1971	33.8	—	0.7	34.5
1972	36.6	—	1.5	38.1
1973	36.6	—	2.2	38.8
1974	36.6	—	3.0	39.6
1975	36.6	—	3.7	40.3
1976	56.2	—	4.4	60.6
1977	56.2	—	4.4	60.6
1978	66.4	—	4.4	70.8
1979	66.4	—	4.4	70.8
1980	66.4	—	4.4	70.8
1981	66.4	—	4.4	70.8
1982	66.4	—	4.4	70.8
1983	66.4	—	4.4	70.8
1984	66.4	—	4.4	70.8
1985	66.4	17.9	4.4	88.7
1986	66.4	17.9	4.4	88.7
1987	66.4	17.9	4.4	88.7
1988	66.4	17.9	4.4	88.7
1989	66.4	17.9	4.4	88.7
1990	66.4	17.9	4.4	88.7
1991	66.4	17.9	4.4	88.7
1992	91.3	17.9	14.2	123.4
1993	91.3	17.9	13.6	
1994	91.3	17.9	13.1	122.3
1995	91.3	17.9	12.5	121.7
1996	91.3	17.9	11.9	121.1
1997	91.3	17.9	11.4	120.6
1998	91.3	17.9	10.8	120.0
1999	91.4	17.9	10.3	119.6
Total	1,986.5	268.5	179.3	2,434.3

[1]Bisque clause percentage is based on the rescheduling agreements for countries with whom such agreements have been signed. For other countries a 50 per cent deferment has been assumed.

[2]Revised data for 1972 and subsequent years based on exchange rates effective 31 May 1972.

Source: Bank of Indonesia.

TABLE 9

Non-guaranteed Debts Outstanding as of 31 December 1972 1/ 2/

(In US$ million)

	Total debt incurred before 1 July 1966 3/	Amount converted into DISC through 31 Dec. 1972	Amount outstanding as of 31 Dec. 1972
Participating countries	75.2	61.7	13.5
France	2.3	2.1	0.2
Germany, Federal Republic of	25.5	20.1	5.4
Italy	0.6	0.6	-
Japan	22.4	17.0	5.4
Netherlands	23.2	21.1	2.1
United States	1.2	0.8	0.4
Other countries	7.5	4.5	3.0
Austria	2.8	0.9	1.9
Belgium	0.5	0.5	-
Denmark	0.2	0.2	-
Sweden	0.5	0.3	0.2
Switzerland	2.3	2.3	-
Tanzania	1.2	0.3	0.9
Total	82.7	66.2	16.5

1/ Includes only debts eligible for conversion through the Debt Investment Conversion Scheme (DICS)

2/ Data based on exchange rates effective May 1972.

3/ Includes principal and interest

Source: Bank of Indonesia.

TABLE 10

Government Loans Contracted,[1/2/]
1 July 1966-31 December 1972

(In US$ million)

Creditor	Amount
IDA	332.9
AsDB	61.5
Belgium	14.6
Canada	10.5
Denmark	4.2
France	58.1
Germany, Federal Republic of	172.1
India	13.7
Japan	574.5
Netherlands	307.0[3/]
New Zealand	2.1
United Kingdom	70.7
United States	849.5
Total	2,471.4

1/ Based on programme aid agreements and specific project aid agreements

2/ Data based on exchange rates effective as of 31 May 1972

3/ This amount includes outstanding amounts of loans from the Government of the Netherlands (7 September 1966 for $169.6 million), N.V. Aniem (27 April 1967 for $14.5 million) and N.V. Ogem (27 April 1967 for $4.6 million) for compensation for nationalized Netherlands properties.

Source: Bank of Indonesia.

TABLE 11

Payments Due on External Debts Contracted as of 31 January 1972[1,2]

(In US$ million)

	Old debts[3]	New debts				Total
		Government		Other public sector[4]		
		Principal[5]	Interest	Principal	Interest	
1973	38.8	20.5	41.8	75.5	35.3	211.9
1974	39.6	24.9	47.1	117.8	44.1	273.5
1975	40.3	37.3	48.4	143.5	34.6	304.1
1976	60.6	33.5	48.5	128.9	24.6	296.1
1977	60.6	42.6	48.2	98.1	15.1	264.6
1978	70.8	56.8	47.6	50.2	7.4	232.8
1979	70.8	67.5	46.3	32.1	3.9	220.6
1980	70.8	82.1	44.6	11.4	1.0	209.9
1981	70.8	88.1	44.3	—	—	203.2
1982	70.8	98.2	43.1	—	—	212.1
1983 and after	1,734.0	1,891.6	495.7	—	—	4,121.3
Total	2,327.9	2,443.1	955.6	657.5	166.0	6,550.1

[1]Excluding obligations of less than 181 days and liabilities of the banking system.

[2]Data based on exchange rates effective 31 May 1972.

[3]Comprise debts contracted prior to 1 July 1966. The full use of the option to defer part of the repayment of principle has been assumed in this presentation.

[4]This includes available data on loans to State enterprises, local Governments and Government agencies.

[5]Excluding $33.3 million paid during 1968 through 1972.

Source: Bank of Indonesia.

Annex

D E C I S I O N

OF THE MINISTER OF TRADE

THE REPUBLIC OF INDONESIA

No. 334/KP/X/71

DATED 29 October 1971

ANNEXED:

a. List I - Group A
Goods may be imported with "aid foreign exchange"

b. List I - Group B
Goods may be imported with "aid foreign exchange"

c. List II - Group C
Goods may be imported with "general foreign exchange"

d. List II - Group D
Goods may be imported with "general foreign exchange"

e. List III
Goods - banned from importation

LIST I - Group A

Goods may be imported with "aid foreign exchange"

	Tariff No.	Description of goods	Explanation
1.	12-IIa	Skimmed milk only for the industry of baby-food (Decision of Dept. of Health)	
2.	40		May be imported by BULOG (Letter Dept. of Trade No.965/Dim/70 25-2-1970)
3.	42-II		BULOG as handling/sole agent (Decision of Min. of Trade No.217/Kpt/ VII/71, 9-7-1971 and No.291A/Kp/IX/71, 30-9-1971)
4.	50-II		
5.	109		
6.	135-I 135-II		
7.	153-IIb 153-IIc	Except caustic soda Stearic acid only	
8.	166-I	With the Decision of Min. of Health	
9.	167-I	With the Decision of Min. of Health	
10.	168-I	Milk powder (baby food) with the decision of Min. of Health	
11.	169-IIa	Insecticide only	Insecticides importation for the agricultural purposes, done with aid foreign exchange/grant/ food aid (Letter Dept. of Trade No.2306/Dim/70 8-5-1970)
	169-IIb	Ditto	Ditto

	Tariff No.	Description of goods	Explanation
12.	170-IIb	Colouring substances or chemical products for textiles only	
13.	180-I		
14.	209-I		Importation of fertilizer done with aid foreig exchange/grant/food aid: for agricultural sector by Dept. of Trade; for PNP purposes by Ditdjen Perkebunan; (President Decision No.3/1969; Letters of Dept. of Trade No.965/Dim/70, 25-2-'70 and No.0347/DDP/I/V/. 6-5-71).
	209-II		Ditto
15.	308-I		
16.	334-IIb	Except goods banned for importation	
17.	353-I 353-II		
18.	355-I		
19.	356-Ia 356-IIa2		
20.	357-I		
21.	363-I		
22.	381		
23.	408		
24.	727		
25.	728-I	Machines, apparatus and instruments for hulling rice only	
	728-II	Ditto	

	Tariff No.	Description of goods	Explanation
26.	729		
27.	734		
28.	766-Ia		

LIST I - Group B

Goods may be imported with "aid foreign exchange"

	Tariff No.	Description of goods	Explanation
1.	2	For the purpose of breeding only	
2.	3	Ditto	
3.	6		
4.	12-IIa	Except included in Group A	
5.	24		
6.	25		
7.	36-I		
8.	39-IIa		Solely done by the Clove: Administration with the agreement of Min.of Trade (Decision of Min. of Trade No.167/Kp/VII/7(25-7-1970)
9.	47-IIb	Cornstarchpowder only for dry cell industry, amylum tritici and amylum selani for pharmaceutical purposes	
10.	50-III	With the agreement of Min. of Agriculture	
11.	57		
12.	58		
13.	59-I II III		
14.	61-I III		
15.	68-I	For the pharmaceutical industry only	
	68-II	Ditto	

	Tariff No.	Description of goods	Explanation
16.	70		
17.	71		
18.	72-I II		
19.	75		
20.	80-I	For the pharmaceutical industry only	
21.	91	Feradol only for the pharmaceutical industry	
22.	121-Ia	Virginia tobacco only ex PL-480	
	121-Ib	Ditto	
23.	123	Essence of tobacco only	
24.	125	Hydrated lime only for tyres industry	
25.	126-I		
	126-II	For the ceramic industry only	
26.	127		
27.	128		
28.	131		
29.	132		
30.	133-I II		
31.	134	Retort coal only	
32.	137		
33.	140		
34.	141		

	Tariff No.	Description of goods	Explanation
35.	142-II		
36.	143-I II	Mineral wax for industrial purpose only	
37.	144		
38.	145		
39.	146-I II		
40.	147	Except ammonia, oxygen and carbonic acid	
41.	148-I II		
42.	150		
43.	151		
44.	152		
45.	153-Ia Ib IIa IIb IIc	 Cuastic soda only Except included in Group A: Glutamid acid and HCl	
46.	154		
47.	155		
48.	156		
49.	158		
50.	159-IIIa	With decision of Min.of Health	
51.	160		
52.	161-I II	Except sulphuric ether	

	Tariff No.	Description of goods	Explanation
53.	163		
54.	164		
55.	165		
56.	166-II		
57.	167-IIa	With decision of Min.of Health	
	-IIb	Ditto	
58.	168-IIa		
	IIb	With decision of Min.of Health	
	III	Vitamines preparation for animals	
59.	169-Ia		
	Ib	Except mosquito coils	
	IIa	Except included in Group A	
	IIb	Ditto	
60.	170-I		
	IIa		
	IIb	Except included in Group A and detergent	
61.	172		
62.	173-Ia		
63.	174		
64.	175		
65.	176		
66.	178	Teletype ribbon only	
67.	179		

	Tariff No.	Description of goods	Explanation
68.	181-IIa IIb	Paints, ready for immediate use, used for exterior of the boat only	
	181-IIb2	Varnishes: a. duco made of nitro cellulose b. paints anti corrosive and anti fouling for boat's wall c. materials for paint industry/ink/stamp-ink d. G.E.glyptal insulating paint, insulating varnishes and tinner	
69.	183	Filling products, part or whole made of metal	
70.	184-IIb	Pepermint oil only	
71.	194-II		
72.	196-II		
73.	198		
74.	199		
75.	200		
76.	201-II	Marine glue, viscarine and adhesive only (hotmelt adhesive F.F. 7016)	
77.	202-I	With the agreement of the Police Head Quarter	
78.	203-I	Ditto	
79.	220		
80.	230		
81.	231		
82.	234-I II		

	Tariff No.	Description of goods	Explanation
83.	235-II IV	Tyres with following dimension: 1200-20 1100-24 1300-24 1400-24 1600-24 1500-25 1600-25 26,5-25	
84.	236-II III	Except sanitary	
85.	237-I		
86.	244-I		
87.	247		
88.	255	Marine plywood only	
89.	258-I		
90.	262		
91.	266		
92.	281		
93.	283		
94.	284		
95.	285		
96.	286	Crown corks only	
97.	289		
98.	300		
99.	302-II	Counter board only	
100.	305		

	Tariff No.	Description of goods	Explanation
101.	307-I II	Kraftpaper wetstrength and kraftpaper covered polyaethylene for fertilizer industry	
102.	308-II		
103.	309-II	For the cigarette industry only	
104.	314-I II		
105.	315-I	Except drawing paper, cyclostyle, blue washing paper	
	-II	Solely MG match paper, blue match paper, reagent paper and crapetape kraft paper for fertilizer and cement industry; rolls paper for teleprinter width 210mm; telegraph perforator paper tapeoiled width 17 and 11mm	
106.	331-I II		
107.	334-IIb	Lectures for student and Braille script according decision of Min.of Education and Culture	
108.	336		
109.	337	Maps, nautical and astronomical charts only	
110.	338	Transferpaper with flamming point 750°-800°C	
111.	341-I		
112.	343		

	Tariff No.	Description of goods	Explanation
113.	344-II	Silk threads only	
114.	346-Ia Ib	Velveteen for cap industry only	
115.	347		
116.	349		
117.	351-I II		
118.	355-IIa IIb		
119.	356-IIb1	Except banned for import-ation	
	IIb2	Ditto	
	III	Solely cotton tape with cord and ribbon especially for typewriter ribbon or calculating machine ribbon fabrication	
120.	359-I II		
121.	362-I		
122.	363-II		
123.	364		
124.	365-I		
125.	366		
126.	367-I		
127.	368		
128.	369		
129.	374-I		
130.	376		

	Tariff No.	Description of goods	Explanation
131.	377		
132.	378		
133.	379-I II		
134.	380		
135.	383		
136.	384		
137.	385-I II		
138.	386		
139.	387		
140.	388		
141.	389		
142.	390		
143.	391-I II		
144.	443-II		
145.	444		
146.	447		
147.	449-I II		
148.	454-I		
149.	455-Ia Ib II		
150.	457		
151.	464		

	Tariff No.	Description of goods	Explanation
152.	465		
153.	466		
154.	479		
155.	480-I		
156.	481-I	Sheet glass (window glass) not further worked with thickness 2 - 5mm	
157.	489		
158.	491-III		
159.	494		
160.	495		
161.	504		
162.	512		
163.	513		
164.	515-I		
165.	518		
166.	524		
167.	525-I IIb		
168.	526-I II		
169.	527		
170.	528		
171.	529		
172.	530		
173.	531		

	Tariff No.	Description of goods	Explanation
174.	532		
175.	533-I II		
176.	536		
177.	537	Irrigation pipes only	
178.	538		
179.	539-I II		
180.	540	Except 5/8" - 1½" measure	
181.	541		
182.	542	With permission of Dept. of Mining	
183.	543-I -II	Ditto	
184.	545		
185.	547		
186.	550		
187.	552-IIa		
188.	553		
189.	554-I		
190.	555		
191.	558		
192.	562		
193.	564		
194.	565-Ia Ib Ic Id		

	Tariff No.	Description of goods	Explanation
194.	565-Ie If II		
195.	566	Sealing punches only used by Dept.of Communications	
196.	567-I		
197.	568		
198.	569		
199.	571		
200.	573		
201.	575		Included jiggs and fixtures
202.	577		
203.	578-I II		
204.	579		
205.	580-I II		
206.	581		
207.	583		
208.	592		
209.	593-I	In c.k.d. condition with permission of Dept.of Industrial Affairs	
210.	596	For zip-fastener fabrication: slider, top and bottom stop; top cover and negative plate for dry-cell and zip-fastener fabrication.	
211.	597		

	Tariff No.	Description of goods	Explanation
212.	598-I		
213.	600		
214.	601		
215.	602		
216.	603		
217.	604		
218.	605-I		
219.	607-I -II	Except nails	
220.	609		
221.	610-I II		
222.	611		
223.	618-I -II	For the zip-fastener industry: slider, top/bottom stop	
224.	619		
225.	620		
226.	621-I		
227.	622		
228.	624		
229.	627		
230.	628		
231.	629		
232.	630-Ia Ib II	Aluminium tape only for zip-fastener industry	

	Tariff No.	Description of goods	Explanation
233.	631		
234.	632-I -II	Aluminium wire only for industry purpose	
235.	633		
236.	634		
237.	636-I	Except rubber-cup and co-agulating tank that was produced in the country	
238.	637	Article for stopping bottle (medicinal use) only	
239.	640-Ia Ib II	Aluminium foils for pharmaceutical use only with permission of Dept.of Health	
240.	641-I II		
241.	642-Ia Ib		
242.	643		
243.	644		
244.	645		
245.	647		
246.	648-I II		
247.	652-I II		
248.	653-I		

	Tariff No.	Description of goods	Explanation
249.	654		
250.	655		
251.	656		
252.	657		
253.	658		
254.	660	Zinc callots as base material for dry cell battery industry only	
255.	661		
256.	662-I		
257.	663		
258.	664		
259.	667		
260.	668		
261.	669		
262.	670		
263.	671		
264.	672-Ia		
265.	687-III	In c.k.d. condition, except spare parts that was produced in the country (decision Min.of Industry)	
266.	690		
267.	691		
268.	692		
269.	694		
270.	695-I II		

	Tariff No.	Description of goods	Explanation
271.	696-II		
272.	700		
273.	705	Signalling horns and whistles only	
274.	706		
275.	707		
276.	710		
277.	711		
278.	712		
279.	713-I II		
280.	714-Ia	In c.k.d. condition with certificate of Dept.of Industry	
	-Ia2 IIa IIb IIc1 IIIa IIIb IIIc		
281.	715		
282.	716-I II		
283.	717-I II		
284.	718-I II		
285.	719-I II		
286.	720		
287.	722		

	Tariff No.	Description of goods	Explanation
288.	723-I II		
289.	724-I II	Letter-scales only needed by Dept.of Communications	
290.	725		
291.	726		
292.	728-I	Except included in Group A	
	-II	Ditto	
293.	730		
294.	731-II		
295.	732-I II		
296.	733		
297.	735		
298.	736-I II		
299.	737		
300.	738-I II		
301.	739-I II		
302.	740		
303.	741		
304.	742-II		
305.	743		
306.	744	In c.k.d. condition with certificate of Dept.of Industry	

	Tariff No.	Description of goods	Explanation
307.	745	In c.k.d. condition and used for air conditioning unit, capacity more than 10 PK, with certificate of Dept.of Industry	
308.	746-I II		
309.	747		
310.	748		
311.	749		
312.	750		
313.	751		
314.	752		
315.	753	In c.k.d. condition with certificate of Dept.of Industry	
316.	755-Ia Ib -IIb	In c.k.d. condition with certificate of Dept.of Industry	
317.	756		
318.	757		
319.	758		
320.	759		
321.	760		
322.	761-I II		
323.	762		
324.	764		

	Tariff No.	Description of goods	Explanation
325.	765-I II		
326.	766-II	In c.k.d. condition with certificate of Dept.of Industry	
327.	767	Ditto	
328.	768		
329.	769		
330.	776-I		
331.	777		
332.	778-I		
333.	779-I II		
334.	780		
335.	781-I II		
336.	782		
337.	783		
338.	784		
339.	785-I II		
340.	786-I	In c.k.d. condition with certificate of Dept.of Industry	
	-II	Ditto	
341.	787-Ibl -II	In c.k.d. condition with certificate of Dept.of Industry	
342.	788		

	Tariff No.	Description of goods	Explanation
343.	789-Ia Ib II		
344.	790-I IIb	Only transmitting tube needed by Government	
345.	791-I II		
346.	792-I	In c.k.d. condition with certificate of Dept.of Industry	
	-II	Only receiver (excluded furniture form) made especially for PN Telkom purposes	
	-III	In c.k.d. condition with certificate of Dept.of Industry	
	-IV	Ditto	
347.	793		
348.	796		
349.	797		
350.	798		
351.	799-I II		
352.	800		
353.	801-I II		
354.	802	In c.k.d. condition with certificate of Dept.of Industry	
355.	803-I -II	Ditto Ditto	

	Tariff No.	Description of goods	Explanation
356.	804-I	In c.k.d. condition with certificate of Dept.of Industry	
	-II	Ditto	
357.	805		
358.	806		
359.	807		
360.	808		
361.	810	In c.k.d. condition with certificate of Dept.of Industry	
362.	811	Ditto	
363.	812-I		
364.	813-I -IIa IIb	Except PVC wires	
365.	814		
366.	815		
367.	816-I	Except 5/8" - 1½" measure	
368.	817		
369.	818		
370.	819-II		
371.	820		
372.	821		
373.	824		
374.	825		
375.	826		

	Tariff No.	Description of goods	Explanation
376.	828		
377.	829-I II		
378.	...		
379.	831		
380.	832		
381.	833		
382.	834-Ia1 Ia2 Ia3 Ia4aa Ia4bb Ia4cc	Solely limousines/station wagons in c.k.d. condition	
	IIa		
383.	834-III	Solely ambulances, invalid cars, hearses and workshop cars	
	-IV		
384.	836-I	Especially for trucks and buses with motor, driver's cabin or not, in c.k.d. condition; radiator, springs and valves	
385.	837-I		
386.	838-Ia	In c.k.d. condition with certificate of Dept.of Industry	
	-II	Ditto	
387.	839-I -IIb	Except spokes for cycle/ betjak, saddles	
388.	841-Ib1 IIa		

	Tariff No.	Description of goods	Explanation
389.	843		
390.	844		
391.	845		
392.	846-I -III	Canoes made of materials allowed for that purpose	
	-IV	Pontoons only	
393.	847		
394.	848		
395.	849		
396.	850		
397.	851		
398.	852		
399.	853		
400.	854		
401.	855		
402.	858		
403.	...		
404.	859-II IIIa		
405.	860-III		
406.	861		
407.	862		
408.	863		
409.	864		
410.	866		

	Tariff No.	Description of goods	Explanation
411.	867		
412.	868		
413.	869		
414.	870		
415.	871		
416.	872		
417.	873		
418.	874		
419.	875-I -II	Cameras with films of width exceeding 35mm or more, other commodities in this tariff post	
420.	877-I -II	Solely with films of width exceeding 35mm	
421.	878-I		
422.	880	Field-telescopes and marine-telescopes only	
423.	882		
424.	883		
425.	884		
426.	885-I II		
427.	886-Ib		
428.	887-I		
429.	891		
430.	894-I		

	Tariff No.	Description of goods	Explanation
431.	896	In c.k.d. condition with certificate of Dept.of Industry	
432.	900-I	Imported only by/for the Government	
433.	901-I	Ditto	
434.	902-I	Ditto	
435.	903-I	Ditto	
436.	908-I		
	IIa		
	-IIb	Only polyethylene-paper used in fertilizer fabric and PVC-foils for industrial purposes	
	-IIIa		
	-IIIb	Kuralen fishing ropes, polyethylene fishing ropes, fishing nets, ropes used in the boats with certificate of Dept.of Communications; bristle wire, length 40 and 60cm for teeth-brush industry; corrogated plastic sheets for Government projects; false teeth, other synthetic fibres for industry purposes with certificate of Dept.of Industry; Tire cord canvas for tyres industry and printed celluloid (which not yet produced in the country)	
437.	916		
438.	924-I		

LIST II - Group C

Goods may be imported with "general foreign exchange"

	Tariff No.	Description of goods	Explanation
1.	32		
2.	42-I III		
3.	43-I		
4.	47-IIa	Flour starch only	
5.	60		
6.	85		
7.	118-I IIb		
8.	149-II		
9.	173-Ib IIa		
10.	177-IIa		
11.	178	Except included in Group B	
12.	184-I -IIb	Except included in Group B	
13.	185		
14.	190		
15.	204	with permission of the Police Head Quarter	
16.	235-IIb		
17.	237-II		
18.	238		
19.	259		
20.	260		

	Tariff No.	Description of goods	Explanation
21.	261		
22.	274		
23.	286	Except included in Group B	
24.	287		
25.	302-I -II	Except included in Group B	
26.	303		
27.	304		
28.	307-III	Except included in Group B old daily and weekly newspapers, spoilt printed sheets and the like	
29.	309-II	Except included in Group B	
30.	310		
31.	311		
32.	312-I		
33.	315-II	Except included in Group B	
34.	333	Cigarette filters only	
35.	337	Except included in Group B	
36.	338	Ditto	
37.	344-II	Ditto	
38.	346-Ib	Ditto	
39.	356-Ib.1		
40.	361		
41.	375		

	Tariff No.	Description of goods	Explanation
42.	382		
43.	385-Ib		
44.	396-II		
45.	422		
46.	451		
47.	453		
48.	456		
49.	463		
50.	467		
51.	468		
52.	471		
53.	480-II		
54.	481-I	Except included in Group B	
55.	491-II		
56.	496		
57.	497-I II		
58.	506		
59.	507		
60.	509		
61.	511		
62.	519-II		
63.	523		
64.	534-II		
65.	535		

	Tariff No.	Description of goods	Explanation
66.	537	Except included in Group B	
67.	542	Ditto	
68.	546		
69.	552-Ia		
70.	576-I II		
71.	582		
72.	584	Locks, composed of base metal only	
73.	588		
74.	596	Except included in Group B	
75.	598-II		
76.	607-II	Only nails	
77.	612		
78.	618-II	Except included in Group B	
79.	621-II		
80.	623		
81.	635		
82.	637	Except included in Group B	
83.	640-II	Ditto	
84.	642-II		
85.	646		
86.	649		
87.	650		
88.	653-II		

	Tariff No.	Description of goods	Explanation
89.	662-II		
90.	665		
91.	666		
92.	672-VII XII		
93.	687-III	Except included in Group B	
94.	695-I		
95.	698-I II		
96.	705	Except included in Group B	
97.	708		
98.	714-Ib IIc.2		
99.	721		
100.	763		
101.	770		
102.	771-I II		
103.	776-II		
104.	787-Ib.2		
105.	790-IIb	Except included in Group B	
106.	802	Ditto	
107.	816-I	Ditto	
108.	823		
109.	841-Ib.2		
110.	856		

	Tariff No.	Description of goods	Explanation
111.	857		
112.	859-I IIIb		
113.	860-I II		
114.	877-II -III	Except included in Group B	
115.	878-II		
116.	892-I II		
117.	898-III		
118.	899		
119.	900-II		
120.	901-II		
121.	902-II		
122.	903-II		

List II - Group D

Goods may be imported with "general foreign exchange"

All kinds of goods which are not included in List I (Group A + Group B), List II (Group C) and List III (Goods banned for importattion).

LIST III

Goods - banned from importation.

	Tariff No.	Description of goods	Explanation
1.	107 - II	Vetsin (monosodium glutamate).	
2.	169 - I.b.	Mosquito coils.	
3.	235 - IV	Tyres: Passenger's dimension 500/520 - 10 520 - 13 560 - 13 590 - 13 640 - 13 725 - 13 500/520 - 14 590/640 - 14 500/560 - 15 600 - 15 Truck's dimension 750 - 16 750 - 17 34 - 7 750 - 20 600 - 16 650 - 16 750 - 15 750 - 16	
4.	206	Matches	
5.	307 - II	Writing book cover viz. packing paper which is impregnated on one side, weighing per M2 90 grams up to 120 grams.	
6.	316	Writing and drawing books.	
7.	334 - I	Books, magazines and all kinds of other printed matters in Indonesian language or in any regional language or dialect of Indonesia, except: a. materials customarily needed for diplomatic use. b. included in Group B.	

	Tariff No.	Description of goods	Explanation
8.	356 - IIb.1	Unbleached cotton fabrics (with the construction of yarn 20/S x 20/S) of cotton weaving yarn with maximum width of 36".	
	356 - IIb.2	"lurik" fabrics.	
	356 - IIb.2	"cele" fabrics.	
	356 - VII	"sarong plekat" (stripped kain plekat).	
9.		All textiles with "batik" motives.	
10.	491 - I	Used bottles of glass, sizes 350 up to 650 Cm3.	
11.	525 - IIa	Galvanized iron sheets.	
12.	534 - I	Galvanized or ungalvanized iron roofs of all kinds and forms.	
13.	559	Mattresses, floor coverings and doormats, table mats and the like, (fly-proof) dish covers, mail-boxes and waste paper baskets, all of them made of wire.	
14.	560	Rat, mouse, fish and fly traps, fly swatters and similar articles, made of iron wire or iron wire trellis or other products of the iron industry, combined or not with other materials.	
15.	585	Advertisement boards, announcement boards, name plates and similar articles (of iron).	

	Tariff No.	Description of goods	Explanation
16.	615	Advertisement boards, announcement boards, name plates and similar articles (of copper), framed or not.	
17.	697	Litre measures and other capacity measures, made of base metal, for dry and liquid materials.	
18.	699	Paperclips (of base metal).	
19.	701	Stamps for dating, stamping, numbering, signing, and the like, including wax sealing stamps; one thing and another if the surface of the stamp is not yet provided with an inscription.	
20.	787 - Ia.	Dry cells, 60 Mm in height and 33 Mm in diameter, 1,5 Volt (such as UM-1 type)	
21.	790 - IIa.b	1) Incandescent lamps up to 200 Watt and 100-240 Volts. 2) Fluorescent lamps, 20 up to 40 Mm diameter and 460 up to 1520 Mm length in straight form, 16 up to 80 Watt and 100-240 Volts.	
22.	792 - II	Radio receivers/television sets in the form of furniture or placed in cabinets, cupboards or portable cases, with or without speakers, record changers, tape/wire recorders and the like. Exception Radio receivers especially manufactured for the sole use by the Indonesian state-owned telecommunication service, as mentioned in Group B.	

	Tariff No.	Description of goods	Explanation
23.	834	Commercial cars in built-up condition, excluding for regions outside of Java and Sumatra.	
24.	838 - II	Motorcycles in built-up condition.	