

Chile Exempts Import Duty from 6,704 Indonesian Products

Contributed by Maizer
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The Ministry of Trade announced a comprehensive economic partnership agreement between Indonesia and Chile (Indonesia-Chile Comprehensive Economic Partnership Agreement / IC-CEPA) officially in force as of August 10, 2019.

The application of IC-CEPA is supported by the issuance of three implementing regulations, consisting of Permendag No. 59 of 2019 concerning Provisions and Procedures for the Issuance of Certificate of Origin for Goods from Indonesia, PMK No. 105 / PMK.010 / 2019 concerning Stipulation of Customs Tariffs in the framework of IC-CEPA and PMK No. 109 / PMK.04 / 2019 concerning Procedures for Imposing Import Duty Tariffs on Imports Based on International Treaties or Agreements. "As many as 7,669 tariff posts for Indonesian products are ready to be abolished import tariffs by Chile, of which 6,704 are directly 0 percent starting today, while the remaining 965 tariff posts will be phased out over the next six years," said Director General of International Trade Negotiations Iman Pambagyo . Indonesian products that get a 0 percent tariff on the Chilean market include agricultural products (palm oil, tea, coffee, bananas, swallow's nests, vegetables and tropical fruit, etc.), fishery products (tuna, lobster, shrimp, crabs and jellyfish, etc.), manufactured products (footwear, tires, textiles, jewelry, and military equipment) and so on. Meanwhile, Indonesia's potential products that have not been exported to Chile or their relative value are small natural rubber, palm oil, soap, cocoa butter, baby clothes, batteries, steel, bags, cameras, and others. When viewed from the characteristics of its products, trade between Indonesia and Chile is complementary. This is certainly beneficial for both business people and Indonesian domestic consumers. Some direct impacts are felt, including the national industry will get additional sources of raw materials at a rate of 0 percent; the hotel, restaurant and catering industry (horeka) will get more competitive prices for the needed Chilean products; and consumers can enjoy many variants of quality products in the market. To obtain IC-CEPA preference rates, Indonesian exporters must attach IC-CEPA certificates of origin (COA), as stipulated in Minister of Trade Regulation No.59 of 2019. As for importers, IC-CEPA preference rates can be obtained by submitting IC-CEPA SKAs or COOs when the declaration of importation of goods is made along with other supporting documents.