



Tuesday, 15th December 2020

**INFORMATION**

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

The government of Indonesia has issued a new policy towards Crude Palm Oil (CPO) export levies is contained in the Minister of Finance Regulation (Peraturan Menteri Keuangan) No.191/PMK.05/2020 concerning in the Amendments to the Minister of Finance Regulation 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 applied for US\$ 55 per ton. Now, the amount of levy is only applied if 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 imposing on US\$ 60 per ton. The highest export levy value is set at US\$ 225 per ton if the CPO price is above US\$ 995 per ton. On the other hand, according to the Deputy for Coordination of Food and Agribusiness of the Coordinating Ministry for the Economy, Musdalifah Machmud stated that the policy on palm oil export levies will continue to be evaluated periodically in accordance with current economic dynamics.

Through this regulation is expected to improve public service. The human resources development program provided is mainly related to the Good Agricultural Practice (GAP) development program and to support the sustainability of the palm oil business/industry. For this reason, in the future, with additional funds managed due to the adjustment of export levy rates, it is expected that BPD PKS can improve its services.

Please find attached the New Tariff Adjustment towards Palm Oil Industry on Minister of Finance Regulation (Peraturan Menteri Keuangan) No. 191/PMK.05/2020 for your reference [here](#).

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