



# REGULATION ON ALCOHOLIC BEVERAGES IN INDONESIA

MINISTRY OF INDUSTRY  
DIRECTORATE OF BEVERAGE  
AND TOBACCO INDUSTRIES

# OUTLINE

1. GENERAL OVERVIEW
2. CURRENT REGULATIONS
3. INDONESIAN NATIONAL STANDARD

# GENERAL OVERVIEW

- ◉ Since 1993, in Indonesia alcoholic beverages have been classified in the business field that is closed to investments.
- ◉ Closed business fields shall be specified business fields that are banned from commercialization through investment activities

- ◉ Until now alcoholic beverages are still on list as determine in Regulation of The President of The Republic of Indonesia Number 36 of 2010 Concerning Lists of Business Fields That are Closed to Investments and Business Fields That are Conditionally Open for Investments
- ◉ As the consequences, these industries are not allowed to do business expansion, for new investment or new producer as well.
- ◉ Therefore these industries can not be developed in Indonesia.

# CLASSIFICATION ON ALCOHOLIC BEVERAGES



In Indonesia, alcoholic beverages are classified as follows :

## ◉ Class A

- Alcohol level (C<sub>2</sub>H<sub>5</sub>OH) 1% - 5%
- Example: stout, beer made from malt

## ◉ Class B

- Alcohol level (C<sub>2</sub>H<sub>5</sub>OH) more than 5% - 20%
- Example: wine, vermouth, grape must

## ◉ Class C

- Alcohol level (C<sub>2</sub>H<sub>5</sub>OH) more than 20% - 55%
- Example: brandy, whiskies, vodka

# RELATED INSTITUTIONS FOR REGULATING ALCOHOLIC BEVERAGES

In Indonesia, alcoholic beverages are regulated by some authorities as follows ;



- Ministry of Industry, to control and monitor for industrial production
- Ministry of Trade, to regulate and control procurement, circulation and the distribution of alcoholic beverages
- Ministry of Finance, to regulate taxes, export/import duty of the circulated products
- BPOM/The National Agency of Drug and Food Control, to issue permit brand of product for local product and also imported one, to do laboratory testing, inspection, investigation and enforcement
- National Standardization, to regulate the product quality and standard



# CURRENT REGULATIONS

# CONSIDERATION THAT IS USED TO FORMULATE NEW WINE REGULATIONS

- ◉ In Indonesia, alcoholic beverages is only consumed by certain people because of the moral hazard reason, so that it has to be allocated in certain place and the importation has to be controlled.
- ◉ It is because related to moral hazard, most of Indonesian people are moslem that are prohibited to consume alcoholic beverages/products.

# 1. PRODUCTION OF ALCOHOLIC BEVERAGES

- ◉ in Indonesia, for the alcoholic beverages, existed regulations are more about the procurement and distribution of the product whereas for the standard and quality of the product is regulated under the same regulation with other food and beverage products refer to Regulation of Ministry of Industry Number 75 of 2012 concerning Good Manufacturing Practices

Under the Regulation of Ministry of Industry Number 71 of 2012 concerning Controlling and Monitoring of The alcoholic beverages, the regulation as follows :

- ◉ Each industries have to own business license.
- ◉ The regulation about business license as determine in Lists of Business Fields That are Closed to Investments and Business Fields That are Conditionally Open for Investments
- ◉ Business license is only allowed to be changed for :
  - Relocation;
  - Business ownership;
  - Product Classification (from high level to low level of alcohol and not increasing the capacity of production); and
  - Merger.

- In producing alcoholic beverages, the industries have to :
  1. Follow the guidance on Regulation of Ministry of Industry Number 75 of 2010 concerning Good Manufacturing Practices
  2. Apply Standar Nasional Indonesia (SNI) for alcoholic beverages which are mandatory;
  3. Fullfill the Technical Standard as follow in Regulation of Ministry of Industry Number 71 of 2012

## 2. PROCUREMENT OF ALCOHOLIC BEVERAGES

- ◉ in Indonesia imported alcoholic beverages is restricted. Importation is quota-based which is determined by the minister of Trade.
- ◉ Importation of alcoholic beverages only can be done by registered importir of alcoholic beverages.

Under the Regulation of Ministry of Trade Number 11 of 2012 concerning Providing, Distribution, Trading, Controlling and Monitoring of alcoholic beverages, the regulation as follows :

- ◉ The Minister determine the allocation and quantity of alcoholic beverages to fullfill the national need by considering :
  1. Import realization for *duty paid* for last 3 years ;
  2. Import realization for *duty not paid for last 3 years*;
  3. Request for IT-MB;
  4. Estimation about the number of foreign tourist, the need of hotels, pub, bar, and restaurants for alcoholic beverages
- ◉ The distribution and circulation of alcoholic beverages is only permitted and also can only be consumed in certain place like bar, pub, certain hotels and restaurants, and labelled places
- ◉ IT-MB is determine by Minister of Trade

# 3. DISTRIBUTION OF ALCOHOLIC BEVERAGES

## PRINCIPLES OF ALCOHOLIC BEVERAGES TRADE POLICIES

SETTING THE PROCUREMENTS OF IMPORTED ALCOHOLIC PRODUCTS

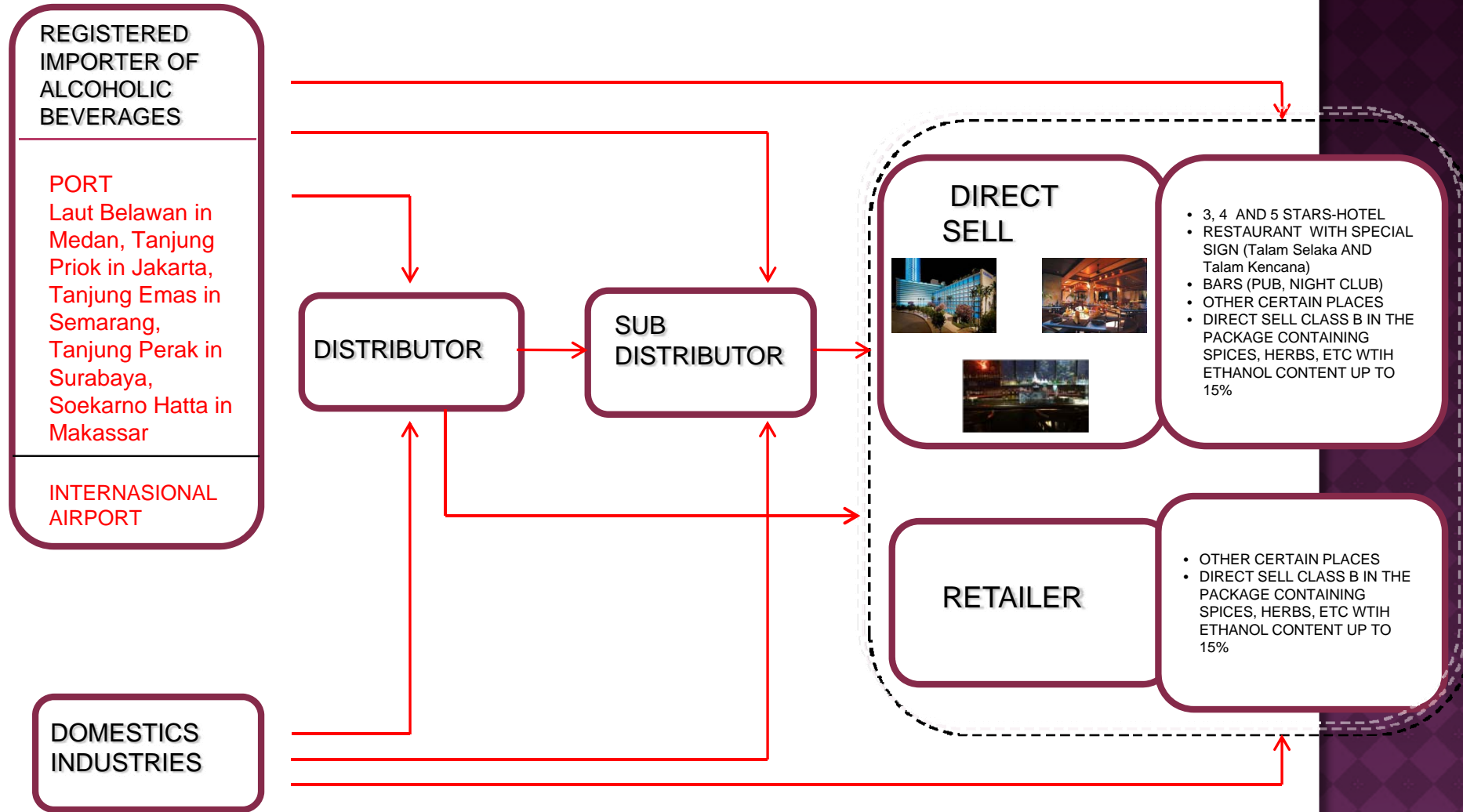
SETTING THE DISTRIBUTION OF ALCOHOLIC PRODUCTS IN STATE

INCREASING ALCOHOLIC BEVERAGES CIRCULATION CONTROL

MONITORING AND CONTROLLING OF DOING BUSINESS ENTERPRISES  
IN THE FIELD OF ALCOHOL



# DISTRIBUTION PATTERN OF ALCOHOLIC BEVERAGES



\* Other certain place is determined by district mayors or governor of DKI Jakarta

## 4. CUSTOMS OF ALCOHOLIC BEVERAGES

- ◉ Indonesian Customs is governed under Law Number 17 of 2006 as the amendment of Law Number 10 of 1995 on Customs (ICL). The amended ICL has been in effect since 15 November 2006.
- ◉ Any goods coming from overseas into the Indonesian customs territory are treated as “import” and are generally subject to import duty.

- ◉ Minister of Finance determines customs, excise and import duties for the alcoholic beverages
- ◉ In addition to customs duty, excise duty and taxes are not allowed any other charges.
- ◉ Payment of customs duties is characterized by sticking tape on the products label

- Customs duty tariff depends on the HS Code of the imported goods as classified in the Indonesian Customs Tariff Book (BTKI 2012)
- For alcoholic beverages the import duty as follows :

Classification	HS Code	Import Duty
Class A	2203	Rp. 14.000/Liter
Class B	2204, 2205, 2206	Rp. 55.000/Liter
Class C	2208	Rp. 125.000/Liter

- For alcoholic beverages, customs duties as follows :

Classification	Alcohol level	Customs duty/liter	
		Domestic products	Imported products
A	0 - 5 %	Rp. 11.000,00	Rp. 11.000,00
B	< 5 - 20 %	Rp. 30.000,00	Rp. 40.000,00
C	< 20 - 55 %	Rp. 75.000,00	Rp. 130.000,00

## 5. PRODUCT REGISTRATION/ CERTIFICATION

- ◉ In Indonesia, the mechanism for certification on standard and compliance of food and beverage products is under Badan Pengawas Obat dan Makanan (BPOM)/The National Agency of Drugs and Food Control authority.
- ◉ All food and beverage products that will be distributed in Indonesia, both domestic or imported ones, have to be listed and get registration number from BPOM before it can be circulated in the Indonesian market.
- ◉ This regulation is required for all kinds of packed and labelled food products as mentioned in the regulation about labelling.

- ⦿ Each importer or exporter can submit an application for Import or Export Certificate of food and drug by registering electronically through the Food And Drug Supervisory Agency sub site, <http://ebpom.pom.go.id> , to obtain user name and password.
- ⦿ For certain products, including alcoholic beverages, registration is done manually. (there is no e-registration yet for alcoholic beverages)
- ⦿ requirements can be viewed on the website BPOM.

# DECREE OF THE HEAD OF NATIONAL AGENCY OF DRUG AND FOOD CONTROL NOMOR HK.00.06.1.52.4011

Product	Contamination	Maximum
Alcoholic beverages	Heavy metal contamination	0,2 ppm
	Timbal	0,2 ppm
	Merkuri	0,02 ppm

Product	Contamination	Maximum
Wine, grape must	ALT (30oC, 72 hours)	2 x 10 <sup>2</sup> koloni/ml
	APM coliform	20/ml
	APM Escherichia coli	< 3/ml
	Salmonella sp.	Negatif/25 ml
	Khamir	1 x 10 <sup>2</sup> koloni/ml
	Staphylococcus aureus	Negatif/ml



- ◉ Minimum requirements for products registration ML number
  1. Letter of appointment from origin plant (the original letter was shown while the copy attached)
  2. Health certificate or Certificate of free sale from the competent authority in the origin country (the original letter was shown while the copy attached)
  3. The results of laboratory analyzes (original) associated with products such as nutrients (nutrition claims), a substance that is claimed in accordance with the label, chemical test, microbiological contamination and metal contamination. The validity of the analysis is valid 6 months from the date of testing
  4. The design of the label that will be distributed in accordance with and sample products.
  5. Application form has been filled completely.

**STANDAR NASIONAL  
INDONESIA (SNI)/  
INDONESIAN NATIONAL  
STANDARD**

- ◉ In Indonesia, standard on products including wine and other alcoholic beverages controlled by standard that is called SNI (Standar Nasional Indonesia)
- ◉ SNI is determined by BSN (Badan Standardisasi Nasional/National Standardization Agency of Indonesia) refer to International Standard/Codex Alimentarius
- ◉ For alcoholic beverages the standards (SNI) are still voluntary. It is because the most alcohol industries are categorized as small industries which means they are not ready yet to implement the standard.

# SNI Contents

- ◉ Scope of products
- ◉ Product's Definition
- ◉ Quality requisite
- ◉ Sampling method
- ◉ Experiment method
- ◉ Packaging method
- ◉ Designating method

# SNI

- ◉ SNI 01-3774,1995 (ICS Code: 67.160.10) → Bir Hitam/Stout (black beer)
- ◉ SNI 01-4022,1996 SNI 01-4022,1996 →cognac
- ◉ SNI 01-4209,1996 SNI 01-4022,1996 →whisky
- ◉ SNI 01-3952-1995 (ICS Code: 67.160.10) →Anggur brem Bali/Bali Wine
- ◉ SNI 01-4019-1996 (ICS Code: 67.160.10) → Anggur buah/Fruit Wine
- ◉ SNI 01-4018-1996 (ICS Code: 67.160.10) → Anggur/Wine
- ◉ SNI 01-4984-1999 (ICS Code: 67.160.10) → Anggur beras ketan/Sticky-rice wine
- ◉ SNI 01-6076-1999 (ICS Code: 67.160.10) → Anggur tonikum kinina/Quinine tonic wine
- ◉ SNI 01-6103-1999 (ICS Code: 67.160.10) → Anggur rendah alkohol/Low alcoholic wine
- ◉ SNI 01-6053-1999 (ICS Code: 67.160.10) → Spirit anggur (untuk fortifikasi)/Wine spirit (for fortification)
- ◉ SNI 01-6102-1999 (ICS Code: 67.160.10) → Koktail anggur (Wine cocktail)/Wine cocktail
- ◉ SNI 01-6104-1999 (ICS Code: 67.160.10) → Anggur fortifikasi/Fortified wine
- ◉ SNI 01-3773-1995 (ICS code: 67.160.10) → Bir/Beer
- ◉ SNI 01-4456-1998 ICS code: 67.160.10) → Minuman ringan beralkohol

# LABELLING

**REGULATION ON FOOD AND BEVERAGES  
PRODUCTS LABELLING  
DECREE OF THE HEAD OF NATIONAL  
AGENCY OF DRUG AND FOOD CONTROL  
HK.03.1.5.12.11.09955**

- ◉ Labeling is done in such a way that:
  - a. Not easily separated from the pack;
  - b. Not easily worn or damaged, and
  - c. Located on the food package that is easy to see and read.

⦿ Processed food labels must include at least:

1. Name of processed food;
2. net contents;
3. Name and address of the party who produces food into the territory of Indonesia;
4. List of materials used;
5. The registration number of food;
6. Description expired, and
7. Production code.



- In addition on the labels of processed foods should also be included the following information:
  1. Details about the nutrition,
  2. Information about food irradiation
  3. Description of Organic Food,
  4. Description of GMOs
  5. Description of the food is made from natural raw materials,
  6. Instructions for use / setup,
  7. Instructions on how to storage,
  8. Description of hint or suggestion presentation,
  9. Description of the designation,
  10. Other information that needs to be known about the effects of food on human health,
  11. Warning.
  12. Alcohol content (for alcoholic beverages)

THANK YOU