



Indonesia Excise Roadmap

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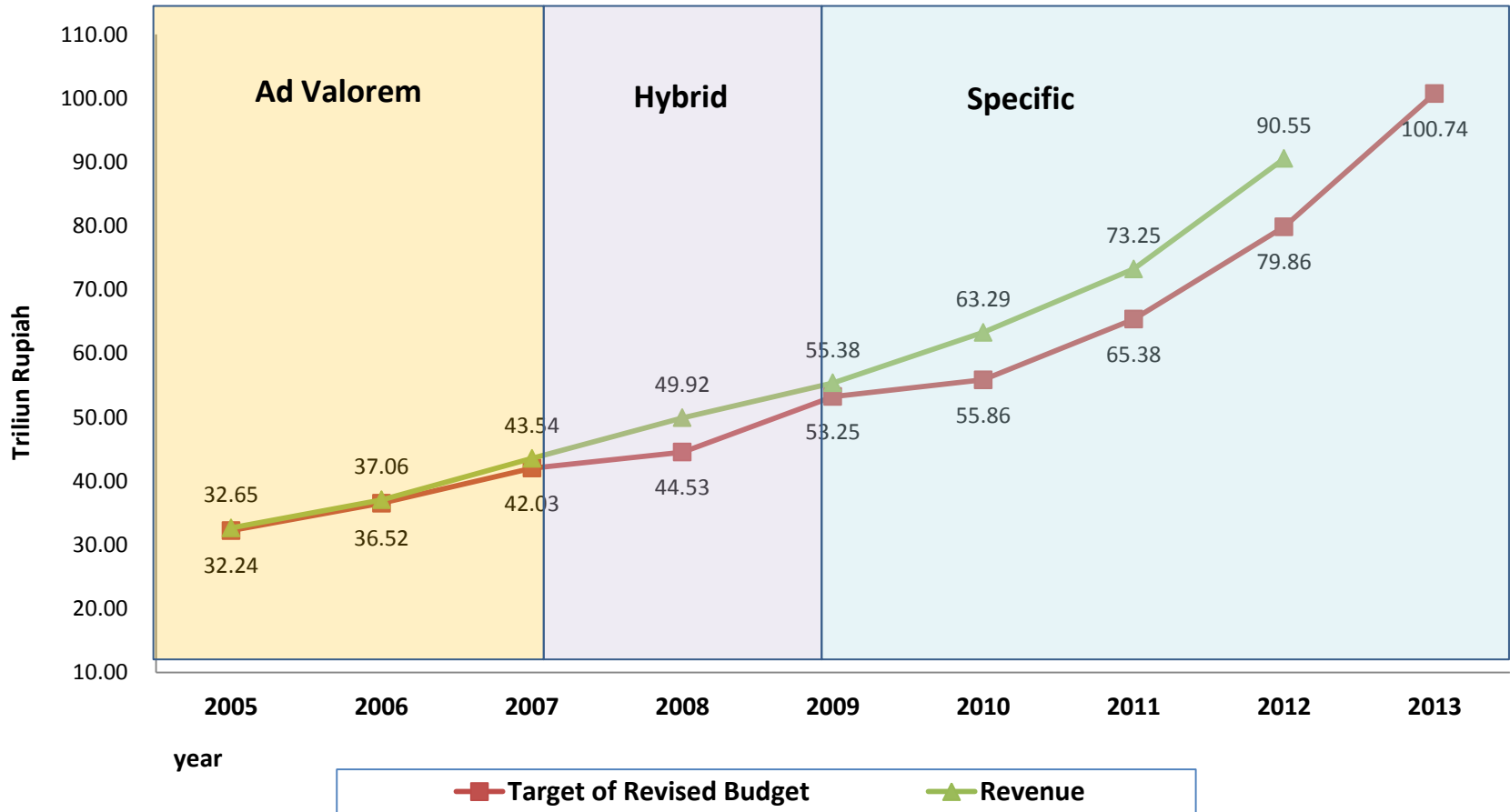
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Outline

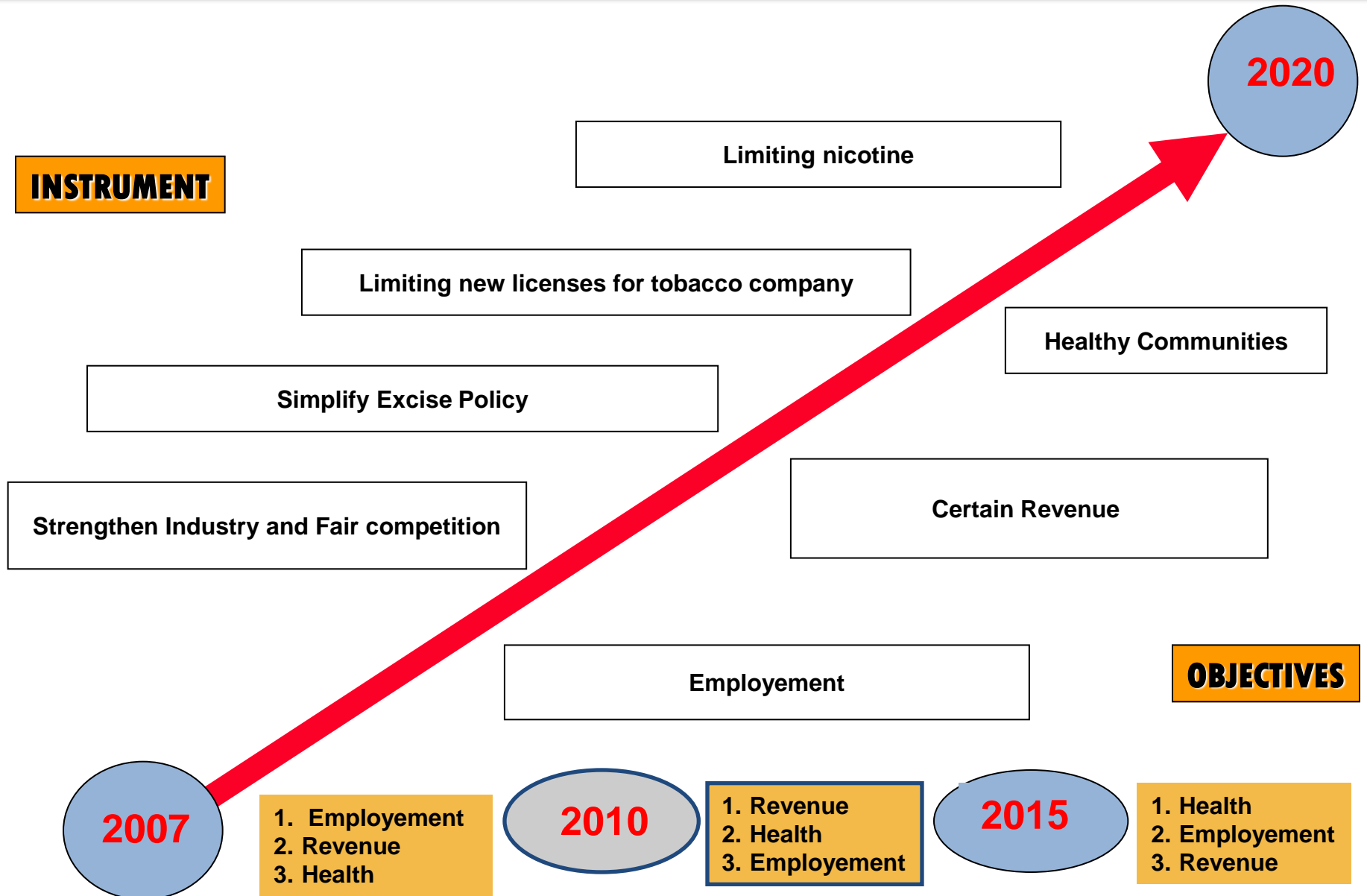
- Tobacco Excise Target & Revenue
- Roadmap Tobacco Industry
- Merging and Increasing Excise Rate
- Some Challenges in Policy
- Progress Policy has been Made

Tobacco Excise Target & Revenue



Target of tobacco excise increase every year and the excise revenue always meet the target

Roadmap Tobacco Industry



Continuously Merge and Increase Excise Rate (2009 - 2013)

TYPE	PRODUCTION CATEGORY	Year (Rp./stick)				
		2009	2010	2011	2012	2013
MACHINE MADE CIGARETTE KRETEK	I	290	310	325	355	375
		280	300	315	345	355
		260	280	295	325	
	II	210	230	245	270	285
		175	195	210	235	245
		135	155	170		
MACHINE MADE WHITE CIGARETTE	I	290	310	325	365	380
		230	275	295		
		185	225	245		
	II	170	200	215	235	245
		135	165	175	190	195
		80	105	110	125	
HAND MADE CIGARETTE KRETEK	I	200	215	235	255	275
		150	165	180	195	205
		130	145	155		
	II	90	105	110	125	130
		80	95	100	115	120
		75	90	90	105	110
	III	40	65	65	75	80

Some Challenges

- Many Excise Tariff Rate & Categorization
- Wide Tariff Gap
- Big tobacco company doing tax avoidance by having company (affiliation) with different type and lower excise tariff rate
- Too many small cigarette industries
- Cigarette producers opposed excise hike and propose a judicial review at supreme court



Progress

- Add 10% of tobacco local tax in 2014
- Almost every year government increase excise rate
- Create earmarked tobacco tax for health program
- Smoke free legislation has been implemented in many local government (from local – national)
- Government regulation on tobacco control
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Thank You



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