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Increase of the Indonesian export levy on palm products

After several attempts to contain food inflation, the Indonesian government published the rates for the export levy on palm products, which applied from 18 March 2022. Up to now, the rates for the export tax were not changed however.

The export tax and levy for crude palm oil for the month of April 2022 should amount to USD 575 per ton, for a reference palm oil price of USD 1 787 per ton.

The impact of the total increase of the export tax and levy of USD 200 per ton compared to end February 2022, will be mitigated by the abolition of the mandatory minimum supply at a maximum price for local cooking oil which was imposed on refineries end January 2022.

The full impact of this change on the net selling price that palm oil producers will receive for their supplies from Indonesia is not yet known. Indeed, any regulation also affects the current shortage of vegetable oils on the international market. Therefore, there could be additional upward pressure on gross selling prices.

Despite abovementioned measures the net selling price of palm oil in Indonesia remains at historically high levels, notably higher than in 2021.

Translation: This press release is available in Dutch and English. The Dutch version is the original; the English version is a free translation. We have made every reasonable effort to avoid any discrepancies between the different language versions. However, should such discrepancies exist, the Dutch version will take precedence.

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SIPEF is a Belgian agro-industry group listed on Euronext Brussels and specialising in the – as sustainable certified - production of tropical agricultural commodities, primarily crude palm oil and palm products. These labour-intensive activities are consolidated in Indonesia, Papua New Guinea and Ivory Coast and are characterised by broad stakeholder involvement, which sustainably supports the long-term investments.