

Implementation Analysis of Tobacco Products Excise Control in Lampung Province (A Study on the Regional Office of the Directorate General of Customs and Excise, West Sumatra Region)

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Abstract

This research explores the implementation of tobacco excise control in Lampung Province, focusing on three core issues: (1) the implementation of tobacco excise goods control, (2) supporting and inhibiting factors in the control process, and (3) efforts to enhance excise control. Using qualitative descriptive analysis, the research gathers data through interviews and document studies. The study reveals that tobacco excise control is carried out via direct supervision (on-site inspections) and indirect supervision (using the SIPUTRI monitoring system). Key support factors include clear technical guidelines and budget availability, while inhibiting factors include application stability, data security, and limited human resources. The study recommends continuous socialization of excise regulations, government support for small and medium enterprises (SMEs), and comprehensive enforcement to deter illegal tobacco circulation.

Keywords: Tobacco Excise; Supervision; SIPUTRI System; Illegal Cigarettes.

Introduction

Supervision in any organization is crucial for ensuring that all activities align with established regulations and objectives (Britton et al., 2021; Hindi et al., 2022; Naji et al., 2021). Within government institutions, supervision serves as a mechanism to maintain quality control and enhance performance, especially in sectors dealing with excisable goods like tobacco products (Bavorova et al., 2014; Oyaro & Angwenyi, 2016). The proliferation of illegal cigarettes poses significant challenges for the economy and public health, necessitating stringent controls (Curti et al., 2019; Sedyati et al., 2019). The Regional Office of the Directorate General of Customs and Excise, West Sumatra Region, is tasked with controlling the distribution of excisable tobacco products in Lampung Province. However, the effectiveness of this supervision is often hindered by various factors, such as resource limitations, technological shortcomings, and the persistent emergence of new illegal actors in the market. The research by (Dugato & Sidoti, 2023; Giommoni et al., 2022) addresses diverse aspects of policy analysis, effectiveness, and public health impact, utilizing various analytical

frameworks and methods.

In their study, (Suhaili & Sari, 2021; Yandri et al., 2020) examine the Revenue Sharing Fund for Tobacco Excise (DBH CHT) policy in Indonesia, focusing on its utilization for healthcare and tobacco control initiatives. The researchers employ the ROCCIPI framework to identify root causes of policy implementation issues, assessing both the policy content and its impact (Dartanto et al., 2021; Kristina et al., 2021). Through qualitative analysis of policy documents and data, they identify limitations in fund allocation, governance, and policy monitoring that hinder effective tobacco control (Hoe et al., 2019; Hoque & Tama, 2021). The study's findings suggest that structural reforms are necessary, including revising allocation formulas to align with regional tobacco consumption and integrating broader measures for policy compliance (Flor et al., 2021; Marquizo et al., 2022).

Utilizing a mixed-methods approach that combines quantitative data from surveys and qualitative interviews, the authors analyze the policy's implementation across various regions (Munthali et al., 2021). Their results highlight inconsistencies in policy application, with significant gaps in resource distribution affecting regional healthcare provisions (Dong et al., 2019; Rotulo et al., 2022). The authors argue that DBH CHT has potential but requires rigorous reform to address these inconsistencies, recommending policy adjustments that involve community engagement and improved transparency in fund management (Xu et al., 2021).

(Dartanto et al., 2021) provide a critical analysis of Indonesia's tobacco excise tax structure, particularly its tiered tax rates based on production scales, which inadvertently support low-priced tobacco products and undercut public health efforts. The study, set within an economic framework, analyzes firm behaviors and tax incidence data to demonstrate that firms exploit these tax tiers, thereby avoiding higher tax rates (Lee et al., 2023). This system maintains tobacco affordability, diluting the tax's intended effect on reducing consumption. The authors suggest a streamlined tax structure to improve health outcomes, recommending simplification of tax tiers and consistent tax hikes to minimize loopholes that allow lower-cost options for consumers (Cotti et al., 2016).

Together, these studies emphasize the need for comprehensive reform in tobacco policy and excise structures to achieve stronger public health impacts, highlighting limitations in fund allocation, policy consistency, and tax structures that support affordable tobacco products, ultimately hindering effective tobacco control in Indonesia.

This research aims to analyze the current implementation of tobacco excise control in Lampung Province. Specifically, the study will address the following questions:

1. How is the supervision of tobacco excise goods implemented in Lampung Province?
2. What factors support or hinder the effective implementation of this supervision?
3. What efforts have been undertaken to improve tobacco excise control?

By addressing these questions, this study contributes to the body of knowledge on excise control policies and offers practical insights for improving the supervision of tobacco products.

Materials and Methods

This study adopts a qualitative descriptive research method to explore the implementation of tobacco excise goods control in Lampung Province, aiming to gain an in-depth understanding of the processes, challenges, and opportunities involved. Data collection involved both primary and secondary sources. Primary data were obtained through semi-structured interviews with key informants, including officials from the Directorate General of Customs and Excise, local enforcement officers, and stakeholders in the distribution and sale of tobacco products. The interview questions were designed to uncover insights into operational strategies, tools, and perceived challenges in implementing excise control. Field observations were also conducted during on-site inspections of cigarette retailers and distributors to understand the practical application of excise supervision, including procedures for identifying and handling violations (Hrywna et al., 2023).

Secondary data were gathered through document analysis, reviewing official reports, policy documents, regulatory frameworks, and statistical data from the Directorate General of Customs and Excise. This included annual reports, inspection logs, and case studies on excise violations. Additionally, data from the SIPUTRI (Information System for Monitoring the Circulation and Distribution of Illegal Excisable Goods) application were analyzed to assess its effectiveness as an indirect supervision tool. The research focused on two main aspects of excise control: direct and indirect supervision. Direct supervision involved activities such as on-site inspections, verification of excise stamps on tobacco products, and retailer compliance checks, while also addressing operational challenges like resource constraints, coordination issues, and resistance from non-compliant retailers. Indirect supervision centered on the SIPUTRI application, evaluating its functionality, user adoption rates, and integration with enforcement activities.

The data were analyzed using thematic analysis to identify patterns and themes related to excise control implementation. This involved coding interview transcripts, observation notes, and documents for recurring themes such as enforcement challenges, technological integration, and stakeholder collaboration. Triangulation was employed by cross-referencing findings from interviews, observations, and document analysis to ensure reliability and validity (Bularafa & Alhaji Haruna, 2022). The results were then interpreted within the context of the broader regulatory framework and local socio-economic conditions to provide actionable insights (Ngutu et al., 2018). By integrating multiple data sources and analytical methods, this research provides a comprehensive understanding of the mechanisms and effectiveness of tobacco excise control in Lampung Province, highlighting areas for improvement and potential strategies for enhanced implementation.

Results and Discussion

The implementation of tobacco excise control in Lampung Province involves a combination of direct and indirect supervision strategies. Direct supervision includes field inspections conducted by officers who visit tobacco retailers to ensure

compliance with excise regulations, aligning with the quality control mechanisms emphasized by (Britton et al., 2021; Naji et al., 2021). These inspections focus on verifying the presence of excise stamps and adherence to distribution guidelines, contributing to the maintenance of regulatory objectives within the excise sector. Indirect supervision leverages the SIPUTRI application, a digital platform designed to monitor the distribution of excisable goods and identify potential illegal activities based on public reports, consistent with the technological integration approaches highlighted by (Suhaili & Sari, 2021; Yandri et al., 2020).

Supporting Factors

Several factors contribute to the successful implementation of excise control in the region. First, technical guidelines issued by the Directorate General of Customs and Excise standardize procedures and ensure consistency across different areas, as noted by (Oyaro & Angwenyi, 2016) in their analysis of government supervision practices. Second, budget allocations, akin to the findings of (Munthali et al., 2021) regarding resource distribution, provide the financial support necessary for effective supervision activities. These resources enable the deployment of enforcement officers and the maintenance of essential tools and systems like SIPUTRI.

Challenges in Implementation

Despite these supporting factors, significant challenges hinder the efficiency of excise control in Lampung Province. The SIPUTRI application, while innovative, experiences stability and data security issues, which compromise its reliability, a concern echoed by (Hoe et al., 2019) regarding technological shortcomings in policy implementation. Additionally, intelligence information on illegal activities is often inaccurate or outdated, leading to inefficient resource allocation, as suggested by (Giommoni et al., 2022) in their study of enforcement inefficiencies. Another critical issue is the limited number of enforcement officers relative to the geographical expanse of Lampung Province, reflecting the resource constraints observed by (Suhaili & Sari, 2021). These factors collectively impede the ability to conduct thorough inspections and enforce compliance effectively.

Efforts to Improve Excise Control

Recognizing these challenges, the Directorate General of Customs and Excise has undertaken various initiatives to enhance excise control. Regular socialization of excise regulations has been implemented, aimed at increasing awareness and compliance among tobacco retailers and manufacturers, as recommended by (Flor et al., 2021; Marquizo et al., 2022) in their discussions on stakeholder engagement. Efforts to support the small and medium-sized cigarette industry through targeted policies align with the recommendations by (Dartanto et al., 2021) to balance public health objectives with economic considerations. Furthermore, law enforcement has been intensified, with comprehensive penalties and actions against illegal cigarette distribution networks, a measure consistent with the approaches outlined by (Dugato & Sidoti, 2023).

Conclusion

The implementation of tobacco excise control in Lampung Province faces both opportunities and challenges. While direct and indirect supervision mechanisms are in place, the effectiveness of these measures is hindered by technological and resource constraints. To enhance excise control, it is essential to address the stability and security issues of the SIPUTRI application, improve intelligence gathering, and increase the number of personnel involved in supervision. Continuous socialization of excise regulations and government support for SMEs are also critical in promoting compliance and reducing the circulation of illegal cigarettes. The findings of this study underscore the importance of a multi-faceted approach to excise control, involving not only strict enforcement but also support for legal tobacco producers.

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