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EDITORIAL

ECONOMY & BUSINESS

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ECONOMIC AND POLITICAL SOLIDITY

Several days ago, former speaker of the People's Consultative Assembly (MPR) cum the Honorable Chairman of the National Mandate Party (PAN), Amien Rais, said that it is necessary to strengthen politics and economy to encounter internal and external forces. He said that there are two structures very important for the state, namely economic structure and political structure. If economy collapsed, the state may face two possibilities. Firstly, if politics also collapsed and is not solid, the state may fall even disappear from the world map. Secondly, if politics is solid enough, economic destruction won't destroy the state. In view of the fact, the two structures must be strong so as to be able to encounter every challenge intending to destroy the state internally or externally, said Amien Rais (kompas.com, 3/9).

Actually relations between economy and politics have been discussed frequently by specialists. In this media, the issue was also discussed. What the reformation figure disclosed actually could be said as repetition of relations between economy and politics. If the issue is attractive to discuss specifically, the reason is situational. To the best of our beliefs, economy has encountered very serious issue in the last several months. However, whether the economic downturn is attributable to political conflict is very possible to trigger different opinions.

Experience teaches us that from a difficult situation frequently results in speculative position tending to secure private interest or interest of groups. It is not an assumption. We still recall what is called as moral hazard in banking industry when economic crisis in 1997/1998 drove Indonesian economy to the brink of destruction. Bank Indonesia Liquidity Assistance (BLBI) is the most concrete example of game executed by economic elite groups to take benefit from the unfavorable situation. As a result, the people were forced to bear debts of the black bankers and conglomerates. If we want to take lesson from the chaotic relations between economy and relations, BLBI scandal is the best reference. The best does not mean that it should be repeated but we must take it as the most valuable lesson for this nation.

In the recent days, dull economy may encourage parties to take personal benefit. Honestly, there is an effort to debilitate anti-corruption movement on the pretext of economic interest. Does anti-corruption movement bring about negative influence to economic development? Isn't it reverse? Apparently the issue needs to be discussed specifically.

Back to political and economic issue, principally we support every effort to create solid relations between economy and politics. It is necessary to remind that economic dynamic actually constitute reflection of political understanding of economic objectives and how to accomplish the goals. Budgetary policy, for instance, constitutes any of the sectors in political domain. In this side, it is difficult to imagine conflict between economy and politics. What Amien Rais worried about may refer to political maneuver of certain parties that is potential to worsen economy or situation in general, which is later read as the absence of solidity between economy and politics.

Actually economic and political solidity is important in all situations. However, it is necessary to observe that the worsening economy in the last several months is attributable to factors stretching from the past to now (internal) and external factor. Economic crisis may trigger political crisis, later drive state nation to the brink of destruction.

Jakarta, September 8, 2015

IS LAND BANK NEEDED ?

Issue about land bank has not disappeared from talks. Some time ago, Minister of Agrarian Affairs Ferry Mursyidan Baldan disclosed his expectation so that land bank could be realized soon given that the function of the institution is deemed important for the provision of land for the people's housing.

We may say that all parties agree to say that solution is needed to overcome obstacle in the provision of house for the people. The obstacle frequently disclosed is the high price of land. In relations thereto, a special instrument is needed to control the surge in the price of land. Based on the postulate, support for the presence of land bank comes. However, on the other hand, some consider that the presence of land bank does not settle the problem. Even, the group worry that the land bank would only add land mafia controlled by investors. The anti-group claims that it is better if the government conducts agrarian reform.

So far, there is a question that needs to be answered. Does the land bank constitute an instrument or method to overcome land affairs issue with extensive implications, particularly in a bid to produce house for incapable people? If it is understood as an instrument, the action which can be taken in relations to land bank is to improve system so that the price of land is not controlled fully by market mechanism anymore. If the assumption is true, land bank may answer at least two things. Firstly, it restores the function of the state as outlined in Article 33 paragraph (3) of the Constitution of 1945. Therefore, the existence of land bank is clearly intended to overcome domination of market mechanism in various aspects of land affairs, especially for the most complained issue, namely the price of land skyrocketing to surpass the limit of rationality. If it is elaborated further, the establishment of land bank actually contains a mission to fortify the role of state, to differentiate it from the domination of market, in relations to interest of the public at large.

Secondly, in the case of land bank being only directed to overcome the procurement of land, the land bank actually constitutes a small frame in the big frame named agrarian reforms. Substantially, it is better to boost agrarian reform because it would touch land procurement issue and other related aspects if it runs properly and comprehensively.

Nonetheless, it is attractive to read the intention of the government as disclosed by Minister of ATR/BPN Mursyidan Baldan that that the government wants to build justice on land, that we define as justice for the people needing land and justice for the land owners. If the aspect is asserted in the plan for the establishment of land bank, we may say that the whole aspects deemed as issues and complained by many parties may be answered. Justice constitutes state obligation which must be realized, and the role of state should be questioned if injustice occurs. If the uncontrollable rise in the price of land is deemed as a form of injustice and inability of state to provide justice for the whole citizens, the presence of land bank becomes a must.

Based on the above explanation, our position has been clear. The importance of land bank is dependent on the intention and objective underlying the establishment of the bank. Above all, we must observe that the presence of land bank should be able to overcome the problem, not merely removing the problem.

Jakarta, September 4, 2015

INDONESIAN LOGISTICS ASSOCIATION: OFFICIAL LEVIES STILL BURDENED THE BUSINESSES

Jakarta, *Business News*

Business operators urged the government to immediately remove any official charges that weigh on the businesses, especially those engaged in the port sector. Indonesian Logistics Association (ALI) considered that the formal charges in ports and airports have added to the cost of logistics. Chairman of ALI, Zaldy Ilham Masita, in Jakarta, on Monday (September 7) said that the industry players must be released from cost recovery amounted to IDR 70,000 - 90,000 per container, for exports or imports at Tanjung Priok Port, Jakarta, and surcharge at Tanjung Perak port, Surabaya.

To that, he added, the government should remove all official, but illegal charges imposed by state enterprises and local government related to logistics. According to him, cost recovery charges for containers which are unloaded has added IDR 500 billion of additional port charges for two years that has become an income for PT Pelabuhan Indonesia II. He believes that the elimination of formal charges could bring down the cost of logistics in the country at least 1% of the current conditions, which reached 24.6% of the GDP.

In addition to urging the abolition of formal charges, ALI also asked the government to loosen some rules in the logistics sector, including the deregulation of foreign investment policy. Masita said that domestic investors in logistics are still lack of capital as a result of high interest rates. According to him, the government needs to revise the investment rules in warehouse and cold storage to 95% of foreign ownership from the previous 33%. This is in accordance with the ASEAN Economic Community (AEC) agreement. Moreover, in the areas of freight forwarding, foreign ownership can be changed to 95% from the previous 49%. He added that even the regulated agent (RA) tariff which amount is multiple times at the airport for air cargo, needs to be revised.

On the same occasion, Masita also touched on the issue of maritime axis program. Masita is pessimistic that the government is serious in realizing maritime axis as Indonesia's logistics backbone. According to him, the initial key to the reduction of logistics costs is through the port, so port managers who are clean and adequate are needed.

He said that the Tanjung Priok port, Jakarta, as the largest and busiest port in Indonesia, should be managed by human resources who are free from vested interests. He was disappointed that the intervention of Vice President Jusuf Kalla in the legal process in PT Pelabuhan Indonesia II gave a sign that the government does not intend to reduce logistics costs.

Furthermore, he stated that JK's statement was not the first time of his counter-productive interference in logistics in Indonesia. Previously, JK has also cancelled the Cilamaya Port project. He said the port has been studied for four years to become an appropriate port for Indonesia's exports compared to the Tanjung Priok port, which is far from industrial centers.

Meanwhile, Yukki N. Hanafi, Chairman of Indonesian Logistics and Forwarders Association (ALFI), said that the government must consider the interests of national businesses in setting up deregulation. He said that foreign involvement in stimulating economic conditions can be done in other ways so it does not kill the existing businesses. According to him, foreign share in business ownership in the logistics sector has been given, especially in eastern Indonesia.

The important thing, he said, is the accelerated realization of absorption of state and regional budgets (APBN and APBD) so that employers do not withhold new investment action. He mentioned that logistics players experienced a heavy burden, especially with the decline in automotive industry activity by 50% and home appliance industry by 45%.

Yukki said the decrease in a number of industries has caused a decline in the flow of transportation by ships, especially imports which dropped 32%, while land transport slumped 45%. Meanwhile, land transportation still experienced an increase of 2% - 3% as a result of shift of transportation modes from sea to land because the logistics industry is driven by e-commerce. (E)

MARKET EXPECT INTEGRATED ECONOMIC POLICY IS ALSO WELL BY EXECUTION

Jakarta, *Business News*

Amidst uncertainty of global economy climate and adverse domestic economy, now marketplayers were expecting the Government to run Integrated Economic Policy: not only sound by quality but also well by excution to win back matket's trust. Rupiah being under pressure and IHSG not being in good shape caused market anxiety of what the Government plan to do next.

Moreover to think that global economy was also still unempressive, the year 2016 seemed not to be the momentum yet for growth since China's economy was contracting, In their latesr report etntitled "Down revision of Economic Outlook 2016" economic growth of countries combined in G-20 next year was 2.8%, lower that the predicted 3.1%. China was the reason why revison was deemed necessary.

Moody's saw that China's economy would only grow by 6.3%. less than the previous projection of 6.5%. Moody's Senior Vice President Marie Diron stated that China's slower growth rate made commodity prices had to increase in the near future.

A long period of low commodity prices would cause income from investment and export of G-20 countries to lessen. The policy adopted by Chna today to jack up their export was a policy to compensate economic slowdown in China.

As economy of the world including China weakened, Indonesia as member oif G-20 would be affected. Moody's predicted Indonesia's economic growth next year would be in the range of 4% - 5%, the same as preditions for 2015.

All in all, under the circumstances Rupiah was tormented. The turbulence was so terrible Rupiah was pressed down to Rp14,000 per USD as China devaluated their Yuan. The world was worried that China's step would trigger a currency war that would lead to Further inbstability.

Rupiah weakening would jack up inflation, since Indonesia's dependence on imported products, especially raw materials was still high.

In a free forex regieme, Rupiah was a currency free to be traded. For that matter, the monetarty authority must work hard to intertfere the moneymarket to keep Rupiah up.

To gain strength in the market, forex reserves was the resource to rely on. However the market needed more than just forex reserves. In the crisis, even forex reserves had lost its benefits. Now the moneymarket was governed by rumors.

In view of the instability of the moneymarket, the market needed sound measures by the Government such as integrated economic policy as expected by the market.

Hence it was more than just the financial sector that called for attention, but also the real sector. To be exact the financial sector, the real sector and of course Law Enforcment to chase tax avoiders, and other fraudulence and law violations.

A comprehensive and integrated economic strategy, which was pro-people was now indispensable and really being awaited for.

Governor of BI Agus Martowardojo stated that Indonesia had multi layer defense system in facing global pressures of today. He said that today Indonesia had enough forex reserves to safeguard Rupiah. In July 2015 Indonesia's forex reserves was posted at USD 107.6 billion which was in good DSR and enough for 3 months of import.

Not just forex reserves, Indonesia was also protected by Second Line Defense System(SLD), ready to function as safeguard to national economy. Among the SLD instrument was Bilateral Swap Arrangement (BSA) which was reserves system in case of undesired condition. BSA would secure liquidity, prevent crisis and overcome crisis.

The BSA fund were among others from Chiang Mai Initiative Multilateralization (CMIM) an agreement with Japan, China and South Korea amounting to USD 240 billion; from Japan USD 22,76 billion. Beside Forex Reserves and BSA, Indonesia also had other safeguard system to anticipate crisis, such as Deferred Drawdown Option (DDO) or Standby Fund, and Bilateral Currency Swap (BCSA). BSA was emergency fund in case of undesirable condition, while DDO was bilateral collaboration to keep development running amounting to USD 5 billion.

The BCSA fund would be used for fostering bilateral trading agreement and to strengthen financial collaboration between the two countries. Today BI had BCSA ties with China and South Korea. The amount was Won 10.7 trillion or Rp 115 trillion, while with the Central Bank of China (PboC) the amount was Yuan 100 billion or Rp175 trillion.

Global economic uncertainty had forced the Government to accelerate formation of four Stimulus Policy for Indonesia's economy. The four economy package were : fiscal policy, investment deregulation, energy policy, and food strategy. Discussions on policy package was focused on policy investment, since allegedly there were 154 rules which were allegedly a hindrance to capital inflow.

The Coordinating Minister of Economy said he would agressively discuss the four policy packages. The policy was designed to enhance investments at large scale. Some were revised, some were totally changed and encompassed 154 rules regarded as contra- productive in the present condition.

About low budget absorption, the Minister of Internal Affais Tjahjo Kumolo would "stick and carriot" approach to provincial Governments whose budget absorption was low. Regions whose budget absorption was extremely low, their portion of budget would be reduced or the allocation be postponed.

The Coordinating Minister of Politics,Law and Security Luhut Panjaitan underscored that he would safegfuard the nation on the security side because security and political stability was important to economic development.

The winds of change suddenly make the

prospect of Indonesia's economic recovery better when the the PAN political party decided to join the Government coalition group. PAN was determined to join forces with the Government to support the Government to realize their programs. The decision was made for the sake of the Republic of Indonesia, not to serve the private, party, or group interest.

PAN's decision to join the Government was a plus point to the Nation's effort in overcoming problems that clawed the nation. With PAN joining the Government, the Government was now holding the key in Parliamentary support and decision making in executing development programs.

The Moneymarket

Now USD was strengthening against most of the world's currencies on Thursday (3/9) because ECB maintained their benchmark rate and increased limit for issuance of shares. ECB decided interest rate for refinancing and fixed deposit to remain at 0.0.5%, 0.03% and -0.2%.

Governor of ECB Mario Draghi announced the limit for share issuance to be increased from 25% to 33%. This would enable the Central Bank to buy more single bond being released. Index of USD against 6 main currencies inched up by 0.61% to become 96.408.

US economic data had it unemployment increased from 12,000 against the previous week to become 282,000 way above market estimate of 273,000. Meanwhile index of US non-manufacturing was posted at 59 in August, or 1.3 points lower than that of July.

By end of session in New York Euro fell to USD 1.240 against USD 1,1121 and British Poundsterling dropped from USD 1,5259 to to 1.5305. Australian Dollar descended from USD 0.7017 to USD 0.7034.

USD was worth ¥120.0 lower than ¥120,23 before. Agaibst Swiss Franc, USD rose from 0.9736 to 0.9692 but was down against Canadian Dollar from 1.3198 to 1,3281.

Stengthening of USD against currencies of the world had downsized Rupiah. USD glow dominated the scene as the moneymarket responded to employment data. Last Thursday (3/9) Rupiah inched down to Rp14,170 per USD. BI's mid rate also showed Rupiah was depreciated 0.23% to become Rp14,160 per USD.

External sentiments still governed Rupiah. Marketplayers were still waiting for US economic data. On Friday (4/9) last data of monthly joblessness and non-farm payroll was released and was predicted to improve.

The economic indicators could serve as navigator in determining interest rate by the Fed at the FOMC meeting on 16 – 17 September next. In anticipating, marketplayers turned to USD which edged Rupiah down. Moreover there was lack of positive catalyst from the internal. Indonesia's forex reserves was continually gnawed while inflation was fearlully high above 7%. (y o y) while Rupiah was descending toward Rp14,200 per USD.

The Fed's planned meeting would still pose as negative sentiment to Rupiah. Meaning. Somehow there was still chance for Rupiah to strengthen moderately, considering that Trade Balance in August 2015 was positive. Analyst predicted that during closing session last Friday (4/9) Rupiah was closed in the range of Rp 14.125.- to Rp 14, 175.- per USD. Meanwhile over the week Rupiah would move in the range of Rp 13,950.- - Rp 14,100.- with tendency to strengthen thanks to the new Government's policy.

Last week, USD strengthened as Vice chairman of the Fed Stanley Fischer potrayed an impressive picture of America's economic data which increased speculations of the Fed increasing FFR amidst global economic turbulence. Again, it posed as negatve sentiment to Rupiah. It was noteworthy that Governors of central banks all over the world told the Fed that they were ready to cope with FFR increase.

At the World Conference of Central Banks in Jackson Hole last week, message of the governors of central banks of the world stated that the Fed must stop hesitating and to the plan at once.

The Capital Market

During opening session on Friday (4/9) IHSG fell by 10 points due to pressures to sell especially by foreign investors. Sentiments from the external was not good enough to help IHSG. During pre opening session IHSG dropped by 0.24% to the level of 4,422.465. while index of LQ 45 weakened by 2,726 points (0,36%) to the level of 750.445.

Regional stockmarkets weakened except Hong Kong. Low global market caused investors release their shares. Index of Nikkei 225 dropped by 150.51 points (0.83%) to the level of 18,031.88. Index of Hang Seng rose by 149,65 points (0.71%) to the level of 21.084.59. Index of Composite Shanghai lessened by 6.46 points (0,20%) to 3.160.17. Index of Straits Times weakened by 14.24 points (0.49%) to the level of 2,892.19.

Meanwhile Wall Street was closed to inch up during transaction on Thursday (3/9). A number of prevalent factors was still around economic slowdown in China, better report on labor, and the Fed' plan to increase FFR.

Previously Governor of ECB Mario Draghi signaled there would soon be new stimulus in Europe to bring positive sentiment to Wall Street.

Index of Dow Jones rose by 0,14% to 16,274.76. Index of S&P 500 increased to 1,952.13 and index of Nasdaq rise by 0,35% to become 4,733.50 There were around 7.1 billion shares being transacted; below daily average of 8.5 billion shares.

Fixed traders speculated that the Fed would soon increase interest rate. The probability of interest to be increased by September had dropped to 30% from the previous 38% according to Bloomberg.

Taking external factors into consideration, last weekend (4/9) IHSG was predicted to move flat around 4,425 – 4,460 while this week IHSG was projected to move in the range of 4,500 – 4.550 being triggered by positive sentiment from Integrated Economy Policy and recovery of China and Hong Kong stockmarkets. Marketplayers believed that the Government would come up with various follow up stimuli to energize macro economy.

Apparently foreign corporations or private equity were now more prudent about increasing investment in Indonesia.Investors rated that valuation in Southeast Asia including Indonesia was quite high. This was unveiled in a survey made by management consultant Global Bain & Company who had made survey on some private equity. Global Bain rated that in Indonesia high valuation was a problem.

Moreover before global eonomic slowdown, Indonesia's stockmarket posted notably good performance for quite a long tme, so valuation of companies in Indonesia was getting higher and higher.

Bain and Company noted that since 2009, the average price-to-earning ratio of companies in Indonesia was seen to increase. In 2014 last, the average price-to earning ratio at the stockmarket was around 12.5 times. Because of high price expectation, deal between investors and companies seldom happened. However, as shares index was lowered, chances foreign corporates and private equity to invest in Indonesia was once again open, but companies must be able to maintain their good performance.

Investors must also observe updated value of emitents. For example Fitch Ratings rating agency who affirmed 4 Government owned banks in Indonesia, i.e. Bank Mandiri (Persero) Tbk (Mandiri), PT Bank Rakyat Indonesia (Persero), PT Bank Negara Indonesia (Persero) Tbk (BTN) at stable level. The stable level means national level, viability level and senior bond.

In terms of national level category AAA was given to Bank Mandiri and BRI. This was the highest level ever given by Fitch in terms of national level to Indonesia. The rating was given to emitents or promissory notes with risk of default the lowest compared to emitents or other promissory notes in Indonesia.

For BNI the rating given was AA+ and for BTN was AA level. National level at 'AA' category showed that the risk of default was low compared to other emitents or other bonds in Indonesia.

Furthermore Fitch rated that level of viability or sub investment of 3 BUMN Banks, i.e. Bank Mandiri, BRI and BNI was at bb+. The rating reflected profitability being above the average competitors, the quality of asset relatively stable and adequate capital level.

Viability rating given to the three banks was based on evaluation of operational condition with sub-investment rating for banks in Indonesia who minimized redit risk by way of stand alone for majority of banks in Indonesia. According to Fitch Ratings banks in Indonesia were facing challenges from global economic slowdown.

But the profile of credit risk of banks had strengthened since late 1980, having gone through various cycles so it seems like the banks would be able to cope with economic slowdown today.(SS)

LOOKING FORWARD TO A PRO-BUSINESS ECONOMIC POLICY

Jakarta, *Business News*

Coordinating Minister of Economy Darmin Nasution stated that the Policy Package to be issued by the Government consisted of various economic problem and would consist of four categiories, among others Fiscal and Finance, Deregulation in Investment in the Industry and Trade Sectors, Incentives for Smelters Development and Handling of Food problems.

The Plicy Package related to Fiscal and Finance consuisted of 6 or 7 points, among others Regulations foreign ownership in the property sector and Debt-to Equity Ratio.

Also Regulation on fund expenditure for vilage development particularly on activities most important and beneficial to the rural people like irrigation, bridges and roads.

The objective of deregulation was to review to existing rules which held back investments in industry and trading including the energy sector. Some were changed, some were simplified and some were totally revised, all in all including more than 100 rules.

As with policy related to food, one of them was distribution of rice-for-the poor (Raskin) for the 13th and 14th month to anticipate food shortage for the poor during low season, i.e. extra Rakin for September and another extra Raskin for November.

The Government would probably announce Category Two of regulations related to Deregulation to enhance investment in the industry and trading sectors, this week at the latest.

Sometime ago the Government had released a policy package, i.e. fisacal incentive called Tax Holiday. The Minister of Finance Bambang Brodjonegoro explained that the policy was designed to strengthen Rupiah and economy. The policy package would not just be for promoting export but also to lift up people's purchasing power.

Rupiah falling to Rp14,000 per USD and slow pipelining of credit was because the world panicked as China devaluated their Yuan

The world feared that China's step might trigger a "currency war" which might lead to serious inbstability of global trading.

Naturally in a Free Forex Regieme Rupiah was a currency that could be freely traded. For that matter the monetary authorities must agressively make market intervention to keep Rupiah value in accordance with national fundamental economy.

To be strong in the moneymaket, forex reserves was the back up to rely on; but it should be bore in mind that Indonesia's forex reserve never inched up from around USD 100 billion for over a year and the amount was continually gnawed by BI for market intervention. Under the circumstances it was necessary for the Government not just to to the monetary sector but also to enhance developent of the real sector.

Governot of BI Agus Martowardojo stated that in July 2015 Indonesia had forex reserves of USD 107.6 billion, enough for financing 7 months of import or 6.8 months of import plus payment of overseas debt. DSR was safely above international standard of 3 months of import.

As told, Indonesia was also well protected by second line defense (SLD) sucxh as Bilateral Swap to anticipate crisis.

Besides, Indonesia's economic condition today was different from that of 1997 and 1998. Indonesia's economic growth was minus 13.3% while today growth was positive at 4.9%. Indonesia's forex reserves in 1997/1998 was only USD 23 billion, while in July 2015 it was USD 107.6 billion.

Meanwhile inflation rate in 1998 was 77.63% while today inflation was well under control, low and stable at 4% + 1% in 2015 and 2016. DSR in 1997 was 120% while today it was only safely at 33% of GDP.

In terms of financial stability, in 1998 CAR was desperately bad while NPL was high, but in June 2015 CAR of the banking sector was safely at 20.1% while NPL was only 2.6% - so it was very unlikely that crisis of 1997 and 1998 would happen again.

Somehow the Government and monetary authorities must stay on the alert in case heavier turblence came to befall. Under such circumstances the Government's willingness to listen to people's aspirations and businesspeople's grievances was called for. Marketplayers were expecting that the economy policy package to be issued by Pesident Joko Widodo administration would find a breaktthrough to solve problems and induce optimism among marketplayers.

The policy package issued must not be mediocre but it must be distinctive. The public expected tghere would be something great, new, fundamental and sound and show results in the short term.

Businesspeople's warning was valid because to learn from past experiences, Government's Economic Policy Package was only respended coldly by investors. For example, policy packages for the financing sector which was poor in breakthrough values. Although fiscal incentives abounds, financing by financial institutions remained ordinary.

Businessplayers were expecting that the Government Policy Packages were in synergy with institutions like OJK and BI so the policy would be flexible macro-prudential wise but also enhance the role of the financial sector to be more expansive. While being comprehensivev they should prove to be supportive to the businessworld and the people, as proven by market's positive reaction.(SS)

MANAGEMENT OF INDONESIAN MIGRANT WORKERS APPRAISE OVERSEAS EMPLOYMENT AGENCIES

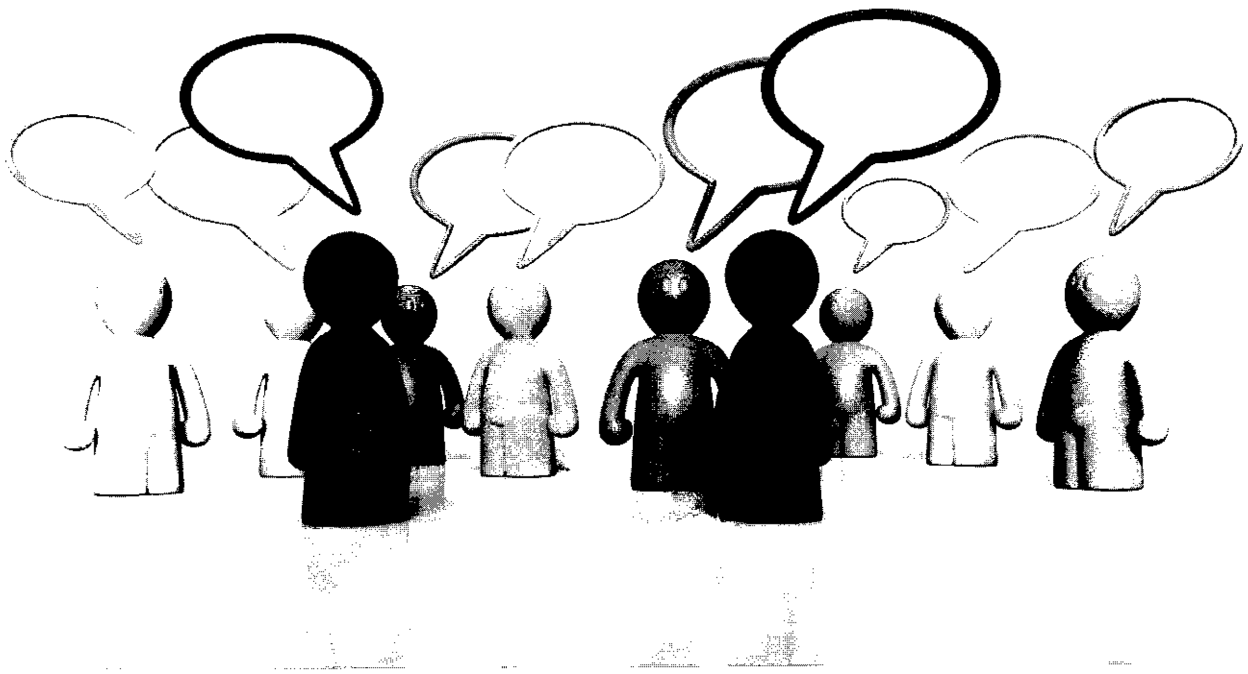
Jakarta, *Business News*

In the effort to develop labor industry especially Indonesian Migrant Workers Abroad (TKI) which was an important part ofTKI workers abroad, the National Board for TKI Placement and Protection (BNP2TKI) was executing the TKI Placement Program of the Private Sector (PPTKIS), In 2015 the program was executed by 498 Employment Agencies (PPTKIS) including various parties i.e. the Government, NGO's, and the Associaion of Indonesian Employment Agencies and the the Board of Demography of the Faculty of Economy, the University of Indonesia (LDFE-UI) as executor of appraisal.

Head of BNP2TKI Nusron Wahid stated in Jakarta on Thursday (3/9) that in the process of development of TKI management, three main agenda had beed stipulated, i.e. development of industrial climate for TKI, fulfilment of citeria for operationals on TKI Placement Agencies and strengthening of capacity of management of placement agencies.

Nusron informed that of 498 PPTKIS employment agencies who had submited their documents completely and timely as prerequirement for appraisal of their performance through 2012 – 2014. He said that rating would consists of 4 levels, i.e. Excellent, Good,Very Satisfactory, and Satisfactory while apraisal would be classified as Brionze, Silver, Gold and Platinum.

Of the 365 PPTKIS agencies being appraised, the ones who were being awarded Bronze category numbered 8 agencies, Silver 228 agencies (62%) and Gold 106 agencies (29%) and Platinum 23 agencies (7%). The Very Good Category 96 – 100 i.e. PPTKIS having full legal status, having adequate facilities, linkage to networking of placement, having passed



the stages of procedures of placement and able to place TKI without problem till end of contract.

The ones categorized as "needing special counselling" 50 – 65, i.e. agencies having no full legal status, facilites being inadequate and having limited linkages in country of placement and having numerous problems with TKI being placed.

Beyond that, Nusron said, there were 133 agancies having "black report card" because they could not join the appraisal program, as they had failed to join the Appraisal Plan their names would be deleted and were not permitted to be active. The agencies whose names were written off, if they persisted being active in TKI placement, could be sanctioned.

Nusron explained that rating of PPTIKIS was intended to build a healthy competition between PPTKIS in rendering high quality service, to give reference to all employment agencies to collaborate, to give reference to CKTI in choosing the right agency and help BNP2TKI in managing PPTIKIS efectively.(SS)

PRESIDENT FINALLY CANCELLS THE JAKARTA – BANDUNG SUPER TRAIN PROJECT

Jakarta, *Business News*

President Jokowi had decided to the Jakarta Bandung Super Train project not to be financed by APBN State Budget but to be managed and financed by the private sector, i.e. BUMN which was the State Owned Companies. "The Super Train project would not burdened on state budget, but by BUMN instead, the cost would be recalculated," On Saturday September 5, 2015 the Government decided to cancell the High Speed Train Project and replace it with Medium Speed Train instread.

The President stressed that although railway development in Indonesia was needed, the Government did not wish the development would buden APBN. It would be run on Business to Business basis.

It was not mentioned which BUMN company would manage the Jakarta-Bandung special train project. One thing was sure The APBN budget would only be for railway project in Kalimantan, Papua and Sulawesi.

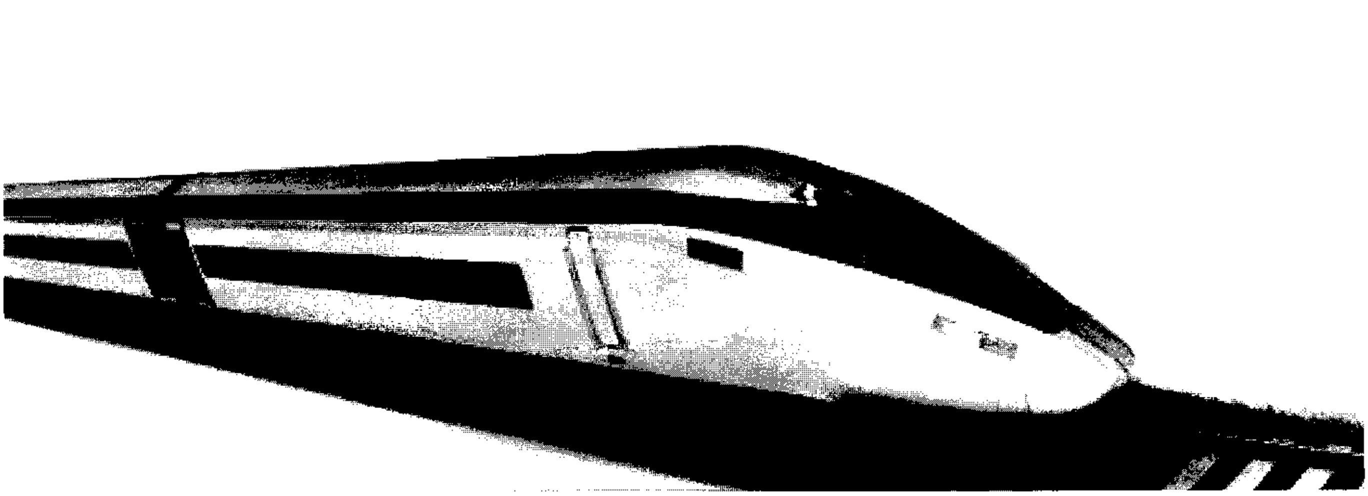
Separately the Ministry of Transportation Ignatius Jonan confirmed that the Government could not accept the Proposal from Japan and China, and that the project would be done of B to B basis.

According to Minister Ignatius Jonan, investors propose that financing of the super-train project to be taken from APBN, but now the Government would not include the project as Government project but the private sector instead. "Now the Government is only acting as regulator, private companies would run the project" Jonan said.

Therefore the Governments of China or Japan could still be active in proposing the project but the business platform would be B to B.

Previously the Government was zealous about accepting the proposal to build a "Shinkansen" train with the speed of 250 km per hour and axe duration of journey to be 37 minutes.

Now the Jakarta – Bandung High Speed Train project was cancelled and to be replaced by Medium Speed Train. (SS)



COORDINATING MINISTER FOR MARITIME AFFAIRS: THE TOURISM INDUSTRY MUST BE ENJOYED BY THE PUBLIC

Jakarta, *Business News*

World Economic Forum (WEF) reported that from 141 countries, the competitiveness of Indonesia's tourism was ranked 50th. This achievement increased from the previous position at rank 70 in the world rankings. Quoted from Indonesia Travel, this improvement can be achieved because in 2014, Indonesia was able to attract 8.8 million foreign tourists. Not only that, Indonesia is also able to prioritize the tourism industry and sustainable infrastructure investments.

However, the increase in the position is not of much use if it cannot be enjoyed directly by the people. This was stated by Rizal Ramli, Coordinating Minister for Maritime Affairs and Resources, to the Management Board of the Indonesian Chamber of Commerce and Industry (KADIN Indonesia), in Jakarta, on Friday (September 4). Rizal also asked KADIN Indonesia to prioritize the development of the tourism industry in the short term so that economic development can be enjoyed by the public.

According to Rizal, the tourism sector has been shown to rapidly increase the state revenue and social welfare. The reason is that this sector can create jobs in large numbers in addition to encouraging the growth of small and medium enterprises sector. The Coordinating Minister said that the government wants to build five to seven integrated tourism areas given the huge potential of the sector. With the development of integrated tourism area, Rizal is targeting tourist visits to rise to 20 million within five years from nine millions this year.

For comparison, Rizal said that Malaysia whose tourist destination is no better than Indonesia is visited by 25 million tourists per year. Furthermore, Rizal declared that an integrated tourism area is Lake Toba. He said that the region's tourism industry management should be performed by a single authority called Toba Tourism Authority.

Indonesia also considers that the travelers from Southeast Asia, such as Malaysia, are potential travelers to visit interesting destinations in the country, so that the promotion of tourist destinations continue to be encouraged, including a number of new destinations. According to him, there are many destinations that attract Malaysian tourists, such as Nongsa in Batam Island or Panti Lagoi, Bintan Island.

Similarly, for other destinations that had been visited by many Malaysian tourists, promotions will be increased continuously, such as ecotourism area, tourist villages, golf courses and a number of other places. Related to Malaysia, the Ministry of Tourism is targeting for 2015 to reach as many as 1.7 million tourists or better than last year's achievement at 1.3 million people.

Currently, Malaysians visiting Indonesia increasingly extends to many destinations, such as Bandung, Jakarta, Yogyakarta, Surabaya, Bali, Lombok and some other regions. Efforts to increase visits to Indonesia was also carried out through business meetings between Indonesian tourism businessmen and travel agents in this country.

Meanwhile, Chairman of the Indonesian Tourism Industry Association (GIPI), Didien Junaedy, said that AEC 2015 opens growth opportunities for industrial business in the country, and at the same time is a threat to the local market. The readiness of the tourism industry, according to Didien, has reached 75% in facing AEC. The weakness which should immediately be overcome is human resources and tourism supporting infrastructure.

According to him, Indonesia's tourism human resources are still far less than Singapore, Malaysia, and Thailand. Currently, only about 30% of tourism human resources have obtained tourism certification. On the other hand, AEC also promises great opportunities for the entry of new investments in national industries, including tourism. According to him, the government should be able to provide a number of incentives to further attract investment from outside. (E)

KADI BEGAN TO INVESTIGATE ANTI DUMPING OF BOPP FROM THAILAND AND VIETNAM

Jakarta, *Business News*

Indonesian Anti Dumping Committee (KADI) started antidumping investigation on imported biaxially oriented polypropylene (BOPP) with tariff heading Number. 3920.20.10.00 and 3920.20.90.00 imported or originating from Thailand and Vietnam, on Thursday (September 3). The investigation is based on Government Regulation No. 34/2011 on Anti-dumping Measures, Contervailing and Safeguard Measures.

"BOPP investigation was conducted with regard to the petition filed by PT Trias Sentosa Tbk and PT Lotte Packaging," said Chairman of KADI, Ernawati, last week. Based on data from the Central Statistics Agency (BPS), the total volume of imports of BOPP in 2012 is 44,093 MT, 44,182 MT in 2013, and 35,544 MT in 2014.

Cumulatively, the volume of imports of countries accused of dumping (Thailand and Vietnam) in 2012 was 26,487 MT, increased to 32,975 MT in 2013, and to 23,443 MT in 2014. In 2014 cumulatively, the two countries have a market share of 66% of total imports of BOPP.

For interested parties who want to be involved in the investigation, are given an opportunity to submit information response, related to investigation and/or request for hearing in writing to KADI. KADI gives an opportunity to give a notification to participate in the investigation, no later than 14 (fourteen) days from date of announcement.

On the other hand, the government continues to encourage the development of downstream petrochemical industry generated by oil. One is the plastic packaging produced by local companies. Downstream plastics industry, such as packaging industry, has great potential which is highly prospective, both in the domestic and export markets.

Plastic packaging industry in Indonesia is continuously growing in the last five years, in line with the development of the food industry, chemicals, and pharmaceutical industry with plastic packaging material. In the coming years, the plastic packaging industry in Indonesia will continue to grow by 7 - 8 percent. This is supported by the continued growth of plastics users, especially food & beverage industry, chemicals, and pharmaceutical industry; the growing strength of the structure of the plastics industry from upstream to downstream, and the development of technological innovations of production process, which is more efficient and environmentally friendly.

Moreover, the potential consumption of plastic products in Indonesia is still quite large, because national consumption per capita per year has reached 10 kg. Along with the national economic growth that continues to increase, the need for downstream plastic products will increase as well.

Downstream plastic products, especially packaging, in general, is an intermediate product that is widely used by the industry that produces a variety of consumer needs, such as food and beverage industry; cosmetics; electronic goods; pharmaceuticals; automotive; chemicals; agriculture; household products; and lubricating oil. BOPP is also used as raw material for food and beverage packaging industry, pharmaceuticals, cigarettes, detergents, shampoo, garments, cosmetics, cassettes / VCD / DVD, office equipment, and adhesive tapes.

Currently, the plastic packaging industry reached 892 companies that produce rigid packaging; flexible packaging; thermoforming; and extrusion spreading in several regions of Indonesia. The installed capacity reached 2.35 million tons per year with a utilization rate of 70 per cent so that the average production reached 1.65 million tons.

Number of workers absorbed is more than 500 thousand people with production value reaching tens of trillions. Although the structure of the national plastics industry is quite complete from upstream to downstream, but the production capacity is still limited to raw materials. Therefore, in order to strengthen the structure of the plastics industry, the government continues to encourage the development of petroleum refining industry. (E)

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NO NEED FOR INDONESIA TO IMPORT CACAO

Jakarta, *Business News*

Lately there was request from the Association of Indonesian Cacao Producers othat cacao be exempted from import tax. The reason was that many cacao factories were running short of raw materials.

Soetanto Abdullah, Chairman of the Indonesian Cacao Council told Business News that with reference to ICCO data, this year there was no need for Indonesia to import cacao. Indonesia's cacao production this yera was 370,000 tons while capacity of industrial processing was 320,000 tons.

"Meaning there is 50,000 tons of surplus. Hence Indonesia need not to import cacao. Only a little amount of cacao is needed for mix or flavor, not as main component" he said.

What actually happened was not a case of raw material shortage, but there were factories who failed to obtain raw materials because they were not competitive in buying price. "Evidently I have just met a foreign company. In Q-1 this year they had bought cacao from farmers in Southeast Sulawesi twice as much than the same period the year before."

Therefore to maximize oporations the factory must dare to buy cacao seed at high price. Import ws no solution because price of cacao at international market was now high.

Import was still needed because every cacao factory had their own flavor of aroma formulae. Ivory Coast, the biggest producer of cacao in the world still had to import cacao from Ghana or Kamerun for flavor's sake. Indonesia import 40,000 tons of cacao each year for this reason.

Since cacao production industry was developing well in Indonesia, export of cacao was drastically reduced. Cacao seed were today more sold at home. One member of the cacao council, i.e. the Association of Indonesian Cacao Esporters had lost many of their members because they no longer exported cacao. Some had closed their business and some had become cacao suppliers to factories.

Fast growing cacao processing industry in Indonesia had injured the same industry in Malaysia. It turned out that they were dependent on raw materials from Indonesia. When export tax was increased and cacao industry in Indonesia was developing well, many industy in Malaysa were affected.

So far cacao industry developing in Indonesia was only semi-finished products. Cacao seeds turned into powder cacao, cacao fat, cacao butter etc. which were exported and processed into cacao bars, choco chips etc.

In the end it was expected that industry of finished cacao would also be developed in Indonesia, hence the added value of cacao would be increased. Some local and international brands of cacao were appearing in the local supermarkets, but imported chocolates were still imported. Belgium and Switzerland which were well known fir their chocolate brands had their raw materials imported from Indonesia.

The brighter side of the news was that local chocolates of local brands had the taste and quality comparable to premum bradd chocolates. Bali Pod in Bal, Moggo in Yogyakarta and Chocodot Garut were some of the examples. They were expected to be equal with intenational brands.

On the other hand, home industry chocolates were also developing fast. The Indonesian Association of Cacao and Chocolate Makers acommodated companies in chocolate business where they had counseling and training to develop well.(SS)

FOREIGN BANK NOTE TRANSACTION EXCHANGE RATES

Jakarta, *Business News*

Bank Indonesia has fixed the exchange rates of foreign bank note transactions for September 8, September 7 and September 4, 2015 as follows :

CURRENCY	VALUE	SEPTEMBER 8, 2015		SEPTEMBER 7, 2015		SEPTEMBR 4, 2015	
		BUYING	SELLING	BUYING	SELLING	BUYING	SELLING
AUD (Australia)	1,-	9,592.98	10,290.36	9,521.78	10,220.98	9,536.30	10,240.84
BND (Brunei)	1,-	9,649.98	10,352.19	9,643.31	10,346.91	9,651.43	10,359.97
CAD (Canada)	1,-	10,367.78	11,121.56	10,352.78	11,111.61	10,350.36	11,112.96
CHF (Switzerland)	1,-	14,147.17	15,179.67	14,132.54	15,170.92	14,067.67	15,100.82
DKK (Denmark)	1,-	2,062.36	2,212.30	2,053.07	2,202.89	2,040.49	2,189.99
GBP (United Kingdom)	1,-	21,070.37	22,604.79	20,856.45	22,380.95	20,846.64	22,378.08
HKD (Hong Kong)	1,-	1,778.64	1,907.74	1,772.04	1,901.14	1,764.65	1,893.81
JPY (Japan)	100,-	11,557.81	12,398.32	11,516.98	12,357.63	11,440.28	12,279.76
NOK (Norway)	1,-	1,656.99	1,778.05	1,653.78	1,775.59	1,650.24	1,772.13
NZD (New Zealand)	1,-	8,650.09	9,283.50	8,626.33	9,255.90	8,696.47	9,341.08
PGK (Papua New Guinea)	1,-	4,790.29	5,359.56	4,793.17	5,363.18	4,773.62	5,342.79
SEK (Sweden)	1,-	1,630.96	1,749.77	1,627.66	1,746.79	1,625.68	1,746.11
SGD (Singapore)	1,-	9,649.98	10,352.19	9,643.31	10,346.91	9,651.43	10,359.97
THB (Thailand)	1,-	380.80	408.54	381.71	410.08	381.64	409.66
USD (United States)	1,-	13,785.00	14,785.00	13,734.00	14,734.00	13,678.00	14,678.00
EUR (Europe)	1,-	15,389.57	16,508.93	15,320.28	16,438.72	15,219.51	16,338.08

BANK INDONESIA'S EXCHANGE RATES

Bank Indonesia has fixed the rates of export draft transactions for September 8, September 7 and September 4, 2015 as follows :

CURRENCY	VALUE	SEPTEMBER 8, 2015			SEPTEMBER 7, 2015			SEPTEMBER 4, 2015		
		BUYING	MIDDLE RATE	SELLING	BUYING	MIDDLE RATE	SELLING	BUYING	MIDDLE RATE	SELLING
AUD (Australia)	1,-	9,891.52	9,941.65	9,991.78	9,863.10	9,923.38	9,968.42	9,835.40	9,888.47	9,941.53
BND (Brunei)	1,-	9,950.30	10,001.06	10,051.81	9,944.81	10,045.65	10,053.10	9,954.13	10,005.65	10,057.17
CAD (Canada)	1,-	10,690.43	10,744.65	10,798.86	10,615.51	10,788.08	10,727.62	10,674.99	10,731.58	10,788.16
CHF (Switzerland)	1,-	14,587.44	14,663.33	14,739.22	14,624.91	14,729.20	14,775.73	14,508.90	14,584.19	14,659.47
CNY (China Yuan)	1,-	2,233.54	2,244.70	2,255.85	2,209.40	2,249.78	2,231.72	2,217.42	2,228.58	2,239.74
DKK (Denmark)	1,-	2,126.54	2,137.32	2,148.10	2,121.85	2,138.75	2,143.61	2,104.49	2,115.24	2,125.99
GBP (United Kingdom)	1,-	21,726.10	21,837.50	21,948.89	21,507.09	21,729.30	21,727.20	21,500.48	21,612.26	21,724.03
HKD (Hong Kong)	1,-	1,833.99	1,843.19	1,852.39	1,813.61	1,845.78	1,832.00	1,820.00	1,829.23	1,838.46
JPY (Japan)	100,-	11,917.50	11,978.04	12,038.57	11,688.98	11,997.82	11,810.01	11,799.10	11,859.98	11,920.86
KRW (Korean)	1,-	11.81	11.87	11.93	11.92	11.91	12.05	11.84	11.91	11.97
KWD (Kuwaiti Dinar)	1,-	46,957.38	47,262.66	47,567.93	46,496.86	47,367.55	47,013.25	46,603.90	46,900.83	47,197.75
MYR (Malaysia)	1,-	3,272.48	3,290.92	3,309.36	3,327.65	3,325.20	3,367.65	3,309.56	3,328.58	3,347.59
NOK (Norway)	1,-	1,708.56	1,717.51	1,726.46	1,688.63	1,723.89	1,706.72	1,702.00	1,711.17	1,720.33
NZD (New Zealand)	1,-	8,919.29	8,966.71	9,014.13	8,922.75	8,986.40	9,021.41	8,969.23	9,018.65	9,068.06
PGK (Papua New Guinea)	1,-	4,939.37	5,071.71	5,204.05	4,905.54	5,207.02	5,168.07	4,923.34	5,054.99	5,186.64
PHP (The Philippines)	1,-	302.30	303.84	305.38	300.76	304.95	303.90	301.69	303.28	304.86
SAR (Saudi Arabian Riyal)	1,-	3,789.69	3,808.83	3,827.96	3,747.27	3,815.18	3,785.83	3,760.96	3,780.25	3,799.53
SEK (Sweden)	1,-	1,681.71	1,690.36	1,699.00	1,660.21	1,695.93	1,678.97	1,676.67	1,685.88	1,695.08
SGD (Singapore)	1,-	9,950.30	10,001.06	10,051.81	9,944.81	10,045.65	10,053.10	9,954.13	10,005.65	10,057.17
THB (Thailand)	1,-	392.65	394.67	396.68	392.74	398.14	396.92	393.61	395.65	397.68
USD (United States)	1,-	14,214.00	14,285.00	14,356.00	14,056.00	14,305.00	14,198.00	14,107.00	14,178.00	14,249.00
EUR (Europe)	1,-	15,868.51	15,949.21	16,029.91	15,835.49	15,960.09	15,996.89	15,696.86	15,778.71	15,860.56

NOTE : The middle rate is based on Business News calculation

THE CATCHING OF LOBSTER (PANULIRUS SPP.), CRAB (SCYLLA SPP.), AND SMALL CRAB (PORTUNUS SPP.)

(Circular of the Minister of Marine and Fishery Number 18/MEN-KP/I/2015, dated January 20, 2015)

THE MINISTER OF MARINE AND FISHERY OF THE REPUBLIC OF INDONESIA

To.

1. Governors;
2. Regents/Mayors;
3. Head of Provincial and Regency/Municipal Service in charge of marine and fishery affairs;
4. Heads of Technical Executive Units within the Ministry of Marine and Fishery:

Throughout Indonesia

Since the population of Lobster (Penulirus spp.), crab (Scylla spp.). and small crab (Portunus spp.) has decreased in various regions and in the framework of preserving the existence and availability of stocks of the three species, the Minister of Marine and Fishery has stipulated Regulation of the Minister of Marine and Fishery Number 1/PERMEN-KP/2015 on the Catching of Lobster (Panulirus spp.), Crab (Scylla spp.), and Small Crab (Portunus spp.)

The ministerial regulation contains prohibition on the catching of lobster (Panulirus spp.), crab (Scylla spp.), and small crab (Portunus spp.) in the state of laying eggand regulation regarding the restriction of size of the three species which may be caught.

The restriction of the size of Lobster (Panulirus spp.), crab (Scylla spp.), and small crab (Portunus spp.) which may be caught is executed gradually as follows:

1. From January 2015 to December 2015, the limit of weight which may be caught and traded is as follows:
   a. Lobster (Panulirus spp.), >200 (two hundred) grams;
   b. crab (Scylla spp.), >200 (two hundred) grams; and
   c. small crab (Portunus spp.), >55 (fifty five) grams; and
   d. soka crab (Scylla spp.), >150 (one hundred fifty) grams.
2. From January 2016 and so on, the limit of weight which may be caught and traded is as follows:
   a. Lobster (Panulirus spp.) with the length >8 (eight) centimeter or weighth >300 (three

hundred) grams;

b. crab (Scylla spp.) with the length > 15 (fifteen) centimeter or weight >350 (three hundred fifty) grams; and

c. small crab (Portunus spp.) with the length >10 cm (ten centimeter or weight >55 (fifty five) grams.

The provision on the prohibition and restriction of the catching of lobster (Panulirus spp.), crab (Scylla spp.), and small crab (Portunus spp.) is in exception for research and development as well as education. The whole directors general and heads of agencies in the Ministry of Marine and Fishery implement this circular by virtue of their respective tasks and functions.

This is for your attention and implementation promptly.

Stipulated in Jakarta

On January 20, 2015

THE MINISTER OF MARINE AND FISHERY OF THE REPUBLIC OF INDONESIA,

sgd

SUSI PUDJIASTUTI

(R)

THE AMENDMENT TO REGULATION OF THE MINISTER OF TRADE NUMBER 02/M-DAG/PER/1/2012 CONCERNING PROVISION ON THE IMPORT OF PEARL

(Regulation of the Minister of Trade Number 37/M-DAG/PER/7/2014, dated July 3, 2014)

BY GRACE OF GOD THE ALMIGHTY

THE MINISTER OF TRADE OF

THE REPUBLIC OF INDONESIA,

Considering:

a. that in order to enhance the effectiveness of the implementation and supervision over the import of pearl, it is necessary to amend several provisions of Regulation of the Minister of Trade Number 02/M-DAG/PER/I/2012 concerning Provision on the Import of Pearl;

b. that having regards to letter a, it is necessary to stipulate a regulation of the Minister of Trade on the Amendment to Regulation of the Minister of Trade Number 02/ M-DAG/PER/1/2012 concerning Provision on the Import of Pearl;

In view of:

1. Law Number 3 Year 1982 on Corporate Registration Obligation (Statute Book of the Republic of Indonesia Year 1982 Number 7, Supplement to Statute Book of the Republic of Indonesia Number 3214);
2. Law Number 7 Year 1994 on Ratification of Agreement Establishing The World Trade Organization (Statute Book of the Republic of Indonesia Year 1994 Number 57, Supplement to Statute Book of the Republic of Indonesia Number 3564);
3. Law Number 10 Year 1995 on Customs Affairs (Statute Book of the Republic of Indonesia Year 1995 Number 75, Supplement to Statute Book of the Republic of Indonesia Number 3612) as already amended by Law Number 17 Year 2006 (Statute Book of the Republic of Indonesia Year 2006 Number 93, Supplement to Statute Book of the Republic of Indonesia Number 4661);
4. Law Number 5 Year 1999 concerning Prohibition on Monopolistic Practices and Unfair Business Competition (Statute Book of the Republic of Indonesia Year 1999 Number 33, Supplement to Statute Book of the Republic of Indonesia Number 3806);
5. Law Number 8 Year 1999 on Consumer Protection (Statute Book of the Republic of Indonesia Year 1999 Number 42, Supplement to Statute Book of the Republic of Indonesia Number 3821);

6. Law Number 31 Year 2004 on Fishery (Statute Book of the Republic of Indonesia Year 2004 Number 118, Supplement to Statute Book of the Republic of Indonesia Number 4433) as already amended by Law Number 45 Year 2009 (Statute Book of the Republic of Indonesia Year 2009 Number 154, Supplement to Statute Book of the Republic of Indonesia Number 5073);
7. Law Number 39 Year 2008 on State Ministries (Statute Book of the Republic of Indonesia Year 2008 Number 166, Supplement to Statute Book of the Republic of Indonesia Number 4916);
8. Law Number 7 Year 2014 on Trade (Statute Book of the Republic of Indonesia Year 2014 Number 45, Supplement to Statute Book of the Republic of Indonesia Number 5512);
9. Government Regulation Number 82 Year 2000 on Animal Quarantine (Statute Book of the Republic of Indonesia Year 2000 Number 161, Supplement to Statute Book of the Republic of Indonesia Number 4002);
10. Presidential Decree Number 84/P Year 2009 on the Establishment of the Second United Indonesia Cabinet as already amended several times and the latest by Presidential Decree Number 8P Year 2014;
11. Presidential Regulation Number 47 Year 2009 on the Establishment and Organization of State Ministries as already amended several times and the latest by Presidential Regulation Number 13 Year 2014;
12. Presidential Regulation Number 24 Year 2010 on Status, Tasks and Functions of State Ministries as well as First-echelon Organizational Structures, Tasks and Functions of State Ministries as already amended several times and the latest by Presidential Regulation Number 14 Year 2014;
13. Regulation of the Minister of Trade Number 54/M-DAG/PER/9/2009 on Import General Provision;
14. Regulation of the Minister of Trade Number 31/M-DAG/PER/7/2010 on Organization and Working Mechanism of the Ministry of Trade as already amended by Regulation of the Minister of Trade Number 57/M-DAG/PER/8/2012;
15. Regulation of the Minister of Trade Number 02/M-DAG/PER/1/2012 on Pear Import Provision;
16. Regulation of the Minister of Trade Number 27/M-DAG/PER/5/2012 on Importer Identity Number Provision (API) as already amended several times and the latest by Regulation of the Minister of Trade Number 84/M-DAG/PER/12/2012;
17. Regulation of the Minister of Marine and Fishery Number 8/PERMEN-KP/2013 on Control over the Quality of Pearl Imported into the Territory of the Republic of Indonesia;

DECIDES:

To stipulate

THE REGULATION OF THE MINISTER OF TRADE ON THE AMENDMENT TO REGULATION OF THE MINISTER OF TRADE NUMBER 02/M-DAG/PER/1/2012 CONCERNING PEARL IMPORT PROVISION.

Article I

Several provisions in Regulation of the Minister of Trade Number 02/M-DAG/PER/1/2012 on Pearl Import Provision shall be amended as follows:

1. The provision of Article 6 is amended so as to read as follows:

Article 6

The import of pearl as meant in Article 2 may only be done through destination port:

a. Soekarno Hatta Airport in Tangerang; and
b. Juanda Airport in Surabaya.

2. The provision of Article 8 paragraph (2) is amended so as to read as follows:

Article 8

(1) The import of pearl already securing import approval shall be verified or surveyed technically by surveyor in country where the port of loading is located before the shipment.

(2) The technical verification or surveillance of the import as meant in paragraph (1) shall cover at least:
   a. description and specification of goods covering Tariff Heading/HS;
   b. quantity (volume) per kind of goods;
   c. shipment date;
   d. data or information about loading port and destination port; and
   e. certificate of origin (SKA).

(3) Result of technical verification or surveillance of the import by surveyor as meant in paragraph (1) shall be written down in the form of Surveyor Report (LS) to be used as customs complementary documents in the settlement of customs in the field of import.

(4) The whole cost of technical verification or surveillance of the import executed by surveyor as meant in paragraph (1) shall be borne by companies already securing import approval.

3. The provision of Article 10 is amended so as to read as follows:

Article 10

(1) The import of pearl which constitutes:

a. goods for the need of scientific research and development with the maximum quantity 100 (one hundred) gram;

b. goods for the need of exhibition with the maximum quantity 1,000 (one thousand) grams for every participant of exhibition abroad,

shall secure import approval by enclosing only the recommendation as meant in Article 4 paragraph (1) letter e and shall be excluded from the provision on the technical verification and surveillance of the import as meant in Article 8.

(2) The import of pearl which constitutes:

a. luggage of passengers and crew members of carrier with the maximum quantity 50 (fifty) grams;

b. delivery goods with the maximum quantity 50 (fifty) grams per delivery;

c. goods already exported for the need of exhibition or rejected by overseas buyer, later re-imported, which is proven by document of export declaration (PEB) and certificate of origin (SKA) from Indonesia as well as required to have the same quality as the quality upon exporting,

shall be excluded from the provision on the import approval as meant in Article 3, the destination port as meant in Article 6, and technical verification of the import as meant in Article 8.

(3) The import of pearl as meant in paragraph (2) may be done through the whole international airports.

4. The provision of Article 12 is amended so as to read as follows:

Article 12

(1) Companies importing pearl not matching the provision in this ministerial regulation shall be subject to sanction in accordance with the provision of legislation.

(2) The imported pearl not matching the provision in this ministerial regulation shall be subject to sanction of re-export or destruction.

(3) The cost of the re-export or destruction as meant in paragraph (2) shall become responsibility of importer.

5. The provision of Article 15 is amended so as to read as follows:

Article 15

LS as customs complementary document in the settlement of customs obligation in the field of the import as meant in Article 8 paragraph (3) starts to apply on August 1, 2014.

6. The provision of Article 16 is amended so as to read as follows:

Article 16

The ministerial regulation shall come into force on July 15,2014.

7. The attachment to Regulation of the Minister of Trade Number 02/M-DAG/PER/1/2012 concerning Pearl Import Provision is amended so as to be as contained in the attachment constituting a part inseparable from this regulation.

Article II

The ministerial regulation shall come into force as from the date of promulgation.

For public cognizance, the regulation shall be promulgated by placing it in State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On July 3, 2014

THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA

sgd

MUHAMMAD LUTFI

ATTACHMENT

PEARL HAVING IMPORT REGULATED

No.	Tariff Heading /HS	Description of Goods
		Pearl, natural or cultivated, worked or
		Enhanced or not, but not laced,
	71.01	not installed or not arranged;
		Pearl, natural or cultivated, laced temporarily
		To facilitate the transport
1	7101.10.00.00	- Natural pearl
	7101.20	- Cultivated pearl:
	7101.21.00	-- Not worked:
2	7101.21.00.10	--- of fresh water
	7101.21.00.20	--- of sea water
	7101.22.00	-- Worked:
	7101.22.00.10	--- of fresh water
5	7101.22.00.20	--- of sea water
		Articles of natural pearl or cultivated pearl,
	71.16	precious or semi-precious stone (natural, synthetic
		Or reconstructed).
6	7116.10.00.00	- of natural or cultivated pearl

THE MINISTER OF TRADE OF THE REPUBLIC OF INDONESIA,

sgd.

MUHAMMAD LUTFI

(R)

THE DELETION OF TAXPAYER CODE NUMBERS OF INACTIVE TREASURERS

(Decision of the Director General of Taxation Number KEP-47/PJ.10/2014, dated November 28, 2014)

THE DIRECTOR GENERAL OF TAXATION,

Considering:

a. that since numerous treasurer taxpayers have not executed activity but still register as active taxpayers, it is necessary to update master file of treasurer taxpayers;

b. that having regards to letters a, it is necessary to stipulate a decision of the Director General of Taxation on the deletion of taxpayer code numbers of inactive treasurers;

In view of:

1. Law Number 6 Year 1983 on Taxation General Provisions and Procedures (Statute Book of the Republic of Indonesia Year 1983 Number 49, Supplement to Statute Book of the Republic of Indonesia Number 3262) as already amended several times and the latest by Law Number 16 Year 2009 (Statute Book of the Republic of Indonesia Year 2009 Number 62, Supplement to Statute Book of the Republic of Indonesia Number 4999);
2. Government Regulation Number 74 Year 2011 on Procedures for the Implementation of Rights and Obligations;
3. Regulation of the Minister of Finance Number 73/ PMK. 03/2012 on Period of the Registration and Reporting of Business Activities, Granting and Eradication of Taxpayer Code Number as well as Validation and Revocation of Validation of Taxable Entrepreneur;
4. Regulation of the Minister of Finance Number 146/PMK.03/2012 on Verification Procedure;
5. Regulation of the Director General of Taxation Number PER-20/PJ/2013 on Procedures for the Registration and Granting of Taxpayer Code Number, Reporting Business and Validation of Taxable Entrepreneurs, Eradication of Taxpayer Code Number and Revocation of Validation of Taxable Entrepreneur as well as the Change in Data and Transfer of Taxpayers as already amended by Regulation of the Director General of Taxation Number PER-38/PJ/2013;
6. Circular of the Director General of Taxation Number SE-37/PJ/2014 Taxpayer Data Cleansing Procedures;

DECIDES:

To stipulate:

THE DECISION OF THE DIRECTOR GENERAL OF TAXATION ON THE DELETION OF TAXPAYER CODE NUMBERS OF INACTIVE TAXPAYERS

FIRST:

The taxpayers as contained in the attachment to this decision shall be stipulated as the erased treasurer taxpayers in accordance with Circular of the Director General of Taxation Number SE-37/PJ/2014.

SECOND:

The taxpayers as meant in Dictum First shall constitute treasurer taxpayers not having taxation transaction in the last 5 (five) years consecutively, in the form of tax arrears and/or not currently taking legal action, not undergoing tax audit, audit of initial evidence and/or investigation into taxation crime.

THIRD:

In the case of any mistake in the attachment to this decision, it shall be amended and/or rectified accordingly by the Director of Taxation Information Technology on behalf of the Director General of Taxation.

FOURTH:

The decision shall come into force as from the date of stipulation.

Copy of this decision is made available to:

1. The Director General of Taxation;
2. The Secretary to the Director General of Taxation;
3. Directors;
4. Assessors;
5. Heads of Regional Offices of the Directorate General of Taxation;
6. The Head of Taxation Data and Document Processing Center;
7. Heads of Tax Service Offices;

This is for information and proper implementation.

Stipulated in Jakarta

On November 28, 2014

For THE DIRECTOR GENERAL OF TAXATION

THE DIRECTOR OF TAXATION INFORMATION TECHNOLOGY

sgd

IWAN DJUNIARDI

NIP 196806101995031001

(R)

THE COMPULSORY APPLICATION OF INDONESIA NATIONAL STANDARD (SNI) TO PRE-FABRICATED CONCRETE STEEL WIRE FOR THE NEED OF CONCRETE CONSTRUCTION

(Regulation of the Minister of Industry Number 83/M-IND/PER/10/2014, dated October 2, 2014)

BY GRACE OF GOD THE ALMIGHTY

THE MINISTER OF INDUSTRY OF

THE REPUBLIC OF INDONESIA,

Considering:

a. that in the framework of ensuring the smooth implementation of the compulsory application of Indonesia National Standard (SNI) to Pre-fabricated Concrete Steel Wire for the Need of Concrete Construction, it is necessary to re-regulate the compulsory application of Indonesia National Standard (SNI) to the said product;

b. that having regards to letter a, it is necessary to stipulate a regulation of the Minister of Industry on the Compulsory Application of Indonesia National Standard (SNI) to Pre-fabricated Concrete Steel Wire for the Need of Concrete Construction.

In view of:

1. Law Number 7 Year 1994 on Ratification of Agreement Establishing The World Trade Organization (Statute Book of the Republic of Indonesia Year 1994 Number 57, Supplement to Statute Book of the Republic of Indonesia Number 3564);
2. Law Number 10 Year 1995 on Customs Affairs (Statute Book of the Republic of Indonesia Year 1995 Number 75, Supplement to Statute Book of the Republic of Indonesia Number 3612) as already amended by Law Number 17 Year 2006 (Statute Book of the Republic of Indonesia Year 2006 Number 93, Supplement to Statute Book of the Republic of Indonesia Number 4661);
3. Law Number 8 Year 1999 on Consumer Protection (Statute Book of the Republic of Indonesia Year 1999 Number 42, Supplement to Statute Book of the Republic of Indonesia Number 3821);
4. Law Number 32 Year 2004 on Regional Administration (Statute Book of the Republic of Indonesia Year 2004 Number 125, Supplement to Statute Book of the Republic of Indonesia Number 4437) as already amended by Law Number 12 Year 2008 (Statute Book of the Republic of Indonesia Year 2008 Number 59, Supplement to Statute Book of the Republic of Indonesia Number 4844);
5. Law Number 3 Year 2014 on Industry (Statute Book of the Republic of Indonesia Year 2014

Number 4, Supplement to Statute Book of the Republic of Indonesia Number 5492);

6. Government Regulation Number 102 Year 2000 on National Standardization (Statute Book of the Republic of Indonesia Year 2000 Number 199, Supplement to Statute Book of the Republic of Indonesia Number 4020);
7. Government Regulation Number 38 Year 2007 on the Sharing of Public Administration Affairs between the Government, Provincial and Regency/Municipal Administration (Statute Book of the Republic of Indonesia Year 2007 Number 82, Supplement to Statute Book of the Republic of Indonesia Number 4737);
8. Presidential Regulation Number 47 Year 2009 on the Establishment and Organization of State Ministries as already amended several times and the latest by Presidential Regulation Number 91 Year 2011;
9. Presidential Regulation Number 24 Year 2010 on Status, Tasks and Functions of State Ministries as well as First-echelon Organizational Structures, Tasks and Functions of State Ministries as already amended by Presidential Regulation Number 92 Year 2011;
10. Presidential Decree Number 78 Year 2001 on the National Accreditation Committee;
11. Presidential Decree Number 84/P Year 2009 on the Establishment of the Second United Indonesia Cabinet for the 2009 – 2014 period as already amended several times and the latest by Presidential Decree Number 41/P Year 2014;
12. Regulation of the Minister of Trade Number 62/M- DAG/PER/12/2009 on the Obligation to Attach Label to Goods as already amended by Regulation of the Minister of Trade Number 22/M-DAG/PER/5/2010;
13. Regulation of the Minister of Industry Number 86/M- IND/PER/9/2009 on Indonesia National Standard in the Field of Industry;
14. Regulation of the Minister of Industry Number 105/M- IND/PER/10/2010 on Organization and Working Mechanism of the Ministry of Industry;
15. Regulation of the Head of the National Standardization Board Number 1 Year 2011 on National Standardization Guidance Number 301 Year 2011 regarding Guidance for the Compulsory Application of Indonesia National Standard.

D E C I D E S :

To stipulate:

THE REGULATION OF THE MINISTER OF INDUSTRY ON THE COMPULSORY APPLICATION OF INDONESIA NATIONAL STANDARD (SNI) TO PRE-FABRICATED CONCRETE STEEL WIRE FOR THE NEED OF CONCRETE

CONSTRUCTION

Article 1

Referred to in this ministerial regulation as:

1. Industry of Pre-fabricated Concrete Steel Wire for the Need of Concrete Construction shall be industry producing:

a. Twisted Non-laminated Seven Steel Wire for the need of pre-fabricated concrete construction (PC Strand/ KBj-P7);

b. Non laminated steel wire for the need of pre-fabricated concrete construction (PC Wire/KBjP); and

c. Temper Quench Steel Wire for the need of pre-fabricated concrete construction (PC Bar/KBjP-Q).

2. Certificate of Product Using SNI Mark hereinafter called SPPT-SNI shall be a certificate issued by Product Certification Institutions (LSPro) to producers declared capable of producing pre-fabricated concrete steel wire for the need of concrete construction in accordance with SNI requirement.

3. Business Communities shall be parties producing, importing and/or distributing pre-fabricated concrete steel wire for the need of concrete construction.

4. Product Certification Institution (LSPro) shall be an institution executing the certification of product using SNI Mark of Pre-fabricated Concrete Steel Wire for the Need of Concrete Construction.

5. Analytical Laboratory shall be a laboratory analyzing kind of pre-fabricated concrete steel wire for the need of concrete construction in accordance with SNI requirement.

6. The National Accreditation Committee hereinafter called KAN shall be a non-structural institution subordinate and responsible directly to the President, which is assigned to stipulate accreditation and certification system as well as authorized to accredit institutions and analytical laboratories to undertake certification.

7. Certificate of Consultation of SPPT-SNI shall be a letter of the director fostering industry, which is addressed to LSPro and applicant company on the basis of application for SPPT-SNI yang certifying that the company applying for SPPT-SNI has fulfilled requirement technically so as to be followed in the certification of product.

8. Technical Consideration shall be a letter issued by the director general fostering industry, which stipulates that the product having the similarity in Harmonized System (HS) Number is declared not obliged to abide SNI provision compulsorily because of certain reason, special need and/or having standard different from SNI.

9. Surveillance shall be periodical and/or special audit of companies/producers already securing SPPT-SNI for

the consistency in the application of SPPT-SNI, which is executed by LSPro.

10. Supervision shall be a mechanism of audit of companies/producers for the fulfillment of the provision on the compulsory application of SNI, which covers the production and/or distribution of products.
11. Product Standard Supervisor hereinafter called PPSP shall be central or regional civil servant assigned to supervise goods and/or service having SNI already applied compulsorily in production location and outside production.
12. Minister shall be the minister in charge of public administration affairs in the field of industry.
13. Director General Fostering Industry shall be the Director General of Manufacturing Industry Basis, Ministry of Industry.
14. Director Fostering Industry shall be the director fostering industry of pre-fabricated concrete steel wire for the need of concrete construction in the Directorate General of Manufacturing Industry Basis, Ministry of Industry.
15. BPKIMI shall be the Agency for the Assessment of Industrial Climate and Quality Policy, Ministry of Industry.
16. Provincial Service shall be provincial service in charge of industrial affairs.
17. Regency/Municipal Service shall be regency/municipal service in charge of industrial affairs.

Article 2

(1) Applying compulsorily SNI of Pre-fabricated Concrete Steel Wire for the need of concrete construction to products with Tariff Heading/HS Code as follows:

No	Kind of Product	SNI Number Of Pre-fabricated Concrete Steel Wire For the Need of Concrete Construction	HS Code
1.	Seven Steel Wire Not laminated, Twisted for the need of	115412011	Ex HS 7312.1091.10

	Pre-fabricated concrete construction (PC Strand/ KBjP-P7)		
2.	Steel wire, Non-laminated for Pre-fabricated concrete construction (PC Wire/KEF)	11552011	EX HS 7217.10.22.00 HS 7217.1031.10 Ex HS 7229.20.00.00 Ex HS 7229.90.90.90
3.	Temper quench Steel wire for Pre-fabricated Concrete construction (PC Bar/KBjP-Q)	77012011	EX HS 7217.10.22.00 HS 7217.10.31.10 Ex HS 7229.20.00.00 Ex HS 7229.90.90.90

(2) The pre-fabricated concrete steel wire for the need of concrete consruction as meant in paragraph (1) shall constitute:

a. Twisted non-laminated steel wire for pre-fabricated concrete construction (PC Strand/KBjP-P7), which is made of 7 (seven) non-laminated steel wires resulting from the wire drawing, twisted and later having the rest of tension removed by continuous tempering to obtain mechanical characteristic in accordance with the stipulated specification to be used in pre-fabricated concrete construction and stipulating diameter 6,4 mm up to 17,8 mm;

b. non-laminated steel wire for pre-fabricated concrete construction (PC Wire/KBjP) having section and given dent in the surface as well as processed by wire drawing, later having rest of tension removed by continuous tempering to achieve mechanical characteristic according to the stipulated specification to be used in pre-fabricated concrete construction; or

c. Temper Quench Steel Wire for pre-fabricated concrete construction (PC Bar/KBjP-Q), constituting highly carbonized steel wire with round section and plain surface, having insert, channel r dent, tempering continuously to achieve mechanical characteristic according to the stipulated specification to be used in pre-fabricated concrete construction.

(3) In producing the pre-fabricated steel wire as meant in paragraph (2), business communities may use raw materials other than those mentioned in Article 4 SNI 1154-2011, SNI 1155-2011, SNI 7701-2011.

(4) Further provision related to the raw material technical provision as meant in paragraph (3) shall be regulated by a regulation of the director general fostering industry.

(5) Following the compulsory application of SNI of Pre-fabricated Concrete Steel Wire for the need of Concrete Construction as meant in paragraph (1), business communities producing, importing and/or distributing pre-fabricated concrete steel wire for the need of concrete construction in the territory of the Republic of Indonesia shall be obliged to abide by the provision in this regulation.

Article 3

(1) The compulsory application of SNI to Pre-fabricated Concrete Steel Wire for the need of concrete construction shall not apply to pre-fabricated concrete steel wire having the similarity in HS Code with HS Code as meant in Article 2 paragraph (1), in the event that on the basis of:

a. technical reason, the pre-fabricated concrete steel wire comes into group of HS Code of Pre-fabricated Concrete Steel Wire having specific standard with the scope, classification and/or quality requirement different from SNI 1154:2011, SNI 1155:2011 or SNI 7701:`2011; or.

b. reason for special need, the wire constitutes:

   1. sample for exhibition;
   2. sample for the need of product research and development;
   3. sample of test of SPPT SNI; or
   4. raw material for product destined to export to outside Indonesia;

(2) The pre-fabricated concrete steel wire as meant in paragraph (1) letter d point 4 may only be imported by producer importer (IP) of product destined to export.

(3) The import of the product as meant in paragraph (1) shall be obliged to secure technical consideration from the director general fostering industry.

(4) Provision on the requirements and procedures for the issuance of technical consideration as meant in paragraph (3) shall be regulated further in a regulation of the director general fostering industry.

Article 4

Business communities producing pre-fabricated concrete steel wire for the need of concrete construction as meant in Article 2 paragraph (1) shall be obliged to apply SNI by:

a. securing SPPT-SNI of Pre-fabricated Concrete Steel Wire for the need of concrete construction; and
b. putting SNI Label in every package of product by an initializing method uneasy to loose.

Article 5

(1) Application for the issuance of SPPT-SNI of Pre-fabricated Concrete Steel Wire for the need of concrete construction as meant in Article 4 letter a shall be addressed to LSPro already accredited by KAN and appointed by the minister with the scope of SNI of pre-fabricated concrete steel wire for the need of concrete construction.

(2) The application for the issuance of SPPT-SNI of Pre-fabricated Concrete Steel Wire for the Need of Concrete Construction as meant in paragraph (1) shall be accompanied by Certificate of Consultation of SPPT-SNI from the director general fostering industry.

(3) The issuance of SPPT-SNI of pre-fabricated concrete steel wire for the need of concrete construction as meant in Article 4 letter a shall be done through certification system of Type 5, namely:
   a. audit of production process and audit of the application of quality management system SNI ISO 9001:2008 or revision thereof; and
   b. examination of the conformance of the quality of pre-fabricated concrete steel wire for the need of concrete construction in accordance with SNI requirement as meant in Article 2.

(4) The verification as meant in paragraph (3) letter b shall be executed by:
   a. Analytical laboratory appointed by the Minister with the scope pre-fabricated concrete steel wire for the need of concrete construction; and/or
   b. overseas laboratories already accredited by accreditation institutions in the countries where the analytical laboratories are located, which have Mutual Recognition of Arrangement (MRA) with KAN, such as International Laboratory Accreditation (ILAC) or The Asia Pasific Laboratory Accreditation Cooperation (APLAC)), and the countries have bilateral or multilateral agreements in the field of technical regulation with the Government of the Republic of Indonesia and appointed by the minister.

(5) The audit of production process and audit of the application of quality system SNI as meant in paragraph (3) letter a shall be based on the facilities of production process and ownership of Certificate ISO 9001:2008 or revision thereof from Certification Institutions of Quality Management System already accredited by KAN or accreditation systems of quality management system already signing Multilateral Recognition of Arrangement (MLA) with KAN.

(6) In the case of LSPro and/or analytical laboratory accredited by KAN in accordance with the scope of SNI of Pre-fabricated Concrete Steel Wire for the Need of Concrete Production being not yet sufficient to serve the need for certification, the Minister may appoint LSPro and/or analytical laboratory having competence already evaluated by BPKIMI.

(7) The appointed LSPro and/or analytical laboratories as meant in paragraph (2) shall have been accredited by KAN in no later than 2 (two) years as from the appointment.

Article 6

(1) The technical consideration as meant in Article 3 shall be given on the basis of application from applicant companies/institutions.

(2) Application for the technical consideration as meant in Article 3 paragraph (3) shall be accompanied by sufficiently duty-stamped letter of statement certifying that the pre-fabricated concrete steel wire has met the criteria as meant in Article 3 paragraph (1) and accountable supporting evidences.

(3) The Director General fostering industry may coordinate with related parties to ascertain the truth of application for technical consideration already accompanied by the documents required in regulation of the Director General fostering industry.

(4) In the case of the verification of the truth of the fulfillment of requirements for technical consideration, the Director General fostering industry may execute site inspection and examine the fulfillment of the requirements.

(5) In the issuance of the technical consideration as meant in Article 3 paragraph (3), the Director General fostering industry may delegate authority to the Director fostering industry.

Article 7

(1) The pre-fabricated concrete steel wire for the need of concrete construction as meant in Article 2, which comes from domestic production or import and circulates in the country shall be obliged to fulfill the provision of SNI as meant in Article 4.

(2) The pre-fabricated concrete steel wire for the need of concrete construction as meant in Article 2 from grant of foreign countries, which does not constitute loan shall be in new condition and fulfill SNI quality requirement proven by certificate/report on testing result from analytical laboratory appointed by the Minister.

Article 8

(1) SPPT-SNI of Pre-fabricated Concrete Steel Wire for the Need of Concrete Construction issued by LSPro shall contain at least:

a. Name and address of producer;

b. personnel in charge of producer;

c. SNI number;

d. brand;

e. kind of product;

f. group of size; and

g. Name and address of representative company of producer or importer in the case of company coming from other countries;

(2) SPPT-SNI as meant in paragraph (1) may only contain one producer representative company.

(3) The producer representative company or importer company as meant in paragraph (1) letter g shall constitute domestic producer.

(4) The producer representative company as meant in paragraph (1) shall be obliged to have task to execute the importing activity of principal company.

(5) The producer representative company as meant in paragraph (1) or importer shall be responsible for:

a. the whole consequences of the application of SNI of Pre-fabricated Concrete Steel Wire for the need of concrete construction; and

b. the import of pre-fabricated concrete steel wire for the need of concrete construction.

(6) SPPT-SNI of Pre-fabricated Concrete Steel Wire for the Need of Concrete Construction may only be issued to one applicant company by one LSPro.

Article 9

(1) LSPro as meant in Article 5 shall be obliged to report to the Director General fostering industry and Head of BPKIMI decision on the issuance, delay, rejection and delegation of SPPT-SNI in no later than 7 (seven) working days as from the issuance of the decision.

(2) LSPro issuing SPPT-SNI of Pre-fabricated Concrete Steel Wire for the need of concrete construction shall be responsible for the issued SPPT-SNI and surveillance of the application of the said SPPT-SNI.

Article 10

The pre-fabricated concrete steel wire for the need of concrete construction as meant in Article 2 may only be imported by importers already contained in SPPT-SNI as meant in Article 8 paragraph (1) letter g.

Article 11

Following the issuance of this ministerial regulation:

a. Every kind of pre-fabricated concrete steel wire for the need of concrete construction as meant in Article 2, either from domestic production and/or import, which fails to fulfill the provision on the application of certification as meant in Article 4 may not circulate in the territory of Indonesia; and
b. Every kind of pre-fabricated concrete steel wire for the need of concrete construction as meant in Article 2, which comes from grant failing to meet the provision in Article 7 paragraph (2) shall be prohibited from coming into the Indonesian Customs Area.
c. business communities shall be prohibited from producing and/or importing pre-fabricate concrete steel wire for the need of concrete construction as meant in Article 2, which does not meet the provision on the enforcement of SNI as meant in Article 4 to be distributed in Indonesian territory.

Article 12

(1) Following the enforcement of this regulation, pre-fabricated concrete steel wire for the need of concrete construction resulting from import, which comes into Indonesian customs area shall meet the provision as meant in Article 4 letter and letter b, which is proven by copy of SPPT-SNI already legalized by issuer LSPro as completeness of customs document.
(2) The imported pre-fabricated concrete steel wire for the need of concrete construction that fails to meet the provision as meant in paragraph (1) and already located in Indonesian customs area shall be re-exported or destroyed by business communities in accordance with legislation.

Article 13

(1) The fostering and supervision over the implementation of the application of SNI as meant in Article 4 shall be done by the Director General fostering industry.
(2) In executing the supervision as meant in paragraph (1), the Director General fostering industry may assign PPSP and/or competent officer.
(3) The supervision as meant in paragraph (1) shall be applied to product, starting from production process to

post production minimally once in one year.

(4) The Director General fostering industry may coordinate with provincial service and/or regency/ municipal service or related institution in the assignment of PPSP to execute supervision.

(5) BPKIMI shall foster Conformance Assessment Institution in the framework of the application of SNI pre-fabricated concrete steel wire for the need of the related concrete construction.

(6) In executing the fostering as meant in paragraph (5), BPKIMI may issue written warning and sanction to LSPro not submitting the report as meant in Article 9 in accordance with legislation.

Article 14

Business communities already having SPPT-SNI of Pre-fabricated Concrete Steel Wire for the need of concrete construction before this regulation comes into force shall be obliged to adjust the said SPPT-SNI in accordance with the provision of Article 8 to the issuer LSPro in no later than 3 (three) months as from the enforcement of this regulation.

Article 15

Following the enforcement of this regulation, Regulation of the Minister of Number 42/M-IND/ PER/2/2012 on Compulsory Application of Indonesia National Standard (SNI) of Pre-fabricated Concrete Steel Wire for the Need of Concrete Construction shall be revoked and declared null and void.

Article 16

The implementing regulations governed on the basis of Regulation of the Minister of Industry Number 42/M-IND/PER/2/2012 on Compulsory Enforcement of Indonesia National Standard (SNI) of Pre-fabricated Concrete Steel Wire for the Need of Concrete Construction shall be declared to remain effective as long as they do not contravene and/or have not been replaced on the basis of this ministerial regulation.

Article 17

The ministerial regulation shall come into force 3 (three) months as from the date of promulgation.

For public cognizance, the regulation shall be promulgated by placing it in State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
On October 2, 2014
THE MINISTER OF INDUSTRY OF THE REPUBLIC OF INDONESIA
sgd.
MOHAMAD S. HIDAYAT

Promulgated in Jakarta
On October 7, 2014
THE MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA
sgd
AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2014 NUMBER 1502

(R)

THE OBLIGATION TO USE RUPIAH IN THE TERRITORY OF THE UNITARY STATE OF THE REPUBLIC OF INDONESIA
(Regulation of Bank Indonesia Governor No. 17/3/PBI/2015, dated March 31, 2015)

BY THE GRACE OF GOD ALMIGHTY

BANK INDONESIA GOVERNOR,

Considering :

a. that Rupiah is a legal means of payment in the territory of the Unitary State of the Republic of Indonesia and symbol of sovereignty of the Unitary State of the Republic of Indonesia;
b. that the use of Rupiah in each transaction in the territory of the Unitary State of the Republic of Indonesia is also needed to support the stability of Rupiah's exchange rate;
c. that to realize the sovereignty of Rupiah in the territory of the Unitary State of the Republic of Indonesia as well as to support the stability of Rupiah's exchange rate, it is necessary to apply a policy requiring the use of Rupiah in each transaction in the territory of the Unitary State of the Republic of Indonesia;
d. that based on Law No. 23/1999 on Bank Indonesia as already several times amended the latest by Law No. 6/2009, Bank Indonesia as monetary and payment system authority has the authority to control the obligation to use Rupiah in each transaction in the territory of the Unitary State of the Republic of Indonesia;
e. that based on the considerations as referred to in letters a, b, c, and d, it is necessary to issue Bank Indonesia Regulation on the Obligation to Use Rupiah in the Territory of the Unitary State of the Republic of Indonesia;

In view of :

1. Law No. 7/1992 on the Banking Industry (Statute Book of 1992 No. 31, Supplement to Statute Book No. 3472) as already amended by Law No. 10/1998 on Amendment to Law No. 7/1992 on the Banking Industry (Statute Book of 1998 No. 182, Supplement to Statute Book No. 3790);
2. Law No. 23/1999 on Bank Indonesia (Statute Book of 1999 No. 66, Supplement to Statute Book No. 3843) as already several times amended the latest by Law No. 6/2009 on the Endorsement of Government Regulation in lieu of Law No. 2/2008 on the Second Round of Amendment to Law No. 23/1999 on Bank Indonesia into Law (Statute Book of 2009 No. 7, Supplement to Statute Book No. 4962);

3. Law No. 21/2008 on Sharia Banking Industry (Statute Book of 2008 No. 94, Supplement to Statute Book No. 4867);
4. Law No. 7/2011 on Currency (Statute Book of 2011 No. 64, Supplement to Statute Book No. 5223);

DECIDES:

To stipulate :

BANK INDONESIA REGULATION ON THE OBLIGATION TO USE RUPIAH IN THE TERRITORY OF THE UNITARY STATE OF THE REPUBLIC OF INDONESIA.

CHAPTER I
GENERAL PROVISIONS
Article 1

Referred to in this Bank Indonesia Regulation as :

1. Rupiah is the currency of the Unitary State of the Republic of Indonesia which is valid as a legal means of payment in the territory of the Unitary State of the Republic of Indonesia.
2. Territory of the Unitary State of the Republic of Indonesia is the territory of the Unitary State of the Republic of Indonesia as referred to in law on currency.
3. Bank is a commercial bank as referred to in law on banking industry and sharia commercial bank as referred to in Law on sharia banking industry..

CHAPTER II
THE OBLIGATION TO USE RUPIAH
Article 2

(1) Any party shall use Rupiah in transaction made in the territory of the Unitary State of the Republic of Indonesia.

(2) The transaction as referred to in paragraph (1) covers:

   a. any transaction having payment purpose;
   b. settlement of other obligation that must be met with money and/or
   c. other financial transaction.

Article 3

(1) The obligation to use Rupiah in each transaction as referred to in Article 2 paragraph (1) applies to :

a. cash transaction; and

b. non-cash transaction.

(2) The cash transaction as referred to in paragraph (1) letter a covers transaction using banknotes and/or coin as a means of payment.

(3) The non-cash transaction as referred to in paragraph (1) letter b covers transaction using non-cash payment means and mechanism.

CHAPTER III
EXCEPTION TO THE OBLIGATION TO USE RUPIAH

Article 4

The obligation to use Rupiah as referred to in Article 2 paragraph (1) does not apply to the following transactions; :

a. certain transactions to implement the state budget;

b. receipt or provision of grants from and to abroad;

c. international trade transactions;

d. deposits in bank in the form of foreign currency; or

e. international financing transactions.

Article 5

The obligation to use Rupiah as referred to in Article 2 paragraph (1) also does not apply to transactions in foreign currency made based on the law covering :

a. business activities in foreign currency made by bank based on laws on banking industry and sharia banking industry;

b. transaction of securities issued by the Government in foreign currency in the primary market and secondary market based on law on state debentures and sharia state debentures; and

c. other transactions in foreign currency made based on law.

Article 6

Certain transactions used to implement the state budget as referred to in Article 4 letter a covers:

a. payment of foreign debts;

b. payment of domestic debts in foreign currency;

c. foreign goods expenditure;

d. foreign capital expenditure;

e. state receipts from the sale of state debentures in foreign currency; and

f. other transactions to implement the state budget.

Article 7

The receipt or provision of grants from or to abroad as referred to in Article 4 letter b can only be made by the recipients or providers of grants one of whom is domiciled abroad.

Article 8

(1) The international trade transactions as referred to in Article 4 letter c cover:

    a. the export and/or import of goods to or from the customs area of the Republic of Indonesia; and/or

    b. service trade exceeding state borders done by means of :

        1. cross border supply; and

        2. consumption abroad.

(2) Transactions for extra activities for the export and/or import of goods to or from the customs area of the Republic of Indonesia as referred to in paragraph (1) letter a are not categorized as international trade transactions so that they shall use Rupiah.

Article 9

(1) The international payment transactions as referred to in Article 4 letter e can only be made by providers or recipients, one of whom is domiciled abroad.

(2) If the provider of financing as referred to in paragraph (1) is in the form of bank it shall meet provisions on transaction in foreign currency against Rupiah between the bank and foreign party.

CHAPTER IV

BAN ON REFUSING RUPIAH

Article 10

(1) Any party is banned from rejecting to receive Rupiah whose delivery is intended as payment or settlement of obligation that must be fulfilled with Rupiah and/or other financial transactions in the Territory of the Unitary State of Republic of Indonesia.

(2) The provisions as referred to in paragraph (1) are excepted in case of :

a. doubt about the origin of Rupiah received for cash transactions; or

b. payment or settlement of obligation in foreign currency has been agreed upon in writing.

(3) The written agreement as referred to in paragraph (2) letter b can only be made for :

a. transactions excepted from the obligation to use Rupiah as referred to in Articles 4 and 5; or

b. strategic infrastructure projects by receiving approval from Bank Indonesia.

CHAPTER V

INCLUSION OF THE PRICES OF GOODS AND/OR SERVICES

Article 11

To support the execution of the obligation to use Rupiah as referred to in Article 2 paragraph (1), business agents shall include the prices of goods and/or services only in Rupiah.

CHAPTER VI

REPORT AND SUPERVISION OF OBEDIENCE

Article 12

(1) Bank Indonesia has the authority to ask for reports, information and/or data from any party related to the execution of the obligation to use Rupiah as referred to in Article 2 paragraph (1) and the obligation to include the prices of goods and/or services as referred to in Article 11.

(2) The party as referred to in paragraph (1) shall convey a report, information and.or data requested by Bank Indonesia.

Article 13

(1) Bank Indonesia supervises any party's obedience to execute the obligation to use Rupiah as referred to in

Article 2 paragraph (1) and the obligation to include the prices of goods and/or services as referredto in Article 11.

(2) To conduct the supervision as referred to in paragraph (1), Bank Indonesia takes various actions including :

a. asking for reports, information, data and/or supporting documents by or without involving related agencies;

b. supervising any party directly, and/or

c. appointing other party to conduct a research as part of effort to supervise any party's obedience.

CHAPTER VII

OTHER PROVISIONS

Article 14

Activities in the form of :

a. exchange of foreign currencies done by those engaged in foreign currency exchange business according to the law and regulation; and

b. bringing foreign banknotes to or from the customs area of the Republic of Indonesia according to the law and regulation, are not categorized as transactions required to use Rupiah as referred to in Article 2 paragraph (1).

Article 15

In implementing this Bank Indonesia Regulation, Bank Indonesia can coordinate and cooperate with other parties.

Article 16

In case of problems for business agents with certain characteristics related to the execution of the obligation to use Rupiah for non-cash transactions as referred to in Article 3 paragraph (1) letter b, Bank Indonesia can take a certain policy by constantly paying attention to the obligation to use Rupiah as provided for in this Bank Indonesia Regulation.

CHAPTER VIII

SANCTIONS

Article 17

Violation of :

a. the obligation to use Rupiah for cash transactions as referred to in Article 3 paragraph (1) letter a; and/or

b. ban on rejecting Rupiah as referred to in Article 10, is subject to criminal provisions as referred to in Article 33 of Law No. 7/2011 on Currencies.

Article 18

(1) Violation of the obligation to use Rupiah for non-cash transactions as referred to in Article 3 paragraph (1) letter b is subject to administrative sanctions in the form of :

a. written warning;

b. obligation to make payment; and/or

c. ban to take part in the traffic of payment.

(2) The sanction in the form of obligation to make payment as referred to in paragraph (1) letter b is set at 1% (one percent) of transaction value, and the maximum amount of payments is Rp1,000,000,000.00 (one billion rupiah).

Article 19

Violation of the obligation to include the prices of goods and/or ervices in Rupiah as referred to in Article 11 and the obligation to convey a report, information, and/or data as referred to in Article 12 paragraph (2) is subject to administrative sanction in the form of written warning.

Article 20

to be continued

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