

# Business News

Since November 30<sup>th</sup> 1956

## FACTS

## ANALYSIS

## INFORMATION

Especially for : Entrepreneurs Managers Officials Politicians Technocrats Scholars

### EDITORIAL

- \* Waiting News From Village 1
- \* Allowance Issue In Hard Year 2

### ECONOMY & BUSINESS

- \* Government To Boost Accelerated Development Of Industrial Estates 3
- \* Be Alert Of The Impact Of Global Economic Slowdown 5
- \* The Fed's Decision Is Quiet A Relief, But Prolongs Uncertainty 9
- \* Government Deregulate 31 Regulations To Energize National Economy 17
- \* Foreign Bank Note Transaction Exchange Rates 18

### GOVERNMENT REGULATIONS:

- \* Standard Procedure On Management Of Potable Supply Operational System  
(Regulation of Minister of Public Works and Housing for People of R.I Number 26/PRT/M/2014, dated December 31, 2014) 19
- \* Types Of Motor Vehicles Subjected To Sales Tax On Luxury Goods And Procedure Of Granting Exemption From Sales Tax On Luxury Goods

- (Regulation of the Finance Minister No. 64/PMK.011/2014 dated April 16, 2014)
- [Continued from Business News No. 8754 page 36-48] 32
- \* Second Amendment To Regulation Of The Minister Of Industry Number 21/M-Ind/Per/3/2013 Concerning Appointment Of Justification Assessment Institution In Obligatory Application And Supervision Of Indonesia National Standard (SNI) On The Use Of Safety Mirror On Motor Vehicle (Regulation of the Minister of Industry of R.I Number 09/M-IND/PER/1/2015, dated January 9, 2015) 36
- \* Second Amendment To Regulation Of The Minister Of Industry Number 105/M-Ind/Per/10/2012 Concerning Appointment Of Justification Assessment On Obligatory Application And Supervision Of Indonesia National Standard (SNI) On The Use Of Melamine Product Food And Beverage Utensils (Regulation of Minister of Industry of R.I Number 10/M-IND/PER/1/2015, dated January 9, 2015) 40
- \* Delegation Of Authority To Grant Authority For Issuing Business License On Fish Farming / Mariculture In The Implementation Of One Stop Integrated Services To The Head Of Capital Investment Coordinating Board (Regulation of the Minister of Marine and Fishery of R.I Number 3/PERMEN-KP/2015, dated January 15, 2015) 44

PS-2/51931/E 8757  
PERSEK. WIDYAWAN & PARTNERS  
THE ENERGY LT.9 - SCBD LOT 11-A (BELAKANG  
GRAHA NIAGA)  
JL. JEND. SUDIRMAN KAV. 59 - JAKARTA 12190



Address : Komplek P & K Jl. Pendidikan 3 No. 12 Jakarta Selatan 12430 Telp. : 759 20 118

## WAITING NEWS FROM VILLAGE

The disbursement of village funds was finally realized along with expectations to the fund. The government asserted that it relies on village funds as an instrument to create job opportunities and curb poverty rate. Minister of Village, Less-Developed Region Development and Transmigration (Mendesa PD TT) Marwan Jafar, said that the village funds already existing in regions must be used promptly to build village infrastructure. Every village must execute three up to four basic infrastructure projects, such as village road, irrigation, sanitation, farm business road, reservoir and other," the minister said (kompas.com, 20/9).

Poverty and labor dismissal constitute two very serious issue that the government must overcome now. Is part of the village fund allocated as much as Rp 20.7 trillion in the State Budget (of which some Rp 16 trillion has been distributed to regencies/cities) allocated to overcome poverty and the rising labor dismissal that constitutes the main task of the government? The village funds are expected to contribute positively to the reduction of labor dismissal and the poor in rural areas. The great expectation of the government to the village funds is visible in among other the commitment of the government to facilitating the disbursement of the funds so as to be usable promptly in accordance with the allocation. For the purpose, the government has signed a joint decree of three ministers so that the disbursement of the funds could be facilitated and the use of the funds could meet the right target.

Indonesia is now facing the threat of extremely serious poverty. The main triggering factor is the soaring price of food. Data at the Central Board of Statistics (BPS) show that the poor reached 28.59 million people in March 2015 or 11.22% of the total population, rising by 860,000 people from 27.73 million people or 10.96% of the total population in Sep-

tember 2014. In the period, the number of the poor in urban areas rose by 290,000 to 10.65 million, while the number of the poor in rural areas increased higher, namely 570,000 to 17.94 million. At the same time, the difficulties encountering the industrial sector has triggered labor dismissal, which is due time would increase the number of the poor. The issue currently taking place and predicted to continue surely cannot be solved by long-term policy.

Therefore, expecting the effectiveness of the village funds is surely very rational. Nonetheless, the village funds are not panacea. Additional instrument is needed so that the distribution, utilization and target are really appropriate. If the government requires that some 70% of the funds must be used to build self-initiative infrastructure in villages, the project must be ascertained to create job opportunities for villagers.

Since the idea of village funds was disclosed for the first time, villages have been expected to develop to become better. Since the beginning, parties have reminded that the village funds instrument could achieve the goal automatically unless the whole parties in the central and regional level supervise tightly. In the supervision side, we worry about the high expectation to the village funds. If the funds are not able to alleviate poverty in rural areas, the funds should be able to at least prevent more villagers from getting poor.

Actually there is no something more beautiful, except news saying that the village funds bring about positive impact to the reduction of the poor in rural areas. However, we expect the funds to bring about positive impact and to be enjoyed by the whole villagers.

Jakarta, September 22, 2015

## ALLOWANCE ISSUE IN HARD YEAR

The government just claimed this year as a hard year but news reported that the government approved in the increase in allowance of legislators. The news draws controversies instantaneously. In the internal side of the House of Representatives (DPR), the issue triggered divergent opinions, agree or disagree. Reportedly, the increase in the allowance covers four items, namely honorable allowance, intensive communication, the enhancement of supervisory function and electricity and telephone subscription.

Once DPR submitted recommendation leading to money, the public reactions always contravene the expectation of DPR. Now, the same reaction comes again. In addition, the government may also become a target because it just recognized this year as hard year which must be passed and accompanied by the revision of the target of economic growth already executed repeatedly. Amid the decreasing foreign exchange reserves and others, the recommendation about the increase in the allowance surely would be rejected by the people. If the rising inflation is used as a reason to preserve the purchasing power of the legislators, don't the people have to face the worst? If they claim that the allowance of DPR has never increased in ten years, what if the issue is linked to the performance of legislators that has never improved? Moreover, it is also attractive to note that salary of DPR RI ranks fourth in the world, compared to salaries of parliamentarians of other countries. According to Secretary General of FITRA, Yenny Soe-tjipto, annual salary of a member of DPR in Indonesia is Rp800 million or equivalent to US\$65,000 or 18 times of per capita income of Indonesian people, namely US\$3.582 (tempo.com. 17/9).

Ironically, the approval granted by the government to the recommendation about the increase in allowance of legislators seems contrast to the rising

number of the poor in the last six months. The Central Board of Statistics (BPS) recorded that the number of the poor in Indonesia was 28,59 million people in March 2015 or 11.22% of the total population, compared to 27.73 million or 10.96% of the total population in September 2014. It means, the poor rose by 860,000 people in March 2015.

Why do we try to compare the poverty reality to the allowance of the legislators? Poverty is attributable to factors. It is attributable to among others inappropriate poverty alleviation strategy. Budgetary politics and supervisory function also have a share here. If the first factor is related to element of the government, the second is related to the parliament. IN addition, the high corruption rate also has a substantial share in impeding efforts to alleviate poverty. In this factor, the government and parliament are involved. Therefore, DPR is an element proper to spotlight if the poverty rate increased. As a result, asking for higher allowance amid the rising poverty rate is deemed as a measure not sensitive to the present condition.

The approval granted by the government may be read as a measure to overcome communications issue with DPR. Nonetheless, and if the assumption is true, the government is actually plating with insensitiveness to the situation that it recognized as a hard period. No matter how much is the percentage of the increase (the accumulation of the increase is actually not small), the people would consider it as a form of insensitiveness. When almost one million people fall into the poverty valley, economy is increasingly difficult and labor dismissal haunts, it is too excessive if few countrymen enjoy the increase in allowance for the same reason, inflation.

Jakarta, September 18, 2015

# GOVERNMENT TO BOOST ACCELERATED DEVELOPMENT OF INDUSTRIAL ESTATES

Jakarta, *Business News*

The Ministry of Industry proposes the development of six industrial growth areas, 25 industrial allotment zones in the draft State Budget (APBN) 2016. Imam Haryono, Director General of Industrial Zoning Development of the Ministry of Industry, in Jakarta, on Monday (September 21), said that the government also proposed the development of 14 industrial areas outside Java as well as five centers of small and medium industries (SMI).

According to Imam, for the development of 25 industrial allotment zones, the Ministry of Industry plays a role in making a determination which must be followed up by the local governments by making regional regulations as well as spatial planning. For the development of six industrial growth areas next year is taken from 22 areas of industrial growth centers that have been set by the government in Government Regulation No. 14/2015 on the National Industrial De-

velopment Plan for 2015 - 2035.

Imam said that the selection of six industrial growth areas is based on the consideration that it is included in 14 industrial estates as well as capable of creating equitable development and is planned to be the new node connectivity with indicators of lower logistics costs. In the arrangement of the master plan, the Ministry of Industry calculates all the needs of area development, such as infrastructure support, airports, bridges, roads and other, then coordinated with the relevant ministries for the procurement.

In order to accelerate development, said Imam, the government has provided incentives for private developers of industrial zones to attract private sector interest. The government gives tax holiday incentives to for five industrial sectors, such as renewable natural resources, petrochemical industry, coal gasification as producer of methanol, basic metal materials industry and machinery industry.



The incentives are given to pioneer industries which have been established for 12 months at the maximum. Other requirements that need to be met is the minimum investment value of IDR 1 trillion and placement of fund at least 10% of the total planned investment in Indonesia. Moreover, he continued, the government also gives tax allowance and import duty exemption.

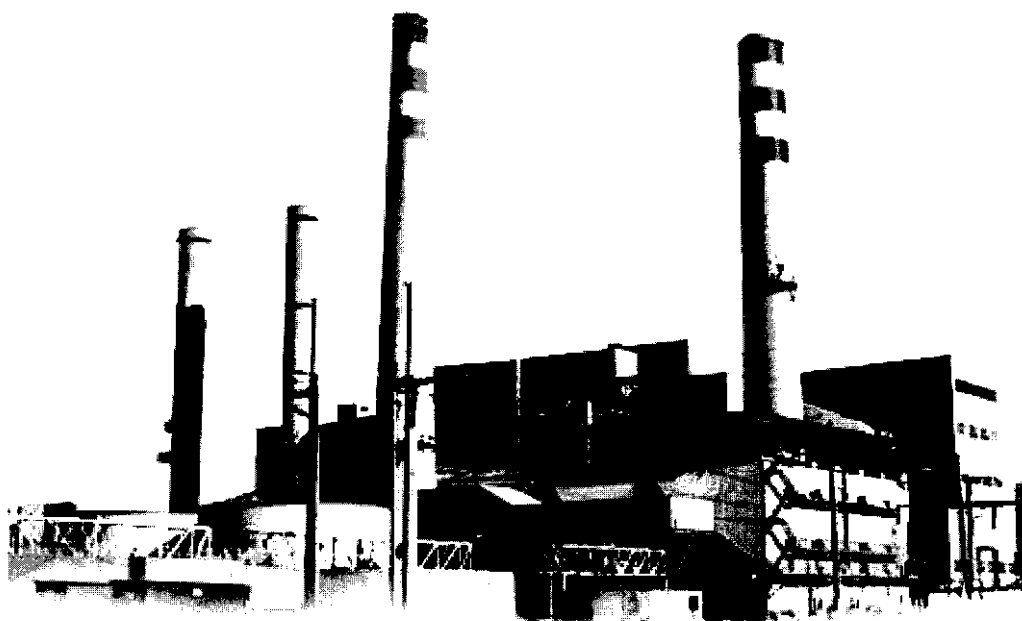
According to him, incentive is not the main requirement for developing industrial estates. What is important is infrastructure to accelerate distribution and equitable distribution of industries based on geopolitical, geostrategic and geoeconomic considerations. Additionally, adequate infrastructures, such as roads, ports, airports, electricity, and so on. "And, services need to be improved," said Imam.

Meanwhile, Executive Director of the Industrial Area Association (HKI), Fahmy Shahab, believed that the acceleration of infrastructure development becomes the driving factor to increase the occupancy rate of the industrial areas which recently only reached 11,929.9 hectares of the total area of 32,175.2 hectares. He said that the acceleration of infrastructure development outside Java will attract

the attention of the government. Data from HKI of semester I/2015 shows that the total industrial areas nationally were as much as 70 industrial areas with a total land area of 44,482.9 hectares. Meanwhile, the new areas that have been built were only 11,929.9 hectares with a total number of 9,198 occupants.

Fahmi said that the Draft Government Regulation on Industrial Zone has included proposal of fiscal/non-fiscal incentives zoning system. According to him, if these items are included, the industrial development plan of 14 priority industrial areas outside Java will be more quickly realized. He said that the private sector had seen an opportunity to occupy the development of 14 areas, but the government must first initiate it through infrastructure access and energy network.

Of the total area of industrial estates, according to him, not all of them were intended for tenants, but 30% is spared for green open areas and infrastructures. Of the industrial estate spread area, Jakarta tops the list with occupancy reaching 68.2% of the total area, followed by Bekasi (59.06%), Karawang (51.04%), and Riau Islands (47.12%).(E)





# BE ALERT OF THE IMPACT OF GLOBAL ECONOMIC SLOWDOWN

Jakarta, *Business News*

Amid the direction of the global economy which is still uncertain because there is no certainty from the Fed about interest rate hike, coupled with the Chinese economy which is increasingly pressured, the Organization for Economic Cooperation and Development (OECD) reported that the growth rate of Gross Domestic Product (GDP) of the member states is only by 0.4% (qoq) in Q2-2015.

The growth rate was slower than the previous quarter which is recorded at 0.5% (qoq). Although when viewed on an annual basis, the GDP rate of OECD member countries remain unchanged, which is 2% (yoy) during the quarter.

On a quarterly basis, the United Kingdom and the United States are two countries that recorded the highest GDP growth rate among seven other major countries where each recorded a growth of 0.7% (qoq) and 0.6% (qoq).

According to survey of the Bank of England (BOE) on market participants, most of them are expecting the BOE to raise rates within the next 12 months. Even, the BOE saw that the expectation of market participants this time was the strongest in the last four years. As is known, the interest rate set by the BOE has not been changed from its lowest level, namely 0.5%.

Related to the rate of inflation, UK inflation expectations is seen to subside to level 2.0%, down from the one in May at 2.2%. Meanwhile, inflation expectation for the next two to five years does not change where it is recorded at 2.3% and 2.8%.

So far, BOE is still reluctant to raise interest rates in the near term because it is too early to

conclude about economic events that are happening abroad, primarily the economic slowdown in China that so far has contributed to substantial losses on the British economy. Related to this, the Bank of England signaled that it would raise interest rates in 2016.

Strengthening of Pound exchange rate up to now is one of the factors that cause BOE to maintain low interest rates, although the rate of economic recovery looks solid.

For the German economy, this country in Q2 has successfully recorded a GDP growth higher than the previous quarter, which is 0.4% (qoq) from 0.3% (qoq). Germany is a country that has a significant influence on the economy in the Euro area. The strength of the German economy continues to be tested amid global economic uncertainty. Although it had fallen, apparently toward the remainder of 2015, Germany has tried again to show its strength as a developed country.

Germany's gradual economic recovery is reflected in the data of its export and import activities in July 2015 which has recorded faster growth than expected. Acceleration in the growth rate of Germany's imports & exports had a positive impact on the trade balance in the month, which in turn has successfully booked a higher increase than the previous month.

German statistics agency reported that consumer price inflation rate is still stable where in August is 0.2% (yoy), the same as the one recorded in August 2014. Likewise, if viewed on a monthly basis, Germany's consumer price inflation in August is still stable which in July is recorded at 0.2%.

Meanwhile, the rate of Japan's GDP, the

third largest country in the world, recorded a contraction of -0.4% (qoq). France's GDP growth was also stagnant, while Italy's GDP slowed in Q2 and only at 0.2% (qoq) from 0.3% (qoq) in the previous quarter.

In the EU, GDP growth remained stable, recorded at 0.4% (qoq) in Q2, while in the euro area slowed down a bit at only 0.3% (qoq) from 0.4% (qoq) in the previous quarter.

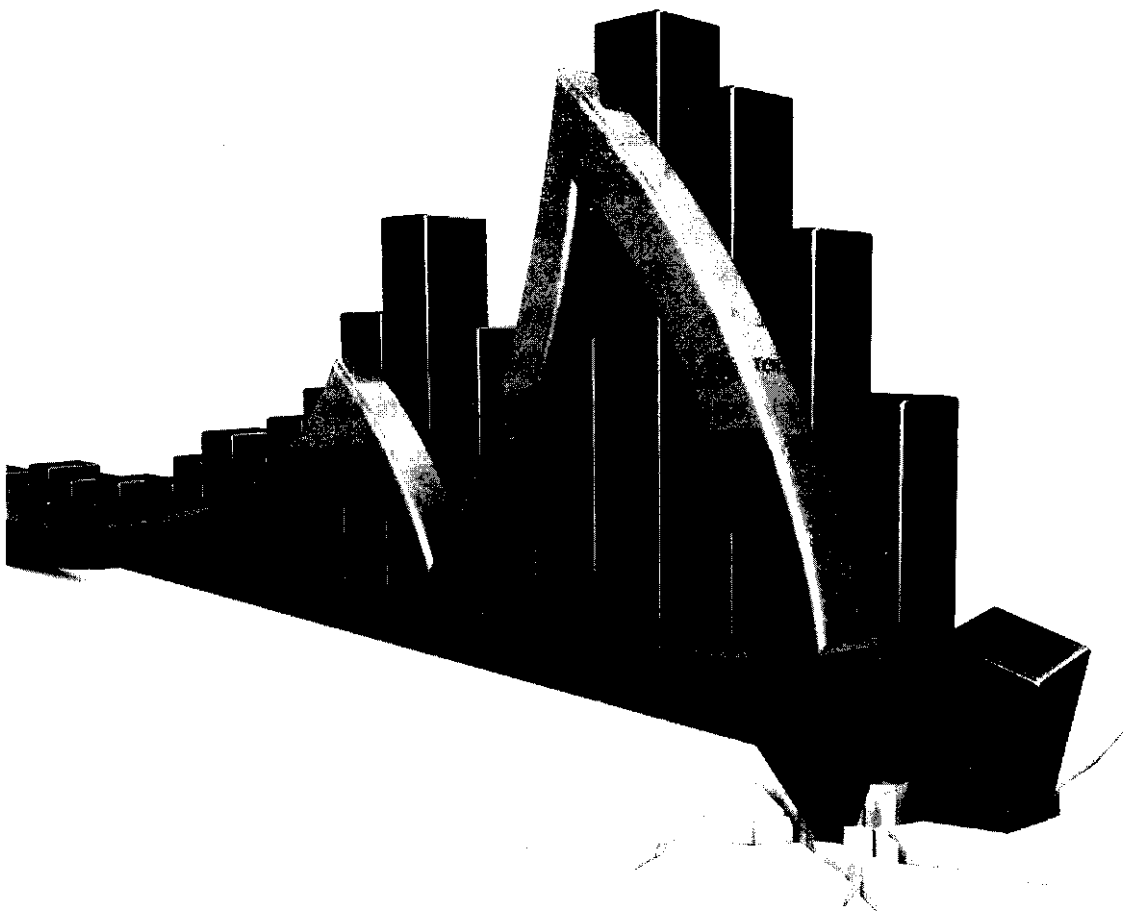
In line with the slowdown in GDP growth among OECD members, previously OECD has lowered its forecast for global economic growth prospects. OECD considered that the pace of global growth is projected to strengthen throughout 2015 and 2016, but is still relatively below the growth before the crisis, where the GDP rate of the global economy in 2015 will reportedly grow by 3.1%, down from the projections released in March at 4%.

Meanwhile, growth forecast in 2016 is cut

from 4.3% to only about 3.8%. According to the OECD, the global economy will strengthen gradually towards pre-crisis levels by the end of 2016. The organization consisting of 34 developed countries also cut its forecast of US economic growth for the period of 2015-2016 from 3.15 and 3% to 2% and 2.8%.

According to the organization based in Paris, the strengthening of the US dollar exchange rate and the winter season have caused disturbance. Besides the US, the Chinese economy is also expected to grow more slowly with growth rates of 6.8% and 6.7% in 2015 and 2016.

As for the Euro zone, the OECD does not change its projections, and even raised the 2016 growth forecast to 2.1% thanks to oil prices, the weakness of the euro exchange rate and the improvement in financial conditions and the stimulus from the government.



The OECD believes that economic recovery from the global financial crisis in 2008 was still weak. The adverse effect of the weak recovery is the slow growth in developing countries, job uncertainty, and rising inequalities everywhere.

OECD considers that the decrease in private investment and government spending have blocked recovery. Many large companies are now delaying construction of new facilities or reducing spending on technology development, equipment, and services due to its financial condition. Meanwhile, governments in many countries are also reducing expenditures for infrastructure development in the framework of fiscal consolidation.

In the midst of global economic condition, which has not recovered toward the end of 2015, the OECD projected that world economy leading countries, such as China, US, and UK, will experience economic slowdown.

Economic activities in the future that are based on information available until the end of July also showed weakness in Canada, Russia, and Brazil. So far, the OECD indicators continue to show that India will be a major exception to an economic growth

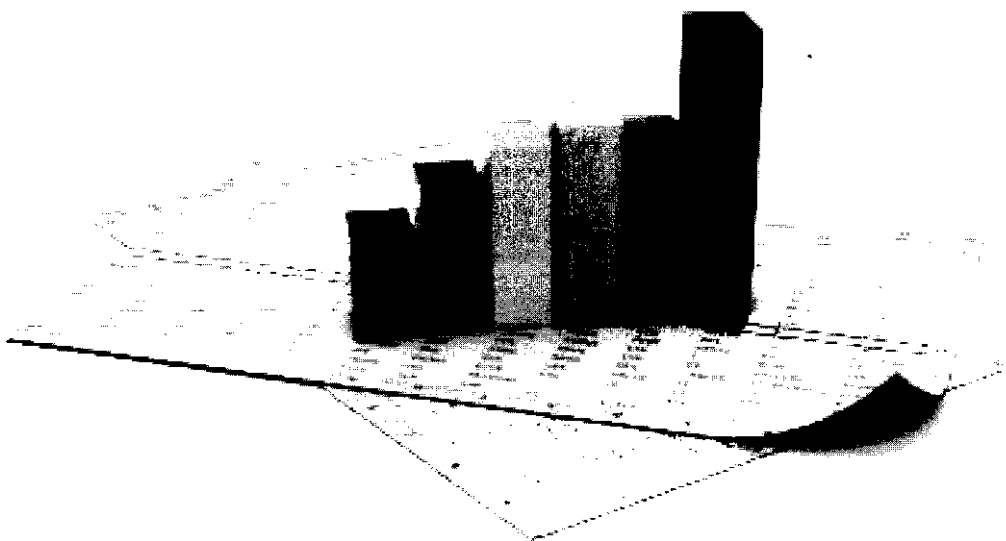
that tends to advance beyond China.

OECD also sees that China's main indicators decrease again in July to 97.6 from 97.9. With a threshold of 100.0, the figures below 100.0 are a signal of economic slowdown. OECD composite leading indicators for its 34 members are also below 100.0 in July from 100.1 in June.

While, economic growth in South Africa, Russia and Brazil in the second quarter also fell. However, the OECD indicators show that the economy in the Euro zone will avoid further contraction in the remainder of 2015. Now, the OECD member countries continue to examine measures to be taken by China as the second largest economic power in the world.

Previously, China has aggressively loosened its economic policy by devaluating Yuan currency, lowering benchmark interest rate to 4.6%, loosening the ratio of minimum reserve requirement (GWM) in the banking sector as well as continuing to pour a large fiscal stimulus to boost its economic vitality.

China's economic slowdown is increasingly visible, at least from data of the central bank of China (PBoC) which recorded that bank lending to the real sector declined in August from its highest level in the





last six years.

With these considerations, PBoC revised the rules on the minimum reserve requirement (GWM) ratio of banks in that country in order for the banks to set aside more reserves of money into the real sector in the form of lending. PBoC allow the banks to lower GWM by 100 basis points below the daily Statutory Reserves that have been defined.

The decision was made by PBoC given the number of loans disbursed by banks in China in August is only CNY 809.6 billion, lower than the one recorded in July, at CNY 1.48 trillion.

The price of crude oil continues to weaken by more than 2% after Goldman Sachs and Germany's Commerzbank cut its forecast for crude oil prices this year due to fears of oversupply as a result of the slowdown of the Chinese economy.

Goldman Sachs lowered its forecast for 2016 for US crude oil prices to USD 45 from USD 57 per

barrel. While, the price of Brent oil in 2016 is at USD 49.50, down from the previous forecast at USD 62 per barrel.

According to Goldman Sachs, the global oil market is experiencing oversupply and expects that it will last until 2016. The investment bank from the United States claimed that crude oil prices could fall to the lowest position at USD 20 per barrel.

Commerzbank Germany also lowered its forecast of global crude oil prices and said that the Brent oil will possibly be traded at USD 55 at the end of this year before it increased again to USD 65 per barrel at the end of 2016.

From the description above, the effects of the world economic slowdown, particularly the OECD countries, will also hit Indonesia. Therefore, the government and financial authorities in Indonesia must be able to identify these issues carefully to formulate a comprehensive economic policy package which is countercyclical in anticipation of the worse. (E)

# THE FED'S DECISION IS QUIET A RELIEF, BUT PROLONGS UNCERTAINTY

Jakarta, *Business News*

The coordinating Minister of Economy Darmin Nasution stated that increase of FFR by the Fed would assure certainty about the prospect of global economy.

Meanwhile the World Bank warned the risk to be faced by developing countries if FFR was increased, i.e. backflow of foreign capital.

Central banks of the world also wished there was certainty of increased FFR. The sooner increased the better and the clearer the situation would be. Marketplayers must have anticipated increase of FFR by the Fed, moreover the issue of interest adjustment had been a waiting game for almost a year.

Even of the Fed increased FFR, it was no guarantee that Indonesia's economy would be stable soonest, but at least the situation would be more controllable.

The Minister of Finance Bambang Brodjonegoro agreed that one of the threats faced by national economy by end of 2015 was uncertainty of the Fed's action.

Minister Bambang remarked further that there was hope global economy would recover in 2016 provided there was certainty about increased FFR by the Fed and the Government of China would not devalu-

ate their Yen.

The good news was that last Friday (18/9) FOMC Meeting in Washington DC finally decided to maintain FFR at 0.25%.

As known, that interest level has been maintained by the Fed since 2008 last. Governor of the

Fed Janet Yellen said that increase of FFR would be suspended until there was further evaluation of the US economic condition. The Fed's Committee referred to some indicators, i.e. the condition of labor market, inflation pressures and domestic and international financial development.

The Fed had lowered projection of FFR increase from 1.25% to 0.625% by end of 2015. To America, the near zero level interest which had been maintained since around 8 years was seen as an effective way to promote US economy.

Beside the Fed some central banks of the world were also maintaining their benchmark rate at near zero percent like the Central Bank of Europe (ECB) and Bank of Japan (BoJ) but they were less fortunate than the Fed who had posted US bettered economy.

BOJ was still troubled by the need to scheme up extra stimulus to prevent growth contraction in this third quarter while ECB would still have to step up their money printing program.



Although US economy was gradually showing improvement, the Fed saw that external pressures from China would still burden US and global economy, which was the reason why the Fed was not in a hurry to increase FFR.

As known, economic slowdown in China had affected economy of the emerging market while commodity prices of the world kept downturning. The situation in America today was in fact inconvenient because the policy to increase or lower benchmark rate was in fact run for two objectives:

Firstly to tame inflation. Secondly to enhance economic expansion. It was the ideal condition which had failed to pursue. In the long run, if the zero level was maintained, the potential of deflation in the USA remained high, just like the way it happened in Japan and Europe today.

Separately the World Bank warned of the risk faced by developing countries in case there was tight policy run by the US Government, i.e. capital outflow. If the tight policy was accompanied by yield of bonds in the long run the way it happened during the “Taper tantrum” of 2013 reduced capital flow the

developing countries could be great.

The term "Taper tantrum" had been frequently used to describe how the market reacted to the comment of the Governor of the Fed at that time, Ben Bernanke, that the Fed might reduce bond buying which was part of Quantitative Easing.

The survey showed leap of 100 basic points in US long term return the way it happened during “Taper tantrum” might reduce aggregate of capital flow to the emerging market by up to 2.2% of their GDP.

On such grounds meeting of the Board of Governors of BI again decided on September 15 to keep BI rate at 7.5%. Deposit Facility was also held at 5.5% and lending facility at 8%. The decision was in line with the effort to lead inflation to around 4% + 1% in 2015 and 2016.

BI also reviewed China's policy to devalue Yuan which generated the effect of price downturn. Deflation was also happening in many countries including the USA as they imported in vast amount from China.

Now that it was certain the Fed would keep



interest-rate at zero percent, the market started to look forward to the next step of the Indonesian Government. As known, the Chapter 1 Policy Package launched by the Government was not strong enough to revitalize the market.

Both Rupiah and IHSG at BEI were still struggling to strengthen. Ironically, it happened when Indonesia's Trade Balance on August 2015 posted surplus supported by good performance in the non oil-gas sector.

Indonesia's Trade Balance posted surplus of USD 0.43 billion, less than the surplus of July 2015 amounting to USD 1.39 billion. Reduced surplus of the Trade Balance was on account of import of non oil-gas commodities which was higher than the increase of non oil-gas export.

Import of non oil gas in August 2015 was posted to increase by 30.48% (mtm) jacked up by import of iron and steel, plastics, machineries and electrical equipments. Import increase in those commodities was early signal of growing economy in the future.

On the other hand, increase of non oil-gs export by 11.23% (m t m) constituted of manufacturing products: jewelry, automotives etc, machineries and nature products: coffee, tea, spices, rubber and rubber goods.

Better Trade Balance of oil-gas products was supported by export amidst downturning import. Deficit in trade balance in oil gas was posted at USD 0.58 billion, lower than the previous months at USD 0.87 billion. The downturn was due to export of oil-gas by 7.67% (m t m) while import of oil-gas was down by 8.12% (m t m). BI saw that surplus of Trade Balance in August 2015 was positive in supporting transaction in current transaction of Q III 2015 which improved.

#### The Moneymarket

Meanwhile sentiment from The Fed's action would suppress Rupiah as there was lack of positive sentiment from the internal although Rupiah managed to strengthen for a moment last Thursday (17/9).

Lack of domestic sentiment led marketplayers



to do act of selling. Announcement of FOMC meeting did not automatically strengthen USD in the shadows of Euro and Poundsterling strengthening. Still the condition was not good enough keep Rupiah stay in the green zone.

During transaction on Thursday (17/9) Rupiah managed to strengthen by 12 points to become Rp 14,447 against the previous position of Rp 14,459 per USD. Meeting of the Board of Governors of BI to maintain BI rate at 7.5 indicated that inflation was still under control.

The situation had positive impact on Rupiah. However the main sentiment was still from the external due to the Fed's policy.

As told, after the FOMC meeting on September 16 – 17 in Washington DC finally the Fed decided to maintain interest at near zero percent. Somehow most of the decision makers believed FFR would be increased this year in view of US economic recovery.

The Fed maintained benchmark rate at near zero percent, as they feared economic slowdown happening in China lately might injure US economy. Janet Yellen stated that US economy would grow moderately and FFR could be increased before year end.

However decision makers were still anxious about spill over of China's problem of the emerging

market. The Fed realized about capital outflow from developing countries, pressures on their currencies and anxiety over their future performance if the Fed increased FFR.

After being indecisive for many years since 2008, the prospect of increased FFR shook the global market; the World Bank and IMF had urged the Fed to be careful when tightening grip on credit.

Yellen also stressed that of the important pivots for the policy, i.e. the labor market – had strengthened, and the other pivot, inflation was way too low. But such was due to the "temporary" effect such as steep downturn of oil price. FOMC disclosed that expenditure for household and business investment had increased to moderate speed, housing development increased but export "weakened".

Yellen also stated that the labor market strengthened since the FOMC meeting in July, weakening lessened since early this year. The Fed saw all that, and US economic performance showed impressive performance whereby to create employment opportunities thanks to high domestic demand.

Somehow the Fed had anxiety about the negative impact of global financial condition. One FOMC official said that FFR would be increased this year's end.

Of 17 the Fed's officials at the meeting, 13



signaled they were expecting increase of FFR this year end, most of them predicted around 0.25% to 0.50%. The decision to maintain FFR was not surprising to many analysts.

In fact the position of USD was in weekly weakening last week against some currencies of the world like Euro and Yen. USD position was at USD 1.1414 per Euro which was an upturn of 0.2% against closing session when USD weakened by 1.3%. Meaning over the week USD already weakened by 0.7% against Euro.

Against Yen, USD was at ¥ 120.13 against the previous position of ¥120.01 USD was posted to weaken by 0.4% over the week. Weakening of USD was also apparent in Bloomberg Spot Index which at that time was at 1,196.15. Previously the position of USD Index was at 1,193.93, the lowest since August 24 and down by 0.7% last week.

USD never managed to rise ever since the Fed maintained benchmark rate near zero percent. The Fed's action and wild movement at the stockmarket was beyond market expectation. So USD would be weak for the time being. It seemed reasonable that Rupiah was predicted to improve (18/9) as BI main-

tained BI Rate at 7.5%.

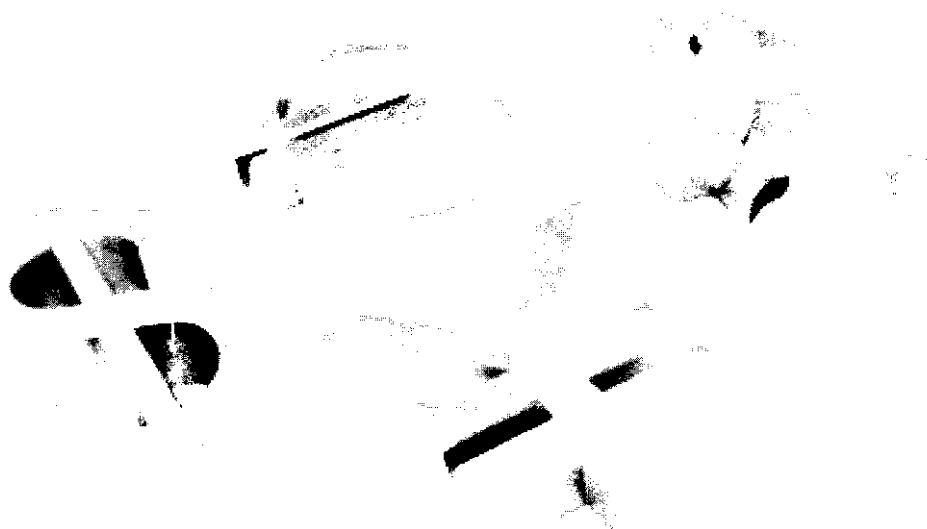
Rupiah was at the level of Rp 14,327 per USD, gaining strength against the position at previous closing session at Rp14,446 per USD. During closing session on Thursday (17/9) Rupiah value against USD was seen to be stationary since previous state (17/9).

Rupiah touched lowest level since 1998. Tug of War of sentiments made Rupiah stagnate.

Positive sentiment came from domestic stockmarket. IHSG strengthened quite significantly at 4,378,39 points. Strengthening of domestic stockmarket was related to BI's policy to maintain benchmark rate.

At that time marketplayers were waiting for the Fed's announcement of their policy. Last week (18/9) Rupiah was at support level of Rp14,350 and resistant level at Rp14,000 per USD. Over the week, Rupiah was projected to strengthen at Rp14,150 - Rp14,300.- per USD in the post the Fed and BI decision.

Some economist saw that in fact BI had the chance to lower benchmark rate because of bank's credit slowing down due to economic slowdown. Somehow BI choosed to maintain BI rate while





anticipating the Fed's decision who planned to increase FFR this September. It was this dilematic condition that caused it to be too risky for BI if they changed the present benchmark rate.

The same was with the condition of Rupiah today: it was more governed by global sentiments such as increase of FFR and devaluation of Yuan. On the domestic side there was no positive sentiment either for Rupiah although the Economy Package Policy was already launched by President Joko Widodo- it indicated market's doubt of the Government's ability to execute the Policy.

Even if BI rate were today lowered, the effect would not be too significant on economic recovery process in the short run because it was not always followed by lowering credit rate. Besides, lowering of credit interest which was not done continually bore high risk of Rupiah weakening. However, continued Rupiah weakening accompanied by FFR increase would heighten the probability of tightening dosage by BI next month.

Just look at the opinion of Morgan Stanley Investment which said that Malaysia's Ringgit and Indonesian Rupiah were two currencies of the emerging market worthy of attention. Act of selling of Ringgit and Rupiah caused the two currencies to be down-pressed to the lowest level in 17 years.

Two things accounted for Ringgit and Rupiah being dwarfed this year. Firstly, falling commodity prices that reduced Malaysia's and Indonesia's export. Secondly, the Fed's plan to increase FFR.

Morgan Stanley Investment predicted that Ringgit and Rupiah would rise and shine to outperform other currencies in the region. Morgan Stanley also believed the two countries would no longer face Taper Tantrum in 2013 where there was capital drawing in large scale to the amount of USD 70 billion from the bond market.

At that time the Fed signaled they would axe their stimulus to the financial market, Malaysia was the cheapest of the medium range currency schemes up at the emerging market, while Indonesia was at



second position. Considering act of selling at the currency and bond market, Morgan Stanley recommended Malaysia and Indonesia. India was attractive, but not as appealing as Indonesia.

According to Morgan, increase of FFR by the Fed this year would no longer surprise investors. Meanwhile weakening of currencies at the emerging market would only happen for a short term.

Reduced deficit in current transaction in Indonesia and India placed the two countries as high resistance states during capital outflow compared to two years ago. Indonesia and India were even candidates for stepping out of Morgan Stanley's version of Fragile Five. The Governments of Indonesia and India had taken the right measures. India was particularly more firm in making reformation compared to other countries.

To be observed, Ringgit had weakened by 18% this year in line with falling oil prices which reduced their export. Malaysia's economy was disturbed by corruption case by their head of state which triggered capital outflow. Meanwhile Rupiah had weakened by 14% while Rupee weakened by 5.1% in the same period.

Governor of BI Agus Martowardojo stated Rupiah value next year was projected to be at Rp13,400 - Rp13,900 per USD. The exchange rate level was a downturn compared to exchange rate next year at Rp13,400 - Rp 13,700 per USD considering the latest Rupiah exchange rate value and heightening global uncertainty.

#### The Capital Market

IHSG inched up by 4 points in respond to the Fed's action to maintain benchmark rate. Foreign sell once again heightened. During pre-opening session, IHSG inched up by 4.683 points (0.11%) to the level of 4,383.068 while index of LQ 45 inched up by 1.198 points (0.16%) to the level of 742.165.

Domestic Investors were still hunting for shares the selective way. Unfortunately strengthening of IHSG was obstructed by Foreign buying. During closing session on Thursday (17/9) IHSG was up by 4 points thanks to buying by domestic investors. Foreign Capital flew out of the stock hall at the amount of nearly Rp700 billion.

In New York City after moving up in the initial transaction, Wall Street was closed to weaken, only Nasdaq index inched up by 0.1%. This happened after the Fed decided to maintain their FFR. Regional stockmarkets responded to the Fed's decision by varied Movement. Not all marketplayers in Asia were contended with Janet Yellen's decision.

According to analysts, Yellen's statement indicated global economic performance was worse than predicted. Act of selling dominated bank's emittents and made worse by lowered price of exporter's emittents in line with weakening of USD.

Index of Nikkei 225 dropped by 213.58 points (1.16%) to the level of 18,18.69. Index of Hang Seng Fell by 112.03 points (0.51%) to the level of 21,854.63. Index of Composite Shanghai rose by 22.55 points (0.73%) to the level of 3,108.61. Index of Straits Times dropped by 3.2 points (0.11%) to the level of 2,899.04.

IHSG at the domestic stockmarket rose during transaction last week (18.9). IHSG inched up by 0.2% to become 4,387.27. There were 10 sectoral shares that turned green. Three sectors posted highest increase i.e. The construction sector rose by 0.89% and the mining sector increased by 0.71%.

A different condition was happening in the regional area. Most of the shares being traded in the region was under act of selling. The condition made it hard for Asia reference index to move up. Index of MSCI Asia Pacific did not post too much change at 129.39. However, index Asia was moving toward weekly increase of 1.6%.

Generally speaking it was hard for Asia's stockmarket to elevate when the Fed decided not to increase benchmark rate. This triggered anxiety among marketplayers about global economic force.

Previously at BEI through the session on Thursday (17/9) index reached its highest level at 4,389.364 or strengthening by 56.851 and reached its lowest level at 4,341.823 or strengthening by 9,310 points. 161 shares strengthened, 114 shares were down, 73 shares stagnated and 270 shares were not transacted at all.

Foreign investors booked buying of shares worth Rp 1,65 trillion and selling of shares worth Rp 3,3 trillion. All in all foreign investors posted foreign net sell worth Rp 678.8 billion.

After moving up at early session, Wall Street was closed to weaken, only Nasdaq index inched up by 0.1%. This happened after the Fed decided to maintain benchmark rate.

The Fed's decision to maintain FFR at near zero percent was because of fear of global economic slowdown. This was visible in the volatility of financial market and slowing down inflation rate.

Although confident about America's economic recovery, the Fed feared global economic

slowdown especially China. Big shares fell down in response to the Fed's action. Analyst rated that the Fed induced uncertainty at the stockmarket.

Somehow probability was always there that FFR would be increased by year end. Marketplayers might still hear the same argument in the next 30 or 90 days.

Index of Dow Jones fell from 65,21 points (0,39%) to 16,674,74. Index of S&P 500 dropped by 5.11 points (0.26%) to 1,990.2. Meanwhile index of Nasdaq rose by 4.71 points (0.01%) to 4,893.95. There were 8 shares being transacted slightly below the average daily transaction of 8.1 million shares.

With reference to the Fed and BI who decided to maintain benchmark rate, IHSG movement last Friday (18/9) was predicted to be able to stay at the green zone in the range of 4,400 – 4,450.

This week IHSG stood a chance to continue strengthening in the range of 4,450 – 4,500 in line with launching of deregulation Package Chapter Two. Moreover if Rupiah also strengthened after postponement of FFR increase by the Fed, it would serve as extra ammunition for strengthening IHSG. Foreign capital which fled away from Indonesia would return when they saw that Indonesia's economy was stabilizing.(SS)

General Manager/Business Manager : Taufik Sumawinata  
 Editor in Chief : Taufik Sumawinata  
 Managing Editor : Arisanto  
 Correspondents : Expert from Business & Scientific world  
 Published/Printed by : PT. Business News, Member of SPS/SGP  
 Address : Komplek P & K Jl. Pendidikan 3 No. 12 Terogong - Cilandak Barat Jakarta Selatan 12430

Press Publication License (SIUPP)  
 No. 012/SK/MENPEN/SIUPP/F.5/1985,  
 November 19, 1985

www.businessnews.co.id

English Edition : Wednesday and Friday, Except holidays  
 Indonesia Edition : Monday, Wednesday and Friday, Except holiday

Circulation : 759 20 118  
 Fax : 758 19 268

New subscriber : Minimally 3 (three) months, without restitution

ISSN 1410 - 2501

The copyright of Business News Bulletin, is protected by the Law, Everybody is prohibited from multiplying the content partly or wholly in whatever form and means, mechanically or electronically including copying, without prior written permit of the publisher.

Reproduction of any part only by agreement

# GOVERNMENT DEREGULATE 31 REGULATIONS TO ENERGIZE NATIONAL ECONOMY

Jakarta, *Business News*

The Government had accomplished discussion of 31 amendments of various regulations including Presidential Instruction (Inpres), 8 Government Regulations (PP) and 17 Ministerial Regulations (Permen) of many ministries and two other Regulations.

The amendements consisted of: one Inpres of the Ministry of Economy, four PP of the Ministry of Finance, one PP of the Ministry of Agriculture, two Kepres of the Ministry of Energy and Mineral Resources, one PP of the Ministry of Public Works and People's Housing, one PP of the Ministry of Tourism, 17 PP of the Ministry of Cooperatives and Small Business (KUKM) and two PP of the Board of Drugs and Food Control (BPOM).

The Coordinating Minister of Economy Darmin Nasution stated that all ministries would work simultaneously to develop macro economy conducive to progress, to propel national economy and protect the low income group and energize rural economy. One

of the Government Regulations being revised was PP No 32 year 2009 on Bonded Warehouse.

The deregulation of Logistics Center was expected to bring close together producers and raw material resources with raw materials at home so production cost could be reduced.

The deregulation would draw foreign investors to build Bonded Warehouse of Logistics Warehouse Centers. They were expected to set up a company or open a representative office in Indonesia so there would be state's income taxation. The Regulation was also expected to minimize dwelling time of goods at harbors.

One of the Government Regulations being revised was PP No.32 year 2009 on Bonded Warehouse. By the Regulation it was expected to shorten the process chain.

As soon as deregulation was accomplished, the Government would continue to dissect trans-ministerial Regulations of 134 policies being issued on September 9, 2015 last.(SS)



# FOREIGN BANK NOTE TRANSACTION EXCHANGE RATES

Jakarta, *Business News*

Bank Indonesia has fixed the exchange rates of foreign bank note transactions for September 22, September 21 and September 18, 2015 as follows :

| CURRENCY               | VALUE | SEPTEMBER 22, 2015 |           | SEPTEMBER 21, 2015 |           | SEPTEMBER 18, 2015 |           |
|------------------------|-------|--------------------|-----------|--------------------|-----------|--------------------|-----------|
|                        |       | BUYING             | SELLING   | BUYING             | SELLING   | BUYING             | SELLING   |
| AUD (Australia)        | 1,-   | 9,984.61           | 10,706.00 | 9,991.71           | 10,715.38 | 10,031.02          | 10,755.40 |
| BND (Brunei)           | 1,-   | 9,907.20           | 10,617.07 | 9,925.30           | 10,637.50 | 9,984.98           | 10,707.74 |
| CAD (Canada)           | 1,-   | 10,563.44          | 11,319.59 | 10,552.95          | 11,312.80 | 10,594.89          | 11,358.84 |
| CHF (Switzerland)      | 1,-   | 14,390.37          | 15,425.63 | 14,406.24          | 15,440.46 | 14,537.22          | 15,581.59 |
| DKK (Denmark)          | 1,-   | 2,100.00           | 2,250.49  | 2,114.59           | 2,266.50  | 2,134.40           | 2,287.61  |
| GBP (United Kingdom)   | 1,-   | 21,713.27          | 23,271.76 | 21,672.88          | 23,235.35 | 21,748.77          | 23,312.35 |
| HKD (Hong Kong)        | 1,-   | 1,804.55           | 1,933.70  | 1,800.01           | 1,929.16  | 1,801.58           | 1,930.68  |
| JPY (Japan)            | 100,- | 11,619.17          | 12,452.02 | 11,645.24          | 12,481.01 | 11,636.80          | 12,475.40 |
| NOK (Norway)           | 1,-   | 1,703.20           | 1,825.87  | 1,708.03           | 1,831.67  | 1,720.92           | 1,846.46  |
| NZD (New Zealand)      | 1,-   | 8,836.35           | 9,477.15  | 8,882.60           | 9,525.28  | 8,874.88           | 9,519.46  |
| PGK (Papua New Guinea) | 1,-   | 4,793.00           | 5,357.50  | 4,829.84           | 5,397.31  | 4,831.20           | 5,401.64  |
| SEK (Sweden)           | 1,-   | 1,675.67           | 1,796.13  | 1,690.56           | 1,813.03  | 1,703.80           | 1,826.83  |
| SGD (Singapore)        | 1,-   | 9,907.20           | 10,617.07 | 9,925.30           | 10,637.50 | 9,984.98           | 10,707.74 |
| THB (Thailand)         | 1,-   | 389.15             | 417.20    | 390.13             | 418.44    | 389.92             | 418.08    |
| USD (United States)    | 1,-   | 13,986.00          | 14,986.00 | 13,951.00          | 14,951.00 | 13,963.00          | 14,963.00 |
| EUR (Europe)           | 1,-   | 15,665.72          | 16,788.82 | 15,775.79          | 16,912.57 | 15,923.41          | 17,066.80 |

## BANK INDONESIA'S EXCHANGE RATES

Bank Indonesia has fixed the rates of export draft transactions for September 22, September 21 and September 18, 2015 as follows :

| CURRENCY                  | VALUE | SEPTEMBER 22, 2015 |             |           | SEPTEMBER 21, 2015 |             |           | SEPTEMBER 18, 2015 |             |           |
|---------------------------|-------|--------------------|-------------|-----------|--------------------|-------------|-----------|--------------------|-------------|-----------|
|                           |       | BUYING             | MIDDLE RATE | SELLING   | BUYING             | MIDDLE RATE | SELLING   | BUYING             | MIDDLE RATE | SELLING   |
| AUD (Australia)           | 1,-   | 10,290.15          | 10,345.20   | 10,400.24 | 10,298.24          | 10,353.44   | 10,408.63 | 10,338.49          | 10,393.13   | 10,447.76 |
| BND (Brunei)              | 1,-   | 10,210.38          | 10,262.12   | 10,313.85 | 10,229.80          | 10,281.39   | 10,332.98 | 10,291.05          | 10,346.26   | 10,401.46 |
| CAD (Canada)              | 1,-   | 10,886.71          | 10,941.51   | 10,996.30 | 10,876.70          | 10,932.83   | 10,988.95 | 10,919.64          | 10,976.79   | 11,033.93 |
| CHF (Switzerland)         | 1,-   | 14,830.74          | 14,907.91   | 14,985.07 | 14,848.20          | 14,923.33   | 14,998.45 | 14,982.82          | 15,059.36   | 15,135.90 |
| CNY (China Yuan)          | 1,-   | 2,262.05           | 2,273.35    | 2,284.65  | 2,258.15           | 2,269.46    | 2,280.77  | 2,262.49           | 2,273.81    | 2,285.13  |
| DKK (Denmark)             | 1,-   | 2,164.26           | 2,175.24    | 2,186.21  | 2,179.46           | 2,190.54    | 2,201.62  | 2,199.82           | 2,211.00    | 2,222.17  |
| GBP (United Kingdom)      | 1,-   | 22,377.74          | 22,492.43   | 22,607.12 | 22,337.78          | 22,453.99   | 22,570.19 | 22,415.42          | 22,530.48   | 22,645.53 |
| HKD (Hong Kong)           | 1,-   | 1,859.77           | 1,869.13    | 1,878.48  | 1,855.24           | 1,864.59    | 1,873.94  | 1,856.81           | 1,866.14    | 1,875.46  |
| JPY (Japan)               | 100,- | 11,974.74          | 12,035.57   | 12,096.39 | 12,002.50          | 12,063.11   | 12,123.72 | 11,993.50          | 12,056.03   | 12,118.56 |
| KRW (Korean )             | 1,-   | 12.27              | 12.33       | 12.39     | 12.26              | 12.33       | 12.39     | 12.33              | 12.40       | 12.46     |
| KWD (Kuwaiti Dinar)       | 1,-   | 47,728.48          | 47,998.86   | 48,269.23 | 47,612.58          | 47,882.88   | 48,153.18 | 47,652.32          | 47,898.70   | 48,145.08 |
| MYR (Malaysia)            | 1,-   | 3,363.83           | 3,383.02    | 3,402.20  | 3,389.67           | 3,409.88    | 3,430.09  | 3,394.10           | 3,414.33    | 3,434.55  |
| NOK (Norway)              | 1,-   | 1,755.32           | 1,764.52    | 1,773.72  | 1,760.43           | 1,769.83    | 1,779.23  | 1,773.67           | 1,783.66    | 1,793.65  |
| NZD (New Zealand)         | 1,-   | 9,106.77           | 9,156.63    | 9,206.48  | 9,155.11           | 9,203.86    | 9,252.60  | 9,146.92           | 9,197.05    | 9,247.17  |
| PGK (Papua New Guinea)    | 1,-   | 4,939.68           | 5,072.09    | 5,204.49  | 4,978.01           | 5,110.41    | 5,242.80  | 4,979.29           | 5,113.22    | 5,247.14  |
| PHP (The Philippines)     | 1,-   | 309.71             | 311.28      | 312.84    | 308.83             | 310.44      | 312.05    | 309.15             | 310.77      | 312.38    |
| SAR (Saudi Arabian Riyal) | 1,-   | 3,844.14           | 3,863.86    | 3,883.58  | 3,834.81           | 3,854.53    | 3,874.25  | 3,839.34           | 3,858.81    | 3,878.28  |
| SEK (Sweden)              | 1,-   | 1,726.95           | 1,735.89    | 1,744.83  | 1,742.42           | 1,751.78    | 1,761.13  | 1,756.03           | 1,765.30    | 1,774.57  |
| SGD (Singapore)           | 1,-   | 10,210.38          | 10,262.12   | 10,313.85 | 10,229.80          | 10,281.39   | 10,332.98 | 10,291.05          | 10,346.26   | 10,401.46 |
| THB (Thailand)            | 1,-   | 401.06             | 403.18      | 405.29    | 402.10             | 404.29      | 406.47    | 401.87             | 404.00      | 406.12    |
| USD (United States)       | 1,-   | 14,414.00          | 14,486.00   | 14,558.00 | 14,379.00          | 14,451.00   | 14,523.00 | 14,391.00          | 14,463.00   | 14,535.00 |
| EUR (Europe)              | 1,-   | 16,145.12          | 16,227.23   | 16,309.33 | 16,259.77          | 16,344.10   | 16,428.42 | 16,411.50          | 16,495.06   | 16,578.62 |

NOTE : The middle rate is based on Business News calculation

*Business News 8755-8756/9-23-2015*

# **STANDARD PROCEDURE ON MANAGEMENT OF POTABLE SUPPLY OPERATIONAL SYSTEM**

## **(Regulation of Minister of Public Works and Housing for People of R.I Number 26/PRT/M/2014, dated December 31, 2014)**

WITH THE BLESSING OF THE ONE AND ONLY GOD

MINISTER OF PUBLIC WORKS AND PEOPLE  
HOUSING OF THE REPUBLIC OF INDONESIA,

Considering:

- a. that to implement the provision in Article 13 of Government Regulation Number 16 Year 2005, concerning Development of Potable Supply System, it is necessary to stipulate technical provision on undistilled water unit, water production unit, water distribution unit, water service unit, and water processing unit;
- b. that the unstilled water unit, water production unit, water distribution unit, water service unit, and water processing unit referred to in letter a need to be monitored and evaluated in the development of Potable Supply System (SPAM);
- c. that to monitor and evaluate development of SPAM, it is necessary to stipulate standard procedure on Potable Supply System;

- d. that based on the consideration referred to in letter a, letter b, and letter c, it is necessary to stipulate Regulation of the Minister of Public Works and People Housing on standard procedure on Potable Supply System;

In view of:

1. Government Regulation Number 16 Year 2005, concerning Development of Potable Supply System (Statute Book of the Republic of Indonesia Year 2005 Number 33, Supplement to Statute Book of the Republic of Indonesia Number 4490);
2. Government Regulation Number 42 Year 2008, concerning Management of Water Resource (Statute Book of the Republic of Indonesia Year 2008 Number 82, Supplement to Statute Book of the Republic of Indonesia Number 4858);
3. Presidential Regulation Number 47 Year 2009, concerning Establishment and Organization of State Minister as amended several times and lately amended by Presidential Regulation Number 13



Year 2014;

4. Presidential Regulation Number 24 Year 2010, concerning Capacity, Duty and Function of State Minister and Organizational Structure, Duty, and Function of Echelon I of State Minister as amended several times and lately amended by Presidential Regulation Number 135 Year 2014;
5. Presidential Regulation Number 165 Year 2014, concerning Coordination of Duty and Function of Kabinet Kerja (Statute Book of the Republic of Indonesia Year 2014 Number 339);
6. Regulation of the Minister of Home Affairs Number 2 Year 2007, concerning Organization and Employee Matter of Regional-owned Potable Company;
7. Regulation of the Minister of Public Works Number 18/PRT/M/2007, concerning Development of Potable Supply System;
8. Regulation of the Minister of Home Affairs Number 61 Year 2007, concerning Regional-owned Public Service Agency;
9. Regulation of the Minister of Public Works Number 08/PRT/M/2010, concerning Organization and Work Procedure of the Ministry of Public Works;
10. Regulation of the Minister of Health Number 492/MENKES/PER/IV/2010, concerning Terms and Conditions of Potable Quality;
11. Regulation of the Minister of Health Number 736/MENKES/PER/VI/2010, concerning Procedure for Supervision of Potable Quality;
12. Regulation of the Minister of Public Works Number 18/PRT/M/2012, concerning Guideline for Management on Development of Potable Supply System;

13. Regulation of the Minister of Public Works Number 13/PRT/M/2013, concerning National Policy and Strategy on Development of Potable Supply System;
14. Regulation of the Minister of Public Works Number 1/PRT/M/2014, concerning Standard Minimum Service on Public Works and Space Layout;

DECIDED

To stipulate:

REGULATION OF THE MINISTER OF PUBLIC WORKS AND PEOPLE HOUSING ON STANDARD PROCEDURE ON DEVELOPMENT OF POTABLE SUPPLY SYSTEM.

CHAPTER I

GENERAL PROVISION

Part One

Interpretation

Article 1

What is meant in this Regulation of Minister by:

1. Potable shall be drinking water for home, the process or non-process of which complies with health requirements for potable.
2. Undistilled water for drinking for home, hereinafter referred to as undistilled water shall be water that may come from surface water, water reserve and/or rain water that comply with particular standard quality of undistilled water for drinking.
3. Potable Supply System hereinafter referred to as SPAM shall be technical and physical and non-physical unit of infrastructure and facilities for potable.
4. SPAM Development shall be activities on planning, construction, management, maintenance, rehabilitation, monitoring, and/or evaluation of technical physical and non-physical system of potable supply.

5. Developer of SPAM development hereinafter referred to as Operator shall be State-owned / Regional-owned / business entity / cooperatives, private business entity, and/or group of members of the community exercising SPAM development.
6. SPAM management shall be activity to run the functions of SPAM as have been constructed.
7. Potable supply shall be activity to supply potable to fulfill the need of the people for healthy, clean, and productive lives;
8. Potable supply system hereinafter referred to as SPAM shall be a unit of technical physical and non-physical system of infrastructure and facilities;
9. Regional-owned Business Entity hereinafter referred to as BUMD shall be business entity which establishment is initiated by Regional Government, the whole or part of the capital thereof belong to the Region by direct participation which capital originates from allocated Regional asset;
10. Potable Regional Company hereinafter referred to as PDAM shall be Regional-owned Business Entity operating on potable supply service.
11. Technical Operating Unit Office hereinafter referred to as UPTD shall be technical operator at Regional office or agency.
12. Regional Public Service Agency hereinafter referred to as BLUD shall be Regional Working Unit of Regional Government duly established to provide service to the people in the form of provision of goods and/or services sold without profit, and in carrying out the activity shall be based on the principles of efficiency and productivity.
13. Rural-owned Business Entity hereinafter referred to as BUM Desa, shall be business entity which the whole or part of its capital belong to Rural by direct participation and which capital originates from Rural allocated asset intended for management of asset, provision of services, and other business which are meant for the welfare of the rural community.

14. Work Unit shall be organizational unit, both structural and functional existing within the SPAM operation structural organization.
15. Standard Operational Procedures shall be series of standard written guidelines on implementation of duty in the Management of Potable Supply System.
16. Work process shall be systematic measures in conducting a job to obtain certain result from the work.
17. Work Instruction shall be document containing instruction, obligation, authority and order to endeavor all measures set forth in the Manual of procedures.
18. Flow diagram shall be drawing that clarifies the flow process, procedure or activity using symbols or site diagrams, to make it easier to obtain information.
19. Model of Procedure shall be reference for the Operator to compile Standard Operational Procedure for the respective Work Unit.

## Part Two

### Purposes and Objectives

#### Article 2

- (1) This Regulation of the Minister is intended:
  - a. as guideline for the Operator to compile Standard Operational Procedure that is justified with the characteristics and conditions of the Operator in the respective area; and
  - b. as guideline for the Operator to compile Work Instruction that is justified with the characteristics and conditions of the Operator in the respective area.
- (2) This Regulation of the Minister is intended to:
  - a. accomplish processing and supply of potable that complies with the principles on quality, quantity, continuity, and accessibility; and

## **GOVERNMENT REGULATIONS**

- b. accomplish processing and supply in all working units of the Operator so as to operate and coordinately properly.

### **Part Three**

#### **Scope**

#### **Article 3**

The scope of coordination in this Regulation of the Minister covers:

- a. Standard Operational Procedure;
- b. Standard Operational Procedure; and
- c. Management and Supervision.

## **CHAPTER II**

### **STANDARD OPERATIONAL PROCEDURE**

#### **Article 4**

Distribution of types of Standard Operational Procedure covers:

- a. Standard Operational Procedure on undistilled water;
- b. Standard Operation Procedure on production unit;
- c. Standard Operational Procedure on distribution unit;
- d. Standard Operational Procedure on supply unit; and
- e. Standard Operational Procedure on processing unit.

#### **Article 5**

- (1) Standard Operational Procedure on Undistilled Water Unit as referred to in Article 4 letter a is initiated for:
  - a. supply of undistilled water for production unit; and
  - b. maintain undistilled water intake and its supporting device.
- (2) Standard Operational Procedure on Undistilled Water unit as referred to in paragraph (1) consists of:
  - a. Standard Operational Procedure on Operation of Free Intake;
  - b. Standard Operational Procedure on Maintenance of Free Intake;
  - c. Standard Operational Procedure on Operation of Well Intake;

- d. Standard Operational Procedure on Maintenance of Well Intake;
- e. Standard Operational Procedure on Operation of Dam Intake;
- f. Standard Operational Procedure on Maintenance of Dam Intake;
- g. Standard Operational Procedure on Operation of Pontoon Intake;
- h. Standard Operational Procedure on Maintenance of Pontoon Intake;
- i. Standard Operational Procedure on Operation of Gallery Infiltration;
- j. Standard Operational Procedure on Maintenance of Gallery Infiltration;
- k. Standard Operational Procedure on Operation of Bridge Intake;
- l. Standard Operational Procedure on Maintenance of Bridge Intake;
- m. Standard Operational Procedure on Operation of Water Catch Construction;
- n. Standard Operational Procedure on Maintenance of Water Catch Construction;
- o. Standard Operational Procedure on Operation of Deep Well;
- p. Standard Operational Procedure on Maintenance of Deep Well;
- q. Standard Operational Procedure on Control of Undistilled Water Emergency;
- r. Standard Operational Procedure on Operation of Undistilled Water Transmission Pipe;
- s. Standard Operational Procedure of Undistilled Water Transmission Pipe;
- t. Standard Operational Procedure on Operation of Mechanical and Electrical; and
- u. Standard Operational Procedure on Maintenance of Mechanical and Electrical.

(3) Provisions on Standard Operational Procedure on Undistilled Water Unit as referred to in paragraph (1) are as specified in Attachment I constituting inseparable part of this Regulation of Minister.

#### **Article 6**

- (1) Standard Operational Procedure on Production Unit as referred to in Article 4 letter b is provided to:
- a. process from undistilled water to potable; and
  - b. maintain potable processing installation and its supporting tools.
- (2) Standard Operational Procedure on Production Unit as referred to in paragraph (1) consists of:
- a. Standard Operational Procedure on Operation of Water Processing Installation;
  - b. Standard Operational Procedure on Maintenance of Water Processing Installation;
  - c. Standard Operational Procedure Operation of Pre-Sedimentation;



- d. Standard Operational Procedure on Maintenance of Pre-Sedimentation;
- e. Standard Operational Procedure on Operation of SPL (Slow Sand Filtration);
- f. Standard Operational Procedure Maintenance of SPL (Slow Sand Filtration);
- g. Standard Operational Procedure Operation of Iron and Mangan Processing Installation;
- h. Standard Operational Procedure Maintenance of Iron and Mangan Processing;
- i. Standard Operational Procedure Operation of Salinity Minimizing Unit Using Lime/Sodium Ash;
- j. Standard Operational Procedure Maintenance Unit for Minimizing Salinity using Lime/Sodium Ash;
- k. Standard Operational Procedure on Operation of Minimization of aggressive CO<sub>2</sub> content;
- l. Standard Operational Procedure on Maintenance of Minimization of aggressive CO<sub>2</sub> content;
- m. Standard Operational Procedure on Operation of Mud Processing and Handling;
- n. Standard Operational Procedure on Maintenance of Mud Processing and Handling;
- o. Standard Operational Procedure on Operation of Disinfectant Installation; and
- p. Standard Operational Procedure on Maintenance of Disinfectant Installation.

(3) Provision on Standard Operational Procedure Unit on Production as referred to in paragraph (1) is as specified in Attachment II constituting inseparable part of this Regulation of Minister.

#### Article 7

- (1) Standard Operational Procedure Unit on Distribution as referred to in Article 4 letter c is implemented to:
- a. flow potable to the Supply Unit; and
  - b. maintain facilities and infrastructure at transmission pipeline, distribution pipeline, and its supporting device.
- (2) Standard Operational Procedure Unit on Distribution as referred to in paragraph (1) consists of:
- a. Standard Operational Procedure on Operation of Transmission Pipeline and Potable Distribution;
  - b. Standard Operational Procedure on Maintenance of Transmission Pipeline and Potable Distribution;
  - c. Standard Operational Procedure on Leak Handling;
  - d. Standard Operational Procedure on Pressure Control;
  - e. Standard Operational Procedure on Pipe Draining;
  - f. Standard Operational Procedure on Control of Flow Disruption;
  - g. Standard Operational Procedure on Operation of Reservoir;

- h. Standard Operational Procedure on Maintenance of Reservoir;
- i. Standard Operational Procedure on Operation of Zonal System;
- j. Standard Operational Procedure Maintenance of Zonal System;
- k. Standard Operational Procedure Operation of Public Hydrant;
- l. Standard Operational Procedure Maintenance of Public Hydrant;
- m. Standard Operational Procedure Operation of Fire Hydrant; dan
- n. Standard Operational Procedure Maintenance of Fire Hydrant.

(3) Provision on Standard Operational Procedure Unit on Distribution as referred to in paragraph (1) is as specified in Attachment III constituting inseparable part of this Regulation of Minister.

#### Article 8

- (1) Standard Operational Procedure Unit on Supply as referred to in Article 4 letter d is implemented to:
- a. supply potable to customers; and
  - b. administer orderly supply of potable to customers.
- (2) Standard Operational Procedure Unit Supply as referred to in paragraph (1) consists of:
- a. Standard Operational Procedure on Installation of New Connection;
  - b. Standard Operational Procedure on Line Disconnection and Reconnection to Customers;
  - c. Standard Operational Procedure on Delivery of Potable by Tank Vehicle;
  - d. Standard Operational Procedure on Reading Customer Potable Meter.
  - e. Standard Operational Procedure on Maintenance of Customer Potable Meter;
  - f. Standard Operational Procedure on Replacement of Water Meter at the customer's location;
  - g. Standard Operational Procedure on Operation of Service Department-owned Pipeline and Services;
  - h. Standard Operational Procedure on Maintenance of Service Department-owned Pipeline and Services;
  - i. Standard Operational Procedure on Change of Identity of Customer; and
  - j. Standard Operational Procedure on Customer Complaint.
- (3) Provision on Standard Operational Procedure on Service Unit as referred to in paragraph (1) shall be as set forth in Attachment IV constituting inseparable part of this Regulation of Minister.

Article 9

- (1) Standard Operational Procedure on Management Unit as referred to in Article 4 letter e shall be exercised in the management of institutional administration activity.
- (2) Standard Operational Procedure Unit Pengelolaan as referred to in paragraph (1) consists of:
- a. Standard Operational Procedure on Plan for New Connection and Expansion of Distributional Network;
  - b. Standard Operational Procedure on Network Mapping;
  - c. Planning on Water Construction and Public Civil (?);
  - d. supervision of non-physical work;
  - e. supervision of physical work;
  - f. supervision of water quality;
  - g. income from procurement of chemical substance;
  - h. management of Laboratory facilities and infrastructure;
  - i. technical research and development;
  - j. monitoring and evaluation of technical and non-technical activities;
  - k. maintenance of software, hardware, and network device;
  - l. construction and development of Information Technology System(IT);
  - m. management of Database;
  - n. management of Warehouse inventory;
  - o. asset eliminattion;
  - p. asset evaluation;
  - q. asset insurance with risk;
  - r. safeguarding public construction and warehouse;
  - s. employee recruitment;
  - t. evaluation of employee performnce;
  - u. grant of Reward and charge of Punishment on the result of evaluation of perfomance;
  - v. ranking promotion;
  - w. management of used goods;
  - x. development of human resource (SDM);
  - y. salary administration;
  - z. periodical salary increase (KGB);

- aa. survey on employee's satisfaction;
- bb. survey of customer's satisfaction (SKP);
- cc. marketing;
- dd. joint venture in maintenance with third party;
- ee. non-technical research and development; and
- ff. management of Water Meter Reading Data.

(3) Provision on Standard Operational Procedure on Management Unit as referred to in paragraph (1) shall be at set forth in Attachment V constituting inseparable part of this Regulation of Minister.

### CHAPTER III

#### APPLICATION OF STANDARD OPERATIONAL PROCEDURE

##### Article 10

Application shall be conducted in phases as follows:

- a. establishment of Team for Application of Standard Operational Procedure;
- b. preparation of Standard Operational Procedure;
- c. orientation and distribution; and
- d. monitoring and evaluation.

##### Article 11

(1) The Team for Application of Standard Operational Procedure as referred to in Article 5 letter a shall function to implement and/or coordinate all phases for implementation of Standard Operational Procedure, prepare Standard Operational Procedure, prepare plan for implementation and orientation of Standard Operational Procedure in each Operator's work unit.

(2) The Team referred to in paragraph (1) shall be determined by the Operator Management Unit.

##### Article 12

(1) The Standard Operational Procedure referred to in Article 10 letter b shall be prepared in phases as cited below:

- a. preparation;

- b. identification of the need for Standard Operational Procedure;
  - c. writing of the Standard Operational Procedure; and
  - d. verification and trial test of Standard Operational Procedure.
- (2) Standard Operational Procedure is compiled based on the Procedure Model as designed in the Attachment to this Regulation of Minister.
- (3) The Procedure Model referred to in paragraph (2) shall constitute reference or the Team for Application of Standard Operational Procedure as referred to in Article 11 in compiling Standard Operational Procedure in each Work Unit.
- (4) The Procedure Model referred to in paragraph (2) shall be adjusted to the use thereof based on the need and technical characteristics of the respective Operator's operational activity.
- (5) The Standard Operational Procedure referred to in paragraph (3) shall be determined by the Operator Management.

#### Article 13

- (1) The Standard Operational Procedure as referred to in Article 10 letter c shall be oriented and distributed to all relevant work units.
- (2) The distribution referred to in paragraph (1) shall be by recording and under control.

#### Article 14

- (1) The monitoring and evaluation referred to in Article 10 letter e shall be conducted by the Operator Management which may be delegated to the Team of particular work unit.
- (2) The monitoring and evaluation referred to in paragraph (1) shall be conducted periodically.
- (3) The result of monitoring and evaluation will be used as data for improvement of the Standard Operational Procedure at the respective work unit.

CHAPTER IV  
MANAGEMENT

Article 15

Application of Standard Operational Procedure shall be managed based on the provision on management in the implementation of development of potable supply.

CHAPTER V  
CLOSING PROVISION

Article 16

This Regulation of Minister comes to force on the date it is enacted.

For public cognizance, this Regulation of Minister shall be announced by placing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta  
Dated December 31, 2014  
MINISTER OF PUBLIC WORKS AND  
PEOPLE'S HOUSING OF THE REPUBLIC OF  
INDONESIA,  
sgd.

M. BASUKI HADIMULJONO

Enacted in Jakarta

Dated January 13, 2015

MINISTER OF LAW AND HUMAN RIGHTS  
OF THE REPUBLIC OF INDONESIA,  
sgd.

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA  
YEAR 2015 NUMBER 47

Note from Editor:

- Due to technical reason no Attachment is provided herein.

(MA)

# **TYPES OF MOTOR VEHICLES SUBJECTED TO SALES TAX ON LUXURY GOODS AND PROCEDURE OF GRANTING EXEMPTION FROM SALES TAX ON LUXURY GOODS**

**(Regulation of the Finance Minister No. 64/PMK.011/2014 dated April 16, 2014)**

**[Continued from Business News No. 8754 page 36-48]**

## **ATTACHMENT V**

**LIST OF MOTOR VEHICLES WHOSE DELIVERY OR IMPORT IS SUBJECTED TO SALES TAX ON LUXURY GOODS AT THE TARIFF OF 50% (FIFTY PERCENT)**

| DESCRIPTIONS OF GOODS                                 | HS NO.           |
|---|------------------|
| All types of vehicles specifically designed for golf. | Ex 8703.10.10.00 |

**THE FINANCE MINISTER OF THE REPUBLIC OF INDONESIA,**

**sgd**

**MUHAMAD CHATIB BASRI**

## ATTACHMENT VI

LIST OF MOTOR VEHICLES WHOSE DELIVERY OR IMPORT IS SUBJECTED TO SALES TAX  
ON LUXURY GOODS AT THE TARIFF OF 60% (SIXTY PERCENT)

| NO. | DESCRIPTIONS OF GOODS   | HS NO.   |
|-----|---|--|
| 1.  | Two-wheeled motor vehicle, with a cylinder capacity of more than 250 cc up to 500 cc:<br>Motorcycle (including moped) of bicycle equipped with additional engine, with or without side carriage, including side carriage. | 8711.30.10.90<br>8711.30.90.00<br>Ex 8711.90.40.00<br>Ex 8711.90.99.00 |
| 2.  | Special vehicle designed for traveling on snow, in beach, In mountain and vehicle of similar types.   | Ex 8703.10.90.00   |

THE FINANCE MINISTER OF THE REPUBLIC OF INDONESIA,

sgd

MUHAMAD CHATIB BASRI



## ATTACHMENT VII

LIST OF MOTOR VEHICLES WHOSE DELIVERY OR IMPORT IS SUBJECTED TO SALES TAX  
ON LUXURY GOODS AT THE TARIFF OF 125% (ONE HUNDRED AND TWENTY-FIVE PERCENT)

| NO. | DESCRIPTIONS OF GOODS  | HS NO.   |
|-----|--|--|
| 1.  | Motor vehicle for the transport of less than 10 (ten) people including driver, with spark ignition internal combustion reciprocating piston engine, with a cylinder capacity of more than 3000 cc :                |  |
|     | - sedan or station wagon;  | 8703.24.51.10<br>8703.24.59.10   |
|     | - other than sedan or station wagon,<br>with two-wheeled drive (4x2) system;   | Ex 8703.24.59.90<br>Ex 8703.24.70.00<br>Ex 8703.24.99.00                     |
|     | - other than sedan or station wagon,<br>with four-wheeled drive (4x4 system) ;   | 8703.24.51.90<br>Ex 8703.24.70.00<br>8703.24.91.00                           |
| 2.  | Motor vehicle for the transport of less than 10 (ten) people including driver, with compression ignition internal combustion piston engine (diesel/semidiesel),<br>with a cylinder capacity of more than 2500 cc : |  |
|     | - sedan or station wagon;  | Ex 8703.33.53.00<br>Ex 8703.33.54.00<br>Ex 8703.33.55.00<br>Ex 8703.33.59.00 |

|    |   |    |   |
|----|---|----|---|
|    | - other than sedan or station wagon,<br>with two-wheeled drive (4x2) system ;   | Ex | 8703.33.54.00   |
|    |   | Ex | 8703.33.59.00   |
|    |   | Ex | 8703.33.70.00   |
|    |   | Ex | 8703.33.99.00   |
|    | - other than sedan or station wagon,<br>with four-wheeled drive (4x4 ) system ;   | Ex | 8703.33.53.00   |
|    |   | Ex | 8703.33.55.00   |
|    |   | Ex | 8703.33.70.00   |
|    |   | Ex | 8703.33.91.00   |
| 3. | Two-wheeled motor vehicle, with a cylinder capacity of<br>more than 500 cc:<br>Motorcycle (including moped) and bicycle equipped<br>with additional engine with or without side carriage,<br>including side carriage. | Ex | 8711.40.10.90<br>8711.40.90.00<br>8711.50.90.00<br>Ex 8711.90.40.00<br>Ex 8711.90.99.00 |
| 4. | Trailer or semi-trailer of caravan type, for housing or camping.  |    | 8716.10.00.00   |

THE FINANCE MINISTER OF THE REPUBLIC OF INDONESIA,

sgd.

MUHAMAD CHATIB BASRI

(S)

**SECOND AMENDMENT TO REGULATION OF  
THE MINISTER OF INDUSTRY NUMBER  
21/M-IND/PER/3/2013 CONCERNING APPOINTMENT  
OF JUSTIFICATION ASSESSMENT INSTITUTION IN  
OBLIGATORY APPLICATION AND SUPERVISION OF  
INDONESIA NATIONAL STANDARD (SNI) ON THE  
USE OF SAFETY MIRROR ON MOTOR VEHICLE  
(Regulation of the Minister of Industry of R.I Number  
09/M-IND/PER/1/2015, dated January 9, 2015)**

WITH THE BLESSING OF THE ONE AND ONLY GOD

MINISTER OF INDUSTRY REPUBLIC OF INDONESIA,

Considering:

- a. that in the context of smooth implementation of application and supervision of Indonesia National Standard (SNI) of Obligatory Use of Safety Mirror for Motor Vehicle based on Regulation of the Minister of Industry Number 34/M-IND/PER/4/ 2007, it is necessary to conduct assessment on the Institution for Justification Assessment appointed in accordance with Regulation of the Minister of Industry Number 21/M-IND/PER/3/2013 as amended by Regulation of Minister of Industry Number 21/M-IND/PER/4/2014;
- b. that based on the assessment referred to in letter a, it is necessary to amend Regulation of Minister of Industry Number 21/M-IND/PER/3/2013, as amended by Regulation of Minister of Industry Number 21/M-IND/PER/4/2014;
- c. that based on the consideration referred to in letter a and letter b, it is necessary to stipulate Regulation of Minister of Industry on Second Amendment to Regulation Minister of Industry Number 21/M-IND/PER/3/2013, concerning Appointment of Institution for Justification Assessment in the context of application and supervision of Indonesia National Standard (SNI) on Mirror Obligatory Safeguarding for Motor Vehicle;

In view of:

1. Law Number 3 Year 2014, concerning Industry (Statute Book of the Republic of Indonesia Year 2014 Number 4, Supplement to Statute Book of the Republic of Indonesia Number 5492);
2. Presidential Decree Number 121/P Year 2014, concerning Establishment of Ministry and Appointment of Minister of Kabinet Kerja Period 2014 - 2019;
3. Regulation of Minister of Industry Number 21/M-IND/PER/3/2013, concerning Appointment of Institution for Justification Assessment in the context of application and supervision of Indonesia National Standard (SNI) on Obligatory Safeguarding Mirror for Motor Vehicle as amended by Regulation of the Minister of Industry Number 21/MIND/PER/4/2014;

#### DECIDED :

To stipulate:

REGULATION OF MINISTER OF INDUSTRY ONE SECOND AMENDMENT TO REGULATION OF MENTERI OF INDUSTRY NUMBER 21/M-IND/PER/3/2013 CONCERNING APPOINTMENT OF JUSTIFICATION ASSESSMENT INSTITUTION IN THE CONTEXT OF APPLICATION AND SUPERVISION OF INDONESIA NATIONAL STANDARD (SNI) OF OBLIGATORY SAFEGUARDIG MIRROR FOR MOTOR VEHICLE.

#### Article I

The provision in Article 1 letter a in Regulation of Minister of Industry Number 21/M-IND/PER/3/2013, concerning Appointment of Justification Assessment Institution in the context of application and supervision of Indonesia National Standard (SNI) on Obligatory use of Safeguarding Mirror on Motor Vehicle as amended by Regulation of Minister of Industry Number 21/M-IND/PER/4/2014 as specified in Attachment Regulation of the Minister, is amended by adding one (1) Product Certification Institution, so as to be come as specified in the Attachment to this Regulation of Minister.

**GOVERNMENT REGULATIONS**

**Article II**

**This Regulation of Minister takes effect on the date it is enacted.**

**For public recognition, this Regulation of Minister shall be announced by placing it in the State Gazette of the Republic of Indonesia.**

**Stipulated in Jakarta**

**Dated January 9, 2015**

**MINISTER OF INDUSTRY OF  
THE REPUBLIC OF INDONESIA,**

**sgd.**

**SALEH HUSIN**

**Enacted in Jakarta**

**Dated January 14, 2015**

**MINISTER OF LAW AND HUMAN RIGHTS OF  
THE REPUBLIC OF INDONESIA,**

**sgd.**

**YASONNA H. LAOLY**

**STATE GAZETTE OF THE REPUBLIC OF INDONESIA**

**YEAR 2015 NUMBER 51**

ATTACHMENT

A. ACCREDITED PRODUCT CERTIFICATION INSTITUTION IN THE APPLICATION AND SUPERVISION OF INDONESIA NATIONAL STANDARD (SNI) ON OBLIGATORY MIRROR FOR MOTOR VEHICLE

| NO. | NAME<br>INSTITUTION | ADDRESS   | TYPE OF PRODUCT  | SNI PRODUCT  |
|-----|---------------------|---|--|--|
| 1   | LSPro               | No. 7 through No. 6   | remains  | remains  |
| 7   | LSPro PT. Ceprindo  | Jl. Hybrida PE 10<br>Kav. 30 Kelapa<br>Gading Jakarta<br>Utara<br>Telp. (021)<br>4532451<br>Fax. (021)<br>4532582 | - Safeguarding Mirror<br>must be strengthened<br>for Motor Vehicle<br><br>- Safeguarding Mirror<br>Plated for<br>Motor Vehicle | - SNI 15-0048-<br>2005<br><br>- SNI 15-1326-<br>2005 |

B. ACCREDITED TESTING LABORATORY FOR OBLIGATORY APPLICATION AND SUPERVISION OF INDONESIA NATIONAL STANDARD (SNI) ON SAFEGUARDING MIRROR FOR MOTOR VEHICLE

| NO. | NAME<br>INSTITUTION                | ADDRESS | TYPE OF PRODUCT | SNI PRODUCT |
|-----|------------------------------------|---------|-----------------|-------------|
|     | lab testers<br>no. 1 through no. 2 |         | remains         | remains     |

MINISTER OF INDUSTRY OF  
THE REPUBLIC OF INDONESIA,

sgd.

SALEH HUSIN

( MA )

**SECOND AMENDMENT TO REGULATION OF  
THE MINISTER OF INDUSTRY NUMBER  
105/M-IND/PER/10/2012 CONCERNING  
APPOINTMENT OF JUSTIFICATION ASSESSMENT  
ON OBLIGATORY APPLICATION AND SUPERVISION  
OF INDONESIA NATIONAL STANDARD (SNI)  
ON THE USE OF MELAMINE PRODUCT FOOD  
AND BEVERAGE UTENSILS  
(Regulation of Minister of Industry of R.I Number  
10/M-IND/PER/1/2015, dated January 9, 2015)**

WITH THE BLESSING OF THE ONE AND ONLY GOD  
THE MINISTER OF INDUSTRY REPUBLIC OF INDONESIA,

Considering:

- a. that in the context of smooth implementation of obligatory application and supervision of Indonesia National Standard (SNI) on the use melamine product – food and beverage utensils based on Regulation of the Minister of Industry Number 20/M-IND/PER/2/2012, it is necessary to conduct assessment on the Justification Assessment Institution appointed in accordance with Regulation of the Minister of Industry Number 105/M-IND/PER/10/2012 as amended by Regulation of Minister of Industry Number 28/M-IND/PER/4/2014;
- b. that based on the assessment referred to in letter a, it is necessary to amend Regulation of Minister of Industry Number 52/M-IND/PER/ 10/2013 as amended by Regulation of Minister of Industry Number 18/M-IND/ PER/4/2014;
- c. that based on the consideration referred to in letter a and letter b, it is necessary to stipulate Regulation of Minister of Industry on Second Amendment to Regulation Minister of Industry Number 105/M-IND/PER/10/2012, concerning Appointment of Justification Assessment Institution in the context of obligatory

application and supervision of Indonesia National Standard (SNI) on Melamine product – food and beverage utensils;

In view of:

1. Law Number 3 Year 2014, concerning Industry (Statute Book of the Republic of Indonesia Year 2014 Number 4, Supplement to Statute Book of the Republic of Indonesia Number 5492);
2. Presidential Decree Number 121/P Year 2014, concerning Establishment of Ministry and Appointment of Ministers of Kabinet Kerja Period 2014 - 2019;
3. Regulation of Minister of Industry Number 105/M-IND/PER/10/2012, concerning Appointment of Justification Assessment Institution in the context of obligatory application and supervision on the use of Indonesia National Standard (SNI) on Melamine product – food and beverage utensils, as amended by Regulation of Minister of Industry Number 28/M-IND/PER/4/2014;

**D E C I D E D:**

To stipulate:

REGULATION OF MINISTER OF INDUSTRY ON SECOND AMENDMENT TO REGULATION OF MINISTER OF INDUSTRY NUMBER 105/M-IND/PER/10/2012 CONCERNING APPOINTMENT OF JUSTIFICATION ASSESSMENT ON OBLIGATORY APPLICATION AND SUPERVISION OF INDONESIAN NATIONAL STANDARD (SNI) ON MELAMINE PRODUCT – FOOD AND BEVERAGE UTENSILS.

**Article I**

The provision in Article 1 letter a of Regulation of the Minister of Industry Number 105/M-IND/PER/10/2012 concerning Appointment of Justification Assessment Institution in obligatory application and supervision of Indonesia National Standard (SNI) on Melamine product – Food and Beverage utensils as amended by Regulation of the Minister of Industry Number 28/M-IND/PER/4/2014 as specified in the Attachment to Regulation of the Minister concerned, has been amended with addition of one (1) Product Certification Institution, so as to read as specified in the Attachment to this Regulation of the Minister.



**Article II**

**This Regulation of Minister takes effect on the date it is enacted.**

**For public cognition this Regulation of the Minister shall be announced by placing it in the State Gazette of the Republic of Indonesia.**

**Stipulated in Jakarta**

**Dated January 9, 2015**

**MINISTER OF INDUSTRY OF  
THE REPUBLIC OF INDONESIA,**

**sgd.**

**SALEH HUSIN**

**Enacted in Jakarta**

**Dated January 14, 2015**

**MINISTER OF LAW AND HUMAN RIGHTS OF  
THE REPUBLIC OF INDONESIA,**

**sgd.**

**YASONNA H. LAOLY**

**STATE GAZETTE OF THE REPUBLIC OF INDONESIA  
YEAR 2015 NUMBER 52**

## ATTACHMENT

A. ACCREDITED PRODUCT CERTIFICATION INSTITUTION OBLIGATORY APPLICATION AND SUPERVISION INDONESIA NATIONAL STANDARD (SNI) ON MELAMINE PRODUCT – FOOD AND BEVERAGE UTENSILS (SNI 7322:2008).

| NO.    | NAME INSTITUTION  | ADDRESS  |
|--------|---|--|
| 1<br>5 | LSPro No. 1 through No. 4<br>LSPro PT. TUV Nord Indonesia | remains<br>Perkantoran Hijau Arkadia Tower F,<br>Lt. 7, Suite 706, Jl. Let. Jend TB.<br>Simatupang Kav. Jakarta Selatan 12520<br>Telp. (021) 78837338<br>Fax. (021) 78837338 |

B. ACCREDITED TESTING LABORATORY IN OBLIGATORY APPLICATION AND SUPERVISION OF INDONESIA NATIONAL STANDARD (SNI) ON MELAMINE PRODUCT – FOOD AND BEVERAGE UTENSILS (SNI 7322:2008).

| NO. | NAME                            | INSTITUTION ADDRESS |
|-----|---------------------------------|---------------------|
| 1   | Lab Penguji No. 1 through No. 3 | remains             |

MINISTER OF INDUSTRY OF  
THE REPUBLIC OF INDONESIA,

sgd.

SALEH HUSIN

( MA )

**DELEGATION OF AUTHORITY TO GRANT  
AUTHORITY FOR ISSUING BUSINESS LICENSE  
ON FISH FARMING / MARICULTURE IN  
THE IMPLEMENTATION OF ONE STOP  
INTEGRATED SERVICES TO THE HEAD OF  
CAPITAL INVESTMENT COORDINATING BOARD  
(Regulation of the Minister of Marine and Fishery of R.I  
Number 3/PERMEN-KP/2015, dated January 15, 2015)**

WITH THE BLESSING OF THE ONE AND ONLY GOD

MINISTER OF MARINE AND FISHERY OF  
THE REPUBLIC OF INDONESIA,

Considering:

- a. that as follow-up action to Article 7, paragraph (2) of Presidential Regulation Number 97 Year 2014, concerning Implementation of One Stop Integrated Services, it is necessary to delegate authority for granting business license on fish farming in the implementation of one stop integrated services to the Head of Capital Investment Coordinating Board;
- b. that based on the consideration referred to in letter a, it is necessary to stipulate Regulation of the Minister of Marine and Fishery concerning Delegation of Authority to Grant Business License on Fish Farming in the implementation of One Stop Integrated Services to the Head of Capital Investment Coordinating Board;

In view of:

1. Law Number 31 Year 2004, concerning Fishery (Statute Book of the Republic of Indonesia Year 2004 Number 118, Supplement to Statute Book of the Republic of Indonesia Number 4433), as amended by Law Number 45 Year 2009 (Statute Book Republic of Indonesia Year 2009 Number 154, Supplement to Statute Book of the Republic of Indonesia Number 5073);

2. Law Number 25 Year 2007, concerning Capital Investment (Statute Book of the Republic of Indonesia Year 2007 Number 67, Supplement to Statute Book of the Republic of Indonesia Number 4724);
3. Presidential Regulation Number 47 Year 2009, concerning Establishment and Organization of the State Ministry, as most recently amended by Presidential Regulation Number 13 Year 2014 (Statute Book of the Republic of Indonesia Year 2014 Number 24);
4. Presidential Regulation Number 24 Year 2010, concerning Capacity, Duty, and Function of State Minister and Organizational Structure, Duty, and Function of Echelon I of State Ministry, as most recently amended by Presidential Regulation Number 135 Year 2014 (Statute Book of the Republic of Indonesia Year 2014 Number 273);
5. Presidential Regulation Number 165 Year 2014, concerning Coordination of Duty and Function of Kabinet Kerja (Statute Book of the Republic of Indonesia Year 2014 Number 339);
6. Presidential Regulation Number 97 Year 2014, concerning Implementation of One Stop Integrated Services (Statute Book of the Republic of Indonesia Year 2014 Number 221);
7. Presidential Decree Number 121/P Year 2014, concerning Establishment of Ministry and Appointment of Ministers of Kabinet Kerja Period Year 2014-2019;
8. Regulation of the Minister of Marine and Fishery Number PER.15/MEN/2010, concerning Organization and Work Procedure of the Ministry of Marine and Fishery;

**D E C I D E D :**

To stipulate:

REGULATION OF THE MINISTER OF MARINE AND FISHERY ON DELEGATION OF AUTHORITY TO GRANT AUTHORITY IN PROVIDING BUSINESS LICENSE FOR FISH FARMING IN THE IMPLEMENTATION OF ONE STOP INTEGRATED SERVICES TO THE HEAD OF CAPITAL INVESTMENT COORDINATING BOARD.

## GOVERNMENT REGULATIONS

### Article 1

The Minister of Marine and Fishery shall delegate authority for issuing business license in fish farming to the Head of Capital Investment Coordinating Board with the right to substitute.

### Article 2

- (1) The authority to issue business license on fish farming delegated to the Head of Capital Investment Coordinating Board as referred to in Article 1, namely License for Fishery Business (SIUP) for fish farming.
- (2) The authority to issue SIUP for fish farming referred to in paragraph (1), shall cover issue of SIUP for:
  - a. fish breeding activity and/or fish rearing using foreign capital;
  - b. fish breeding and/or rearing activity located within the sea area above 12 (twelve) sea mile shall be measured from the coastal line toward the islands waters;
  - c. fish breeding and/or rearing activity located in land area cross provinces; and
  - d. fish rearing using super intensive techonology on land and the sea areas above 12 (twelve) sea miles shall be measured from the coastal line toward the sea and/or toward the islands waters.

### Article 3

- (1) The Head of Capital Investment Coordinating Board in issuing SIUP as referred to in Article 2, paragraph (1), shall first of all be obliged to obtain technical recommendation from the Minister of Marine and Fishery.
- (2) For effective provision of technical recommendation referred to in paragraph (1), the Minister of Marine and Fishery shall appoint an official and takes office at the Capital Investment Coordinating Board.
- (3) The officials appointed as referred to in paragraph (2) shall function to conduct verification of the document and coordinate with the relevant agency / work unit.

### Article 4

The technical recommenation referred to in Article 3 paragraph (1), namely, Recommendation for Capital Investment for Fish Farming (RPIPM), for fish farming business as referred to in Article 2, paragraph (2).

Article 5

The Head of Capital Investment Coordinating Board in exercising the authority referred to in Article 2, shall be guided by:

- a. lists of closed businesses and open businesses with terms and conditions on capital investment; and
- b. The Regulation and technical provision on business permits for fish farming stipulated by the Minister of Marine and Fishery.

Article 6

- (1) The Head of Capital Investment Coordinating Board in shall issue the SIUP referred to in Article 2 for and on behalf of the Minister of Marine and Fishery.
- (2) The Head of Capital Investment Coordinating Board in issuing the SIUP referred to in paragraph (1) shall be obliged to provide copy to the Minister of Marine and Fishery.

Article 7

Any SIUP issued before this Regulation of Minister comes to force, shall survive so far the party concerned is still exercising fish farming activity.

Article 8

By the time this Regulation of the Minister comes to force:

- a. Regulation of the Minister of Marine and Fishery Number 49/PERMEN-KP/2014 concerning Fish Farming Business, pertains to authority to issue SIUP by the Director General of Fish Farming; and
- b. Regulation Minister of Marine and Fishery Number PER.30/MEN/2009, concerning Delegation of Authority for Granting Permanent Business License for Capital Investment in the context of One Stop Integrated Services on Capital Investment to the Head of Capital Investment Coordinating Board, is revoked and declared null and void.

Article 9

This Regulation of Minister takes effect on the date it is enacted.

**GOVERNMENT REGULATIONS**

For public cognizance, this Regulation of the Minister shall be announced by placing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

Dated January 15, 2015

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

sgd.

**SUSI PUDJIASTUTI**

Enacted in Jakarta

Dated January 15, 2015

**MINISTER OF LAW AND HUMAN RIGHTS OF  
OF THE REPUBLIC OF INDONESIA,**

sgd.

**YASSONA H. LAOLY**

**STATE GAZETTE OF REPUBLIC OF INDONESIA  
YEAR 2015 NUMBER 61**

**( MA )**