

Business News

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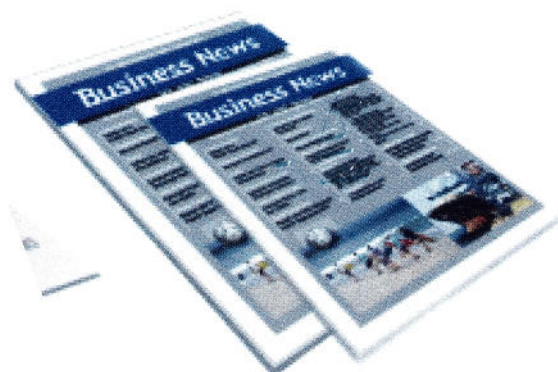
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UNDER THE TREE OF ECONOMIC PACKAGE

Less than one month, the government has launched two economic packages. To the best of our beliefs, the government released again the Second Edition Economic Package on Tuesday (29/9). Apparently, the policy is rather directed to accelerate investment and grant taxation facilities. As disclosed by Coordinating Minister for Economy Darmin Nasution, investors planning to build factory in industrial estates with the investment value minimally Rp100 billion and absorbing one thousand manpower are sufficient to settle license in around three hours. The second edition economic package also regulates the cutting of tax on export earnings. The measure is expected to boost exporters to place export earnings in national banking, not in other countries as taken place so far. Surprisingly, the export earnings deposited in the US dollar over six months are subject to tax nil percent. Previously, the government also promised to disburse a budget of Rp 1 trillion to help exporters overcome economic downturns and other policies.

Apparently, the second edition economic package has not been able to prevent the depreciation of the Rupiah. Conversely, the rupiah even approached the psychological limit, Rp 15,000 per US\$1. This year, the rupiah has depreciated by 18%, compared to the initial exchange rate in January 2015, a sharp decrease compared to 2014 when the rupiah depreciated by only two percent.

Naturally, the economic package should result in a sweet economic fruit. However, as disclosed by parties, the pressures on the rupiah are not only attributable to internal factor, or combination of both, a kind of understanding that started to be built. Nonetheless, it is necessary to stipulate a benchmark, namely economic package or whatever it is called

should fruit sweet economically. Even, it would be better if the package also fruits politically and others.

Now, we are standing under a tree of economic package launched by the government. Standing under the tree surely means waiting for a sweet fruit. Unless it is obtained, we could use it for a place to shelter from the exposure of sun ray burning the skin. The government has worked hard so as to be able to result in policies which should and may be made for good objective too. However, a good concept accompanied by goodwill frequently does not result in a good fruit.

A number of factors are potential to abort policies to achieve their goals. Probably, the policies are not born in the right moment. Deregulation and creating investor friendly policy amid the uncertainties are potential to cause the policies to be only good on paper. In addition, domestic condition which is not conducive due to divergent opinions between cabinet members adds more anxiety to investors and the factors are non economic.

Nonetheless, we expect the first and second edition economic packages to be able to create changes. The changes are surely positive changes in line with the great policies of the government. The two economic packages should be viewed as a form of the perseverance and creativity of the government to think about solution to the encountering issues. By the policies, the government actually tried to answer economic issues by economic answers. The people now bunching up while laying down their hand under the tree of the economic packages expect to obtain sweet fruit, not reversely. Hopefully it is realized.

Jakarta, October 1, 2015

SEPTEMBER 2015 DEFLATION AT 0.05 PERCENT

Jakarta, *Business News*

The development of prices of various commodities in September 2015 in general showed a decrease. Based on the monitoring results of the Central Statistics Agency (BPS) in 82 cities in September 2015 deflation occurred at 0.05 percent or a decline in Consumer Price Index (CPI) from 121.73 in August 2015 to 121.67 in September 2015. Inflation rate by calendar year (January to September) 2015 at 2.24 per cent and inflation rate year-on-year (September 2015 to September 2014) at 6.83 percent.

Deflation occurs due to price decreases as indicated by the decline of indexes of some expenditure groups, namely: foodstuff 1.07 percent and transportation, communications and financial services 0.40 percent. While, the groups that experienced an increase of index are: food, beverages, cigarettes and tobacco 0.39 percent; housing, water, electricity, gas and fuel 0.20 percent; clothing group 0.83 percent; health group 0.44 percent; and education, recreation and sports 0.89 percent.

Some commodities that experienced price declines in September 2015 include: purebred chicken meat, red chili peppers, air transport tariff, red onion, cayenne pepper, cooking oil, gasoline, purebred chicken eggs, stink beans and kale. While, commodities which experienced price increases include; rice, academy/university tuition, gold jewelry, carrots, garlic, noodles, rice with side dishes, clove cigarettes, filtered clove cigarettes, home contract tariff, home rent tariff, wages of domestic helpers and cars.

**Consumer Price Index and Combined Inflation Rate of 82 Cities in September 2015,
Calendar Year 2015 and Year-on-Year by Expenditure Group (2012 = 100)**

Expenditure	IHK Sept 2014	IHK December 2015	IHK Sept 2015	Inflation Sept 2015 ¹⁾	Inflation Year Calendar 2015 ²⁾	Inflation year to Year ³⁾	Role Inflation Sept 2015
General (Headline)	113,89	119,00	121,67	-0,05	2,24	6,83	-0,05
1 Food	119,92	126,76	129,83	-1,07	2,42	8,26	-0,23
2 Instant Food, Drinks, Cigarettes, and Tobacco	115,23	118,84	124,75	0,39	4,97	8,26	0,07
3 Housing, Water, Electricity, Gas And fuel	112,17	115,55	118,65	0,20	2,68	5,78	0,05
4 Clothes	105,68	106,49	110,01	0,83	3,31	4,10	0,06
5 Health	109,07	111,00	115,78	0,44	4,31	6,15	0,02
6 Education, recreation and sports	109,63	110,37	114,44	0,89	3,69	4,39	0,07
7 Transportation, communication and financial services	115,44	127,27	124,67	-0,40	-2,04	8,00	-0,09

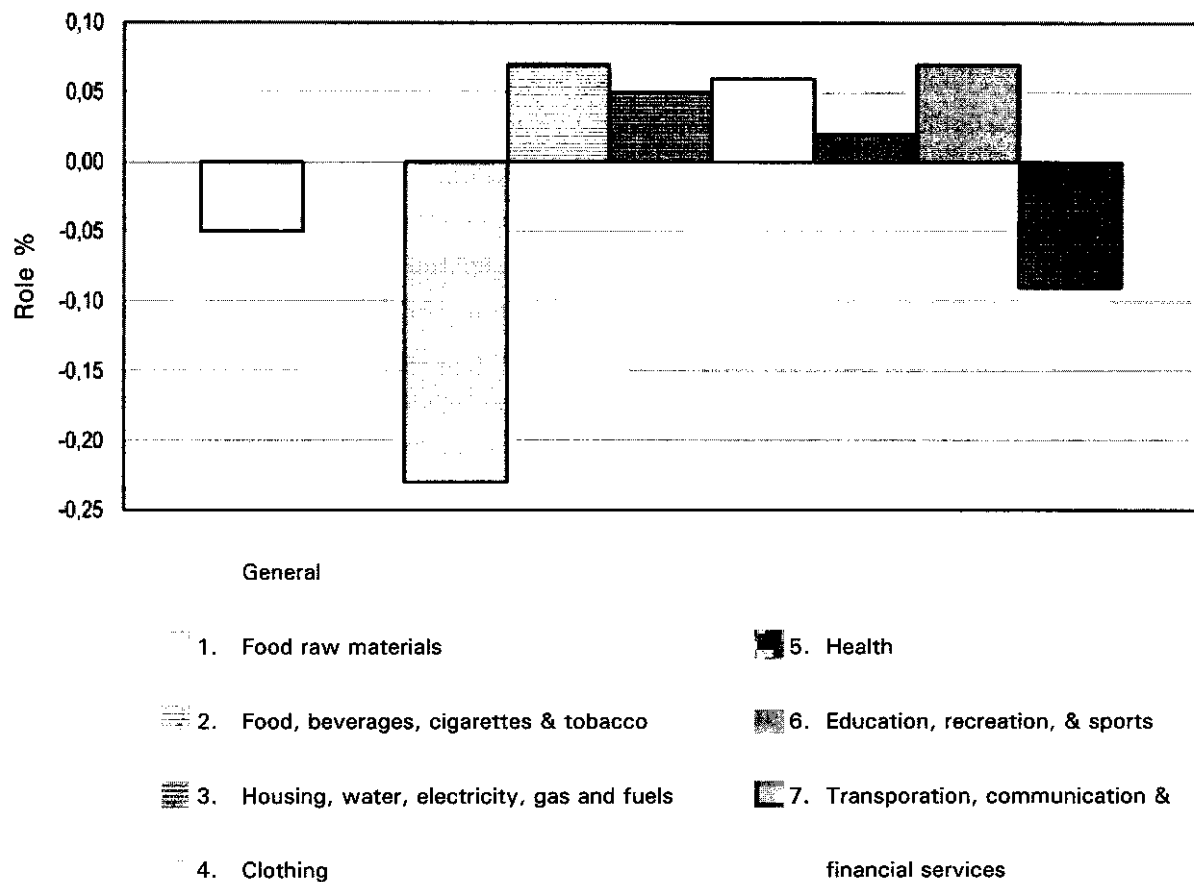
Remark:

1) Percentage of IHK Index September 2015 against IHK Index of previous month

2) Percentage of IHK Index September 2015 against IHK Index December 2014

3) Percentage of IHK Index September 2015 against IHK Index September 2014

Contribution of Expenditure Group to National Inflation (2012 = 100)
September 2015 (percent)



Foodstuffs group in September 2015 experienced a deflation of 1.07 percent or a decline of index from 131.24 August 2015 to 129.83 in September 2015.

Of the 11 subgroups in the foodstuffs group, 6 subgroups experienced deflation and 5 subgroups experienced inflation. Subgroups that experienced the highest deflation is subgroup of spices at 6.08 percent, and the lowest is experienced by milk and eggs and products thereof at 0.26 percent. While, subgroup with the highest inflation is subgroup of grains, tubers and products thereof at 1.86 percent, and the lowest is experienced by other foodstuffs subgroup at 0.19 percent.

This group in September 2015 contributed 0.23 percent to deflation. Dominant contributors of deflation include: purebred chicken meat 0.13 percent; red chili peppers 0.09 percent; red onion 0.04 percent; cayenne pepper and cooking oil at 0.02 percent, respectively; purebred chicken eggs, stink beans and kale at 0.01 percent, respectively. While the dominant contributors of inflation include: rice 0.08 percent; and carrots and garlic at 0.01 percent, respectively.

In September 2015 deflation occurred at 0.05 percent with Consumer Price Index (CPI) at 121.67. Of 82 cities of CPI, 36 cities experienced deflation and 46 cities experienced inflation. The highest deflation occurred in Sibolga at 1.85 percent with CPI at 120.15 and the lowest occurred in Bandung at 0.01 percent with CPI at 120.61. While, the highest inflation occurred in Merauke at 1.33 percent with CPI at 123.20 and the lowest occurred in Jakarta with CPI at 122.38.(E)

TO ENHANCE INVESTMENTS AND THE REAL DEVELOPMENT AMIDST UNCERTAINTY

Jakarta, *Business News*

Surprisingly the Fed again suspended increase of FFR; and spontaneously the global financial market reacted to it with suspense.

Many circles expected the Fed would be decisive in regard to FFR increase, so all central banks of the world could adjust their strategies with the existing condition.

The monetary crisis than befell on America in 2008 triggered by cumbling subprime mortgage left severe damages which called for thorough restoration. To keep economy rolling, the policy of determining benchmark rate was high on priority list.

As America's economy improved the rate lowering regime would be in reversed motion, after being preceded by Quantitative Easing Package in October 2014 last. It had been a long time since the Fed increased FFR; the last time they did it was in 2006.

Each time before FOMC Meeting the target if FFR increase was already set including the timing. The public must have clue which way the Fed was headed for.

The Fed's policy placed national interest high on priority list and since the USA was the biggest economic power of the world, the impact of the Fed's decision was felt by the world including Indonesia.

Rupiah was even more miserable as People's Bank of China devaluated their Yuan to jack up their export which dropped. The economic condition in America and China affected global moneymarket as they were the world's leading economies.

Uncertainty was still haunting the world's economy as the Fed suspended increase of FFR and

China devaluated Yuan, which means Rupiah position was still unstable. FOMC planned to meet in October with probability FFR being increased; but it was still possible that FFR increase be postponed till December, or even in early 2016.

Taking into consideration devaluation of Yuan, the Fed postponed increase if FFR which showed how concerned they were with China's macro economic policy. Devaluation of Yuan means that US commodities would have to compete with China's commodities which were more competitive.

Under the circumstances it was advisable for the Indonesian Government to scheme up a strategy with the objective of creating direct impact on economy to regain market confidence and uplift Rupiah value which had come to Rp14,600 per USD.

As told, the Government had launched Economy Package Policy on September 9, 2015 to revitalize economic slowdown. apparently the instrument in that Policy was deregulation focused on industry and trading for the medium and long term.

It must be understood that the real sector today was in need of Government's policy which could produce instant result.

The year 2015 was a hard year for the world and Indonesia. Uncertainty was long and dragging which needed short term solution.

Short term policy was an urgent matter to rescue industry and prevent mass worker's dismissals. To illustrate, the furniture industry was troubled by high bank interest, demanding labor unions, and unfriendly regulations.

It was noteworthy that the furniture industry was one of Indonesia's important export commodity

because 80% of the raw materials were from local resources.

At global level, furniture and woodcraft industry totaled USD 140 billion. The biggest market was the USA and Europe and China being the biggest exporter of furniture with export amounting to USD 50 billion in 2014. Vietnam had a share of USD 7 billion while Indonesia commanded over only around USD 2.8 billion.

In fact Indonesia with all the potentials had the potential to export more furniture. Unfortunately because Indonesia's competitiveness (in terms of investment climate) was low, Vietnam excelled over Indonesia. The bad news was that 10 to 15 companies in Indonesia were planning to relocate their business to Vietnam in 2016 next year in the form of foreign capital investment.

Some economist believe that the furniture industry as labor intensive industry was most potential for minimizing poverty and to promote people's welfare. From the macro perspective, the global situation today was definitely unfriendly to the furniture industry or any industry at all because of Indonesia's poor

competitiveness.

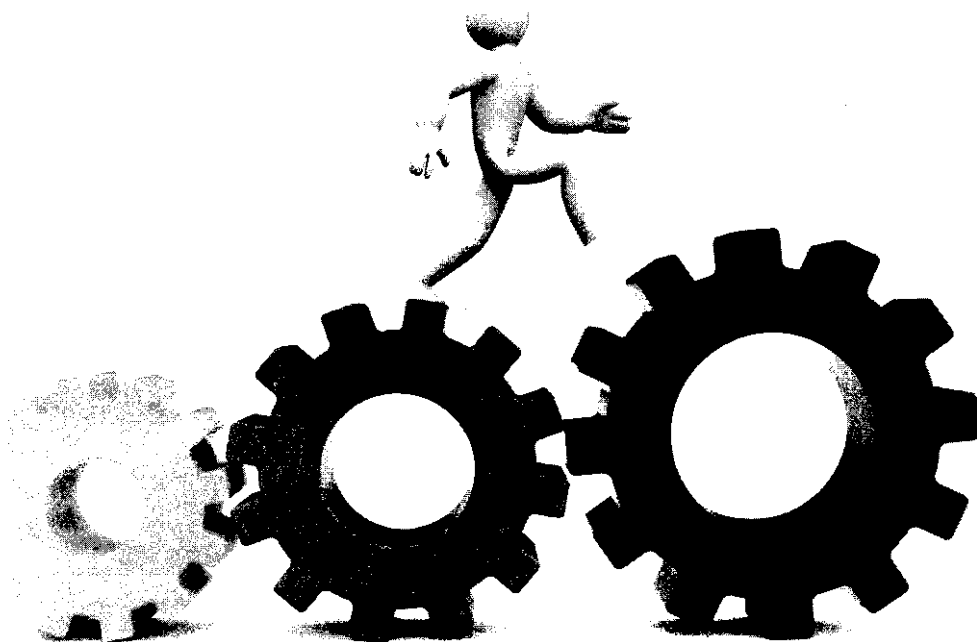
In this case BI's policy not to change benchmark rate at the Board's meeting was worthy of appreciation. No matter how attractive the incentive to propel economy through lowering of benchmark rate, the side effect of lowering BI Rate on Rupiah must not be ignored.

At a time when Rupiah slumped to Rp 14,600 per USD and forex reserves dropped to as low as USD 103 billion, to increase BI Rate was not attractive.

It must be borne in mind that the Economic Policy Package and all the deregulations contained therein was nothing more than paperwork which were still to be proven of their effectiveness by sound action afield.

One thing to be understood was that the September 1 package designed to respond to crisis challenge was long term by nature so it might take some time before any result was visible while crisis was lurking at the doorstep. Under such circumstances a safety net would come in handy.

The crisis cushion was intended to maintain or step up people's purchasing power. For that mat-



ter, it was necessary for the Government to maximize effort to prevent large scale dismissals. At the same time the Government must also provide job opportunities for the jobless.

To keep producers working, the Government could learn from the economic crisis of 2008 when they reduced taxes for companies. Lessened tax made investors maintain their business in Indonesia, instead of moving to another country where tax was less.

Companies expenses were reduced. Thereby companies did not have to dismiss their workers so their purchasing power remained. Such was against the Government effort to jack up taxes, but that was the price the Government had to pay. At any rate the Government must propel economy because in the end it was income-from-tax which would increase.

Business people asked the Government to

consider reduction of Income Tax and personal taxes as economic stimulus. In their opinion it was not wrong for the Government to sacrifice income-from-tax target as long as economy in all lines was re energized.

Naturally tax reduction would result in reduced state's income-from-tax. However, reduction of company's tax was temporary. If condition returned to normal, the Government could always bring back corporate tax to previous level.

The Government could still learn from 1998 crisis when at that time the Government ran labor intensive projects. Rural fund could serve as instrument to fuel labor-intensive program. Hence the villagers would have better purchasing power. Poverty in the villages would be minimized to keep the economic machine rolling. (SS)



SHEETS AND SAFETY GLASS ASSOCIATION: THE COMPETITIVENESS OF THE GLASS INDUSTRY STILL WEAK

Jakarta, *Business News*

Sheet and Safety Glass Association (AKLP) stated that after passing through the first semester of 2015, this sector is likely to grow only a maximum of 5% compared with the performance in the same period last year. Yustinus Gunawan, Head III of AKLP, in Jakarta, on Tuesday (September 29), said that performance growth expectation is based on the performance of exports, along with the slow pace of domestic demand.

According to Yustinus, with the weakening of manufacturing industry performance, Chinese flat glass manufacturers automatically sell their products at low prices, thereby closing the market competitors. Currently, the national production capacity is 1.5 million tons, while production this year is estimated to reach 1.37 million tons.

Yustinus admitted that, flat and safety glass industry has not experienced performance improvement in the third quarter of 2015 due to low demand and competitiveness. He said that although it has not received a report from all members of the association, performance in the third quarter still continues the conditions of the previous two quarters, which is slowing around 15% -20%. "Infrastructure projects encouraged by the government have not given any impact," said Yustinus.

In addition to low demand, competitiveness factor also makes it difficult for local producers to explore the export market. He said that the high price of gas makes local producers less competitive compared

with other exporting countries which have averagely lower gas prices by more than half, even subsidized by the state. The need for flat and safety glass in Indonesia reached nearly 900,000 tons and dominated by local producers. The requirement is 65% of total production. And the rest is exported to Southeast Asia, Japan, the Middle East and New Zealand.

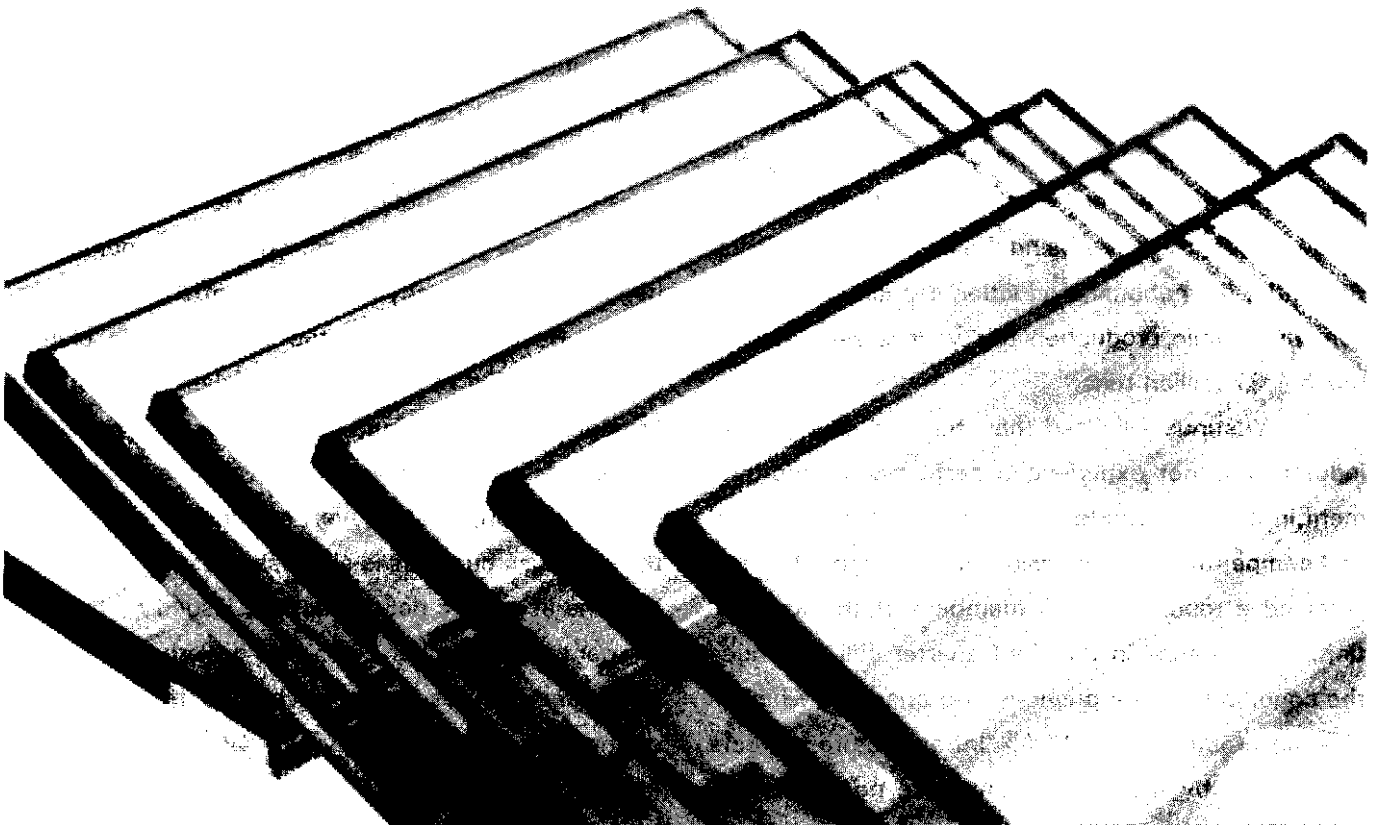
Yustinus saw that the slow growth in the domestic economy is increasingly hitting industry performance in the country, including the flat and safety glass industry. He revealed that due to the weakening of the national economy, especially the effect of a decline in automotive industry, makes the glass business to be increasingly declining. He said that due to the declining glass business, some glass companies began to do efficiency by doing layoffs.

He explained that the government's plan to revise the rules of import of flat glass gives rise to protests of entrepreneurs in this industry. The reason is that this rule is believed to shut off the glass industry in the country. Moreover, currently the growth of the flat glass business is sluggish. Yustinus explained that the economic policy package issued by the government in September 2015, the government revised a number of rules, one of which is the Regulation of the Minister of Industry No. 44 / M-IND / PER / 4/2011 and No. 34 / M-IND / PER / 4/2007 on certification policy of the Indonesian National Standard (SNI) for imported sheet glass and safety glass.

He said that if these rules are revised, imported glass products will flood the domestic market and will kill local products. Because in terms of price,

many local players are unable to compete with imported products. It is said that cheaper price makes competitiveness lower, and this rule will destroy the domestic glass industry because local products did not have protection from the government. He said that currently 10% -15% of imported flat glass products have been circulating in the local market, the remaining 85% -90% is local products. With the new rules, the share of domestic products will be eroded.

Yustinus explained that slowing of the flat glass industry is also driven by increased production costs, such as rising gas prices and wages. Although flat glass producers have raised the selling price of their products, they have not been able to cover the rise in production costs. According to him, slowing economic conditions makes demand in the property sector to fall. The impact is that flat glass demand from this sector is also sluggish. (E)



GOVERNMENT TO IMMEDIATELY ENACT SNI FOR BATIK AS AN INTANGIBLE CULTURAL HERITAGE

Jakarta, *Business News*

In order to protect Indonesian batik from batik influx from other countries, the government will soon issue regulations on Indonesian National Standard (SNI) for batik as an intangible cultural heritage. As stated by the Director General of Small and Medium Industries (SMI) of the Ministry of Industry, Euis Sae-dah, after opening Cultural Heritage Batik Exhibition VIII in Jakarta, on Tuesday (September 29), as an instrument to protect Indonesian batik, then after enacting Batikmark, the government will also issue SNI for batik, which will be applied voluntary in Indonesia.

"To protect batik cloth that will be used as sample, the government is still considering what method to be used, so that the fabric is not deformed because a piece of the batik cloth will be taken as sample of use of batik mark. Consequently, to preserve the product, especially for products which cloth is already old with traditional pattern, the government is still considering the sample collection method, said Euis after accompanying Minister of Industry Saleh Husin, in opening the exhibition which will last until October 2, 2015 at Plasa Industry.

Indonesian batik must be protected, and the government has enacted rules requiring batik to use Batikmark, so it is a mark for batik. The use of batik mark, besides providing quality assurance to Indonesian batik, also increases consumer confidence at home and abroad, as well as providing legal protection from a variety of unfair competitions in the field of Intellectual Property Rights (IPR) and domestic or international trade. According to Euis, Batikmark can be made by companies that have obtained the cer-

tificate of use of Batikmark, or if it cannot make its own Batikmark, it may request the assistance of the Handicraft and Batik Center Yogyakarta.

According to Euis, Indonesia's continuous efforts and seriousness in applying batik mark is so that this idea is authentically done by Indonesia, because there is a concern that many other countries are interested in this idea. Currently the number of batik SMEs is estimated to reach 50 thousand units. With growth reaching 8 percent per year, it is estimated that this year it will grow to 60 thousand units and absorb 200 thousand workers. The main objective of the issuance of Batikmark certification is to ensure the world perspective that patterned textiles and batik process is Indonesian traditional wealth and maintains the quality of batik textiles and batik process to batik consumers.

This certification is also aimed at facing competition of identical or similar products sold in the market and to face the threat of piracy of Indonesian batik by foreign textile manufacturers. Until now, according to Euis, the number of entrepreneurs who register Batikmark only reached around 200 companies. They are still waiting, because most people are not concerned whether they already use Batikmark batik or not. They have more confidence in using more familiar brands or brands that they trust, rather than using Batikmark.

Meanwhile, Minister of Industry Saleh Husin stated that the use of batik from many regions can also be a viral promotion and personal pride of someone who had ever visited a region of origin of the batik motif. Batik itself has become a cultural identity of Indonesia which is getting stronger. Even the United

Nations Education Scientific and Cultural Organization (UNESCO) established batik as an intangible cultural heritage (World Heritage) on October 2, 2009.

Many figures have been wearing Indonesian batik in government events, like world figures such as Nelson Mandela, Bill Clinton and US President Barack Obama. "We can keep preserving batik by using and buying batik so that SME operators and workers of contemporary and traditional batik will be faithful to their profession," said Minister of Industry.

If explored more closely, batik which becomes a World Heritage, lies not in the fabric, but through the techniques and processes. Indonesian batik has diverse motifs with philosophical essence, interesting design, and very high artistic value, and the methods of batik workmanship by being printed or made by hand / using canting tools (handmade batik) both of which have become the hallmark of Indonesian batik which is recognized worldwide. (E)



PTPN XI COMMITTED TO ENHANCE EFFICIENCY

Jakarta, *Business News*

Among the challenges faced by the sugar industry in Indonesia was efficiency. Today per kg production cost of sugar in Indonesia was higher than that in other countries. To meet such objectives PTPN XI enhanced efficiency by way of automatization in sugar mills. Doly Pulungan, Director of PTPN XI told BusinessNews.

So far sugar milles had been using energy excessively at PTPN XI this was overcome by building broilers with pressures of 48 bars against the previous 20 bars. Thereby thete would be over supply of energy which could be sold to PLN. Besides, electricity cost could be minimized because it was self-produced.

The fund was taken from State Capital amounting to Rp400 billion, today Djatiroto Sugar Mills produced 7,500 TCD and 2017 to be increased to 8.500 TCD and in 2019 to become 20.000 TCD. This was most important because the smaller the capacity the more inefficient it would be.

Djatiroto Sugar Mills as supported by 12,000 ha of land producing 110 tons of sugar per Ha. The land was not wide enough for such big capacity so the biggest supply was still from farmers. Farmer's sugarcane productivity was 80 tons/ha and must be increased to 100 tons/ha.

Besides PTPN XI had injection of another Rp 250 billion for increasing capacity of PG Asembagus which could produce premium sugar. The present capacity was 2,400 TCD to be increased to 4,500 TCD in 2017 and to become 6,000 TCD in 2019. The land possessed was 2,000 ha so sugarcane supply were mostly from farmer's land covering 4,000

ha.

In the first year the cost was Rp 650 billion from PNM and Rp 50 billion from internal cashbox. Total fund needed in 5 years was Rp 3,2 tillion. Each year PTPN would propose PNM while the rest would be obtained from Bank Syariah which was more profitable compared to conventional banks.

All the effort was done for preparations to anticipate AEC. Indonesia's main competitor in sugar business was Thailand, therefore production cost muts be downsized to at least the same level as Thailand. Today production cost of sugar in Indonesia was Rp8,500 while in Thailand it was only Rp5,000/kg,

Besides Asem Bagus and Djatiroto 5 other sugar mills belonging to PTPN XI would also be automated. "The key to success ls technology, without technology we would be outsmarted. In India in sugarmills of 5,000 TCD the number of workers was 100 to 200 people. In Inddonesia in sugar mills of 1,000 TCD the number of workertw was 700 – 800 workers.

In accordance with the program of the perovincial Government of East Java that all efficiency programs in sugar mills must not cause unemployment, the unemployed workers would be employed as machine operators

With new machines it would be possible to produce ethanol for fuel. Fuel cost which had been Rp65 billion could be reduced to Rp65 billions or even zero Rupiah.

In sugar business the margin was thin because the market tend to be oligopolic where buyers dominated the market and producers. Therefore the focus was not only on sugar but also on other prod-

ucts like animal feed from sugarcane pulp with capacity of 150 ton month and bio ethanol with fuel grade at the capacity of 150 km/day.

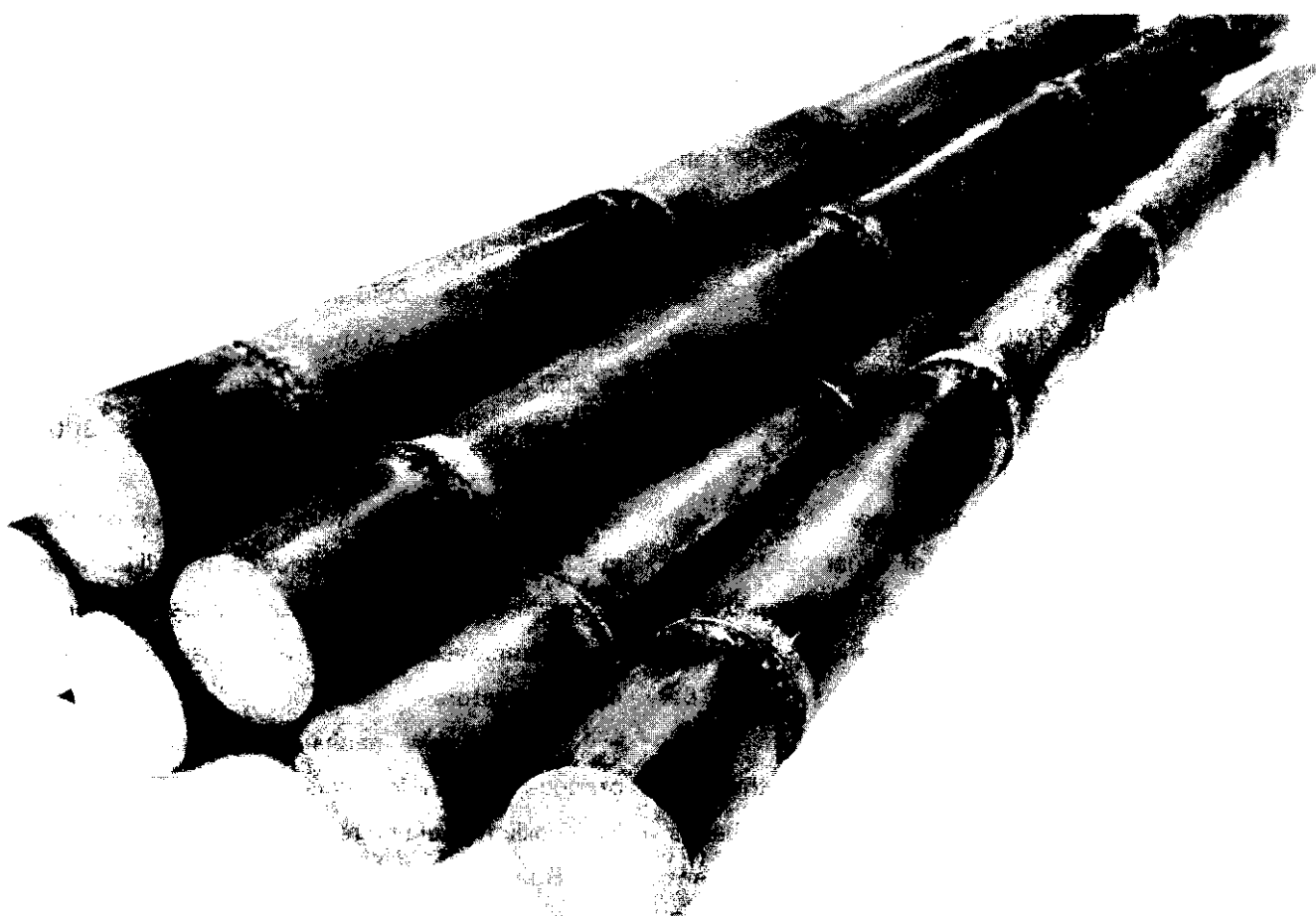
According to Production Director Budi Ari Prabowo beside automation, improvement was also executed on seeds to yield Premium plant. PTPN XI collaborated with the Indonesian Sugar Research Center to increase farmers' productivity from the present 63,000 tons of sugarcane/ha to at least 80 tons sugarcane /ha.

Operations on farm was by space planning of land. Farmers land was consolidated in one expanse

of at least 5 ha. The main obstacle was that farmers were reluctant to combine in groups, and yet in Thailand and Australis, farmers joined in groups and they were successful.

The Ministry of Agriculture was now extending aid in the form of four-wheel tracktors. It was expected that for every 300-400 ha the number of tractors was 8 to 10 units to make it ideal.

Sugar production of PTPN XI was to be increased from 400,000 tons to 500,000 tons, the quality was also increased not just to supply household needs but also for F&B industry.(SS)



EAST KALIMANTAN PURSUE BUILDING OF GIANT OIL REFINERY PLANT IN BONTANG

Jakarta, *Business News*

The Provincial Government of East Kalimantan was optimistic about building of oil refinery plan at the capacity of 300,000 barrel per day in Bontang in tandem with new investment plan by Saudi Arabia. At the moment two gigantic corporations were operating i.e. Pupuk Kalim and LNG Badak. Of operation of plants run as planned, Pertamina's rating would be up to become 50th biggest companies in the world. "Even the tender is at international level. We do not depend on APBN state budget. The Bontang projects costs 3 times as much as Balikpapan – Samarinda toll road" Helfin Head of Expert team of West Kalimantan Province told *Business News* (28/9).

The Bontang project had entered the stage of probing by Arabian investor Syekh Sayyid al-Husaini. The Provincial Government and Syekh Sayyid would propose to the Ministry of Energy and Mineral Resources and PT Pertamina. Syekh had hereditary link with Muhammad Arsyat Al Banjari in Banjarmasin so the emotional link would be catalyst of investment collaboration. "We have held a meeting twice in Jakarta. The project value was not fixed yet but estimated at USD 10 billion."

Syech Sayyid had close relationship with Saudi Royal Family who had influence to approve collaborations. Syech once mentioned the plan to supply oil raw materials for Bontang refinery. Beside Saudi Arabia, Syech also mentioned Iran, Kuwait and Russia who could contribute to supply oil. "In the near future they would come again to Jakarta."

Besides Helfin was also optimistic about the Coal-to-Liquid (CTL) project in collaboration with Korea. The Governor would benefit from Korea's technology in processing low calorie coal; but such type of coal was prohibited for export.. "So the Korean investor was interested in processing low calorie coal into liquid fuel. They have capital, technology but would absorb local workers. By end of November they would come again here"

The investors had met the Governor several times. CTL would help to produce low cost energy. The CTL output capacity was around 600 MW known from feasibility study, but Korea's own need was only 400 MW. So the remaining 200 MW would be offered to PLN; they would not mind to buy. "If everything goes well, the investment would be worth around USD 5 billion." (SS)

SOUND POLICY NEEDED AS PEOPLE'S PURCHASING POWER SLUMP

Jakarta, *Business News*

House member Djoko Udjiyanto expressed his grievances about economic slowdown resulting in people's low purchasing Power. He urged the Government to take sound measures to accelerate program execution which directly touched people's need. His monitoring outcome in the regions concluded that economic slowdown in Indonesia had injured small business (UMKM) in Indonesia. UMKM complained about people's low purchasing power which made them hard to sell their products. Djoko said this at Parliament House on Monday (28/9).

Vice Chairman of the Budgetary Board of House appreciated Government's policy which drummed up investors like the 35,000 MW electricity project but the fruits of such would only be felt in the long run.

Today the people had to fulfill basic needs which was most pressing. The public did not need fancy programs but sound programs that generated immediate results.

Djoko also reminded the Government of food resiliency program and rural based programs but no tangible result was felt so far. If only President Jokowi would go down the villages he would see life was getting hard and job opportunities were just as difficult to find.

The Government must stop making excuses and put the blame on external sentiments like global economic slowdown. Everybody knew that many factors governed Rupiah fluctuation today, but the Government's inability in rescuing Rupiah showed that that the Government had failed to run sound and effective fiscal management. (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. Pendi-
 dikan 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,
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ISSN 1410 - 2501

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PHASE ONE AND PHASE TWO OF POLICY PACKAGE SYNERGIZE TO BRING RESULT

Jakarta, *Business News*

Pursuant to Economy Policy Package Phase I launched on September 9 last, the Government planned to launch Deregulation Package Phase II to make Indonesia more competitive in drumming up foreign investors.

Cabinet Secretary Pramono Anung told the Press at the Presidential Office on Monday (28/9) that the President was giving his directives to Economic Ministers to cut bureaucracy line and simplify procedures for candidate investors applying to invest in Indonesia.

The limited meeting attended by economic ministers discussed two things. Firstly to strengthen Indonesia's competitiveness in global investment market as many rules had been deregulated.

Secondly in line with the manpower issue, in times of adverse economy the President urged companies not to dismiss workers. "These are the points being seriously discussed by the economic ministers" Pramono said.

About when the timing when the Deregulation Package would be announced by the President, Anung said that the Government was preparing it, to be announced probably September or October. "We

are preparing it" Anung said.

Pramono said that many rules would be deregulated, especially those having direct effect on the businessworld.

According to Pramono, although the President had officially not received any report of cases of dismissals, he regularly updated data by monitoring from the mass media. President Jokowi strived hard that dismissals be prevented.

"In the present condition there should be even room for businesspeople to open new business and open employment opportunities. Pramono said while expecting that the Phase two Deregulation Policy would be beneficial to the businessworld. "Hopefully it would be forceful" the President said.

The limited meeting was attended by the Minister of Environmental Affairs and Forestry Siti Nurbaya, the Minister of Energy Sudirman Said, the Minister of Communication Ignatius Jonan, the Cabinet Secretary Pramono Agung, the Ministry of Finance Bambang Brodjonegoro, the Ministry of Trade Thomas Lembong, The Ministry of Land and Space Planning Ferry M. Baldan, the Ministry of Law and Human Rights Yasona H. Laoly and the Minister of Manpower Hanif Dakhiri.(SS)

CONSUMPTION OF CEMENT INCREASE AS GOVERNMENT SPUR ON INFRASTRUCTURE BUILDING

Jakarta, *Business News*

The Government's resolution to accelerate infra structure building brought fortune to cement producers at home. Since August 2015 the number of cement consumers increased significantly. The increased consumption of cement indicated heightening development of infra structure.

Chairman of ASI Widodo Santoso stated on Monday (28.9) that cement consumption in Indonesia in August 2015 was posted at 6.18 tons – an increase of 6,28 tons or 17.% compared to August last year at 5,37 million tons. In September 2015 national cement consumption was predicted to increase by 6% compared to September 2014 at 6.63 million tons.

Director of PT Semen Gresik Suparni remarked that sales volume in August 2015 was posted at 2.3 million tons, an increase of 11.5% against August 2014. In September 2015 sales was predicted to increase by 4.0% against that of September 2014. The good news was that sales PT Semen Gresik cement

in August increased by nearly 30% against last year. "This means there was increase of cement used by big projects" he said.

Suparni remarked further that consumption of cement in September 2015 increased quite significantly. Cement factories like Semen Padang, Tonasa, Semen Gresik operated in maximum capacity due to high domestic demand. Semen Padang which supplied Sumatra and West Java was able to sell above 22,000 tons of cement on the average, while Semen Gresik which supplied Java, Bali, Kalimantan and East of Indonesia above 45,000 tons. Semen Tonasa which supplied Sulawesi, part of Kalimantan, Maluku and Papua above 20,000 tons. Hence average daily production of cement had increased by 12% - 15% against Q 1 2015.

Chairman of ASI and Director of Semen Gresik estimated cement consumption in the next 4 months would increase around 4% - 5% so total consumption of cement by year end would increase by 2% against last year. (SS)

PRESIDENT OPTIMISTIC RICE WOULD ABUNDANT IN YEARS TO COME

Jakarta, *Business News*

President Joko Widodo pledged rice traders and rice millers to support Government's program of self-reliance in rice. The pledge was made by President Joko Widodo on the occasion of Lunch Reception with rice millers, and rice traders in Jakarta, Bogor, Depok, Tangerang and Bekasi at the Presidential Palace on Monday (27/9).

The President was optimistic that rice would be plentiful in the year to come. The confidence mounted after witnessing harvest in Karawang where 13.4 tons of rice was produced per hectare. For that matter President Jokowi asked the Minister of Agriculture to distribute the premium rice seed of Karawang to all of Indonesia including new ricefields.

To anticipate high production output in the future, the President asked farmers, millers and sellers of rice to be prepared. Not only those who were being advantaged by the harvest but also all people. "There must not be any party not being advantaged and not a single party being disadvantaged," the President said.

The President stated that in knowing development of rice price in the market he did not only receive report from the Ministers or BULOG but monitored

the market for himself. "If price is beyond control we would run marketplace operations or take other means" He said.

In that same opportunity the President expressed his grievances about national stock of rice which was measly compared to other countries. China had stock of rice of around 40 million tons while the Philippines with population of 90 million had stock of rice amounting to 2.5 million tons. For that matter the President asked farmers to keep on producing. "In Karawang yesterday I saw one hectare of soil could produce 13.4 tons of rice. Probably they could produce 1.7 tons of rice per hectare." He said.

Beside for stock, the President said, stored rice could also be exported. For that matter the President asked all stakeholders to work hard. As an ex-businessman the President knew about the games played by rice traders and knew exactly what must be done. "I do not wish to disadvantage you. We all must work together for the benefit of the country, the people and all of us," the President said. To BULOG, the President asked to buy all farmers products. "All of them! No excuses of saying that all BULOG rice barns were full. As from now on BULOG must start to think how many storerooms must be prepared" he concluded. (SS)

PROCUREMENT OF ARMS IN PARALLEL WITH ECONOMIC STRATEGY

Jakarta, *Business News*

The Indonesian for Maritime Studies (IMS) urged President Joko Widodo not to stop the production process of submarine. To consider that procurement of Main Instrument of Arms (Alutista) must be synchronous with economic aspect of strategy. PT PAL Indonesia (Persero) one of the BUMN had built 6 ships and offered sales of ships to the Philippines and Saudi Arabia.

"Let's not be naïf. The Indonesian navy (TNI-AL) don't understand economic strategy and the tactics of war. I feel it necessary to give input because the official statement of TNI-L was related to submarine," Admiral (Ret) Bernard Kent Sondakh told *Business News* (28/9).

The economic strategy was applied when Ken Sondakh was Commander of TNI-AL in April 2002 – February 2005. The program of Submarine building started with strategic aspect. The process of transfer of technology was then open when TNI-AL and PT PAL collaborated with South Korea. PT PAL gradually took over the technology of making submarines from Korea. "Evidently as a start TNI-AL with PT PAL built two ships in 2007, Now the Philippine had bought 2 ships. The Government of Saudi Arabia had signed purchase order for six ships. They buy from us because while the price is low, or steel is of top quality; but components of ship was not all from Korea and PT PAL. Torpedo from Sweden, Sonar from Germany."

What was meant by strategic was all buyings was not solely financed by overseas fund. The Gov-

ernment must consider the Trade Balance strategy in bilateral deal with the counterpart country. IMS was disturbed by the statement of TNI AL commander, in partial decision on arms procurement. The official statement by the TNI-AL was simply garbage. "Before deciding to buy submarine from Russia, let's see how Indonesia's bilateral trading with Russia is, surplus or deficit? Russia buys nothing from us. They don't even buy coffee from us. But look at Korea's investment in Indonesia, truly enormous. Just slightly below America. There is Corindo, Samsung etc. All the nations of the world do not overlook the economic aspect in arms buying. We must be smart, especially with Rupiah being depreciated badly by USD."

The tactical aspect must also not be overlooked, in buying arms. For example TNI AL having a ship of 10,000 tons, nuclear powered with far reaching inter-continental ballistic missile. In a battle the ship could sink the enemy's ship.

But never say that ICBM was tactically inferior to torpedo. An admiral must know about tactics, then only talk about missiles and torpedo."

Moreover to consider that the Admiral was a graduate of TNI-AL Staff School. That torpedo could sink a ship because the ship was broken in two. A missile could only burn a ship before sinking it. What arm was more destructive must be understood by a Seskoal graduate. Just look at the Malvinas war of 1982. A British ship sank after it was burned because Argentine used their missiles. Ships with body made of aluminium and steel, in a modern war would burn first before sinking. We also see the type of arms in terms of destructive power." (SS)

BASIC NEEDS PRICE

Jakarta, Business News

No.	Commodity	Unit	SEPTEMBER 2015						
			22	23	24	25	26	27	28
1	Rice IR. I (IR 64)	Kilogram	10,855.00	10,865.00	10,865.00	10,865.00	10,865.00	10,865.00	10,860.00
2	Rice IR. II (IR 64)	Kilogram	10,067.00	10,067.00	10,067.00	10,067.00	10,067.00	10,067.00	10,022.00
3	Rice IR. III (IR 64)	Kilogram	11,710.00	11,720.00	11,720.00	11,720.00	11,720.00	11,720.00	11,720.00
4	Rice Muncul .I	Kilogram	12,670.00	12,670.00	12,670.00	12,650.00	12,650.00	12,650.00	12,600.00
5	Rice IR 42	Kilogram	12,340.00	12,350.00	12,250.00	12,340.00	12,340.00	12,340.00	12,270.00
6	Rice SETRA - I	Kilogram	11,055.00	11,091.00	11,091.00	10,936.00	10,936.00	10,936.00	10,909.00
7	Cooking oil (yellow/curah)	Kilogram	35,273.00	35,000.00	34,091.00	34,545.00	34,545.00	34,545.00	33,000.00
8	Curly red chilli	Kilogram	34,909.00	35,545.00	34,273.00	34,636.00	34,818.00	34,818.00	33,273.00
9	Red Chilli (TW)	Kilogram	50,727.00	48,455.00	47,545.00	47,909.00	47,909.00	47,909.00	42,727.00
10	Red cayenne pepper	Kilogram	30,091.00	27,909.00	27,455.00	28,818.00	28,364.00	28,364.00	26,545.00
11	Green cayenne pepper	Kilogram	21,545.00	21,727.00	21,727.00	21,091.00	21,364.00	21,364.00	20,818.00
12	Red onion	Kilogram	24,455.00	24,727.00	24,909.00	24,682.00	24,591.00	24,682.00	24,364.00
13	White onion	Kilogram	122,273.00	125,000.00	125,000.00	122,727.00	122,727.00	122,273.00	120,455.00
14	Tenderloin	Kilogram	111,364.00	114,091.00	114,545.00	112,727.00	112,727.00	112,727.00	109,545.00
15	Chuck (Semur)	Kilogram	29,900.00	30,400.00	30,100.00	30,400.00	30,400.00	30,400.00	30,800.00
16	Broiler chicken (Ras)	Pieces	20,545.00	20,545.00	20,545.00	20,273.00	20,273.00	20,273.00	20,091.00
17	Chicken egg	Kilogram	20,545.00	20,545.00	20,545.00	20,273.00	20,273.00	20,273.00	20,091.00
18	Lamb	Kilogram	106,250.00	107,500.00	108,750.00	108,750.00	108,750.00	108,750.00	106,875.00
19	Fatty pork	Kilogram	65,100.00	65,100.00	65,100.00	65,100.00	65,100.00	65,100.00	65,000.00
20	Milkfish (medium)	Kilogram	36,364.00	36,364.00	35,909.00	35,000.00	35,909.00	35,909.00	35,455.00
21	Goldfish	Kilogram	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
22	Saffish	Kilogram	24,500.00	24,400.00	24,400.00	24,333.00	24,400.00	24,400.00	24,200.00
23	Sugar	Kilogram	12,682.00	12,727.00	12,727.00	12,682.00	12,682.00	12,682.00	12,591.00
24	Wheat Flour	Kilogram	8,909.00	8,727.00	8,727.00	8,636.00	8,636.00	8,636.00	8,636.00
25	Salt	200 Gram	4,680.00	4,550.00	4,550.00	4,550.00	4,550.00	4,550.00	4,550.00
26	Gas Elpiji (3Kg)	3 Kilogram	20,125.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
27	Bendera powder milk (400 gr)	Box	41,643.00	41,571.00	41,571.00	41,571.00	41,571.00	41,571.00	41,571.00
28	Dancow powder milk (400 gr)	Box	48,138.00	48,138.00	48,138.00	48,138.00	48,138.00	48,138.00	47,888.00
29	Bendera condensed milk (200 gr)	Can	12,088.00	11,938.00	11,938.00	11,938.00	11,938.00	11,938.00	11,875.00
30	Enak condensed milk (200 gr)	Can	10,650.00	10,733.00	10,733.00	10,733.00	10,817.00	10,817.00	10,650.00
31	Margarine Blueband Cup (250 Gr)	Can	9,755.00	9,745.00	9,745.00	9,745.00	9,745.00	9,745.00	9,655.00
32	Margarine Blueband Cup (200 gr)	200 Gram	6,700.00	6,655.00	6,655.00	6,655.00	6,655.00	6,655.00	6,655.00
33	Potato (medium)	Kilogram	11,273.00	11,455.00	11,455.00	11,455.00	11,455.00	11,455.00	11,455.00
34	Tomato	Kilogram	8,909.00	9,000.00	9,182.00	9,182.00	9,273.00	9,182.00	10,364.00
35	coconut peeled	Pieces	6,350.00	6,550.00	6,350.00	6,350.00	6,350.00	6,350.00	6,350.00
36	Water melon	Kilogram	7,800.00	7,750.00	7,750.00	7,750.00	7,750.00	7,750.00	7,750.00
37	Orange Medan	Kilogram	23,556.00	23,556.00	23,556.00	23,556.00	23,556.00	23,333.00	23,444.00

Source : PD Pasar Jaya

(BN)

FOREIGN EXCHANGE RATES

Jakarta, *Business News*

EXCHANGE RATES ON TRANSACTION

CURRENCY	VALUE	OCTOBER 1, 2015			SEPTEMBER 30, 2015		
		BUYING	MIDDLE RATE	SELLING	BUYING	MIDDLE RATE	SELLING
AUD (Australia)	1,-	10,272.31	10,324.48	10,376.64	10,217.55	10,270.17	10,322.78
BND (Brunei)	1,-	10,234.44	10,287.86	10,341.27	10,221.47	10,274.45	10,327.42
CAD (Canada)	1,-	10,969.76	11,027.18	11,084.60	10,860.08	10,916.89	10,973.70
CHF (Switzerland)	1,-	14,953.34	15,028.98	15,104.62	15,004.12	15,081.56	15,159.00
CNY (China Yuan)	1,-	2,292.14	2,303.62	2,315.09	2,292.61	2,304.09	2,315.56
DKK (Denmark)	1,-	2,181.54	2,192.73	2,203.91	2,199.27	2,210.45	2,221.62
GBP (United Kingdom)	1,-	22,061.05	22,172.98	22,284.90	22,094.76	22,208.30	22,321.84
HKD (Hong Kong)	1,-	1,881.40	1,890.83	1,900.26	1,881.76	1,891.22	1,900.67
JPY (Japan)	100,-	12,125.57	12,188.83	12,252.08	12,169.56	12,232.02	12,294.47
KRW (Korean)	1,-	12.35	12.42	12.48	12.23	12.30	12.36
KWD (Kuwaiti Dinar)	1,-	48,217.59	48,491.25	48,764.90	48,243.47	48,517.23	48,790.99
MYR (Malaysia)	1,-	3,307.85	3,327.45	3,347.05	3,278.78	3,297.06	3,315.33
NOK (Norway)	1,-	1,710.88	1,719.96	1,729.03	1,720.03	1,730.02	1,740.00
NZD (New Zealand)	1,-	9,347.88	9,399.10	9,450.32	9,282.72	9,330.66	9,378.59
PGK (Papua New Guinea)	1,-	4,975.04	5,108.93	5,242.81	4,973.14	5,108.51	5,243.88
PHP (The Philippines)	1,-	312.03	313.66	315.29	311.09	312.68	314.27
SAR (Saudi Arabian Riyal)	1,-	3,887.44	3,907.43	3,927.41	3,887.93	3,907.92	3,927.90
SEK (Sweden)	1,-	1,740.35	1,749.57	1,758.78	1,738.86	1,748.00	1,757.13
SGD (Singapore)	1,-	10,234.44	10,287.86	10,341.27	10,221.47	10,274.45	10,327.42
THB (Thailand)	1,-	400.91	403.03	405.14	400.66	402.95	405.23
USD (United States)	1,-	14,581.00	14,654.00	14,727.00	14,584.00	14,657.00	14,730.00
EUR (Europe)	1,-	16,276.77	16,359.00	16,441.22	16,408.46	16,492.07	16,575.67

NOTE : The middle rate is based on Business News calculation

**EXCHANGE RATES BASIS FOR THE PAYMENT OF
IMPORT DUTY, VALUE ADDED TAX ON GOODS
AND SERVICES AND SALES TAX ON
LUXURY GOODS, EXPORT TAX AND
INCOME TAX FOR THE PERIOD OF
SEPTEMBER 30, 2015 TO OCTOBER 6, 2015
(Decree of the Minister of Finance KMK 43/KM.10/2015
dated September 29, 2015)**

THE MINISTER OF FINANCE,

Considering :

- a. as payment of import duty, value added tax on goods and services and sales tax on luxury goods, export tax and income tax, on goods imports, tax debts connected with value added tax on goods and service and sales tax on luxury goods, export tax, and income received or earned in the form of foreign currencies, must first be valued in the rupiah;
- b. that it is therefore necessary to stipulate a decree concerning the exchange rates as the basis for the payment of import duty, value added tax on goods and services and sales tax on luxury goods, export tax and income tax for the period of September 30, 2015 To October 6, 2015.

In view of :

1. Law No. 7/1983 (BN No. 4009 pages 1A-3A and so on) on income tax (Statute Book of 1983 No. 50, Supplement to Statute Book No. 3263) as already amended the latest by the No. 10/1994 on the amendment of Law No. 17/2000 (BN No. 6513 pages 15A-18A and so on) (Statute Book of 2000 No. 127, Supplement to Statute Book No. 3985);
2. Law No. 8/1983 (BN No. 4013 pages 1A-3A and so on) on value added tax on goods and services and sales tax on luxury goods (Statute Book of 1983 No. 51, Supplement to Statute Book No. 3264) as already amended by Law No.42/2009 (Statute Book of 2009 No. 150);
3. Law No. 10/1995 (BN No. 5812 pages 19A-20A and so on) on customs affairs (Statute Book of 1995 No. 75, Supplement to statute Book No. 3612) as already amended by Law No.17/2006 (Statute Book of 2006 No. 93, Supplement to Statute Book No. 4661) ;
4. Law No. 11/1995 (BN No. 5813 pages 6A-10A and so on) on Excise (Statute Book of 1995 No. 76, Supplement to Statute Book No. 3613) as already amended by Law No. 39/2007 (Statute Book of 2007 No.105, Supplement to Statute Book No. 4755);
5. Presidential Decree No. No. 84/P Year 2009;
6. Decree of the Minister of Finance No.347/KMK.01/2008 on Delegation of Authority to First-Echelon Officials within the Ministry of Finance to Sign Letters and/or Decrees of the Minister of Finance on behalf and for the Minister of Finance;

D E C I D E S :

To stipulate:

THE DECREE OF THE MINISTER OF FINANCE CONCERNING
EXCHANGE RATES AS THE BASIS FOR THE PAYMENT
OF IMPORT DUTY, VALUE ADDED TAX ON GOODS AND
SERVICES AND SALES TAX ON LUXURY GOODS, EXPORT
TAX AND INCOME TAX FOR THE PERIOD OF SEPTEMBER

1	Rp.	14,650.00	per (USD)	1,-
2	Rp.	10,303.08	per (AUD)	1,-
3	Rp.	11,002.69	per (CAD)	1,-
4	Rp.	2,196.06	per (DKK)	1,-
5	Rp.	1,890.14	per (HKD)	1,-
6	Rp.	3,359.52	per (MYR)	1,-
7	Rp.	9,284.96	per (NZD)	1,-
8	Rp.	1,741.55	per (NOK)	1,-
9	Rp.	22,333.29	per (GBP)	1,-
10	Rp.	10,294.01	per (SGD)	1,-
11	Rp.	1,742.21	per (SEK)	1,-
12	Rp.	14,983.02	per (CHF)	1,-
13	Rp.	12,177.83	per (JPY)	100,-

Article 2

In the case of the absence of other foreign currencies in Article 1, the exchange rates used as the basis of payment shall be the daily spot exchange rates of the foreign currencies concerned on the international market against the United States dollar effective on the previous day's closing and multiplied by the rupiah exchange rate against the United States dollar as stipulated in this decree of the Minister of Finance.

Article 3

This decree shall come into force as from September 30, 2015 To October 6, 2015.

30, 2015 TO OCTOBER 6, 2015

Article 1

The exchange rates as the basis for the payment of import duty, value added on goods and services and sales tax on luxury goods, export tax and income tax, from September 30, 2015 To October 6, 2015 shall be as listed :

14	Rp.	11.36	per (MMK)	1,-
15	Rp.	221.93	per (INR)	1,-
16	Rp.	48,431.91	per (KWD)	1,-
17	Rp.	140.28	per (PKR)	1,-
18	Rp.	313.26	per (PHP)	1,-
19	Rp.	3,905.96	per (SAR)	1,-
20	Rp.	103.93	per (LKR)	1,-
21	Rp.	404.74	per (THB)	1,-
22	Rp.	10,293.43	per (BND)	1,-
23	Rp.	16,383.96	per (EUR)	1,-
24	Rp.	2,297.02	per (CNY)	1,-
25	Rp.	12.31	per (KRW)	1,-

For public cognizance, this decree of the Minister of Finance shall be announced by publishing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On September 29, 2015

On Behalf Of THE MINISTER OF FINANCE

Caretaker Head Of Fiscal Policy

sgd.

SUAHASIL NAZARA

— = = ooOoo = = —

AMENDMENT TO REGULATION OF THE MINISTER OF FINANCE NUMBER 231/PMK.02/2009 CONCERNING GENERAL PROVISION FOR AUDITING STATE NON-TAX INCOME

(Regulation of the Minister of Finance of the Republic of
Indonesia Number 87/PMK.02/2014, dated May 12, 2014)

WITH THE BLESSING OF THE ONE AND ONLY GOD
MINISTER OF FINANCE REPUBLIK INDONESIA,

Considering:

- a. that in the context of implementing the provision in Article 23 of Government Regulation Number 22 Year 2005, concerning Audit of State Non-Tax Income, Regulation of the Minister of Finance Number 231/PMK.02/2009, concerning General Guideline for Auditing State Non-Tax Income is stipulated;
- b. that to improve effectiveness and efficiency in carrying out audit of State Non-Tax Income, it is deemed necessary to make amendment to Regulation of Minister of Finance Number 231/PMK.02/2009 concerning General Guideline for Auditing State Non-Tax Income;
- c. that based on the considerations referred to in letter a, and letter b, it is necessary to stipulate Regulation of Minister of Finance on Amendment

to Regulation of Minister of Finance Number 231/PMK.02/2009, concerning General Guideline for Auditing State Non-Tax Income;

In view of:

1. Government Regulation Number 60 Year 2008, concerning Government Internal Control System (Statute Book of the Republic of Indonesia Year 2008 Number 127, Supplement to Statute Book of the Republic of Indonesia Number 4890);
2. Regulation of Minister of Finance Number 231/PMK.02/2009, concerning General Guideline for Auditing State Non-Tax Income;

DECIDED:

To stipulate:

REGULATION OF MINISTER OF FINANCE ON AMENDMENT TO REGULATION OF MINISTER OF FINANCE NUMBER 231/PMK.02/2009, CONCERNING GENERAL GUIDELINE FOR AUDITING STATE NON-TAX INCOME.

Article I

Some provisions in Regulation of Minister of Finance Number 231/PMK.02/2009 concerning General Guideline for Auditing State Non-Tax Income have been amended as follows:

1. The provisions in figure 3 and figure 4 of Article 1 have been amended so as to read as follows:

Article 1

What is meant in this Regulation of Minister by:

1. State Non-Tax Income hereinafter referred to as PNBPN shall be Income of Central Government not originating from Tax Income.
 2. Minister shall be Minister of Finance of the Republic of Indonesia.
 3. Government Agency shall be State Ministry and Institution.
 4. Leader of Government Agency shall be Minister of Technology or Management of Institution.
 5. Obligatory Taxpayer shall be private person or entity as decided to make Obligatory Taxpayer of PNBPN in accordance with the provision in the statutory regulation.
 6. Audit Body shall be Finance and Development Supervisory Body as requested by the Minister or Management of Government Agency to conduct audit on PNBPN.
 7. Examining Person shall be official of Finance and Development Supervisory Body that is assigned the duty to conduct audit on PNBPN.
 8. Audit shall be a series of activities to search, collect, process data and/or other information in the context of supervision of compliance with PNBPN obligation based on the statutory regulation on PNBPN.
2. The provision in Article 3 has been amended so as to read as follows:

Article 3

- (1) The Minister may coordinate with the Government Agency in the context of audit on PNBPN.

(2) The coordination referred to in paragraph (1) covers:

- a. clarification of data and information;
- b. audit on object;
- c. audit on subject;
- d. period of audit; and
- e. audit funding.

(3) Clarification of the data and information referred to in paragraph (2) letter a is clarification of data and information relating to PNBP, such as in the form of financial report, report on annual work program, report on production, and report on sale.

(4) The audited object referred to in paragraph (2) letter b shall be compliance with obligation on PNBP in the form of Obligatory Taxpayer in accordance with the provision in the statutory regulation.

(5) The audited subject referred to in paragraph (2) letter c shall be Obligatory Taxpayer Payment that has obtained benefits, such as utilization of natural resource, and having calculated, paid, and conducted self-assessment on the amount of its due State Non-Tax Income.

(6) The period of audit referred to in paragraph (2) letter d shall be period of book year wherein compliance with Obligatory Taxpayer of PNBP is not made yet.

(7) Funding of the audit referred to in paragraph (2) letter e shall be cost required for conducting audit.

3. The provision in paragraph (2) Article 4 has been amended so as to read as follows:

Article 4

(1) If the coordination result referred to in Article 3 paragraph (1) follow-up action shall be necessary in the form of follow-up action by conducting audit on the coordination result used as the basis or recommendation to the Government Agency requesting Auditor Institution to audit Obligatory Taxpayer making self-assessment on his/her obligation.

(2) The coordination result needs to be audited as referred to in paragraph (1) if the coordination result contains matters as cited below:

- a. Obligatory Taxpayer fails to submit report relating to PNBPN still due;
- b. there is an indication that no calculation is made to collection, payment and deposit of PNBPN based on the provision;
- c. no audit is conducted yet by the authorized agency according to the provision in the statutory regulation on particular Book Year.

4. Provision in Article 5 has been amended, so as to read as follows:

Article 5

(1) At the request of the Minister, Auditor Institution shall conduct audit on Government Agency.

(2) The audit referred to in paragraph (1) shall be audit in the context of conducting internal supervision and testing compliance with obligatory PNBPN in accordance with the statutory regulation.

5. Provision in Article 6 has been amended so as to read as follows:

Article 6

The request of the Minister referred to in Article 5 paragraph (1) covers consideration on:

- a. indicated PNBPN collected without legal basis of collection;
- b. indicated PNBPN collected beyond the stipulated tariff rate;
- c. indicated deposited PNBPN that is not based on the statutory regulation;
- d. indicated automatic use of part of or the whole PNBPN; and
- e. indicated potential PNBPN not collected.

6. Provision in Article 11 has been amended so as to read as follows:

Article 11

(1) As soon as the Obligatory Taxpayer being audited gives response to the findings in the audit result or refrains from making response to the findings of audit result, the Management of Government Agency requesting the Auditor Institution to conduct audit on PNBPN shall review the findings of the audit result

on the Obligatory Taxpayer being audited within a period of 21 (twenty-one) working days as of the response is received or at expiry of the time limit for submitting response.

- (2) The review of the findings in audit result on Obligatory Taxpayer referred to in paragraph (1), will be conducted by Government Agency together with the Auditor Institution and Obligatory Taxpayer.
- (3) If Obligatory Taxpayer being audited is prevented to appear at the review of findings in audit result without written notification supported by valid and accountable reason, Obligatory Taxpayer being audited is considered to have approved all the findings in audit result.

7. Provision in Article 13 has been amended so as to read as follows:

Article 13

- (1) The result of review of the findings in audit result as referred to in Article 11 must be written in Minutes of Review..
- (2) The Minutes referred to in paragraph (1) must be signed by the Auditor Institution, Obligatory Taxpayer and Government Agency.
- (3) Minutes on the result of review on the findings in audit result as referred to in paragraph (2) shall constitute the basis for compiling Audit Report.
- (4) If Obligatory Taxpayer rejects to sign the Minutes of Review referred to in paragraph (1), such Minutes of Review survives to be used as the basis for compiling Report on Audit Result.

8. Insert two (2) Articles, namely, Article 13A and Article 13B in between Article 13 and Article 14, so that Article 13A and Article 13B reads as follows:

Article 13A

- (1) The result of review of findings in audit result as referred to in Article 12 must be written in Minutes of Review.
- (2) The Minutes of Review referred to in paragraph (1) must be signed by the authorized official of the

Ministry, Auditor Institution, and Government Agency being examined.

- (3) Minutes of Review on the findings in audit result as referred to in paragraph (2) shall constitute the basis for compiling Report on Audit Result.

Article 13B

- (1) Minutes of Review on the findings of audit result on PNPB of Obligatory Taxpayer as referred to in Article 13 must use the format as shown in the Example specified in the Attachment I constituting inseparable part of this Regulation of the Minister.
- (2) Minutes of Review on the findings of audit result on PNPB of Government Agency as referred to in Article 13A must use the format as shown in the Example specified in Attachment II constituting inseparable part of this Regulation of the Minister.

9. Insert Article 14A in between Article 14 and Article 15 , so that Article 14A shall read as follows:

Article 14A

The Minister will use the copy of the Report on Audit Result on Obligatory Taxpayer submitted by the Leader of Auditor Institution to the Minister as referred to in Article 14 paragraph (1) as the basis for monitoring follow-up action on the Audit Result.

10. Article 16 deleted.

Article II

This Regulation of the Minister takes effect 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 May 12, 2014

MINISTER OF FINANCE OF THE REPUBLIC INDONESIA,

sgd.

MUHAMAD CHATIB BASRI

Enacted in Jakarta

Dated May 13, 2014

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

sgd.

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA
YEAR 2014 NUMBER 631

ATTACHMENT I :

MINUTES OF REVIEW OF FINDINGS IN AUDIT RESULT
OF STATE NON-TAX INCOME
(Auditee-OBLIGATORY TAXPAYER)

On this day, dated..... .., by virtue of Invitation Letter

Number : Und-....

Dated :

Subject : Review of findings in audit result on PNPB of (Auditee - Obligatory Taxpayer)

has been conducted at Meeting of Review of Audit Result on PNPB of

Auditee : (Auditee - Obligatory Taxpayer)

Period of audit :

Result of review in the form of deposit liabilities to the State, as mentioned in the appendix of this official report.

Audit Team shall be responsible for audit conclusive result based on analysis and trial test on the data/document obtained.

If at a later date there is erroneous process of review of Minutes and that has been signed and the Report on Audit Result has been stipulated, then the Minutes and Report on Audit Result will be repaired according to the prevailing Regulation.

IN WITNESS WHEREOF, this Minutes of Review is solemnly made and signed by:

(Auditee - Obligatory Taxpayer)

Review Team

Audit Team

Title

Quality Controller

(Name)

(Name)

(Name)

ID No.....

ID No.....

(Name)

Technical Controller

ID No.....

(Name)

ID No.....

Acknowledged by:

Representative of Government Agency

Team Chairman

(Title)

(Name)

ID.No.....

(Name)

Team Member

ID. No.....

(Name)

ID.No.....

**ATTACHMENT TO MINUTES OF REVIEW OF FINDINGS IN
AUDIT RESULT OF STATE NON-TAX INCOME
(Auditee-OBLIGATORY TAXPAYER)**

Auditee : (Auditee - Obligatory Taxpayer)

Period of Audit :

No.	Definition of Findings on Audit Result	the Amount of Obligatory PNB	Clarification by Auditee	Result of Review

(Auditee - Obligatory Taxpayer)

Reviewing Team

Audit Team

Title

Quality Controller

Technical Controller

(Name)

(Name)

(Name)

(Name)

ID.No.....

ID.No.....

D.No.....

Acknowledged by:

Representative of

Government Agency

(Title)

(Name)

ID.No.

Team Chairman

Team Members

(Name)

(Name)

(Name)

ID.No.....

ID.No.....

ID.No.....

ATTACHMENT II :

MINUTES OF REVIEW OF FINDINGS IN AUDIT RESULT
ON STATE NON-TAX INCOME
(AUDITEE - GOVERNMENT AGENCY)

On this day, dated..... .., by virtue of Invitation Letter

Number : Und-....

Dated :

Subject : Review of findings in audit result on PNB of (Auditee - Obligatory Taxpayer)

has been conducted at Meeting of Review of Audit Result on PNB of

Auditee : (Auditee - Obligatory Taxpayer)

Period of audit :

Result of review in the form of deposit liabilities to the State, as mentioned in the appendix of this official report.

Audit Team shall be responsible for audit conclusive result based on analysis and trial test on the data/document obtained.

If at a later date there is erroneous process of review of Minutes and that has been signed and the Report on Audit Result has been stipulated, then the Minutes and Report on Audit Result will be repaired according to the prevailing Regulation.

IN WITNESS WHEREOF, this Minutes of Review is solemnly made and signed by:

(Auditee - Obligatory Taxpayer)

Review Team

Audit Team

Title

Quality Controller

(Name)

(Name)

(Name)

ID No.....

ID No.....

(Name)

ID No.....

Technical Controller

(Name)

ID No.....

Acknowledged by:

Representative of Government Agency

(Title)

Team Chairman

(Name)

ID.No.....

(Name)

ID. No.....

Team Member

(Name)

ID.No.....

ATTACHMENT TO MINUTES OF REVIEW OF FINDINGS IN

AUDIT RESULT OF STATE NON-TAX INCOME

(Auditee-OBLIGATORY TAXPAYER)

Auditee : (Auditee - Obligatory Taxpayer)

Period of Audit :

No.	Definition of Findings on Audit Result	Clarification by Auditee	Result of Review

(Auditee - Obligatory Taxpayer)

Reviewing Team

Audit Team

Title

Quality Controller

Technical Controller

(Name)

(Name)

(Name)

(Name)

ID.No.....

ID.No.....

D.No.....

Acknowledged by:

Representative of

Government Agency

(Title)

(Name)

ID.No.

Team Chairman

Team Members

(Name)

(Name)

(Name)

ID.No.....

ID.No.....

ID.No.....

(MA)

TECHNICAL GUIDELINE FOR PROVISION OF ASSISTANCE ON EMERGENCY AID TO INDONESIAN MANPOWER HAVING PROBLEM

(Regulation of the Head of National Agency for Placement and Protection of Indonesian Manpower Number 02 Year 2015, dated Janury 22, 2015)

WITH THE BLESSING OF THE ONE AND ONLY GOD
THE HEAD OF NATIONAL BOARD FOR PLACEMENT
AND PROTECTION OF INDONESIAN MANPOWER

Considering:

- a. that in the context of improvement of protection of Indonesian manpower, the Government c.q National Agency for Placement and Protection of Indonesian Manpower, it is necessary to provide assistance in the form of Emergency Aid to Indonesian manpower encountering problem selectively and having transparent criteria;
- b. that thereore it is necessary to have technical guideline constituting as reference / guideline for providing assistance in the form of emergency Aid to Indonesian manpower encountering problem;
- c. that based on the consideration referred to in letter a and letter b, it is necessary to stipulate Regulation of the Head of National Agency for Place-

ment and Protection of Indonesian manpower on Technical Guideline for provision of assistance in the form of Emergency Aid to Idonesian manpower encountering problem.

In view of:

1. Law Number 39 Year 2004, concerning Placement and Protection of Indonesian Manpowerdi Overseas (Statute Book of the Republic of Indonesia Year 2004 Number 133, Supplement to Statute Book of the Republic of Indonesia Number 4445);
2. Government Regulation Number 38 Year 2007, concerning Distribution of Administration Affair between the Central Government, Regional Government of Province and Regional Government of Regency/Municipality (Statute Book of the Republic of Indonesia Year 2007 Number 82, Supplement to Statute Book of the Republic of Indonesia Number 4737);

3. Government Regulation Number 3 Year 2013, concerning Protection of Indonesian Manpower Overseas (Statute Book of the Republic of Indonesia Year 2013 Number 3, Supplement to Statute Book of the Republic of Indonesia Number 5388);
4. Presidential Regulation of the Republic of Indonesia Number 81 Year 2006, concerning National Agency for Placement and Protection of Indonesian Manpower;
5. Regulation of the Minister of Manpower and Transmigration Number PER.07/MEN/V/2010, concerning Indonesian Manpower Insurance in conjunction with Regulation of the Minister of Manpower and Transmigration Number 1 Year 2012, concerning amendment to Regulation Minister of Manpower and Transmigration Number PER.07/MEN/V/2010 concerning Indonesian Manpower Insurance;
6. Regulation of the Minister of Manpower Number 22 Year 2014, concerning Placement and Protection of Indonesian Manpower in Overseas;
7. Regulation of the Head of National Agency for Placement and Protection of Indonesian Manpower Number PER. 13/KA/VII/2012, concerning Standard of Provision of Protection of Indonesian Manpower;
8. Regulation of Head of National Agency for Place-

ment and Protection Indonesian Manpower Number PER.01/KA/I/2014, concerning Organization and Work Procedure of National Agency for Placement and Protection of Indonesian Manpower;

DECIDED:

To stipulate:

REGULATION OF HEAD OF NATIONAL AGENCY FOR PLACEMENT AND PROTECTION OF INDONESIAN MANPOWER ON TECHNICAL GUIDELINE FOR PROVISION OF ASSISTANCE IN THE FORM OF EMERGENCY AID TO INDONESIAN MANPOWER ENCOUNTERING PROBLEM.

CHAPTER I

GENERAL PROVISION

Article 1

What is meant in this Regulation of the Head of BNP2TKI by:

- 1 National Agency for Placement and Protection of Indonesian Manpower hereinafter referred to as BNP2TKI shall be Non-Ministry Government Institution responsible to the President as referred to in Law Number 39 Year 2004 and Presidential Regulation Number 81 Year 2006.
- 2 Assistance in the form of Emergency Aid shall be assistance in the form of cash provided by BNP2TKI to TKI encountering problem in the form of family / hereditary for the purpose of handling

TKI encountering problem and events of force majeure/urgent condition.

- 3 TKI encountering problem shall be TKI encountering problem or mishap occurring during or when his/her stay overseas.
4. The family of TKI encountering problem shall be the parent or benefactor, child, husband or wife of the TKI encountering the problem as proven by legal statement.
5. Hereditary shall be members of family of the same blood either lawful or without marriage including wife or husband.

CHAPTER II

SCOPE

Article 2

- (1) TKI encountering problem obtaining assistance in emergency Aid consists of:
 - a. TKI that complies with the procedure;
 - b. TKI that fails to comply with the procedure.
- (2) TKI encountering problem as referred to in paragraph (1) shall cover:
 - a. TKI is and still needs further treatment;
 - b. TKI going back to his/her home-town due to encountering harshness, mistreatment, deception, etc.;
 - c. TKI failing to obtain the rights to his/her man-

powerhip after having passed the administration process either locally or overseas such as salary, overtime wage);

- d. TKI who dies;
- e. TKI that fails to obtain insurance compensation or his/her insurance compensation is inadequate (insurance expired, claim rejected);
- f. TKI who is sent back home due to the country of placement is in war, natural disaster, and infected by disease;
- g. TKI encountering legal issued overseas, for the purpose of preparing document for the TKI and/or his/her family's trip in the context of settlement of the legal issue thereof;
- h. cost for sending candidate TKI back home to his/her place of origin / domicile;
- i. TKI encountering deportation;
- j. TKI that based on discretion of the Head of BNP2TKI needs to be provided with emergency Aid kit.

CHAPTER III

ALLOCATED ASSISTANCE OF EMERGENCY AID

Article 3

- (1) For TKI encountering problem as referred to in Article 2 paragraph (2) letter a, letter b, letter c and letter d shall be provided with assistance in the form of Emergency Aid in the TKI's insurance fund is inadequate or the TKI concerned has not been insured.

(2) For TKI with problem as referred to in Article 2 paragraph (2) letter f shall be provided with assistance in the form of emergency Aid after having coordinated it with the Ministry in Overseas and/ or Representative of R.I. in order to acknowledge the Emergency Aid assistance to be provided.

(3) For TKI with problem in legal issue overseas as referred to in Article 2 paragraph (2) letter g, the assistance in the form of emergency responsive provided shall be:

- a. cost for preparing traveling document of the TKI, husband/wife, and parent;
- b. cost for preparing traveling document for witness;
- c. other costs for settlement of legal issue.

(4) Emergency Aid Assistance provided to candidate TKI that fails to travel but not due to the candidate TKI's fault as referred to in Article 2 paragraph (2) letter h will be provided with due observance of the cause of failure of the candidate TKI to travel such as:

- a. Government's policy;
- b. PPTKIS is encountering problem.

(5) Traveling cost of TKI and/or his/her family as witness pertaining to legal issue overseas as referred to in Article 2 paragraph (2) letter h is granted for maximum two (2) witnesses.

(6) Deportation cost of candidate TKI to the point of origin / domicile for candidate TKI that fails to travel as referred to in Article 2 paragraph (2) letter i will be provided through the assistance of emergency Aid if the TKI or candidate TKI concerned is not insured (prior to placement).

Article 4

Parties that may request for assistance of emergency Aid are:

- a. TKI;
- b. family of TKI,
- c. beneficiary or heir /heiress of TKI;
- d. Attorney of TKI;
- e. Office of Manpower of region / origin / domicile of TKI;
- f. BP3TKI/LP3TKI/P4TKI/UPTP3TKI.

CHAPTER IV

REQUIREMENTS AND PROCEDURE FOR GRANTING EMERGENCY AID ASSISTANCE

Article 5

(1) To obtain assistance of emergency Aid, TKI/TKI family, TKI beneficiary /TKI Attorney as referred to in Article 4 letter a, letter b, letter c and letter d, shall be obliged to submit application in writing to the Head of BNP2TKI through BP3TKI/LP3TKI/ P4TKI/UPTP3TKI or Office of Manpower of point of origin/domicile of TKI.

(2) BP3TKI/LP3TKI/P4TKI/UPTP3TKI or Office of Manpower of point of origin / domicile of TKI shall verify the document and the real condition at the point of origin in order to ascertain whether he/she is complies with the requirements to receive assistance of emergency Aid or not.

(3) BP3TKI/LPSTKI/P4TKI/UPTP3TKI or Office of Manpower of point of origin / domicile of TKI may reject the application if it is considered not acceptable to receive emergency Aid assistance.

Article 6

BP3TKI/LP3TKI/P4TKI/UPTP3TKI or Office of Manpower of origin / domicile of TKI may submit application for assistance of emergency Aid for TKI encountering problem within his/her work area that is considered reasonable to obtain emergency Aid assistance.

Article 7

(1) The application referred to in Article 5 paragraph (1) and Article 6 must be attached to the requirements cited below:

- a. KTKLN or other document constituting legal identity (Pasport/SPLP);
- b. chronology of the issue encountered by TKI;
- c. photocopy of Family Card that has been legalized by the Village Chief / Sub-District Chief;
- d. photocopy of Marriage License legalized by the competent official (for married TKI).

(2) Other than the document as referred to in paragraph (1) the documents below must also at attached:

a. for sick TKI that needs follow-up treatment must attach:

- 1) original statement letter of being sich or medical record from the Hospital or statement letter from Representative of RI;
- 2) original receipt of treatment charges from the Hospital.

b. for decesed TKI, his/her beneficiary must attach:

- 1) original of statement letter of beneficiary that has been legalized by the local competent Official;
- 2) Statement of Deceased from the Village Chief / Sub-District Chief

Article 8

Procedure to granting emergency Aid assistance shall be exercised as follows:

- a. emergency Aid assistance is delivered directly to TKI or his/her family or beneficiary and conducted at the office of BNP2TKI or BP3TKI or UPTP3TKI or LP3TKI or P4TKI or at the Office of the Manpower Province, Regency/Municipality constituting region of origin/domicile of TKI;
- b. emergency Aid assistance is delivered directly by

the Head of BNP2TKI or Head of BP3TKI to the TKI/TKI family/TKI beneficiary and proven by duly stamped Receipt.

- c. delivery of assistance as referred to in letter b must be supported by Minutes of Hand-Over using the format as specified in Attachment I ;
- d. if the source of budget for emergency Aid assistance originates from DIPA Work Unit of BP3TKI, the whole process of application up to delivery of emergency Aid assistance shall be responsibility of the BP3TKI concerned and according to the requirements as referred to in Article 6 and Article 7.

Article 9

The value of emergency Aid assistance shall be based on the level of problem encountered by the TKI concerned as specified in Attachment II.

CHAPTER V

CLOSING

Article 10

This Regulation of the Head of BNP2TKI takes effect on the date it is enacted.

For public cognizance, this Regulation of Head of BNP2TKI shall be announced by placing in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

Dated January 22, 2015

HEAD OF NATIONAL BODY FOR PLACEMENT AND
PROTECTION OF INDONESIAN WORKERS

sgd.

NUSRON WAHID

Enacted in Jakarta

Dated January 29, 2015

MINISTER OF LAW AND HUMAN RIGHTS

sgd.

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA
YEAR 2015 NUMBER 140

ATTACHMENT I

Format of Minutes of Delivery of Emergency Aid Assistance

NATIONAL BODY FOR PLACEMENT AND PROTECTION OF
INDONESIAN WORKERS

DEPUTY OF PROTECTION

Jln. MT. Haryono Kav 52 Jak-Sel Kode Pos 12840 Telp/Fax (021) 7981277

MINUTES OF DELIVERY OF EMERGENCY AID ASSISTANCE

On this day, dated month Year domiciled at

.....

Name :

ID.No. :

Title :

Address : Jln. MT. Haryono Kav. 52 Jakarta selatan

in this matter acting for and on behalf of National Agency for Placement and Protection of Indonesian Workers (BNP2TKI)/(BPBTKI)*.

has delivered emergency Aid assistance in the amount of Rp.....,-

(..... rupiah), to (candidate TKI/TKI/familyTKI beneficiary)* for TKI encountering problem:

Name of candidate TKI/TKI :

No. Resident Identity Card/Passport :

Address :

IN WITNESS WHEREOF, this Minutes is made for proper and appropriate use.

THE PARTY DELIVERING

THE PARTY RECEIVING DELIVERY

.....
ID. No.....

.....
.....

Witness I

(.....)

TKI Family/TKI Beneficiary

Witness II

(.....)

ID.No.

Office of Manpower

*) delete where necessary

HEAD OF NATIONAL BODY FOR PLACEMENT AND
PROTECTION OF INDONESIAN WORKERS

sgd.

NUSRON WAHID

ATTACHMENT II

Emergency Aid Assistance

No	Issue / Problem	Amount (Rp)
1	Sick TKI and still needs further treatment	max Rp. 20.000.000*)
2	TKI not covered by insurance or Insurance coverage is inadequate (insurance expired, claim is rejected)	max Rp. 20.000.000*)
3	TKI returning to his/her home-town due to encountering violence, mistreatment, deception, etc.	max Rp. 10.000.000*)
4	TKI not obtaining rights of his/her works after going through coordination process either locally or overseas (salary, overtime wage)	max Rp. 10.000.000*)
5	TKI deported due to the country of placement is encountering war, natural disaster, pest and deportation	max Rp. 5.000.000*)
6	bereaved money for deceased TKI	max Rp. 5.000.000*)
7	cost for preparing document for TKI and/or Related family local trip Settlement of legal issue both locally and overseas	max Rp.10.000.000*) max Rp.20.000.000*)
8	cost for deportation of candidate TKI to point of origin / domicile that failed to travel	max Rp. 5.000.000*)
9	TKI that at discretion of the Head of BNP2TKI needs to be provided emergency aid assistance	max Rp. 5.000.000*)

*) amount of assistance provided must justify with the result of verification at the point of origin.

HEAD OF NATIONAL BODY FOR PLACEMENT AND PROTECTION OF INDONESIAN WORKERS

sgd.

USRON WAHID

(MA)

INCOME TAX FACILITIES FOR CAPITAL INVESTMENT IN SPECIFIED BUSINESS LICENSES AND/OR CERTAIN REGIONS

(Government Regulation Number 18 Year 2015,
dated April 6, 2015)

[Continued from Business News No. 8757 page 34-48]

ATTACHMENT I

SPECIFIED BUSINESS LINES

NO	BUSINESS LINES	KBLI YEAR 2009 OF THIRD EDITION	SCOPE OF PRODUCT	REQUIREMENTS
1.	PLANT AGRICULTURE, ANIMAL HUSBANDRY, HUNTING AND ACTIVITIES RELATED TO IT Cattle seedling and breeding	01411	- Cattle seedling	
			- Local cattle fattening/breeding	
2.	FORESTRY AND TREE FELLING Teak forest management i	02111	Land preparation, seedling, planting, nursery, harvesting and marketing of teak wood product	
3.	COAL AND LIGNITE MINING Coal gasification in mining site	05102	<i>Coal gasification.</i>	Only fulfilling domestic need.
4.	OIL AND NATURAL GAS AND GEOTHERMAL MINING Geothermal management	06202	- Search - Drilling - Conversion of geothermal ener- gy to become electrical energy	
5.	Copper ore mining	07294	Copper ore processing and refin- ery.	New development and ex- pansion of <i>smelter.</i>

GOVERNMENT REGULATIONS

6.	Gold and silver mining	07301	Gold and silver ore processing and refinery	New development and expansion of <i>smelter</i> .
7.	FOOD INDUSTRY Chocolate and sugar confectionary-based food industry	10732	Covering the production of various kinds of goods with the main raw material cacao powder, cacao butter, cacao fat and cacao oil.	
8.	Baby food industry	10791	Covering the production of baby food, such as baby formula, advanced milk and other advanced food, baby food and food containing homogenized ingredients.	In partnership with UMKM/cooperative.
	TEXTILE INDUSTRY			
9.	Spinning industry	13112	Yarn of cotton, polyester, nylon and/or rayon.	
10.	Weaving industry	13121	Woven fabric made by weaving machine (ATM).	
11. 12.	Fabric perfecting and printing industry	13132 and 13133	For all kinds of fabrics.	Integrated between KBLI 13132 and 13133.
13.	Knitted fabric industry	13911	For all kinds of knitted fabrics.	
14.	Industry producing fabrics for industrial need	13992	Industry of fabrics for the need of infrastructure (including expansion): geotextile.	Executing the transfer of technology.
15.	COAL-BASED PRODUCT AND OIL REFINERY Oil purification and refinery industry	19211	Oil purification and refinery producing gas/LPG, avtur, avigas, naphtha, diesel oil, kerosene, industrial diesel oil, oil fuel or gasoline, lubricant, waz, solvent, residue and asphalt.	Priority to the fulfillment of domestic need.
16.	Natural gas purification and processing industry	19212	The group covers natural gas purification and processing into Liquefied Natural Gas (LNG) and Liquefied Petroleum Gas (LPG).	
17.	Lubricant production	19213	The whole coverage of products coming into this KBLI.	
18.	CHEMICAL SUBSTANCES AND CHEMICAL SUBSTANCE-BASED PRODUCTS Chlor and alkali	20111	Caustic Soda (NaOH), Chloride Acid, Sodium Hypochlorite	

GOVERNMENT REGULATIONS

19.	Other inorganic base-chemical industry	20114	White carbon, sulfate acid, ammonium sulfate, phosphate acid, hydrogen peroxide, ammonium nitrate, ammonium chlorate, ammonium perchlorate, potassium nitrate, potassium chlorate	
20.	Industry of organic base chemical resulting from agricultural product	20115	Other organic substances resulting from agricultural products (natural flavor and natural fragrance)	
21.	Industry of organic base chemical for raw material of dyeing agent and pigment, dyeing agent and pigment	20116	Textile dyeing agent for the dyeing of yarn and textile fabrics	Executing the transfer of technology
22.	Industry of organic base chemical industry resulting from oil, natural gas and coal	20117	<ul style="list-style-type: none"> -Upstream Olefin Group: ethylene, propylene, acrylic acid, butadiene, butane, butene-1, Ethyl Tert Butyl Ether, ethylene dichloride, vinyl chloride monomer, raffinate, pyrolysis gasoline, crude C-4. - Upstream aromatic group: purified terephthalic acid (PTA), paraxylene, benzene, toluene, orthoxylene. - Synthetic gas-based upstream: methanol, ammonia. - Other: carbon black 	
23.	Industry of organic base chemical resulting in specific chemical substances	20118	<ul style="list-style-type: none"> - Food additive as flavor in food products/beverages. - Special chemical substance supplemented as fragrance to products, such as perfume, cosmetic, soap, detergent, cleaner, room fragrance and other. 	Integrated with KBLI 20115.
24.	Synthetic resin and plastic raw material industry	20131	Polycarbonate, polybutene, polyacetal, nylon filament yarn, nylon tire cord, polyethylene, polypropylene, poly vinyl chloride, polyurethane, super absorbant polymer, polyester chip (pet resin).	
25.	Artificial rubber industry	20132	Artificial technical rubber, styrene butadiene rubber (sbr), polychloroprene (neoprene), acrylonitrile butadiene rubber (nitrile rubber), silicone rubber (polysiloxane), isoprene rubber, poly butadiene rubber.	

GOVERNMENT REGULATIONS

26.	Industry of cosmetic substances and cosmetic, including tooth paste	20232	The whole scope of products coming into this KBLI.	
27.	Artificial filament fiber/yarn/strip	20301	Polyester filament yarn.	
28.	Artificial staple fiber industry	20302	Production of artificial staple fiber, especially rayon viscose and polyester, for further processing in textile industry. Staple fiber is interrupted artificial fiber.	Executing the transfer of technology
29.	PHARMACEUTICAL, CHEMICAL MEDICINE PRODUCT AND TRADITIONAL MEDICINE INDUSTRY Pharmaceutical substance industry	21011	Derivative compound of statin, para amino phenol, sefalosporin, rifampisin, kloramfenicol dan derivatnya, amoxicilin, ampicilin, vitamin a, vitamin b, vitamin c, pharmaceutical raw materials obtained by biotechnology process, paracetamol, pseudoefedrin, laktosa, folate acid, acetosal, anaesthesin.	
30.	RUBBER, ARTICLE OF RUBBER AND PLASTIC INDUSTRY Tire and tube industry	22111	Tire and/or tube for motorized vehicle, bicycle, other transport vehicle and equipment using tire	
31.	BASE METAL INDUSTRY Iron and base steel industry (iron and steel making)	24101	- Production of tire and/or steel in basic form, especially the processing of iron ores, iron pellet, sinter to become rough iron /pig iron, and/or sponge iron. - Iron and/or stainless steel slab and/or stainless steel billet.	
32.	Non-ferrous base metal production industry	24202	Ferro nickel.	Executing the transfer of technology
33.	INDUSTRY OF NON-MACHINE METALWARES AND EQUIPMENT THEREOF Wire-bases product industry	25951	Brass plated steel wire	Executing the transfer of technology
34.	COMPUTER, ELECTRONIC GOODS AND OPTICAL INDUSTRY Industry of semi conductor and other electronic components	26120	The whole scope of products coming into this KBLI, including silica ingot, cell apparatus I, photovoltaic module and optical pick up, Panel TV LCD, Panel TV 3D, Panel TV OLED, IC, smart card.	
35.	Computer and/or computer assembling industry	26210	The whole scope of products coming into this KBLI.	

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36.	Wireless communications device industry	26320	Cellular telephone and mobile communication device.	
37.	Other communications device industry	26390	The whole scopes of products coming into this KBLI, including set top box.	
38.	Television and/or television assembling industry	26410	All kinds of flat panel display television, excluding CRT television.	
39.	Electronic measuring and calibration tool industry	26513	Radar apparatus and appliance	
40.	Photography equipment industry	26710	The whole scope of products coming into this KBLI.	
41.	ELECTRICITY DEVICE INDUSTRY Transformer, rectifier and voltage stabilizer industry	27113	Transformer industry above 500 (five hundred) KV.	Executing the transfer of technology
42.	Dry cell industry (primary cell)	27201	Carbon zinc and/or alkaline-based cylinder battery.	
43.	Gas tube lamp industry (electricity disposal lamp)	27402	LED-based compact lamp.	Integrated with the component thereof
44.	Electrical home appliance industry	27510	Refrigerator and/or washing machine	
45.	INDUSTRY OF MACHINE AND APPLIANCE not classified in other place Industry of steam machine, turbine and reel	28111	Steam turbine, gas turbine industry.	
46.	Photocopy machine industry	28174	Photocopy machine and appliance of photocopy machine.	Using environmentally sound technology
47.	Cooler machine industry	28193	Evaporator and condensator for all kinds of cooler machine	Using environmentally sound technology.
48.	Agriculture machine industry	28210	- Agriculture tractor with a capacity < 100 (one hundred) kW; - Rice Milling Unit with a capacity < 100 (one hundred) kW; - Thresher with a capacity < 100 (one hundred) kW.	
49.	Industry of machine and machine tools for metal working	28221	Metal working tool machine : <i>mould and dies, and jigs and fixtures.</i>	Executing the transfer of technology
50.	Industry of mining, quarrying and construction machine	28240	Heavy equipment industry (<i>Track Type Tractor/TTT and the like</i>).	

51. Textile
to be continued

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