

Business News

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CLOSING THE YEAR OF IMBALANCES

A few more days we will leave 2015 and enter 2016. Years will pass, in addition it is the first year of Jokowi-JK administration, it is also a year in which the various issues emerged and attracted public attention in the country. Year 2016 will be the second phase of the performance appraisal of Jokowi-JK administration, as well as a year in which the major problems remaining in the last year require completion. The homework in the future is the present issues which were unresolved.

One serious problem that is quite worrying, even alarming, is the reality of imbalances that have not shown significant improvement. To some people, these concerns may be considered excessive. However, there is nothing wrong if we remind the Government that there is still a serious problem that needs to be addressed in 2016. As reported by the World Bank, within seven years (2003-2010), 10 percent of the richest people in Indonesia enjoyed an average growth in consumption of six percent per year, while 40 percent of the poorest people recorded a growth in consumption of less than two percent per year. This resulted in rapidly rising Gini coefficient from 0.30 to 0.41 (2000-2013). At the same time, the Ministry of National Development Planning / National Development Planning Board recorded that until December 2015 there was a decline in the Gini ratio from 0.413 to 0.408. However, general conclusion stated that the Gini ratio has not shown improvement in lowest-layer communities.

It is undisputable that Jokowi-JK administration is the one who made many commitments to support the poor. A number of social benefit cards, financial assistance for school children, and others. However, these commitments failed to create significant improvements. The underlying problem seems to lie in the purchasing power, where purchasing power

itself is still a major factor in driving growth. Thus, when the purchasing power of the majority of people is not increased, but on the contrary, economic growth is ultimately a reflection of the increase in wealth and income segments of the upper classes. For the umpteenth time, the so-called quality of growth is still an ideal.

It is interesting to talk about this imbalance issue, first and foremost because the government this time is symbolized as a government of the people. Of course there is a strong reason to say so. It must be acknowledged that the Government's commitment to the poor is not doubted. However, the commitment is not necessarily transformed into reality. Development is not always in line with equitable distribution; prosperity does not always bring justice.

In addition to the issue of imbalances represented by the Gini ratio, another issue which is quite alarming is stagnant Human Development Index (HDI) of Indonesia. Based on the UNDP Human Development Report 2015, Indonesia's HDI ranked 110th out of 188 countries with a rate of 0.684. Although UNDP said that Indonesia has the potential to increase HDI, this year Indonesia did not record any progress compared to last year. In other words, education and access to education, health, and welfare has not shown improvement. It is enough to conclude that the major issues that must be addressed in 2016 are relatively the same as in 2015.

So, if we have to underline one of the biggest homework in 2016, it is to narrow the gap or inequality. Infrastructure development on a large scale should have a positive impact on equitable distribution and justice for all people. (E)

Jakarta, December 22, 2015

LESSON FROM NOVANTO CASE

Setya Novanto finally tendered his resignation from the position of Speaker of the House of Representatives (DPR). He disclosed the resignation when the Honorary Council of DPR was organizing a hearing to investigate the possible violation of code of conduct. "For the future of our nation, I declared to resign," said Novanto in his residence Jalan Wijaya, Nomor 13, Kebayoran Baru, South Jakarta on Wednesday (16/12). "I realize, it is also for my affection to Indonesian people in executing my tasks so far as speaker of DPR," he went on. In a letter addressed to the Honorary Council, the politician of the Golongan Karya Party said that he decided to resign because he want to preserve the honor and dignity of the parliament (kompas.com, 16/12).

If we observe, the case actually covers not only violation of code of conduct by a representative of people. There is also natural resources management issue wherein US-based company (PT Freeport) becomes the key. In addition, there is also law enforcement, political issues even public opinion. Therefore, many important lessons can be taken from the case. Besides a subject of learning for the nation, it also becomes a warning for state officials as a whole.

The hearing of code of conduct in the Honorary Council run in an atmosphere responded by the public as drama unattractive to watch. On one side, the honorary council is deemed playing political acrobat to save Novanto and on the other hand, the Attorney General Office is also considered playing a political card in the case (given that Attorney General is cadre of political party) and others. Interestingly, the whole opinions and judgments come as a result of the accumulation of public opinion management published intensively by mass media. Eventually, legal proceeding currently being executed by the Attorney General Office is responded negatively. So is the en-

forcement of code of conduct by the honorary council. Even, opinion of law specialists related to legality of the recording of conversations between Novanto, Maroef Sjamsoeddin, and Riza Chalid cannot straighten the public opinion. In view of legal specialists, the reality remind us of the constitutional commitment, "Indonesia is a law state" (Article 1 paragraph (3) of the Constitution of 1945).

The resignation of Novanto is appreciated by parties and condemned by others. Whether it is voluntary or forceful, the resignation should be recorded as a wise step even though it came late. In line with it, important lessons may be taken from the sensational Novanto case.

Firstly, the case "father demands share" involving Novanto and triggering political insurgencies indicates the most fundamental weakness of the nation in managing natural resources. The case reflects how low the ethic of state official. Therefore, it is difficult to say that the whole incidents are engineered by the United States but are consequences of the conscious intention to insert illegally private interest into national interest currently being struggled in relation to mining wealth in Papua. The incident is extremely regrettable. When the people expect the whole elements of the nation to unite perception over the future of mining management in Papua, parties try to take personal advantages. Secondly, the case reflects the supremacy of public opinion over legal opinion or political or legal supremacy. It is also alarming. Democracy is not only a matter of freedom to express opinion but the most important, law enforcement according to the truth of law, not opinion. Hopefully, the case becomes a valuable lesson for this nation.

Jakarta, December 18, 2015

TO READ THE COURSE OF GOVERNMENT ECONOMIC POLICY 2016

Jakarta, Business News

To analyze the ground of BI's Board of Governor's meeting outcome on December 17 2015 last which decided to maintain BI rate at 7.50% with Deposit Facility Interest of 5.5% and Lending Facility of 8.00% there seemed to be signal of BI headed for more accommodative policy in time to come. Presumably soon or late BI's monetary policy would be relaxed because some "prerequisites" had been fulfilled.

As footnote, in the last Board Meeting of this year (17/12) BI saw that chances of monetary policy easing was more open with macro economy stability under control especially inflation by end of 2015 being under 3% and deficit in current transaction be around 2% of GDP.

BI also observed development of global monetary market in post FFR increase by the Fed and the domestic economic condition in the future. Apparently BI must foster coordination with the Government in controlling inflation, strengthening growth stimulus and structural reformation whereby to sustain higher economic growth and to support higher economic

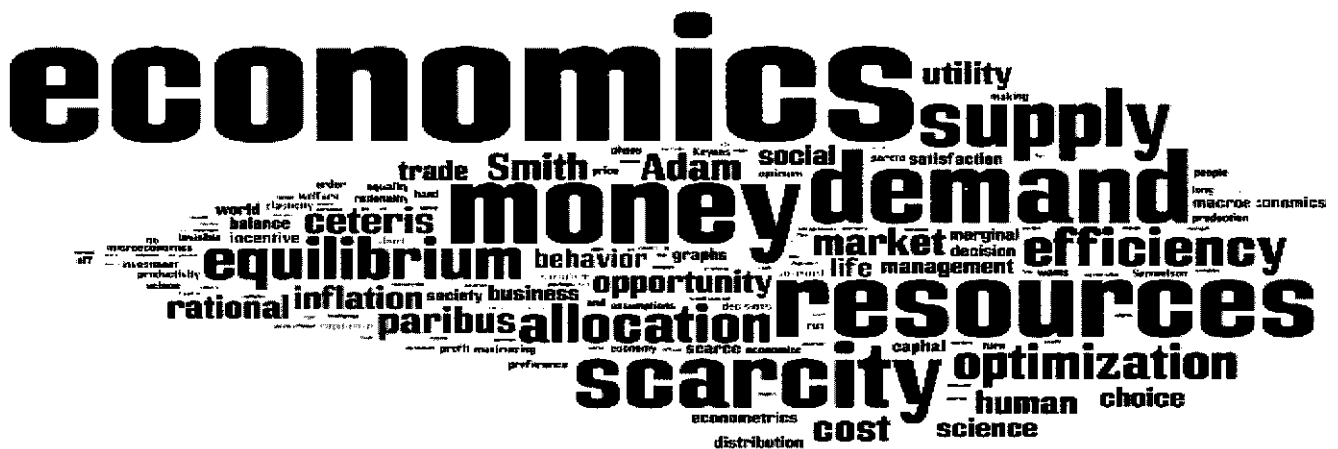
growth with macro stability and financial system well guarded.

As known, the challenges of Indonesia's economy through 2015 was related to global economic and financial development, i.e. world's low economic growth, lowered commodity prices and turbulent money market.

World's economic slowdown was due to economic recovery of advanced countries which were not solid while growth of some developing countries tend to slow down. US economy grew moderately being sustained by consumption and improvement in the housing sector while expansion of the manufacturing sector was still held back.

Recovery of Europe's economy was driven by increasing domestic demand, although still not increasing low inflation. Meanwhile China's economy continued to lose steam in line with their rebalancing economy from investment driven to consumption driven.

BI saw that in the future, amidst the prospect of global economic recovery, a number of external risks called for attention especially economic slowdown in China and the condition of money market after



FFR increase.

So far Indonesia's macro development had been in the right track. In line with global economic slowdown, Indonesia's economic growth slowed down in 2015. Economy was predicted to grow at 4.8% (y o y) less than 5% in 2014. Downturn was on account of export which dropped in line with lessened global demand and low commodity prices.

Since export was still low, investment growth was notably limited. Somehow economic growth was still sustained by consumption, household or Government.

Soon in 2016 Indonesia's economic growth would predictably be around 5.1% - 5.6%. The growth was driven by stimulus from fiscal especially for development of infrastructure projects. Meanwhile investment was expected to increase in tandem with Government's policy package.

In the dynamics of global economy, the Government's effort to step up people's purchasing power and fiscal stimulus played an important role in propelling economic growth 2016. Performance of current transaction 2015 was predicted to be better

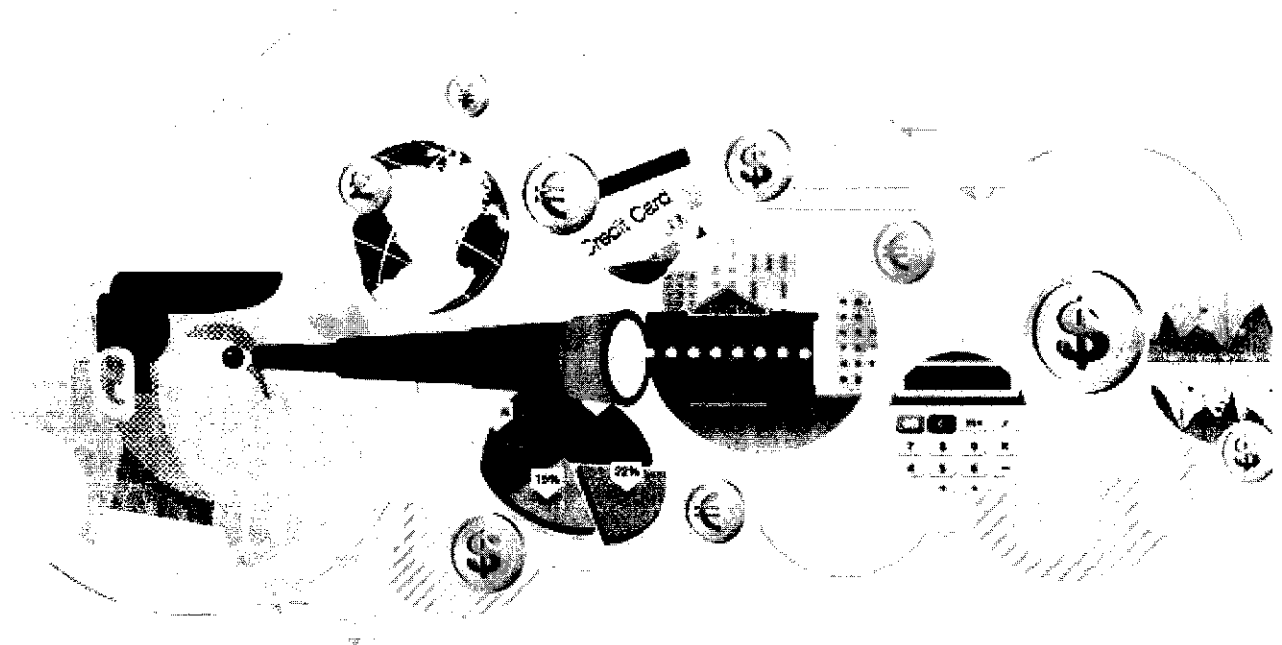
compared to previous year at 2% of GDP.

Reduced deficit in current transaction was especially sustained by betterment of oil-gas trade balance due to significant import downturn. This was in line with domestic demand which was still low and export being contracted by lowered commodity prices and low global demand.

On the other hand, capital and financial transaction was still in surplus amidst growing market uncertainty at the global money market and slowing down domestic economy. However the surplus was predicted to be lower than the year before because it could not fully cover up deficit.

At the moment Indonesia's foreign reserves by November 2015 last was posted at 100.2 billion enough for 7.1 months of import or 6.9 months of import plus payment of Government's overseas debt. The amount was above CAR of 3 months import.

Through 2015 pressures on Rupiah increased, being triggered by uncertainty of FFR increase and depreciation of Yuan. By November 2015, Rupiah on the average weakened by 1.6% to Rp 13,351 per USD.



Meanwhile on the domestic side, pressures on Rupiah was related to increase of demand for forex or payment of foreign debt and periodic payment of dividend, and anxiety over domestic economic slow-down.

However on October and November 2015 last Rupiah managed to strengthen thanks to positive sentiment from FOMC meeting outcome which was dovish and better optimism on Indonesia's economic prospect.

In the future BI must continue to maintain Rupiah stability in accordance with national fundamental economy whereby to maintain macro stability, more-over inflation rate was below 3%.

Low inflation was supported by low inflation in volatile food, administered prices having deflation and core inflation being under control. Inflation in volatile food was notably low being supported by sufficient supply of food. Meanwhile administered prices was having deflation in line with lowered energy cost.

On the other hand inflation remained to be under control, Rupiah weakening was limited and demand was low. All was on account of BI managing domestic demand, safeguarding Rupiah, and controlling inflation expectation, and better inflation controlling by BI and the Government.

In November 2015, Consumer Price Index posted inflation of 0.21% (mtm), inflation was con-

tributed by all components. Hence consumer index January – November 2015 was posted at 2.37% (ytd) or 4.895 (yoy).

In the future, inflation was predicted at 2016 target i.e 4% + 1% but the risk of inflation must be watched on especially adjustment of administered prices so better coordination was needed between BI and the Government.

Financial Stability System remained solid, being supported by resilience of the banking system and well guarded performance of the money market. Resilience of the banking industry remained strong with all risks and liquidity well guarded. In October 2015 last CAR was still good at below minimum requirement of 8%, while NPL remained low and was at 2.7% (gross) or 1.4% net.

In terms of intermediary function, credit growth was posted at 10.4%, lower than growth of the same period the year before in line with slow growth. Meanwhile growth of Third Party Fund in October 2015 was posted at 9.0%

In the future, in line with economic activity and the impact of macro prudential policy and lowering of Minimum Mandatory Giro (GWP) by BI credit was predicted to grow to 12% - 14% in 2016. Those were signals that in the future the Monetary Authority would tend to be more accommodative in making monetary policy. (SS)

MARINE WEALTH STILL NOT CONTRIBUTING SIGNIFICANTLY TO NATIONAL ECONOMY

Jakarta, *Business News*

Indonesia treasured marine wealth which was enormously vast. With 2/3 of Indonesia consisting of water i.e. 5.8 sq km and and 97,000 km of coastline it means high marine potential resources and opportunities in marine industry, fishery, tourism, processed raw materials and other marine service industry which were environmentally friendly.

Susi Pudjiastuti, Minister of Maritime and Fishery stated in Jakarta (17/12) that the fishery sector, if well managed could be highly potential as state's income. Unfortunately, Susi said marine wealth and potentials had not been contributing enough to Indonesia's economy, especially as forex resource.

According to Minister Susi today Indonesia's export of fish was only around USD 4 billion which was small, in fact it could be more than that. She said that if Indonesia was able to manage the potential, the economic value in the form of foreign exchange, contribution to GDP, increase of public income, opening of employment opportunities and other multiplier effect would be enormous.

According to Susi, it was about time Indonesia make the maritime sector as main propeller of growth in the future. The objective was of course prosperity of the nation. Today Indonesia's marine tourism only coined around USD 1 billion per year.

Meanwhile about competitive edge Susi stated that although Indonesia's competitive edge had shown improvement, Indonesia was still left behind especially in terms of support of the banking sector. In fact the maritime sector must be supported by politics-economy policy including the aspects of infrastructure, security, convenience etc which were conducive. Generally speaking, banks had not given their financial support to the fishery sector especially in times of adversity.

Minister Susi promised she would make it easy for fishermen or companies to make application if the requirements were fulfilled.

For that matter she said, size of ships must not be marked down from the actual size because in that case permit would not be issued. Susi underscored that issuance of the Fishing Permit Letter (SIPI) could be made faster if all shipowner above 30GT could be re-measured by the Ministry of Transportation.

The Minister claimed that she had been coordinating the Minister of Transportation in this regard. Re-measuring was necessary because allegedly many ships above 30 GT falsified their weight. Minister Susi said she would not hesitate to report to the Police if the ship owners were proved to falsify their measurement. She also expected that by January 1 2016 all ships used for fishing already had their right measurement.(SS)

PEOPLE'S MARKETPLACES MUST BE SNI CERTIFIED TO BE COMPETITIVE

Jakarta, *Business News*

The Ministry of Trade was promoting SNI standardization for People's marketplaces as one of the facilities to step up competitiveness of marketplaces. Sri Agustina, Director General of Domestic Trading, Ministry of Trade stated in Jakarta on Friday (18/12) that around 750 marketplaces being revitalized with the help of the Ministry of Trade based on SNI standard, only 3 people's market only 3 referred to SNI voluntarily i.e. Pondok Indah Market, Pasar Manggis Market and Pasar Cibubur.

Srie claimed that she had been publicizing in some regions and had conducted screening for SNI certification but only 3 markets were selected. Therefore in 2016 next the Ministry would prioritize SNI application for 13 Provinces in Indonesia,. Srie explained that SNI for marketplaces had 44 parameters to be met referring to physical revitalization, management and socio-cultural standards.

Some parameters to be met by people's marketplaces included room for trading, accessibility and zoning, readiness for re-measuring, public facilities building elements, safety of building, lighting, ventilation, drainage system, clean water supply, water treatment, wastage treatment and telecommunication support. Standardization included also the principles of marketplace management, job description of

market manager, and working procedure of market managers, management personnel, empowerment of traders and marketplace development.

To quote data of the Ministry of Trade, 8,000 traditional and modern markets must meet SNI qualification as required. He also explained that to build around 1,000 markets was easy, but it would be difficult if done the mediocre way. He disclosed that by the rule, standardization for type I market place was easy access to the nearest gas station. Furthermore the number of traders more than 750 people. The Management Office must be located in the market, and parking lot capacity must be adequate.

There must be at least 2 posts loading and unloading zone, 4 wash basin for washing hand in 4 different locations; garbage filtering, garbage carriers, transit dumping areas, 3 R garbage handling, disinfectant rooms, at least 2 breast feeding rooms and fire prevention facilities.

For Type II marketplace the number of traders between 501-750 zoning of traders counters into wet and dry counters, ready serve, non food etc. Type III marketplace the number of traders between 250 – 500, Type IV marketplace number of traders less than 250, unchanging, adjustment of the number if traders with facilities like parking, bathroom,

washbasin and zoning.

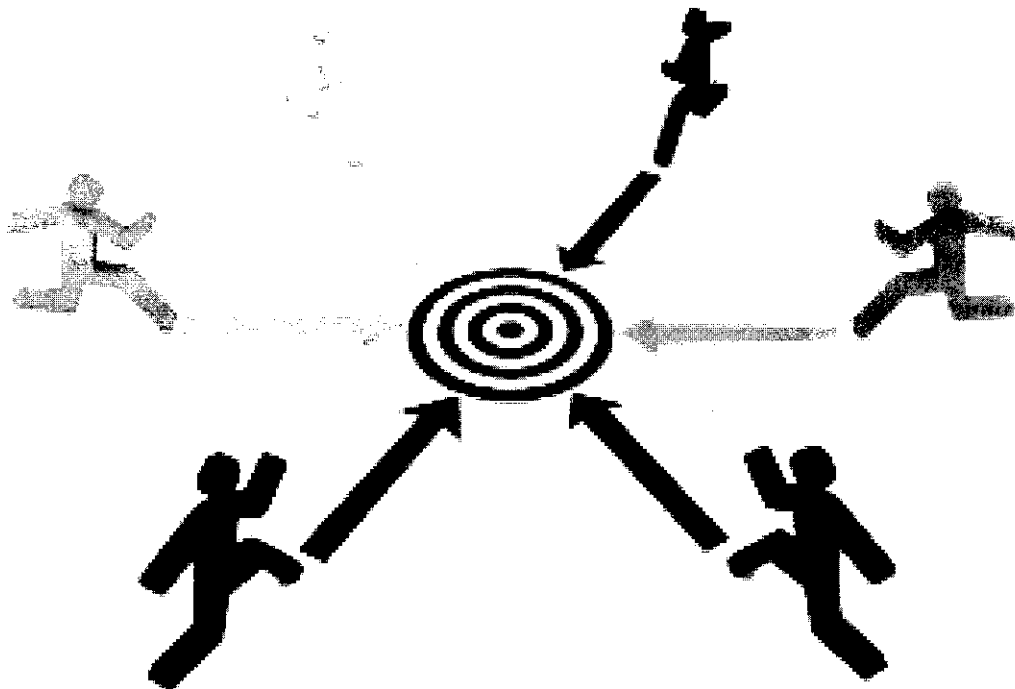
Beside People's market places, the Ministry of



Trade would also issue SNI standardization for traditional markets. The objective was for traditional market to be competitive against modern markets and to develop small business (UKM). The Director General of Standardization and Consumer Protection Widodo stated that the SNI standardization would soon be linked to market restructurization program as proclaimed by the Minister of Trade. In 2015, the Minister set target for restructurization of 1,000 markets

in all of Indonesia. Widodo stated the Regulation was not as yet put in effect for traditional markets in all of Indonesia.

According to Widodo standardization of traditional market could enhance business competition. Not just that, regulation was made to allow shopping convenience to consumers at clean and dry traditional markets. Widodo said that according to survey traditional market which had met qualifications posted higher turnover as much as 50%. (SS)



BUDGET FOR DRINKING WATER SUPPLY PROGRAM AND SANITATION SOARING UP

Jakarta, *Business News*

The Government prepared budget of Rp 14 trillion for implementation of Drinking Water Program and people based sanitation III in 2016 to 2019. The budget soared up against Pamsimas I and II through 2008 – 2015 amounting to Rp 2.5 trillion.

Andreas Suhono, Director General of Cipta Karya, Ministry of Public Works and People's Housing stated in Jakarta on Friday (18/12) disclosed that the fund consisted of World Bank's loan USD 300 million, the rest consisted of Provincial Government's budget and People's fund. "Today the regulation for conducting Pamsimas II was being prepared

He remarked further that the targeted villages being participant of Pamsimas III came to 15,000 villages in 345 regents and cities. Of the said places, 221 regents/cities were participants of Pamsimas before while 124 other 124 regents were touched by the program. Andreas claimed that conducting of Pamsimas I and II contributed 4% to total pipelining of the targeted 12 million new homes in 2019. The total pipelining would include 8.5 million people.

He said that the challenges faced by Pamsimas conductor was among others increase of people capacity managing the resources. Evaluation outcome showed that 70% of drinking water facilities was functioning well, 23% functioning partly and 7% not functioning.

Meanwhile the Government made sure that companies could still manage water for project needs. It was made possible by Government Regulation Plan (RPP) on Water Supply System which was still waiting for President's approval. The Director of Water Supply System (RPP) on Water Supply System (SPAM) M. Natsir disclosed that the management of

SPAM was prioritized for BUMN and BUMD.

As known the Government was waiting for release of 2 Government's Regulation on Drinking Water Supply (SPAM) and management of water resources. This Regulation was needed as implementation of Law No 11/1974 on water supply which was again put in effect as the Constitutional Court cancelled Law No.07/2004 on Water Resources.

Natsir also disclosed that the Government set target for five Regional drinking water projects which encompassed some regencies worth Rp2,9 trillion and ready for operation this year. The 4 PAM project targeted for completion this year were among others SPAM Metro Bandung West Java worth Rp 518 billion.

Furthermore SPAM Regional Karta Mantul Yogyakarta Rp 490 billion, SPAM Banjar Bakula South Kalimantan Rp 739.5 billion, SPAM Regional Pasi-gala Central Sulawesi Rp 849.5 SPAM Penet Bali Rp 317.8 billion. He Stated that building of a number of SPAM in some regions was to overcome scarcity of raw materials which was not evenly spread and to meet Government's target to provide drinking water to 100% in 2019.

While increasing drinking water supply, the objective of building regional SPAM was to save budget which was extremely high in water installation projects and the distribution network. According to Karta, the Government's aim in building drinking water project was to step up service and supply need for drinking water. Today only 24% - 25% of people were enjoying water pipelining.

Natsir disclosed that the Government set target for drinking water procurement at 73% in 2016. To reach target to 100% in 2019 addition supply of 30% or 17.6 million pipelining was needed.(SS)

APPLICATION OF BIO DIESEL AS FUEL JACK UP CPO PRICE

Jakarta, *Business News*

EL Nino that came this year cause severe drought affecting palm plantation especially south of the equator. Forest fire that flared up in some regions caused production of palm to drop by 10% - 20% in 2016 – 2017. Hasril Hasan Siregar, Director of Palm Research Center stated on Friday (18/12).

In palm the effect of water deficit was not instantly felt. Drought in 2015 would have its influence in 2016 – 2017 in the form of decreased fresh plum, while forest fire and smoke reduced the fruit' size.

Under the circumstances domestic absorption of CPO would predictably increase with the marketing of mandatory bio diesel B-20. So price of palm oil which in 2015 dropped to USD 450/tons would increase to USD 550 –USD 600/tons, but never again expect high price as high as USD 1,000/ton.

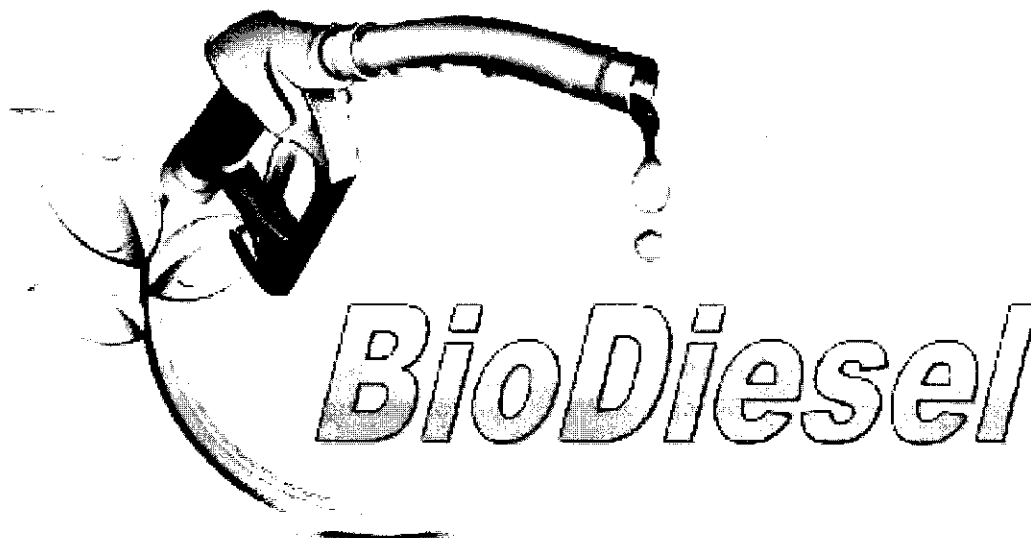
Under such circumstances the prospect of palm would in the future be better. At the downstream PPKS with the help of Palm Fund Management Board and some other research centers and universi-

ties was preparing palm downstream industry.

Some downstream industry like CPO base Bloemulsifier had been prepared. Rejuvenation of people's plantation financed by BPDKS would leave fallen palm trunks. When neglected it would rot and hedge disease, and to slice them into chips would be costly, but PPKS had processing technology to cut palm trunks using portable sawing machine.

Hasril was certain there was no problem with the application of B2 as fuel for vehicles in overland transportation from Jakarta to Medan. There was no problem, because B20 had been designed by Indonesian scientists to be compatible to vehicles.

Bayu Krisnamurthi, Director of BPD PKS stated by end of November 2015 he had subsidized 220 kilolitres of Biodiesel. From November 2015 – April 2016 contract for procurement of bio deisel was 1.8 million kilo litres. By 2016 predictably the need for biodiesel to be fulfilled came to 7 million kilolitres. There were 11 bio diesel producers who signed procurement contract whos subsidy was paid by BPD PKS.



Ivy Ng, Deputy of Plantation Research CMB Malaysia stated that today demand for biodiesel by producers increased by implementation of this policy and they were enjoying sizable margin. With subsidy, price of biodiesel could be the same as Solar oil.

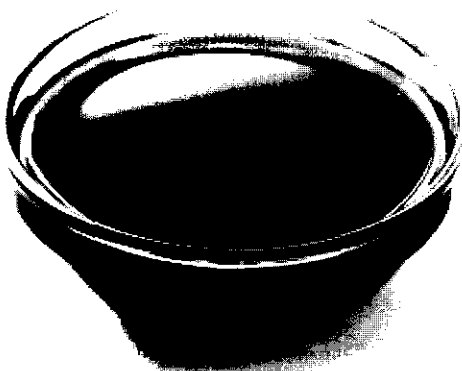
Under such circumstances CPO price was bound to go up due to high demand and low supply. Indonesia's palm products would be more profitable and efficient if infra structure building be the Government's agenda were truly executed and transportation cost were low.

If Indonesia's biodiesel fuel production could come to 7 million kilo it would make Indonesia the biggest bio diesel producer in the world, 23% of CPO would be absorbed by this industry as raw material for fuel.

Abdul Rochim of the Indonesia Transport Association stated that considering the target set,

application of biology in Indonesia was one of the highest in the world. With increasing portion of bio-diesel, Gaikindo Technical Team observed that some components of motor vehicle engine would wear out sooner, engine filter would be more wet and need more frequent replacement and engines crust would thicken easily. Therefore Gaikindo asked their members to observe that point and change their formulae to be more compatible to bio-diesel.

Rida Mulyana, Dir. Gen. Energy and Renewable Energy, Ministry of Energy and Mineral Resources stated that the Government was ready to implement B2 Plan. This was attained by way of test; there was already BPDKS who would subsidize; quality standard was already set and there would be sanction for the unqualified, there was fund for verifying quality and quantity of bio-diesel mix and there was bio-diesel producer with enough production capacity. (SS)



PREFERENCE GIVEN TO INDONESIA'S PRODUCTS IN UZBEKISTAN MARKET

Jakarta, *Business News*

The Government of Uzbekistan stated that Indonesia's exported products were entitled to 50% tariff preference lower against non preference tariff in Uzbekistan in the form of Single Size Customs Duty. The preference tariff could be benefited by Indonesian exporters just by presenting Form B Certificate of Product Origin (SKA). The statement was given by Uzbekistan by Diplomatic Notice through the Indonesian Embassy in Tashkent.

"Preference given to Indonesian products in Uzbekistan market is good news in diversification process of Indonesia's export from traditional to non traditional destinations" the Minister of Trade Tgo-mas Lembong stated in Nairobi, Kenya (17/12). Previously the Government's of Indonesia and Uzbekistan had signed Trade Agreement in 2009.

The two countries agreed to set preference tariff based on most preferred (MPN) status to each other in accordance with Article 2 of the Agreement. Unfortunately the implementation afield was still off track because some Indonesian exporters using form B SKA documents were still treated as non preference which was twice as high in Uzbekistan.

The preference tariff for Indonesia was put in effect since November 2015. In April 10-11 2015 the Governments of Indonesia and Uzbekistan held Technical Expert Meeting in Uzbekistan to dissect the matter. The result of the meeting was the Government of Uzbekistan agreed on application of SKA form B as export document for Indonesian products in MNF tariff list to be given preference.

The Minister of Trade saw that the agreement could jack up trade volume of both countries.

"Successful implementation of the Agreement could promote bilateral relations twice as much. We must strive to meet higher target" the Minister of Trade remarked.

Meanwhile the Director General of International Trading Bachrul Chairi stated there was still room for promoting trade between Uzbekistan and Indonesia. "Today Indonesian commodities exported to Uzbekistan is still not inclusive of main export commodities like CPO, rubber or coffee" Bachrul said.

Therefore chances of increasing export of the said product was still open, considering that Indonesia was the biggest exporter of CPO in Southeast Asia. Uzbekistan was now increasing demand for the said products.

Uzbekistan had abundant natural resources like gold, cotton, crude oil and gas. The sectors of agriculture, animal farming and mining were highly advanced. Uzbekistan was Indonesia's second trade counterpart in Central Asia after Kazakhstan and was one of Indonesia's most important partners.

On the contrary Indonesia was an important ASEAN state and was member of G-20. "In view of the potentials of Uzbekistan and Indonesia, it would be right for both countries to promote bilateral trading" Bachrul said. Both countries could benefit from a prospective market in Asia.

In 2014, total Indonesia-Uzbekistan Trade volume was worth USD 13.6 million. Indonesia's export to Uzbekistan was posted at USD 8.7 million and import was USD 4.7 million, Export in January-August this year was USD 3.9 million and import was USD 4.6 million.

Indonesia's main export commodities to Uz-

bekistan in 2014 was refrigerators, freezers and other ferrigerating/freezing equipments worth USD 5,0 million, soap, organic surface active products for use as soap in bars, cakes etc USD 0,1 million.

Indonesia's import commodities from Uzbeki-

stan in 2014 was spark-ignition recipocrating of rotary internal combustion piston engines USD 3.5 million, pulp or fibre derived from recovered (waste and scrap), paper and paperboard or of other fibruous celolusic material USD 1.1 million and cotton not carded or combed USD 0.09 million.(SS)



PELINDO II SPECIAL TEAM OF HOUSE FORWARD 7 RECOMMENDATIONS

Jakarta, *Business News*

In the initial report of Special Committee of Pelindo II of House in DPR Plenary Meeting there was 7 important recommendations set forth to the Government. The recommendation was based on shocking findings in the period of Pelindo II management. Chairman of the Committee Rieke Diah Pitaloka disclosed in detail her introductory report. (17/12)., The Special Committee had detected potential losses on the Government part which was notably high. For the remaining contract of 2015 – 2018 the profit for Pelindo was Rp 2.99 trillion; but behind the profit there was potential loss of Rp 24.7 trillion for 2019 – 2038 times 49% (HPH shares) = Rp 11.85 trillion based on exchange rate Rp 1,600.

Other loss was from contract extension of JICT. The potential of loss of JICT if contract was extended was Rp36.5 trillion with reference to Deutsche Bank Projections times 49% (HPH shares) there was

potential loss of Rp17,9 trillion based on exchange rate Rp13.600

In view of all potential loss and findings during committee's operations, seven recommendations were set forth. Firstly the Committee strongly recommended to cancel contract extension of JICT for 2015 – 2038 between Pelindo II and HPH. Secondly to insist OJK to investigate alleged vested interest and manipulation by Deutsche Bank in making evaluations.

Thirdly, in regard to labor, the special committee recommended labor union busting practices. Fourthly, Law enforcers were urged to continue investigation on alleged law breaking causing loss on the nation. The Committee strongly urged the Minister of BUMN to dismiss President of Pelindo II.

Thirdly the Committee strongly recommended the President to use his prerogative rights to dismiss Rini Soemarno as Minister of BUMN. Seventhly the Committee urged the Government not to start long

IPC

PT Pelabuhan Indonesia II (Persero)

Energizing Trade. Energizing Indonesia.



term foreign investment which disadvantage the nation morally of financially.

Based on that finding the Committee called out all elements of the nation to enhance awareness that Indonesia's economic sovereignty could only be upheld if all parties consistent in upholding mandate of the constitution and to refrain from being anti-historical.

To Question Policy of the Minister of BUMN

The Special Committee of House questioned policy of the Minister of State Owned Enterprises (BUMN) Rini Soemarno who issued principle permit to Pelindo II to extend concession contract to Hutchison Port Holding (HPH) for Jakarta International Container Terminal (JITC). The matter was set forth by Chairman of Special Committee Rieke Diah Pitaloka in her initial report before the Plenary Meeting of House on Thursday (17/12). The contract extension itself has been probed by President of Pelindo II RI Lino since July 27, 2012. The principle permit was issued by the Minister of BUMN on June 2, 2015 although the Min-

ister of BUMN and the Minister of Transportation had rejected the contract extension before.

The rejection was because no concession was obtained from seaport authority as mandated by Law No 217/2008 on Sailing. Moreover JITC had not obtained seaport business permit. This was an astounding finding by the Committee.

Ironically Minister Rini defended herself by saying she did not know the Law related to contract extension, yet she issued the principle permit. Principle permit was not known in the nomenclature of BUMN Law.

Other matters disclosed by the Special Committee was contract extension which did not exist in Company's Budget Plan (RKAP) of Pelindo II and was not even in Shareholders Extraordinary Meeting (RUPS) which was admitted by the Minister of BUMN. Rini even once stated before the Committee that business activities run by BUMN did not always have to be in RKAP, moreover when it concerned foreign investment. (SS)



NON OIL & GAS INDUSTRY IN 2016 PROJECTED TO GROW 5.7 – 6.1 PERCENT

Jakarta, *Business News*

In 2016, non-oil & gas industry sector is projected to grow at 5.7% to 6.1%. The projected increase in growth was supported by increased investment in certain industry groups that occurred in 2014 and 2015. In addition, the impact of various government policy packages launched in 2015 is estimated to be felt in 2016.

During a press conference of end of 2015 in Jakarta, on Friday (December 18), Minister of Industry, Saleh Husin, expressed his optimism that if various efforts were conducted optimally, the non-oil & gas industry is likely to grow above 6%. "Chemical, pharmaceutical and traditional medicine industry; metal goods and electrical equipment industry; food and beverage industry; and machinery and equipment industry are expected to be the driver of growth of non-oil & gas manufacturing industry in 2016.

Estimated growth of non-oil & gas industry is around 5.7% - 6.1% in 2016 supported by growth forecast of food and beverage industry group, which is estimated at around 7.4% - 7.8%. Relatively high growth is also expected to occur in groups of chemical, pharmaceutical and traditional medicine industry, which is 8.5% - 8.7%. This estimate is based on the possibility of increased growth of the basic chemical industry in Indonesia, along with economic growth which will improve.

Basic chemical industry growth is driven by increased chemical demand from various industry groups, such as the plastics industry whose demand is expected to increase around 8% and cement industry which is projected to increase by approximately 10% to 14%. The increase in demand makes the

demand for basic chemical materials, such as petrochemicals, to increase.

A relatively high growth is also expected to be achieved by the metal goods industry; computers, electronics, optical; and electrical equipment industries which are expected to grow about 8.0% - 2%. From this industry groups, non-machinery and equipment metal goods industry is expected to give the biggest contribution to the growth of this group, because this industry since 2011 tends to have high growth in added value, which is driven not only by export demand but also by a relatively high growth of investment.

The development of the national economy in the future is still haunted by uncertainty. But there is hope that the world economy in 2016 will grow higher than this year. The increased growth is expected to have a positive impact on exports of industrial goods from Indonesia. National economic growth is also projected to be higher than this year. With a more bullish national economy, it is expected to boost demand for industrial goods so that the industrial sector could grow higher.

Performance of 2015

Meanwhile, according to Saleh Husin, who was accompanied by a number of echelons I and II, the Ministry of Industry stated that the performance of the non oil & gas industry sector grew 5.2% in 2015, slightly lower than last year's growth at 5.6%. Prognosis until the end of 2015 is that the non-oil & gas industry sector is expected to grow 5.5%. Growth in the non-oil & gas industry it is still higher than the growth of Gross Domestic Product (GDP) of 4.7% until the third quarter of 2015.

While, exports of industrial products until the third quarter of 2015 was worth USD 81.26 billion. Exports of industrial products contributed 70.58% to total national exports at USD 115.13 billion, while imports of industrial products until the third quarter of 2015 amounted to USD 81.53 billion. Domestic investment (PMDN) reached IDR 63.60 trillion, while foreign investment (PMA) was worth USD 8.52 billion, bringing a total value of investment until the third quarter 2015 to USD 13.60 billion.

Decline in industry performance during 2015 occurred due to weaker domestic demand and decline in export growth. Domestic demand consists of household consumption, government expenditure and capital formation or investment experienced a decrease of growth during 2015.

The decline in exports is partly due to falling commodity prices in the global market. Prices of national mainstay export commodities (including palm oil and rubber crumb) experienced a significant decline. Average price of CPO during the first nine months of 2015 fell 24.4% compared to the average price a year earlier. Meanwhile, in the same period, prices of crumb rubber fell by almost 20%.

Decline in the performance of the industry sector also occurred in Malaysia, the Philippines, and Singapore. Even in Singapore, until the third quarter of 2015, the industrial sector experienced a contraction (negative growth) of -4.5% from the previous growth of 4.2%. The decrease in the growth of industrial sector in Malaysia and the Philippines is deeper than what we have experienced. (E)

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PARLIAMENT AGREED THE BILL ON GUARANTEES TO BE PASSED INTO LAW

Jakarta, *Business News*

The Bill on Guarantees, on December 17 was passed into law in the Plenary Session of Parliament led by Vice Chairman of the House, Agus Hermanto. All members of Parliament who attended the Plenary Session agreed the Bill on Guarantees to be passed into law.

In the same occasion, the Deputy Chairman of the Legislative Body (Baleg) of the House of Representatives, Firman Subagyo, in his report stated that regulation on guarantees in the form of law is eagerly awaited and anticipated by businesses, especially micro, small & medium businesses and cooperatives (UMKMK), especially in facing the implementation of the ASEAN Economic Community (AEC) on January 1, 2016. UMKMK has a strategic role in driving the national economy, which is seen from labor absorption, resistance to global economic shocks and accessibility in driving the national economy.

But in fact, SMEs faced problems, both internal and external. Internal problems are related to, among others, limited capital, not having good financial statements, and familial management. While, external problems include, among other things, difficulty in obtaining capital, technology, information, marketing and infrastructure as well as partnership and mentoring.

Related to capital faced by SMEs includes availability of financing institutions, access to financial institutions, and the ability to access financing institutions. UMKMK limitation in accessing finance institutions is due to the inability to provide collateral

and the absence of good administration of business activities, so it is considered unthinkable.

Furthermore, Firman explained that with regard to the difficulties of UMKMK in obtaining credit or financing without providing collateral, since 1970 the government has introduced a credit guarantee scheme by establishing Cooperative Credit Guarantee Agency (LJKK). On this basis, in order to strengthen the legal basis for rules on comprehensive guarantees to become a reference in organizing assurance and to balance regulation in the financial services sector, which is of equal level with the banking and insurance institution, a governing law is required.

Meanwhile, the Minister of Finance in his speech after the enactment of Law on Guarantees stated that the government put great hopes on the existence of Guarantee Act to address the needs of micro, small & medium businesses and cooperatives in accessing sources of financing through underwriting activities undertaken by the guarantee institution. In addition, the Law is expected to have a strategic role in order to provide a multiplier effect for the real sector, so as to increase productivity and efficiency of economic activities in Indonesia.

Whereas, for the guarantee service industries, the presence of the Law on Guarantees becomes a governing law for underwriting business so it is expected to create a "level of playing field", which is balanced with other financial services industries and increase trust of the banking institutions, financing institutions and the society on guarantee institution.

(E)

NATIONAL BASIC NEEDS PRICE

Jakarta, *Business News*

No.	Commodity	Unit	DECEMBER 2015								
			8	10	11	14	15	16	17	18	21
1.	Unpacking Cooking Oil	Rp / kg	10,430	10,390	10,400	10,390	10,440	10,430	10,430	10,420	10,410
2.	Beef	Rp / kg	108,510	108,620	108,570	108,800	108,690	108,690	108,690	108,910	109,330
3.	Ranged Chicken Meat	Rp / kg	31,890	31,900	31,970	32,430	32,450	32,840	32,840	32,870	33,330
4.	Ranged Chicken Eggs	Rp / kg	23,280	23,620	23,670	23,460	23,560	23,890	23,890	23,870	24,280
5.	Wheat Flour	Rp / kg	9,060	9,060	9,060	9,090	9,060	9,060	9,060	9,060	9,070
6.	Imported Soybean	Rp / kg	10,990	10,990	10,990	10,990	11,010	11,020	11,020	11,010	11,000
7.	Local Soybean	Rp / kg	10,930	10,930	10,930	10,930	10,930	10,940	10,940	11,100	11,100
8.	Medium Rice	Rp / kg	10,620	10,630	10,650	10,640	10,670	10,680	10,680	10,670	10,710
9.	Granulated Sugar	Rp / kg	12,810	12,830	12,860	12,890	12,900	12,840	12,840	12,860	12,890
10.	Curly Red Chilli	Rp / kg	32,970	33,020	33,600	34,780	34,990	35,420	35,420	36,730	38,030
11.	Red Chili	Rp / kg	28,940	29,940	30,310	31,320	31,220	32,410	32,410	33,890	34,950
12.	Onion	Rp / kg	24,460	24,840	25,680	27,710	28,690	29,230	29,230	29,930	32,070

Source: Processed by Ministry of Trade(Ditjen PDN)

(BN)

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ECONOMY & BUSINESS

FOREIGN EXCHANGE RATES

Jakarta, *Business News*

EXCHANGE RATES ON TRANSACTION

CURRENCY	VALUE	DECEMBER 22, 2015			DECEMBER 21, 2015			DECEMBER 18, 2015		
		BUYING	MIDDLE RATE	SELLING	BUYING	MIDDLE RATE	SELLING	BUYING	MIDDLE RATE	SELLING
AUD (Australia)	1,-	9,749.78	9,802.14	9,854.50	9,884.33	9,935.83	9,987.33	9,956.30	10,006.93	10,057.55
BND (Brunei)	1,-	9,630.34	9,680.76	9,731.17	9,775.50	9,827.52	9,879.53	9,854.60	9,907.53	9,960.45
CAD (Canada)	1,-	9,712.50	9,762.66	9,812.82	9,899.59	9,951.59	10,003.59	10,015.78	10,066.36	10,116.94
CHF (Switzerland)	1,-	13,638.38	13,713.78	13,789.18	13,910.11	13,986.02	14,061.93	14,022.30	14,094.74	14,167.17
CNY (China Yuan)	1,-	2,092.33	2,102.84	2,113.34	2,131.64	2,142.30	2,152.95	2,154.16	2,164.96	2,175.76
DKK (Denmark)	1,-	1,982.00	1,992.10	2,002.19	2,010.02	2,020.37	2,030.71	2,027.59	2,037.95	2,048.31
GBP (United Kingdom)	1,-	20,168.77	20,274.12	20,379.46	20,581.65	20,688.72	20,795.79	20,808.96	20,916.82	21,024.67
HKD (Hong Kong)	1,-	1,747.32	1,756.21	1,765.09	1,780.41	1,789.35	1,798.28	1,800.78	1,809.93	1,819.07
JPY (Japan)	100,-	11,172.78	11,231.19	11,289.60	11,386.73	11,445.08	11,503.42	11,399.41	11,457.04	11,514.66
KRW (Korean)	1,-	11.50	11.57	11.63	11.71	11.77	11.83	11.80	11.86	11.92
KWD (Kuwaiti Dinar)	1,-	44,591.84	44,845.36	45,098.88	45,434.50	45,676.74	45,918.97	45,912.53	46,173.26	46,433.98
MYR (Malaysia)	1,-	3,151.20	3,169.61	3,188.02	3,204.78	3,223.44	3,242.09	3,233.44	3,251.93	3,270.41
NOK (Norway)	1,-	1,544.49	1,552.59	1,560.69	1,576.58	1,585.74	1,594.90	1,591.31	1,599.75	1,608.18
NZD (New Zealand)	1,-	9,191.64	9,239.15	9,286.65	9,300.46	9,348.35	9,396.23	9,353.14	9,402.15	9,451.16
PGK (Papua New Guinea)	1,-	4,432.58	4,556.09	4,679.59	4,516.34	4,642.08	4,767.82	4,572.56	4,701.25	4,829.94
PHP (The Philippines)	1,-	286.59	288.06	289.53	291.82	293.34	294.86	294.09	295.60	297.10
SAR (Saudi Arabian Riyal)	1,-	3,609.36	3,628.21	3,647.05	3,678.05	3,696.94	3,715.82	3,721.91	3,741.73	3,761.54
SEK (Sweden)	1,-	1,594.42	1,602.66	1,610.90	1,613.27	1,621.62	1,629.97	1,631.13	1,639.73	1,648.33
SGD (Singapore)	1,-	9,630.34	9,680.76	9,731.17	9,775.50	9,827.52	9,879.53	9,854.60	9,907.53	9,960.45
THB (Thailand)	1,-	375.26	377.25	379.24	381.51	383.63	385.75	386.22	388.27	390.31
USD (United States)	1,-	13,547.00	13,615.00	13,683.00	13,803.00	13,872.00	13,941.00	13,962.00	14,032.00	14,102.00
EUR (Europe)	1,-	14,787.91	14,863.51	14,939.10	14,996.96	15,074.72	15,152.47	15,126.43	15,205.09	15,283.75

NOTE : The middle rate is based on Business News calculation

STANDARD OPERATING PROCEDURE FOR ISSUING A PERMIT TO EMPLOY FOREIGN WORKERS IN INTEGRATED ONE STOP SERVICE AT THE INVESTMENT COORDINATING BOARD (Regulation of the Manpower Minister of the Republic of Indonesia No. 3/2015 dated January 26, 2015)

BY THE GRACE OF GOD ALMIGHTY
THE MANPOWER MINISTER OF
THE REPUBLIC OF INDONESIA,

Considering :

That to implement provisions in Article 4 letter b of Regulation of the Manpower Minister No. 25/2014 on Integrated One Stop Services at the Investment Coordinating Board, it is necessary to stipulate Regulation of the Manpower Minister on Standard Operating Procedure for Issuing a Permit to Employ Foreign Workers in Integrated One Stop Services at the Investment Coordinating Board;

In view of :

1. Law No. 13/2003 on Manpower (Statute Book of 2003 No. 39, Supplement to Statute Book No. 4279);
2. Law No. 25/2007 on Investment (Statute Book of 2007 No. 67, Supplement to Statute Book No. 4724);
3. Law No. 25/2009 on Public Services (Statute

Book of 2009 No. 112, Supplement to Statute Book No. 5038);

4. Law No. 23/2014 on Regional Government (Statute Book of 2014 No. 244, Supplement to Statute Book No. 5587);
5. Government Regulation No. 65/2012 on the Types and Tariffs of Non-Tax State Revenues at the Manpower and Transmigration Ministry (Statute Book of 2012 No. 154, Supplement to Statute Book No. 5333);
6. Presidential Regulation No. 39/2014 on the Lists of Closed Business Fields and Open Business Fields with Conditions in the Investment Field (Statute Book of 2014 No. 93);
7. Presidential Regulation No. 72/2014 on the Use of Foreign Workers and the Implementation of Education and Training for Counterpart Workers (Statute Book of 2014 No. 162);
8. Presidential Regulation No. 97/2014 on the Realization of Integrated One Stop Services (Statute Book of 2014 No. 221);
9. Presidential Decree No. 121/P/2014 on the

Formation of Ministries and Appointment of Ministers of the Working Cabinet for 2014-2019;

10. Regulation of the Manpower and Transmigration Minister No. 12/2013 on the Procedure of Employing Foreign Workers (State Gazette of 2013 No. 1565);
11. Regulation of the Manpower Minister No. 25/2014 on the Realization of Integrated One Stop Services in the Manpower Field at the Investment Coordinating Board (State Gazette of 2014 No. 1934);

DE C I D E S :

To stipulate :

REGULATION OF THE MANPOWER MINISTER ON STANDARD OPERATING PROCEDURES FOR ISSUING A PERMIT TO EMPLOY FOREIGN WORKERS IN INTEGRATED ONE STOP SERVICES AT THE INVESTMENT COORDINATING BOARD.

Article 1

Referred to in this Ministerial Regulation as :

1. Integrated One Stop Services, hereinafter abbreviated into PTSP, are integrated services in one unit of process starting from the phase of filing applications to the phase of settling service products through one door.
2. Foreign worker, hereinafter called TKA, is a foreign national that holds visa with the aim of being employed in the Indonesian territory.
3. Plan for the Use of Foreign Workers, hereinafter abbreviated into RPTKA is a plan to use TKA for certain posts created by TKA job provider for a certain period of time endorsed by the Minister or appointed official.
4. Recommendation on Work Visa is a letter of recommendation on visa to work, issued by the Director of Foreign Workers Control to the Director of Immigration Traffic at the Directorate General of Immigration.
5. Foreign Worker Employing Permit, hereinafter abbreviated into IMTA, is a written permit issued by the Minister or appointed official to TKA job provider.
6. Extended IMTA is IMTA issued to TKA whose job locations cover more than 1 (one) province.
7. Compensation fund is fund for the transfer of skill and vocation, hereinafter abbreviated into DPKK, namely fund that must be paid by TKA job provider to the state for the use of TKA.
8. Ministry is the ministry carrying out administrative affairs in the manpower field.
9. Director is the Director of Foreign Workers Control.

10. Minister is the minister carrying out administrative affairs in the manpower field.

Article 2

This Ministerial Regulation serves as a guide for permit issuing officials and operational officers in providing RPTKA and IMTA services in PTSP at the Investment Coordinating Board (BKPM) as well as for stakeholders to see the process of issuing IMTA.

Article 3

The scope of this Ministerial Regulation covers procedures of:

- a. endorsing new RPTKA;
- b. endorsing extended RPTKA whose job locations cover more than 1 (one) province;
- c. issuing recommendations on work visas;
- d. issuing new IMTA; and
- e. issuing extended IMTA for TKA whose job locations cover more than 1 (one) provinces.

Article 4

New RPTKA, extended RPTKA, recommendations on work visas, new IMTA and extended IMTA as referred to in Article 3 are issued by the Director.

Article 5

The endorsement of RPTKA, the issuance of recommendations on work visas and the endorsement of IMTA as referred to in Article 4 are done according to the law and regulation.

Article 6

- (1) With regard to the endorsement of RPTKA, the issuance of recommendations on work visas and the issuance of IMTA done in PTSP at the Investment Coordinating Board (BKPM), the Minister assigns an official of the Ministry at BKPM to receive and sign the endorsement of RPTKA and the issuance of IMTA whose authority cannot be delegated according to the law and regulation.
- (2) The official as referred to in paragraph (1) is assisted by operational officers.

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Article 7

The procedures of endorsing RPTKA, issuing recommendations on work visas and issuing IMTA are contained in Attachment I, the process and flowchart are contained in Attachment II, and format of application forms for RPTKA and IMTA are contained in Attachment III to this Ministerial Regulation.

Article 8

The process of endorsing RPTKA, issuing recommendations on work visas and issuing IMTA is done online and can be accessed through the website of the Ministry: <http://www.tka-online.depnakertrans.go.id>.

Article 9

This Ministerial Regulation shall come into force as from the date of promulgation.

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

Stipulated in Jakarta

On January 26, 2015

THE MANPOWER MINISTER OF
THE REPUBLIC OF INDONESIA,

sgd.

M. HANIF DHAKIRI

Promulgated in Jakarta

On January 26, 2015

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

sgd.

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA
OF 2015 NO. 120

ATTACHMENT

CHAPTER I

INTRODUCTION

A. Background

Free job market in the era of liberalization as a result of international agreements such as WTO, AFTA, APEC, AFAS, MEA and other bilateral agreements has created job opportunities for citizens to work abroad. Any foreign national wishing to work in Indonesia is subjected to provisions in Law No. 13/2003 on Manpower and other regulations such as Government Regulation No. 65/2012 on Types and Tariffs of Non-Tax State Revenues at the Manpower and Transmigration Ministry, Government Regulation No. 38/2007 on the Distribution of Affairs between the Government, Provincial Government and Regency/Municipal Government, Presidential Regulation No. 72/2014 on the Use of Foreign Workers and Education and Training Courses for Counterpart Workers and Regulation of the Manpower and Transmigration Minister No. 12/2013 on the Procedure of Employing Foreign Workers. Based on the laws and regulations, the Government of Indonesia allows foreign nationals to work in Indonesia. Although Indonesia is open to foreign nationals to work in the country, the government protects Indonesian workers by controlling the use of foreign workers.

On the other hand, investment in Indonesia must always be increased. The Government has made various efforts to increase investment. With the passage of Law No. 25/2009 on Public Services, the Government continues to make every effort to provide quick, proper, cheap, secure, fair and accountable services. One of the efforts is setting up Integrated One Stop Service (PTSP) tasked with providing licensing and non-licensing services based on the delegation of authority from the institution or agency having the authority, from the phase of filing applications to the phase of issuing licenses under the control of the Investment Coordinating Board (BPKM). Hopefully, given the integrated one stop services, investors can obtain investment permits more easily, quickly and cheaply so that they will be interested in investing their capital in Indonesia.

The Manpower Ministry as a leading sector in the manpower field plays an important role in increasing investment attractiveness by facilitating work permits and improving manpower regulations.

Hence, the Manpower Ministry through the Directorate of Foreign Workers Control tasked with drafting policies, implementing policies, standardization, providing technical guidance, and conducting evaluation

GOVERNMENT REGULATIONS

in the field of analysis and licensing in the industrial sector, analysis and licensing in the service sector, as well as control and institutional cooperation also takes part in achieving the vision and mission of the Government in the field of public service, particularly with regard to licensing to use foreign workers. Therefore, to help carry out the activities, it is necessary to draw up Standard Operating Procedure (SOP) for Issuing Plan for the Use of Foreign Workers, Recommendations on Work Visas, and Permits to Employ Foreign Workers in Integrated One Stop Service at the Investment Coordinating Board.

B. Purpose and Aim

1. The purpose of drawing up SOP is to ensure that the services of new RPTKA, extended RPTKA whose work location is found in more than 1 (one) province, recommendations on work visas, the issuance of new IMTA and extended IMTA to TKA whose work location is found in more than 1 (one) province, will run effectively and efficiently according to the law and regulation and meet the need of TKA users.
2. The aim of SOP is to give guidance to permit issuing officials and operational officers in providing services for new RPTKA, extended RPTKA, recommendations on work visas, issuance of new IMTA and extended IMTA in Integrated One Stop Service (PTSP) at the Investment Coordinating Board (BKPM) as well as stakeholders to see the process of endorsing RPTKA until the issuance of recommendations on work visas (TA-01) and IMTA.

CHAPTER II

PROCEDURE OF ENDORSING NEW RPTKA

A. Requirements

To file an application for new RPTKA, TKA user brings a receipt of the online registration of application by uploading document color scan as well as required documents as follows:

1. Sending the original of document color scan of company data using format file PDF and in ZIP to e-mail address: profilpma.pta@gmail.com consisting of :
 - a. deed of incorporation endorsed by the Law and Human Rights Minister;
 - b. business permit of company;
 - c. written statement of company's domicile which is still valid;
 - d. NPWP (taxpayer code number);
 - e. corporate registration certificate which is still valid;

- f. organizational structure of company;
 - g. evidence of the obligation to report workers which is still valid based on Law No. 7/1981 on the Obligation to Report Workers.
2. Bringing the original documents of deed of incorporation endorsed by the Law and Human Rights Minister, business permit of company, written statement of company's domicile which is still valid, NPWP, corporate registration certificate which is still valid, organizational structure, evidence of the obligation to report workers which still valid based on Law No. 7/1981 on the Obligation to Report Workers.
3. To file an application for new RPTKA, TKA user brings receipt of online registration by uploading required documents, as follows :
- a. a plan for the use of foreign workers addressed to the Director General of Worker Placement Development attn.. the Director of Foreign Workers Control, typed on paper with the company's letter head, full address, phone number and facsimile number of the job provider, stamped and signed by the company leadership.
 - b. filling form of plan for the use of foreign workers, typed, signed by company leadership and stamped.
 - c. fixed business permit issued by BKPM/in-principle permit for foreign investment company or a copy of representative permit for commercial/construction/oil and gas/transportation company.
 - d. deed of incorporation endorsed by the Law and Human Rights Minister.
 - e. written statement of company's domicile which is still valid covering at least 3 (three) months before its maturity issued by the village administration/village head or written statement of the company's domicile issued by the management of the building in case of lease, or business site permit (SITU).
 - f. NPWP (taxpayer code number) and SKT (written statement of registration) issued by the Director General of Taxation.
 - g. corporate registration certificate which is still valid issued by provincial office or regency/municipal office.
 - h. organizational structure of company validated by the company.
 - i. the obligation to report workers based on Law No. 7/1981 on the Obligation to Report Workers at least 3 (three) months before it expires.
 - j. work contract of company.
 - k. written statement of readiness to organize education and training courses for Indonesian workers

according to the qualification of post occupied by TKA along with plan for education and training program for counterpart TKI.

- l. Letter of appointment of Indonesian workers as TKA counterpart, signed by the company leadership, stamped along with a copy of KTP, curriculum vitae of counterpart TKI, and diploma of TKI validated by the company.
- m. Filling form of TKI as counterpart TKA.
- n. Letter of assignment from company or power of attorney with i Rp.6,000.00 duty stamp if the application is filed by third party in the form of legal entity, complete with the date of assignment and a copy of KTP of the relevant party.
- o. recommendation from the relevant technical agency (if needed).

B. Period of Time for the Process of Issuing RPTKA

The period of time for the process of settling the endorsement of new RPTKA covers 3 (three) working days after the date of receiving the document online and if all requirements have been complete

C. Mechanism of Service

1. Receiving Application for New RPTKA

a. Filling form

- 1) filing an application online which can be accessed through the website of the Ministry <http://www.tkaonline.depnakertrans.go.id>.
- 2) application form is downloaded from the website of the Ministry <http://www.tka-online.depnakertrans.go.id> or can be obtained from the Ministry; and
- 3) form must be validated in a complete and neat manner.

b. Registration of New RPTKA

After all requirements have been met, user of workers/company registers new RPTKA with the Director General of Manpower Placement Development through the Director in the Registration Counter Mo. 31 at the Investment Coordinating Board or registering online online at <http://www.tkaonline.depnakertrans.go.id>.

c. Checking application for new RPTKA

- 1) verifying data of company according to the original document;
- 2) counter officer check the completeness of application for RPTKA;

- 3) checking posts and scope of jobs based on the business permit, company's domicile, and other documents according to the existing provisions;
- 4) analyzing posts and description of posts proposed by the user of workers according to the regulation in force;
- 5) checking whether the posts proposed have matched the posts for foreign workers according to the sectors/sub-sectors found in the regulation on posts and a period of time which can be used for the posts;
- 6) examining the names of posts and description of posts proposed with the scope of activities in the organizational structure of the company;
- 7) if the posts proposed do not match the posts stated in the regulation, the application will be rejected and returned to the company or informed through the account of the company filing the application for RPTKA;
- 8) considering recommendations from the relevant technical agency regarding the posts proposed, if needed;
- 9) examining the names and education of TKI appointed as TKA counterpart;

If the requirements from point 1) to point 9) have been met, the application will be accepted and the officer issues a receipt for further process.

If the requirements from point 1) to point 9) have not been met or complete, the application will be returned to the TKA user to complete the requirements or will be informed through the account of the company filing the application for RPTKA.

- d. Assessment of the feasibility of application for new RPTKA. The assessment of feasibility is one of the requirements for the TKA user filing an application in already specified number. Interview can be conducted through the video conference/skype/you meet me or face-to-face and the job provider cannot give power of attorney to a party outside the company. The director or owner of the company can appoint competent management to represent the company. Provisions on the proposed number of TKA are as follows:

- 1) if RPTKA has less than 10 (ten) TKA, assessment of feasibility is done by an assessment team led by the Head of the Sub Directorate with section heads as members through a letter of approval validated by the assessment team and the party representing the company.
- 2) If RPTKA has 10 (ten) up to/less than 50 (fifty) TKA, the assessment of feasibility is done by the assessment team led by the Director and can be represented by members consisting of the

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Head of Sub- Directorate of Analysis and Licensing in the service sector or the industrial sector or the Head of Sub-directorate of control and institutional cooperation, and the head of RPTKA section or the official appointed through a letter of approval validated by the assessment team and the party representing the company.

- 3) If RPTKA has more than 50 (fifty) TKA, the assessment of feasibility is done by the assessment team led by the Director General of Workers Placement Development and can be represented by the Director with members consisting of the Head of Sub- Directorate of Analysis and Licensing in the service sector or the industrial sector or the Head of Sub-directorate of control and institutional cooperation, and the head of RPTKA section or the official appointed through a letter of approval validated by the assessment team and the party representing the company
- 4) The feasibility assessing team as referred in point 1) up to point 3) is set up by a decision of the Director General of Worker Placement Development.
- 5) Indicators of feasibility assessment are as follows:
 - a) paying attention to the types of business fields;
 - b) work contract for business permit holder engaged in the service field and/or other fields in needed
 - c) considering the national manpower market ;
 - d) observing the number of TKI employed, considering the position (posts)of TKI and the number of TKI employed (expansion of work opportunities);
 - e) the number of TKA that will be employed must match the work burden, difficulty level, technology and location of jobs and observing the availability of TKI capable of handling it (if possible it will be published on the mass media);
 - f) the obligation of the company to place diffable TKI at least 1:100 of the total number of workers and the company conducts Corporate Social Responsibility (CSR) in l expanding job opportunities.

D. Process of Endorsing New RPTKA

1. Entry Data

The result of a research on the feasibility of application for new RPTKA which has been given a letter of approval is later evaluated by officer. The officer rechecks the result of data recording. If the result

of data recording has matched it will be printed. The draft of new RPTKA is later conveyed to the Section Head.

2. Research and Signature of the Section Head.

- a. The Section Head rechecks the draft of new RPTKA that has been printed to see if it has matched the letter of approval already made and signed;
- b. If there is a mistake in the draft of new RPTKA, it will be returned to the validation officer to improve it; and
- c. if the mistake has been corrected, the draft of RPTKA will be signed and then conveyed to the Head of Sub-Directorate of Research and Signature. The Head of Sub Directorate of Licensing Analysis.
 - 1) After the draft of new RPTKA has been signed by the Section Head, the Head of Sub Directorate rechecks the draft and all requirements;
 - 2) If there is a mistake, the draft of RPTKA will be returned to the validation officer for improvement; and
 - 3) If the mistake has been corrected, the draft of new RPTKA will be signed and later conveyed to the Head of Sub Directorate (Kasubdit).

3. Endorsement of New RPTKA

- a. The draft of new RPTKA that has been signed by the Section Head is later rechecked by the Head of Sub Directorate;
- b. The Head of Sub Directorate endorses new RPTKA.

4. Numbering and Stamping of New RPTKA

New RPTKA that has been endorsed is given number and stamp by the officer and is later handed over to the TKA user.

- a. Operational office makes an agenda and record of and give numbers to new RPTKA signed by the Head of Sub Directorate.
- b. Operational officer puts a stamp on new RPTKA already signed by the Head of Sub Directorate.

5. Handover of New RPTKA

After being given number and stamp, the operational officer later hands over new RPTKA to the TKA user.

6. Archives and Reporting

- a. The operational officer collects data of new RPTKA periodically as an input to draw up a report of activities.

- b. Database of TKA employed is made based on the name of company, the number of TKA, the names of posts, and the validity period of new RPTKA.

CHAPTER III

PROCEDURE OF ENDORSING EXTENDED (INTER-PROVINCE) RPTKA

A. Requirements

To file an application for extended (inter-province) RPTKA, the TKA user brings a receipt of the online registration of application by uploading document color scan as well as required documents as follows:

1. Bringing the receipt of the online registration of the application
2. The application for RPTKA addressed to the Director General of Workers Placement Development attn.. the Director is validated on a paper with letter head of the company, full address, phone number and facsimile number from the job provider, stamped and signed by the company leadership.
3. Filing RPTKA form validated, signed by the company leadership and stamped.
4. a copy of fixed business permit issued by BKPM/in-principle permit for foreign investment company (for holder of in-principle permit, a report of investment activities (LKPM) must be attached) or a copy of representative permit for commercial/construction/oil and gas/transportation company;
5. a copy of deed of incorporation endorsed by the Law and Human Rights Minister.
6. a copy of written statement of company's domicile (inter-provinces) which is still valid covering at least 3 (three) months before its maturity issued by the village administration/village head or written statement of the company's domicile issued by the management of the building in case of lease, or business site permit (SITU).
7. a copy of NPWP (taxpayer code number) and provisional SKT (provisional written statement of registration) issued by the Director General of Taxation.
8. a copy of corporate registration certificate which is still valid issued by provincial office or regency/municipal office.
9. a copy of organizational structure of company validated by the company.
10. a copy of the obligation to report workers based on Law No. 7/1981 on the Obligation to Report Workers at least 3 (three) months before it expires.
11. Filing a form of TKI counterpart regarding a letter of appointment of Indonesian workers as TKA counterpart, signed by the company leadership, stamped along with a copy of KTP, curriculum vitae of

counterpart TKI, and diploma of TKI validated by the company.

12. a written statement of readiness to organize education and training courses for Indonesian workers according to the qualification of post occupied by TKA along with plan for education and training program for counterpart TKI;
13. work contract of the company for the company engaged in the service sector;
14. a recommendation from the relevant technical agency for certain types of jobs including the social sector, the religious sector, the health sector, the energy and mineral resource sector, Bank Indonesia, the Financial Service Authority and so on;
15. a letter of assignment from the company or power of attorney with i Rp.6,000.00 duty stamp if the application is filed by third party in the form of legal entity, complete with the date of assignment and a copy of KTP of the relevant party.
16. a copy of valid RPTKA.
17. a copy of valid IMTA.
18. a copy of old DPKK.
19. a report of education and training course for TKI counterparts.

B. Related Documents

1. Valid RPTKA
2. Valid IMTA
3. Recommendations from the relevant technical agency (if needed).

C. Period of Time for the Process of Issuing Extended RPTKA

The period of time for the process of settling the endorsement of extended RPTKA covers 3 (three) working days after the date of receiving the document online and if all requirements have been complete

D. Mechanism of Service for Extended RPTKA

1. Receiving Application for Extended (Inter Province) RPTKA
 - a. Filling form
 - 1) filing an online application which can be accessed through the website of the Ministry <http://www.tkaonline.depnakertrans.go.id>.
 - 2) application form is downloaded from the website of the Ministry <http://www.tka-online>.

depnakertrans.go.id or can be obtained from the Ministry; and

3) form must be validated in a complete and neat manner.

b. Registration of Extended (Inter Province) RPTKA

After all requirements have been met, the user of workers/company registers extended (inter province) RPTKA with the Director General of Manpower Placement Development through the Director in the Registration Counter Mo. 31 at the Investment Coordinating Board or registering online at <http://www.tkaonline.depnakertrans.go.id>.

c. Checking application for extended (inter province) RPTKA

- 1) validating officer at the counter checks the completeness of application form for extended (inter province) RPTKA;
- 2) checking posts and scope of jobs based on SIUP or business permit, company's (inter province) domicile, and other documents according to the existing provisions;
- 3) analyzing posts and description of posts proposed by the user of workers according to the regulation in force;
- 4) checking whether the posts proposed have matched the posts for foreign workers according to the sectors/sub-sectors found in the regulation on posts and a period of time which can be used for the posts;
- 5) examining the names of posts and description of posts proposed with the scope of activities in the organizational structure of the company;
- 6) if the posts proposed do not match the posts stated in the regulation, the application will be rejected and returned to the company or informed through the account of the company filing the application for RPTKA;
- 7) considering recommendations from the relevant technical agency regarding the posts proposed, if needed;
- 8) examining the names and education of TKI appointed as TKA counterpart;

If the requirements from point 1) to point 8) have been met, the application will be accepted and the validating officer issues a receipt for further process.

If the requirements from point 1) to point 8) have not been met or complete, the application will be returned to the TKA user to complete the requirements or will be informed through the account of the company filing the application for RPTKA.

- d. Assessment of the feasibility of application for extended (inter province) RPTKA. The assessment of feasibility is one of the requirements for the TKA user filing an application in already specified number. Interview can be conducted through the video conference/skype/you meet me or face-to-face and the job provider cannot give power of attorney to aparty outside the company. The director or owner of the company can appoint human resource development unit or competent unit to represent the company. Provisions on the proposed number of TKA are as follows:
- 1) if RPTKA has less than 10 (ten) TKA, assessment of feasibility is done by an assessment team led by the Head of the Sub Directorate with section heads as members through a letter of approval validated by the assessment team and the party representing the company.
 - 2) If RPTKA has 10 (ten) up to/less than 50 (fifty) TKA, the assessment of feasibility is done by the assessment team led by the Director and can be represented by members consisting of the Head of Sub- Directorate of Analysis and Licensing in the service sector or the industrial sector or the Head of Sub-directorate of control and institutional cooperation, and the head of RPTKA section or the official appointed through a letter of approval validated by the assessment team and the party representing the company.
 - 3) If RPTKA has more than 50 (fifty) TKA, the assessment of feasibility is done by the assessment team led by the Director General of Workers Placement Development and can be represented by the Director with members consisting of the Head of Sub- Directorate of Analysis and Licensing in the service sector or the industrial sector or the Head of Sub-directorate of control and institutional cooperation, and the head of RPTKA section or the official appointed through a letter of approval validated by the assessment team and the party representing the company
 - 4) The feasibility assessing team as referred in point 1) up to point 3) is set up by a decision of the Director General of Worker Placement Development.
 - 5) Indicators of feasibility assessment are as follows:
 - a) paying attention to the types of business fields;
 - b) work contract for posts within the framework of carrying out project activities
 - c) considering the national manpower market ;
 - d) observing the number of TKI employed, considering the position (posts)of TKI and the number of TKI employed (expansion of work opportunities);
 - e) paying attention to the realization of education and training program for TKI within the framework of transfer of skills and transfer of knowledge;

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- f) the number of TKA that will be employed must match the work burden, difficulty level, technology and location of jobs and observing the availability of TKI capable of handling it (if possible it will be published on the mass media);
- g) the obligation of the company to place diffable TKI at least 1:100 of the total number of workers and the company conducts Corporate Social Responsibility (CSR) in expanding job opportunities.

2. Process of Endorsing Extended (Inter Province) RPTKA

a. Entry Data

- 1) The result of a research on the feasibility of application for extended (inter province) RPTKA which has been given a letter of approval is later evaluated by the validating officer.
- 2) The validating officer rechecks the result of data recording. If the result of data recording has matched it will be printed.
- 3) The draft of extended (inter province) RPTKA is later conveyed to the Section Head.

b. Research and Signature of the Section Head.

- 1). The Section Head rechecks the draft of extended (inter province) RPTKA that has been printed to see if it has matched the letter of approval already made and signed;
- 2). If there is a mistake in the draft of extended (inter province) RPTKA, it will be returned to the validating officer to improve it.
- 3). if the mistake has been corrected, the draft of extended RPTKA will be signed and then conveyed to the Head of Sub-Directorate.

3. The Endorsement of Extended RPTKA

- a. After the draft of extended RPTKA has been signed by the Section Head, the Head of Sub Directorate rechecks it;
- b. The Head of Sub Directorate endorses the draf of extended RPTKA;

4. Numbering and Stamping of Extended RPTKA

- a. Operational officer makes an agenda and record of and gives numbers to extended RPTKA signed by the Head of Sub Directorate.
- b. Operational officer puts a stamp on extended RPTKA already signed by the Head of Sub Directorate.

5. Handover of Extended RPTKA

Validating officer hands over the extended (inter province) RPTKA to the TKA user and extended RPTKA can be seen through the account of the applicant for extended RPTKA.

6. Archives and Reporting

- a. The validating officer collects data of extended (inter province) RPTKA periodically as an input to draw up a report of activities.
- b. Database of TKA employed is made based on the name of company, the number of TKA, the names of posts, and the validity period of extended (inter province) RPTKA.

CHAPTER IV

PROCEDURE OF ISSUING RECOMMENDATIONS ON WORK VISAS (TA-01)

A. Requirements

To file an application for a recommendation on work visa, TKA user brings a receipt of online registration of application by uploading document color scan as well as required documents as follows:

1. An application for a recommendation on work visa (TA-01) addressed to the Director, typed on a paper with letter head of the company, having full address accompanied by phone and facsimile numbers from the job provider, stamped and signed by the company leadership.
2. Filling a form of recommendation on work visa (TA-01), typed, signed by the company leadership, stamped and with a Rp6,000 duty stamp.
3. Valid RPTKA.
4. Passport valid for at least 18 (eighteen) months since the date of registration.
5. Deed of incorporation and endorsement of the company from the Law and Human Rights Minister for an application for a recommendation, accompanied by the posts of members of the boards of commissioners and directors;
6. Decision endorsing the appointment of TKI as TKA counterpart, signed by the company/agency leadership, stamped, accompanied by a copy of KTP of the counterpart TKI concerned;
7. 1 (one) piece of color photograph measuring 4X6 cm with red background (wearing a shirt with collar and not T-shirt);

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8. A copy of diploma and/or competency certificate already translated into English or Bahasa Indonesia by a sworn translator and uploaded by the relevant TKA, for the posts :
 - a. managerial post, university graduate (S-1) diploma and work experience for at least 5 (five) years in the relevant field;
 - b. professional post: diploma and work experience;
 - c. exception is given to the posts of director and commissioner and certain posts requiring special expertise or skill;
9. Certificate of Bahasa Indonesia proficiency obtained through a competency test conducted by Bahasa Indonesia Institute, with exception given to the posts of director and commissioners as well as certain posts requiring special expertise or skill;
10. Curriculum Vitae (CV) uploaded by TKA to be employed;
11. A recommendation on the competence of TKA for certain posts from the relevant agency
12. A letter of assignment from the company or a power of attorney with a Rp6,000 duty stamp if it is procured by third party in the form of legal entity, accompanied by the date of assignment and a copy of KTP of the person concerned.
13. A written statement of readiness to transfer expertise and skill to counterpart TKI.

B. Related Documents

1. Decision on the endorsement of valid RPTKA.
2. A recommendation from the relevant technical agency (if needed).

C. Period of Time for Settlement Process

A period of time to settle the issuance of recommendation on work visa (TA-01) for 1 (one) day starts from the date of receiving documents online, with all requirements declared complete.

D. Mechanism of Service

1. Receiving an application for a recommendation on work visa (TA-01)
 - a. Filling form
 - 1) Filing an online application form which can be accessed through the website of the Ministry:
<http://www.tkaonline.depnertrans.go.id>.

- 2) Application form is downloaded from the website of the Ministry: <http://www.tka-online.dep-nakertrans.go.id> or can be obtained from the Ministry.
 - 3) Application form must be typed completely and neatly.
 - b. Registering an application for a recommendation on work visa (TA-01)
After all requirements have been met, the user of workers/company registers the application for a recommendation on work visa (TA-01) to the Director at the registration counter Mo. 31 at BKPM or registers it online through <http://www.tkaonline.dep-nakertrans.go.id>.
 - c. Checking an application for a recommendation on work visa (TA-01) Operational officer checks whether the requirements of the online application for a recommendation on work visa (TA-01) are complete and valid.
2. Process of Issuing A Recommendation on Work Visa (TA-01)
- a. Entry Data
 - 1) The results of check on the application for a recommendation on work visa (TA-01) is validated by validating officer.
 - 2) Validating officer re-checks the result of recording, prints and signs it if it already matches.
 - 3) A draft recommendation on work visa (TA-01) is sent to the Head of Section according to respective sector.
 - b. Research and Signature by the Head of Section
 - 1) The Head of Section re-checks the draft recommendation on work visa (TA-01).
 - 2) If an error is found, the draft recommendation will be sent back to the validating officer for improvement.
 - 3) If the draft recommendation on work visa ((TA-01) already matches, it will be signed and later sent to the Head of the Control and Institutional Cooperation Sub-Directorate or the Head of Licensing Analysis Sub-Directorate for the Industrial Sector and Service Sector.
 - c. Issuing A Recommendation on Work Visa (TA-01)
 - 1) The draft recommendation on work visa (TA-01) which has been signed by the Head of Section is later rechecked by the Head of Sub-Directorate.
 - 2) The Head of Sub Directorate later issues a recommendation on work visa (TA-01).
3. Agenda and Stamp of Recommendation on Work Visa (TA-01)
- a. Operational officer makes an agenda and record of recommendations on work visas already signed by the Head of Sub Directorate.

- b. Operational officer stamps recommendations on work visas already signed by the Head of Sub Directorate.

4. Conveying Recommendation on Work Visa (TA-01)

Validating officer conveys a recapitulation of recommendations on work visas (TA-01) issued, to the Director of Immigration Traffic, Directorate General of Immigration online.

5. Archiving and Reporting

- a. Validating officer collects data of recommendations on work visas (TA-01) periodically as materials to make a report of activities.
- b. Database of TKA employed is made based on the names of companies, the number of TKA, names of posts, and the validity period of RPTKA.
- c. Applications for recommendations on work visa (TA-01) which have been processed are used to process the issuance of recommendations on work visas (TA-01).

CHAPTER V

PROCEDURE OF ISSUING NEW IMTA

A. Requirements

To file an application for new IMTA, the user of TKA brings a receipt of online registration of application by uploading it and bringing required documents as follows:

1. Application for new IMTA filed to the Director General of Labor Placement Development is typed on paper with letter head of the company, having complete address, along with phone and facsimile numbers from the job provider, stamped and signed by the company/institution leadership, containing name and address of the company as well as data of TKA, name of post, period of time to use TKA, the number of TKA, nationality of TKA and job location.
2. A copy of recommendation on visa for the purpose of work (TA-01).
3. A copy of visa cable approval (copy of telex).
4. A copy of valid RPTKA.
5. A copy of insurance policy of the relevant TKA (in English or Bahasa).
6. A copy of passport.
7. A receipt of payment for DPKK;
8. Work contract.

9. A letter of recommendation from the relevant technical agency (if needed).
10. 2 (two) pieces of color photograph measuring 4X6 cm with red background (wearing shirt with collar and not T-shirt).
11. A letter of assignment from the company or a power of attorney with a Rp6,000 duty stamp if it is procured by third party in the form of legal entity, accompanied by the date of assignment and a copy of KTP of the person concerned.

B. Period of Time for Processing the Issuance of IMTA

A period of time to settle the issuance of new IMTA for 3 (three) days starts from the date of receiving documents after all requirements are declared complete.

C. Mechanism of Service in Receiving Application for New IMTA

1. Filling Form

Filing an online application which can be accessed through the website of the Ministry: <http://www.tka-online.depnakertrans.go.id>.

2. Registering New IMTA

After all requirements have been met, TKA user registers the application for new IMTA filed to the Director General of Labor Placement Development through the Director with the registration counter or registers online through <http://www.tkaonline.depnakertrans.go.id>.

3. Checking Application for New IMTA

- 1) operational officer checks whether requirements of application for new IMTA have been complete and valid;
- 2) checking whether the amount of payments contained in the receipt of payment for DPKK matches the period of time contained in the letter of recommendation on work visa (TA-01) and a copy of notification on the approval of visa cable; and
- 3) if requirements in letters a and b have been met, DPKK will be validated.

4. Validating Receipt of Payment for DPKK

- 1) validating the receipt of payment for DPKK covers checking whether the job provider, name of TKA and the amount of money paid match those contained in the account of DPKK treasurer of the Manpower and Transmigration Ministry and account number 11773003 from Bank BNI of Tebet Branch;

- 2) if the requirements in letters c and d do not match provisions, it will be returned to the TKA user to complete required documents; and
- 3) if requirements in letters c and d have been met it will be passed on to the operational officer.

D. Process of Issuance

1. Entry Data

- a. the result of check on the application for new IMTA is later validated by operational officer;
- b. the operational officer re-checks the result of data recording. If it meets requirements it will be printed and signed; and
- c. draft of new IMTA is sent to the Head of Section.

2. Check and Signature by the Head of Section

- a. the Head of Section re-checks the draft of new IMTA;
- b. if a mistake is found in the draft, it will be returned to the operational officer for improvement; and
- c. if the draft of new IMTA has met requirements. It will be signed and conveyed to the Head of Sub Directorate.

3. Issuance of New IMTA

- a. the draft of new IMTA that has been signed by the Head of Section is later rechecked by the Head of Sub Directorate.
- b. the Head of Sub Directorate issues IMTA.

4. Number and Stamping of New IMTA

- a. operational officer records and numbers new IMTA already signed by the Head of Sub Directorate.
- b. operational officer stamps new IMTA already signed by the Head of Sub Directorate.

5. Handing over New IMTA

After being numbered and stamped, operational officer hands over new IMTA to the TKA user.

6. Archiving and Reporting

- a. operational officer collects data of new IMTA periodically as materials to make a report of activities.
- b. Database of TKA employed is made based on the names of companies, the number of TKA, names of posts, and the validity period of new IMTA.

- c. Applications for new IMTA which have been used are kept physically in the archives by the operational officer.

CHAPTER VI

PROCEDURE OF ISSUING EXTENDED IMTA

Referred to in this SOP as extended IMTA is IMTA issued to TKA whose job locations consist of more than 1 (one) provinces.

A. Requirements

To file an application for extended IMTA, the user of TKA brings a receipt of online registration of application by uploading it and bringing required documents as follows:

1. Application for extended IMTA filed to the Director General of Labor Placement Development is typed on paper with letter head of the company, having complete address, along with phone and facsimile numbers from the job provider, stamped and signed by the company/institution leadership, containing name and address of the company as well as data of TKA, name of post, period of time to use TKA, the number of TKA, nationality of TKA and job location.
2. A copy of old IMTA.
3. A copy of receipt of payment for old DPKK.
4. A copy of valid RPTKA.
5. A copy of passport.
6. A copy of KITTAS/KITTAP.

7. A copy of insurance policy of the relevant TKA.
8. A receipt of payment for DPKK;
9. 2 (two) pieces of color photograph measuring 4X6 cm with red background (wearing shirt with collar and not T-shirt).
10. Work contract.
11. A report of realized counterpart education and training
12. A letter of assignment from the company or a power of attorney with a Rp6,000 duty stamp if it is procured by third party in the form of legal entity, accompanied by the date of assignment and a copy of KTP of the person concerned.
13. A letter of recommendation from the relevant technical agency (if needed).

B. Related Documents

1. a copy of old IMTA
2. a copy of receipt of payment for old DPKK
3. a recommendation from the technical agency (if needed);
4. a decision on endorsing valid RPTKA.

C. Period of Time for Processing the Issuance of Extended IMTA

A period of time to settle the issuance of extended IMTA for 3 (three) days starts from the date of receiving documents after all requirements are declared complete.

D. Mechanism of Service

1. Receiving Application for Extended IMTA

a. Filling form

Filing an online application which can be accessed through the website of the Ministry: <http://www.tka-online.dep-nakertrans.go.id>.

b. Registering Extended IMTA

After all requirements have been met, TKA user registers the application for extended IMTA filed to the Director General of Labor Placement Development through the Director of TKA Use Control with the registration counter or registers online through <http://www.tkaonline.dep-nakertrans.go.id>.

c. Checking Application for Extended IMTA

- 1) operational officer checks whether requirements of application for extended IMTA have been complete and valid;
- 2) checking whether the amount of payments contained in the receipt of payment for DPKK matches the extended period of time to use TKA in the application; and
- 3) if requirements in letters a and b have been met, DPKK will be validated.

d. Validating Receipt of Payment for DPKK

- 1) validating the receipt of payment for DPKK covers checking whether

the job provider, name of TKA and the amount of money paid match those contained in the account of DPKK treasurer of the Manpower and Transmigration Ministry and account number 11773003 from Bank BNI of Tebet Branch; either for receipt of payment for new and old DPKK;

- 2) if the requirements in letters c and d do not match provisions, it will be returned to the TKA user to complete required documents; and
- 3) if requirements in letters c and d have been met it will be passed on to the operational officer.

E. Process of Issuance

1. Entry Data

- a. the result of check on the application for extended IMTA is later validated by operational officer;
- b. the operational officer re-checks the result of data recording. If it meets requirements it will be printed and signed; and
- c. draft of extended IMTA is sent to the Head of Section.

2. Check and Signature by the Head of Section

- a. the Head of Section re-checks the draft of extended IMTA;
- b. if a mistake is found in the draft, it will be returned to the operational officer for

improvement; and

- c. if the draft of extended IMTA has met requirements. It will be signed and conveyed to the Head of Sub Directorate.

3. Issuance of Extended IMTA

- a. the draft of extended IMTA that has been signed by the Head of Section is later rechecked by the Head of Sub Directorate.
- b. the Head of Sub Directorate issues extended IMTA.

4. Numbering and Stamping of Extended IMTA

- a. operational officer records and numbers extended IMTA already signed by the Head of Sub Directorate.
- b. operational officer stamps extended IMTA already signed by the Head of Sub Directorate.

5. Handing over Extended IMTA

After being numbered and stamped, operational officer hands over extended IMTA to the TKA user.

6. Archiving and Reporting

- a. operational officer collects data of extended IMTA periodically as materials to make a report of activities.
- b. Database of TKA employed is made based on the names of companies, the number of TKA, names of posts, and the validity period of extended IMTA.

- c. Applications for extended IMTA which have been used are kept physically in the archives by the operational officer.

CHAPTER VII

CONCLUSION

This SOP is drawn up as a reference for officials to issue permits and operational officers to serve the issuance of new RPTKA, extended RPTKA whose work locations cover more than 1 (one) province, recommendations on work visas, new IMTA and extended IMTA to TKA whose work locations cover more than 1 (one) province effectively and efficiently according to the law and regulation for stakeholders to know the process of issuing new IMTA and extended IMTA.

THE MANPOWER MINISTER
OF THE REPUBLIC OF INDONESIA,

sgd.

M. HANIF DHAKIRI

Editor's Notes :

- Attachments are not carried for technical reasons.

(S)

**AMENDMENT TO REGULATION OF THE TRADE
MINISTER NO. 39/M-DAG/PER/7/2014
ON PROVISIONS ON THE EXPORT OF COAL
AND COAL PRODUCTS**

**(Regulation of the Trade Ministry
No. 49/M-DAG/PER/8/2014 dated August 21, 2014)**

BY THE GRACE OF GOD ALMIGHTY

THE TRADE MINISTER OF

THE REPUBLIC OF INDONESIA,

Considering :

- a. that as part of efforts to make preparations for and ensure the effective export of coal and coal products, it is necessary to amend Regulation of the Trade Minister No. 39/M-DAG/PER/7/2014 on Provisions on the Export of Coal and Coal Products;
- b. that based on the consideration as referred to in letter a, it is necessary to stipulate Regulation of the Trade Minister on Amendment to Regulation of the Trade Minister No. 39/M-DAG/PER/7/2014 on Provisions on the Export of Coal and Coal Products

In view of :

1. Law No. 7/1994 on the Endorsement of Agreement Establishing The World Trade Organization (Statute Book of 1994 No. 57, Supplement to Statute Book No. 3564);
2. Law No. 10/1995 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);
3. Law No. 39/2008 on State Ministry (Statute Book of 2008 No. 166, Supplement to Statute Book No. 4916);
4. Law No. 4/2009 on Mineral and Coal Mining (Statute Book of 2009 No.4, Supplement to Statute Book No.4959);
5. Law No. 32/2009 on Environmental Protection and Management (Statute Book of 2009 No. 140, Supplement to Statute Book No. 5050);

6. Law No. 7/2014 on Trade (Statute Book of 2014 No. 45, Supplement to Statute Book No. 5512);
7. Government Regulation No. 23/2010 on Mineral and Coal Mining Businesses (Statute Book of 2010 No. 29, Supplement to Statute Book No. 5111) as already several times amended the latest by Government Regulation No. 1/2014 (Statute Book of 2014 No. 1, Supplement to Statute Book No. 5489);
8. Government Regulation No. 9/2012 on Types and Tariffs of Non-Tax State Revenues at the Energy and Mineral Resources Ministry (Statute Book of 2012 No. 16, Supplement to Statute Book No. 5276);
9. Presidential Decree No. 84/P/2009 on the Formation of United Indonesia Cabinet II as already amended by Presidential Decree No. 8/P/2014;
10. Presidential Regulation No. 47/2009 on the Formation and Organization of State Ministry as already several times amended the latest by Presidential Regulation No. 13/2014;
11. Presidential Regulation No. 24/2010 on the Position, Tasks and Functions of State Ministry and the Organizational Structure, Tasks and Functions of Echelon I Officials of State Ministry as already several times amended the latest by Presidential Regulation No. 14/2014;
12. Regulation of the Finance Minister No. 145/PMK. 04/2007 on Customs Provisions in the Export Sector as already amended by Regulation of the Finance Minister No. 148/PMK. 04/2011;
13. Regulation of the Energy and Mineral Resources Minister No. 34/2009 on Priority to Mineral and Coal Supplies to Domestic Needs;
14. Regulation of the Trade Minister No. 31/M-DAG/PER/7/2010 on the Organization and Work Mechanism of the Trade Ministry as already amended by Regulation of the Trade Minister No. 57/M-DAG/PER/8/2012;
15. Regulation of the Finance Minister No. 48/PMK. 04/2012 on Customs Advice for the Entry and Release of Goods to and from Areas Designated as Free Trade Zones and Free Ports;
16. Regulation of the Trade Minister No. 13/M-DAG/PER/3/2012 on General Provisions in the Export Sector;
17. Regulation of the Energy and Mineral Resources Minister No. 32/ 2013 on the Procedure of Issuing Special Permits in the Mineral and Coal Mining Sector;
18. Regulation of the Trade Minister No. 39/M-DAG/PER/7/2014 on Provisions on the Export of Coal and Coal Products;
19. Regulation of the Trade Minister No. 46/M-DAG/PER/8/2014 on General Provisions on Technical Verification and Search in the Trade Sector;

D E C I D E S :

To stipulate :

REGULATION OF THE TRADE MINISTER ON AMENDMENT TO REGULATION OF THE TRADE MINISTER NO. 39/M-DAG/PER/7/2014 ON PROVISIONS ON THE EXPORT OF COAL AND COAL PRODUCTS.

Article I

Provisions in Article 21 of Regulation of the Trade Minister No. 39/M-DAG/PER/7/2014 on Provisions on the Export of Coal and Coal Products shall be amended so that the article reads as follows:

Article 21

This Minister Regulation shall begin to take effect on October 1, 2014.

Article II

This Ministerial Regulation shall begin to take effect on the date of promulgation.

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

Stipulated in Jakarta

On August 21, 2014

THE TRADE MINISTER OF THE REPUBLIC OF INDONESIA,

sgd.

MUHAMMAD LUTFI

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