

Govt to classify ride hailing drivers as micro business

The Indonesian Transport Workers Union (SPAI) said on Wednesday that it opposed the plan, stressing that it preferred that ride-hailing drivers be classified as employees

Ni Made Tasyarani (The Jakarta Post)

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The government plans to include app-based ride-hailing drivers in the micro, small and medium enterprises (MSMEs) category, which would make them eligible for a series of incentives.

MSMEs Minister Maman Abdurrahman said that the ministry was seeking to propose an amendment to Law No. 20/2008 regulating MSMEs, which is currently under internal discussion and set to be deliberated in 2026.

The draft will include stipulations on the status of online ride-hailing drivers as micro business operators.

“If we treat online ride-hailing drivers as a micro business, then online drivers will also be eligible for the same incentive facilities provided for micro businesses,” Maman said on Tuesday, as quoted by *detikFinance*.

The incentive facilities in question include a fuel subsidy as the new scheme introduced by the government did not include drivers for app-based services as eligible recipients.

Energy and Mineral Resources Minister Bahlil Lahadalia said in November last year that the government would only provide subsidized fuel to vehicles with yellow license plates, the plates used for public transportation and trucks.

Read also: [Planned fuel subsidy scheme faces backlash from 'ojol' drivers](#)

Ride-hailing drivers have black or white private-vehicle license plates. The government has yet to acknowledge ride-hailing as public transportation even though the Transportation Ministry has started regulating the prices of such services.

Driver and transportation worker associations have also opposed the new scheme, urging the government to maintain the subsidy as they expressed concern that drivers would have to pay out-of-pocket to bear the rising operational costs.

Minister Maman proposed linking driver data from each ride-hailing application with fuel subsidy recipients to ensure drivers' eligibility as the ministry seeks to finalize their status as micro businesses.

"There is a subsidy allocation for MSMEs. If ride-hailing drivers are under the MSMEs category, it will give them the right to receive fuel subsidies," Maman explained, adding that the drivers will also be eligible for subsidized 3-kilogram liquefied petroleum gas (LPG) canisters.

Furthermore, app-based drivers will be granted access to the state-backed micro loan program (KUR), which makes them eligible for a 6 percent interest rate and no collateral requirement for borrowing between Rp 1 million (US\$59.34) and Rp 100 million.

Maman also mentioned several other incentive facilities, such as a tax relief rate of 0.5 percent for businesses with annual gross income under

Rp 4.8 billion, as well as capacity improvements and human resources training.

“All facilities that have been given to MSMEs will also be granted to ride-hailing drivers,” Maman reiterated.

Previously, the government also sought to provide online ride-hailing drivers with holiday allowances similar to those for formal workers by introducing a rule requiring ride-hailing companies to grant the allowances. Early in March, the plan got toned down to a simple bonus.

Read also: [Govt asks Gojek, Grab to give first-ever holiday bonus to drivers](#)

Ride-hailing drivers have long fought to secure better payments and benefits, including pursuing employee status.

The Indonesian Transport Workers Union (SPAI) said on Wednesday that it opposed the plan, stressing that it preferred that ride-hailing drivers be classified as employees, as quoted from CNN Indonesia.

Lili Pujiati, who chairs the SPAI, said that tech platforms have consistently acted as employers, introducing a punishment system for drivers as if they were their employees.