

# EFTA deal 'first step to European market'

**Marchio Irfan Gorbiano**  
THE JAKARTA POST/JAKARTA

The Indonesian government and the European Free Trade Association (EFTA) signed on Sunday a Comprehensive Economic Partnership Agreement (CEPA) in Jakarta, paving the way for greater access for Indonesian products, such as crude palm oil — a controversial commodity in the European market — to non-members of the European Union.

EFTA member countries are Iceland, Liechtenstein, Norway and Switzerland. They are not members of the EU, but participate in the EU's single market, which guarantees the free movement of goods, capital, services and people.

Sunday's deal followed the signing of a joint statement on Nov. 23 in Geneva, Switzerland, which marked the conclusion to 15 rounds of negotiations between Indonesia and EFTA member countries that started in early 2011.

In terms of trade in goods, the trade deal will allow Indonesia broader market access to sell palm oil, fisheries products, textiles, furniture, electronics, tires and coffee to EFTA countries. EFTA countries, meanwhile, will be given greater access to Indo-

nesia for medicinal products, textiles, tankers and perfumes, among other products.

**EFTA deal a stepping stone to conclude long talks with EU: Minister**

Trade Minister Enggartiasto Lukita acknowledged that palm oil was one of the thorny issues between both parties during negotiations, adding that the deal secured market access for Indonesian crude palm oil into EFTA countries, with certain conditions for Switzerland's market.

He was referring to a previous discussion in which Indonesia and the EFTA needed to settle 15 tariff rates and the prickly issue of Indonesian palm oil exports to Norway. The Norwegian parliament announced a plan in April to cut off all palm oil imports, including from Indonesia, after a 2018 report by the Rainforest Foundation Norway showed that palm oil production methods were as environmentally destructive as burning fossil fuels.

At that time, Enggartiasto responded by threatening to ban all

Norwegian fish imports, a move that could have cost US\$237.7 million in annual revenue for Norway.

However, Indonesia's threat was not aimed at Norway but the EU, which had ratified a similar ban on palm oil imports. The EU's ban may cost Indonesia 2.4 billion euros (\$2.71 billion) per year in palm oil export earnings — representing 14.7 percent of the country's total palm oil exports.

Johann N. Schneider-Amman, Switzerland's federal councillor and head of the Federal Department of Economic Affairs, Education and Research, said the EFTA had "found a solution" with its partners in Indonesia. "It's a principle that says that we only want to deal with sustainable products and services."

Iman Pambagyo, the Trade Ministry's director general for international trade negotiations, said Indonesia would continue persuading EFTA countries to accept sustainability standards under the Indonesia Sustainable Palm Oil certification scheme, although it "could not happen overnight".

Enggartiasto also noted that the deal with the EFTA would be a stepping stone for Indonesia to conclude the long negotiation process on CEPA with the EU.

Shinta W. Kamdani, deputy chairwoman for international relations at the Indonesian Chamber of Commerce and Industry, voiced a similar opinion in a statement on Sunday, in that the deal with the EFTA offered a "good opportunity" to conclude the negotiations with the EU on CEPA.

Indonesia and the EFTA posted a trade value of \$2.4 billion last year, data from Statistics Indonesia shows. Indonesia exported \$1.31 billion worth of goods to EFTA countries, including jewelry, gold and optical devices, among other goods.

Meanwhile, Indonesia's imports from EFTA countries stood at \$1.09 billion over the same period, mainly for pharmaceutical products, fertilizers and industrial raw materials, among others.

Enggartiasto said the deal with the EFTA would allow Indonesian workers preferential treatment and mutual recognition in certain professions, while also further increasing investment from both parties. EFTA countries would be invited to invest in certain sectors, such as agriculture, manufacturing as well as energy and mining. Last year, investment from EFTA countries stood at \$621 million.

Dec 15, 2016  
J. Post

## RI trade deficit seen narrowing: Reuters

**JAKARTA:** Indonesia is expected to post a smaller trade deficit in November compared with a month earlier, a Reuters poll showed on Friday, in a relief to the central bank which has been raising rates to defend the rupiah.

The gap for November was seen at US\$830 million, according to the median forecast of 12 analysts, about half of October's revised deficit of \$1.77 billion.

Authorities in Southeast Asia's largest economy have taken measures to control imports after soaring bills in the middle of this year widened the country's current account deficit and hurt the rupiah exchange rate.

Analysts in the poll estimated import growth to slow to 10.50 percent in November from a year earlier, compared to October's annual increase of 23.99 percent. However, exports were still expected to remain sluggish with a 3.95 percent year-over-year growth in November, slower than a revised 4.21 percent increase in October.

"Indonesia's persistent trade deficit remains the main negative for the rupiah," ING said in a note, adding that its expectation that the deficit would shrink to \$1.6 billion in November "should be some relief for the central bank". — *Reuters*

# Tension fallout hastens efforts

## to deliver deal on mega-trade pact

**Phuwit Limviphuwat**

THE NATION-ANN BANGKOK

Thailand is determined to help bring about an agreement by the end of next year for the Regional Comprehensive Economic Partnership (RCEP) to proceed as a counterbalance to the impact of the trade war between the United States and China.

"The RCEP negotiations will be the key focus for 2019. Thailand will capitalize on its position as the chair the upcoming ASEAN summits to finish off the negotiations before the end of next year," said Auramon Supthaveethum, director general of the Department of Trade Negotiations.

Auramon was speaking on Friday at an event entitled Know-

ing ASEAN Understanding RCEP, co-organized by the department, which comes under the Ministry of Commerce, and JETRO Bangkok.

If negotiations are successful, the RCEP will be the largest multilateral trade pact in history — encompassing China, India, Japan, South Korea, Australia, New Zealand and the 10 ASEAN nations. The details of the trade agreement are yet to be concluded, but the primary focus is expected to be the lowering of trade barriers on goods. The combined gross domestic product of all the prospective RCEP members accounts for up to 28 percent of global GDP, said Auramon, adding that the trade value of the RCEP nations amounts to as much as 30 percent of world trade.

"For Thailand, as an exporting nation, the RCEP is an extremely important trading bloc. Currently, up to 60 percent of Thailand's total exports go to RCEP members."

All prospective members of RCEP agree that it is important to conclude the negotiations before the end of this year, the trade official said. This is because every member recognizes the importance of lifting trade barriers in a global trading environment that is growing more volatile and unstable, according to Auramon, citing the trade war between the economic superpowers as the key risk factor.

"Joining RCEP will allow Thailand to benefit greatly from free trade. This will, in turn, help us counterbalance the negative impacts of the US-China trade war."

which is growing more and more unpredictable," she said.

There will be up to four Trade Negotiation Committee (TNC) meetings between the prospective RCEP members in 2019 to discuss the details of the mega-trade pact.

The details concerning the host nation and the date of the meetings are yet to be decided. However, Auramon said that Thailand is fully ready to host one of the upcoming TNC meetings.

The RCEP negotiations will cover 20 chapters of an agreement document, seven of which have been completed. Thailand aims to swiftly guide the talks for the completion of the remaining 13 chapters by the end of next year, Auramon said.

She said the department was confident that the new government after the February election would fully back Thailand's plan to finish the RCEP negotiations before the end of next year.

"The benefits of joining a trade pact at this scale are clear. We are not worried that the new government will shift our current focus away from finishing the trade negotiations and positioning ourselves at the center of RCEP," she said.

Meanwhile, she said that a date for Thailand's entry into the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) was indefinite, although the country fully intends to join the trade pact that currently consists of 11 countries, including Japan, Malaysia, Singa-

pore and Vietnam.

"We are not deciding between joining the RCEP and joining the CPTPP as we see the benefits from joining both trade pacts, and look forward to making progress on both sides," Auramon said. "However, we have more to clarify and more information on the progress of RCEP as we are in the inner circle and are leading the charge to finish the trade negotiations."

One of the key challenges for joining the CPTPP involves the need to adjust certain regulations within Thailand, Auramon said. She identified one such area as changing government procurement bidding laws to allow for foreign firms to compete if the procurement reaches a certain value.

## OUTLOOK

## Exports, investment cushions for economy: World Bank

Rachmadea Aisyah

THE JAKARTA POST/JAKARTA

The World Bank has reminded Indonesia not to be complacent after weathering down the recent impacts of global economic turmoil, suggesting that the government should continue enhancing competitiveness and participation in the global supply chain, particularly through exports and foreign direct investment (FDI).

Without improvement in exports and FDI, the country's current account deficit will still be under pressure in 2019 as external turbulences are likely to continue next year, the Washington-based lender said during the publication of its flagship Indonesia Economic Quarterly (IEQ) report in Jakarta recently.

"Indonesia's sound macro-economic framework has indeed paid off but it does not mean [...] it should be complacent," said World Bank acting country director for Indonesia and Timor Leste Rolande Pryce.

"Making Indonesia more resilient to international shocks is why we focus on policy reforms to boost trade and foreign investment," she added.

The December edition of IEQ highlighted a generally optimistic forecast for Indonesia in 2019, as the result of the presidential election in the first half of next year should encourage investors and business owners.

With such optimism, the country's current account deficit might recover to 2.5 percent against GDP next year, said World Bank Indonesia lead economist Frederico Gil Sander on the same occasion.

Bank Indonesia announced last month that the current account deficit had reached 3.4 percent as of the third quarter of 2018.

"Unless counterbalanced by higher exports and foreign direct investment, we feel that the pressure on the CAD is likely to remain next year," Gil Sander said. "If there is further volatility of capital flows next year, the situation that

we observed this year up to October [...] will recur next year."

He quoted data from the December edition of the IEQ, which estimated annual investment growth of 7.5 percent in 2019, slightly above this year's forecast at 7.2 percent.

While export growth might weaken to 7.2 percent from 7.3 percent in 2018, imports were expected to see slower growth at 10.7 from 13.8 percent.

The indicators had led the bank to estimate 5.2 percent GDP growth for 2019, unchanged from this year's figure, which had been lowered from the previous estimate of 5.3 percent.

Responding to the forecasts, Investment Coordinating Board (BKPM) head Thomas Lembong said the government would strive to bring in more investment through fiscal incentives and allow foreign funds to enter more sectors.

Examples of incentives include the recent issuance of the 16th economic package, which comprises more tax holidays and tax allow-

ance policies, as well as a revision to the Negative Investment List.

"We will continue to relieve the Negative Investment List even in the next four months [...] there is no need to wait for the election," Thomas said during the seminar.

Thomas also acknowledged the need to bring in foreign talent in up-skilling Indonesia's own workforce.

However, such a need had been overshadowed by politically-charged claims of foreign worker influx.

A study shown at the seminar points out that the claim was nowhere near correct, as only 60 out of 100,000 workers in Indonesia were foreigners. The share was far beneath other Southeast Asian countries, such as Thailand, which has a 4,470 out of 100,000 ratio, Malaysia with 12,350 and Singapore with 43,050 foreign workers.

"This paranoia about foreign dominance in our country is a fabrication by politicians. The workforce actually needs far more foreign workers," Thomas said.

# Jakarta to make giant leap in 2019 with MRT, LRT, ERP

A. Muh. Ibnu Aqil

THE JAKARTA POST/JAKARTA

Jakarta is set to open the newest chapter in its public transportation with the MRT and light rapid transit (LRT) to begin operations next year alongside the implementation of the electronic road pricing (ERP) system. The three will serve as the foundation of the city's transportation policy.

The MRT is to begin operations in March 2019, with the first corridor to run from the depot and station in Lebak Bulus, South Jakarta, to the Hotel Indonesia traffic circle, serving 13 stations.

The city's first LRT corridor is to run from Kelapa Gading in North Jakarta to the Jakarta International Velodrome in Rawamangun, East Jakarta. The project is being built by the city-owned PT Jakarta Propertindo and will serve six stations when it begins operations in January.

State-owned PT Adhi Karya Tbk is still working on the LRT lines from Cawang to Cibubur, both in East Jakarta, Cawang to Dukuh Atas in Central Jakarta and Cawang to East Bekasi in West Java.

The head of the Greater Jakarta Transportation Agency (BPTJ), Bambang Prihartono, said the agency was currently pushing authorities to integrate all modes of transportation to support the MRT and LRT.

"When the MRT begins operation, the LRT will follow as it will serve as a feeder of the MRT, which will be the backbone [of the city's public transportation network]," he told reporters on Friday.

Bambang said that the MRT, LRT and other modes of transportation must be properly integrated, adding that older modes of transportation would need to be rerouted to avoid overlapping with the new MRT and LRT services.

He said smaller modes of transportation should serve as the first/last mile public transportation providers, connecting residential areas with the stations.

In addition to the physical integration of public transportation, Bambang said all ticketing systems needed to be integrated.

He said the BPTJ was currently working on making sure all modes of public transportation used the same e-money ticketing system.

Bambang said the central bank was currently auditing the ticketing system proposed by the Transportation Ministry, before implementing the system, with a launch planned for this December.

The ERP system is also expected to be implemented in 2019, as the odd-even policy — although effective in reducing congestion

— is considered by the BPTJ to be only a short-term solution.

The ERP system comprises three zones or "rings". The first ring would include Jl. Sudirman and Jl. MH Thamrin and the second ring would encompass Jakarta's arterial roads. These two rings are to be managed by the Jakarta administration, while the third ring, which would encompass the toll roads in Greater Jakarta is to be managed directly by the BPTJ.

The ERP rates are to be determined on a progressive scale, with rates during rush hour higher than off-peak hours.

However, as the ERP's implementation has been delayed numerous times, the odd-even policy, which after the Asian Para Games was extended until the end of 2018, might continue to be needed.

Furthermore, even with the addition of the MRT and LRT, experts say that other modes of transportation would be just as important.

The Institute for Transportation and Development Policy (ITDP) Indonesia director Yoga Adi Winarto said the key to successful public transportation in Jakarta was the existing Transjakarta bus system, which according to ITDP, covered 60 percent of the city, far more than the 14-km-long MRT phase one corridor from Lebak Bulus to the Hotel Indonesia traffic circle.

"From Blok M to HI [Hotel Indonesia], it [MRT] does not necessarily expand the network, it only adds to [commuter] capacity," he said.

Yoga said that Jakartans would continue to rely on Transjakarta even with the addition of the MRT, adding that the administration should focus on transportation integration, through the Jak Lingko program.

Yoga said the commuter line would also be important. In 2017, Transjakarta served 144.7 million passengers, while the PT Kereta Commuter Indonesia-operated commuter line served 315.8 million passengers.

Meanwhile, the MRT's phase one corridor is expected to carry up to 130,000 commuters daily by the end of 2019.

University of Indonesia (UI) transportation expert Ellen Tangkudung said that the opening of the MRT and LRT would be a big step forward for the city's public transportation as they would greatly expand the capacity of the city's public transportation system.

"However, this will not be possible without integration. The MRT and LRT must be supported by feeders," Ellen told the *Post*.

Dec 15, 2018  
JP Post

Dec 17, 2018

J. Post

## Govt awaits train project study

**JAKARTA:** The government is awaiting the result of a feasibility study on the Jakarta-Surabaya medium speed rail project conducted by the Japan International Cooperation Agency (JICA) before construction proceeds.

"Previously a pre-feasibility study had been conducted. Now, the feasibility study is still under way. It will take about one year or more," said Transportation Ministry Railway Director General Zulfikri as reported by *kompas.com* on Friday.

He explained the feasibility study took a lot of time because it sought a formula to ensure the total investment would not exceed Rp 60 trillion (US\$4.11 billion).

"JICA needs to calculate the investment, which the ministers want to ensure does not exceed Rp 60 trillion," Zulfikri said, adding that the ministry had informed JICA about several requirements for the project.

The requirements include the local content level for the project and the journey time, which is expected to be 5.5 hours to travel along a 700-kilometer railway.

The longer time taken for the study is also a result of dropping the initial plan for an elevated railway, Zulfikri said, adding that under the new revised project, JICA needed to find a way to deal with more than 1,000 railway crossings along the track. — *Kompas*

# Govt may resume talks to cut income tax rate

Dec 17, 2018  
J. Post

**Riska Rahman**

THE JAKARTA POST/JAKARTA

The government is considering to continue assessing its long-delayed idea of reducing the rate of income tax in an effort to increase taxpayer compliance and boost the ratio of tax revenue to GDP in the long run, a tax official has said.

Finance Ministry's tax director general, Robert Pakpahan, said recently that the government had long been considering to lower the country's income tax rate for companies and individuals in an effort to widen the tax base.

"Lower [tax] rates almost always widen the tax base as it encourages people to pay their taxes; and we have consistently done it in the past few years," he said during a recent press gathering in Bogor, West Java.

For example, he said, the government had lowered the corporate income tax rate from 30 to 25 percent, as well as individual income tax from 35 to 30 percent.

Recently, the government lowered small and medium enterprise (SME) income tax to 0.5 from 1 percent in order to encourage SMEs to pay taxes, which the government had been struggling to collect. This effort appears to have worked well as the tax authority recorded an 18.61 percent increase in the number of SME taxpayers as of November, after the policy was implemented in July.

Although the issue of further lowering the tax rate had been floated among the public, he said, the government and the tax authority had yet to discuss the plan.

"We have yet to hold any discussion about this, but we have been thinking of reviewing the income tax rate for some time," he said.

Despite the fact that the government was still considering this option, Raden Pardede, deputy chairman for monetary, fiscal and public policy at the Indonesian Chamber of Commerce and Industry (Kadin), welcomed the idea, saying that a lower tax rate,

Lower rate to widen tax base, improve compliance, official says

Tax cut alone may not be sufficient to boost economic growth: Kadin

especially for corporations, could help businesses grow as costs would decrease.

Center for Taxation Analysis executive director Yustinus Prastowo also responded positively as a lower tax rate could boost the country's economic growth as companies would have more money to expand, while consumers would have more money to spend.

However, Raden said, a lower tax rate might not necessarily be sufficient to boost economic growth.

"The government must create a comprehensive set of policies that target either investment or consumer spending, or maybe both, which will help boost them and our economy," he said.

Another advantage of a lower tax rate, Yustinus continued, was a higher tax-to-GDP ratio as it would persuade people or corporations who had yet to comply to pay their dues.

This year, the government is aiming at a 11.6 percent tax ratio, while next year it targets 12.2 percent because of the increased tax revenue target in the 2019 state budget.

The target for next year is set at Rp 1.58 quadrillion (US\$108.3 billion) in the newly passed 2019 State Budget Law.

Yustinus said, however, that the improved tax ratio would not be seen instantly.

"The rise would happen gradually over a long period of time, much like the increase of tax revenue after a lower tax rate policy is imposed," he explained.

Prior to that, he said, the policy might impact the country's tax revenue in the short term as the tax authority would collect less money before the tax base widened in the future.

## ELECTION

# Over 192 million on final voter list

Karina M. Tehusjarana

THE JAKARTA POST/JAKARTA

The General Elections Commission (KPU) officially finalized the final voter list (DPT) for the 2019 simultaneous legislative and presidential elections in a plenary meeting on Saturday, with 192.84 million people on the voter roll.

The 192.84 million consists of 190.8 million domestic voters and 2 million overseas voters, an increase of about 2 million from the final voter list in the 2014 general election. The number of men and women voters is roughly equal, at around 95 million each.

The plenary meeting, held at the Menara Peninsula Hotel in West Jakarta, was attended by members of the KPU, the Elections Supervisory Agency, as well as representatives from political parties, presidential candidate campaign teams and election watchdogs.

This was the second and final correction to the DPT, which had previously been criticized for having a large number of duplicate names. The final list added around 6 million voters to the 185 million registered in the first correction.

In September, the coalition supporting presidential candidate and Gerindra Party chairman Prabowo Subianto claimed to have found 25 million duplicate voter names registered on the temporary voters list (DPS) and requested that the KPU postpone finalizing the DPT.

Political parties had since been granted access to check the list, and on Thursday, Gerindra secretary-general Ahmad Muzani said there was still potentially 1.6 million duplicate names on the DPT. Those "problem" voters have since been combed through by the KPU and the parties before Saturday's meeting.

"The KPU is open to notes, suggestions and criticism from wherever and whoever," KPU chairman Arief Budiman said in a statement on Saturday.

The DPT is important as it will affect the logistical preparations for the elections. Every polling station will be supplied with ballots according to the number of voters registered at every polling station, plus an additional 2.5 percent to cater for any unregistered voters who may show up.

According to the minutes of the plenary meeting, there will be 809,500 polling stations across 34 provinces with an additional 783 overseas polling stations located in 130 Indonesian embassies and consulates around the world. Each polling station has a maximum of 300 registered voters.

KPU commissioner Pramono Ubaid confirmed that the DPT would no longer be subject to change, but that citizens would still be able to be registered on the supplementary voter lists.

"There's still the DPTb [additional voter list] and the DPK [special voter list], so everyone's right to vote will be accommodated," he told *The Jakarta Post* on Sunday.

The DPTb consists of voters who are already registered on the DPT, but wish to vote in a different polling station than the one that they are registered at. These voters include students studying away from home, prisoners and disaster victims.

The DPK, meanwhile, consists of citizens who have not been registered on the DPT but are eligible to vote. These voters will be allowed to vote between 12 noon and 1 p.m. on voting day, provided that the polling station has enough ballots left.

Pramono added that the detailed breakdown of the DPT would be made available to the public sometime in January.

Dec 17, 2018

J. Post



# Jokowi faces tough competition online

Marguerite Afra Sapiie  
and Nurul Fitri Ramadhani

THE JAKARTA POST / JAKARTA

President Joko "Jokowi" Widodo may have retained his lead in many election surveys, but the incumbent might be losing ground on social media to his rival, Prabowo Subianto, who is backed by an army of cyber volunteers hell-bent on replacing the President in April's election.

Both camps have devised strategies and deployed resources to win the political battle on social media, seen as key to gaining the support of millennial voters.

The Jokowi-Ma'ruf Amin camp claimed it has conquered its rival on the web, saying that the political hashtag #01JokowiLagi (01JokowiAgain) is more popular than the opposition's offensive hashtag: #2019GantiPresiden (2019ChangePresident).

However, analysis by big data consultancy Drone Emprit has found that Jokowi's cyber army appears to be losing the hashtag war against Prabowo's digital warriors. The #2019GantiPresiden hashtag, which began trending in early April, has been mentioned more than 6 million times online and has since served as a unifying slogan for Jokowi's detractors.

"This is not an ordinary hashtag; #2019GantiPresiden has survived many kinds of controversies, including resistance from pro-Jokowi factions," Drone Emprit founder Ismail Fahmi told *The Jakarta Post* recently.

"But the more [the hashtag] faces pressure, the stronger it arises as a symbol of struggle."

In analyzing digital campaign patterns, Drone Emprit crawls through social media outlets, including Twitter and Instagram, as well as online news sites for data by searching certain keywords, which is then further digitally analyzed.

It found that from January to Dec. 5 this year, at least 6.6 million mentions of the hashtag were recorded on Twitter, far exceeding the 1 million mentions of the counter-hashtag #2019Tetap-

Jokowi losing ground to Prabowo on social media, according to big data analysis

Prabowo's cyber troops found to be more militant, organized

*Jokowi* (2019StillJokowi).

Other counter-hashtags from pro-Jokowi factions, which included #01IndonesiaMaju (#01DevelopedIndonesia) and #01JokowiLagi, only recorded 382,929 and 322,735 mentions respectively on Twitter during the period.

"The #2019GantiPresiden campaign is always on a high and it is dangerous for Jokowi," Ismail said, "There may be no direct correlation to his electability rating, but the [hashtag] can help to consolidate [the opposition] in being more militant in their campaign."

"[Jokowi] may have many teams of supporters, but the problem is that they don't have one unifying hashtag."

As an incumbent candidate, Jokowi has mobilized backers to promote his administration's concrete achievements and programs in his digital campaign, in addition to his targets for a second term in office. Jokowi's cyber troops are well organized and able to produce good campaign materials, Ismail said. "Each group has teams who analyze issues, create content, such as memes, text or videos, which are then promoted through social media. It's well organized," Ismail said.

Drone Emprit's data, however, revealed that the pro-Jokowi cyber teams are likely to be using many bots, or automated accounts controlled by a software program that could send out Twitter posts to make a hashtag or topic trend on the platform.

Many bot-generated tweets were found in the posts of hashtag #01IndonesiaMaju, the data shows. From the period of Nov. 6 to Dec. 6, 34.6 percent of 293,318 tweets that mentioned the hashtag were identified as posted

on Twitter by users with a small number of followers, from zero to 25, many of whom posted the same message at the same time.

Jokowi national campaign team spokesperson Abdul Kadir Karding denied using bots. "The organic troops [real users] backing Jokowi [on social media] are many and they are widespread."

He acknowledged that the cyber teams backing Jokowi's campaign were still not consolidated enough and were now working to address the issue.

Prabowo's cyber troops have been found to be more militant and organized despite having no leadership structure.

In the #2019GantiPresiden campaign, the hashtag was mostly promoted by real users, according to Drone Emprit's data.

Only 7.14 percent of 823,028 tweets mentioning the hashtag were posted by users with zero to 25 followers from the period of Nov. 6 to Dec. 6. The majority, namely 43.34 percent or 356,736 tweets, were posted by users with 101 to 500 followers.

The proportion of retweets was also far higher at 80.99 percent, compared to 13 percent of new tweets, showing high engagement between real users who were interested in the political conversation surrounding the campaign, the data showed.

"On social networks, engagement and interaction is highly important and we can see it happening more in Prabowo's camp than Jokowi's," Ismail said.

Meanwhile, PoliticaWave, a social media monitoring site, claimed that Jokowi was still more popular than Prabowo on social media, Antara reported.

But unlike Drone Emprit, which analyzes social media conversations throughout the year, PoliticaWave drew the conclusion after studying election conversations on social media from Dec. 6 to 13. It found 1.16 million conversations related to election contenders, with about 64 percent of them related to Jokowi and the rest to Prabowo.

Dec 15, 2018

J. Post

## No foreign worker influx in RI: BKPM

**JAKARTA:** Is Indonesia really being overwhelmed by foreign workers? We should be so lucky, says the nation's investment chief.

As the country heads toward an election that will be fought over jobs and the economy — against the backdrop of a rise in nationalist sentiment — President Joko "Jokowi" Widodo is battling to counter claims from lawmakers and opposition parties that Indonesia is facing an influx of workers from China and elsewhere.

"This paranoia about foreign dominance in our country is a fabrication of politicians and the workforce actually needs far more overseas labor," Thomas Lembong, chairman of the Investment Coordinating Board (BKPM) and a former trade minister, said at a World Bank event in Jakarta on Thursday.

The most recent data back him up. Foreigners make up less than 1 percent of Indonesia's labor force and that share is dwarfed by regional peers such as Thailand and Malaysia. Thomas says the country lacks the right policies to attract global talent and up-skill its 131 million-strong workforce.

The nation faces a real struggle to "catch up to the 21<sup>st</sup> century requirements of modern industry and the modern economy", said Thomas. "The good news is President Jokowi likes to take a hacker approach to such issues. Being confronted with a recalcitrant bureaucracy has never stopped him." — *Bloomberg*

Dec 15, 2018  
J. Post

# Batam policy leaves industry in doubt

**Marchio Irfan Gorbiano and Fadli**

THE JAKARTA POST/JAKARTA/BATAM, RIAU ISLANDS

The government's decision to merge the leadership of the Batam Industrial Development Authority (BP Batam) with the Batam city administration has created confusion among businesspeople, who argue that it is not a solution for the problem of overlapping authorities in the island city.

Makruf Maulana, chairman of the Riau Island chapter of the Indonesian Chamber of Commerce and Industry (Kadin), said the merger had sparked concerns among businesses that the future development of Batam as a free trade zone (FTZ) and a free port area would become unclear.

"Regulations made by the central government for Batam have often changed; the regulations always changed whenever there was a change of president," he said on Friday, stressing that it would create legal uncertainty.

"The government will appoint the mayor of Batam as BP Batam ex-officio head; will he be able [to do his tasks]? Is there any guarantee that investment in Batam will run smoothly?" he asked.

While saying he welcomed the

**Leadership merger of BP Batam, city administration creates confusion: Kadin**

**Decision made to eliminate dual leadership in Batam: Minister**

central government's move, Batam Mayor Muhammad Rudi on Thursday declined to comment on the details, explaining that he had no prior knowledge of the decision.

On Friday, Coordinating Economic Minister Darmin Nasution told reporters that the decision was taken to debottleneck business licensing in Batam.

"[Some business licenses] were under the mayor of Batam's authority, while others were under the authority of BP Batam," said Darmin. "[The merger] was done so that there is no dualism of leadership."

However, Makruf argued that if the central government was serious in addressing the problem of "dual authority" in Batam, it should have issued a government regulation (PP) that stipulated the relationship between BP Batam and the Batam city administration, which was mandated by Law No. 53/1999 on the establish-

ment of Batam City.

"The fact is, the government has never created the mandated PP, but now it comes up with a frontal decision [of a leadership merger]," he said.

BP Batam, previously called the Batam Authority, which was established in 1978, manages the FTZ and free port area of Batam under PP No. 46/2007. The regulation only grants Batam the status as a FTZ and free port area for 70 years after the regulation took effect in August 2007. It also authorizes BP Batam to issue business licenses, including permanent licenses and land allocation permits.

Darmin said the government considered that the appointment of the mayor of Batam as BP Batam ex-officio head would provide greater authority to the local administration in developing its economy, based on the spirit of regional autonomy.

He added that a regulation had been prepared to serve as a legal basis for the decision and that it could be issued early next year.

Current BP Batam head Lukita Dinarsyah Tuwo declined to comment on the merger. Lukita was previously a secretary to the coordinating economic minister. Alongside his five deputies, he was

appointed to lead BP Batam in November 2017, replacing Hatanto Reksodiputro.

Not all business players in Batam rejected the merger. Mook Sooi Wah, general manager of the Batamindo Industrial Park, said the central government had taken the right step to accelerate Batam's development as businesses previously even had to deal with a third authority, the Riau Islands provincial administration.

He said BP Batam, the Batam city administration and the Riau Islands provincial administration should have been working harmoniously to accelerate development in the area, but each of them had often acted as the sole "captain" with different policies.

"We need guidance from the central government to give direction to the three parties to develop Batam," he said.

Mayor Rudi, meanwhile, already had some proposals for the future management of Batam, such as changing its FTZ and free port area status into a special economic zone. He said he had also long considered scrapping the mandatory annual fees paid by homeowners in Batam to BP Batam. He said such fees should not target residential areas and they were not a problem for investors.

Dec 17, 2016

J. Post

## Ending dualism in Batam



resident Joko "Jokowi" Widodo, seemingly frustrated by the long issue of legal uncertainty in Batam near Singapore, decided last Wednesday to end the 17-year-long dualism of authorities on that island by putting the

Batam Development Authority entirely under the Batam administration.

This decision will pave the way for the long-delayed political and bureaucratic process of turning Batam, now a free trade zone, into a special economic zone (SEZ).

During Soeharto's authoritarian and centralized administration until the late 1990s, Batam had thrived as a free port and bonded industrial zone, able to attract billions of dollars of foreign investment, as investors took advantage of the efficient, one-stop service center for business licensing and land acquisition provided by the powerful Batam Development Authority.

However, the advantages began to fade after the regional autonomy era began in 2001, prompting the emergence of dualistic administrative authorities. The Batam administration claimed part of the authority held by the Batam Development Authority, which directly reports and accounts to the central government in Jakarta, causing confusion and uncertainty.

The problem lies in the fact that Batam, different from other bonded industrial zones in the country which are entirely isolated from residential areas, has developed into a large city complete with an administration and a wide mixture of residential areas, trading centers and industrial complexes.

Batam and its nearby islands fit well for development into an SEZ with streamlined procedures for business licensing and the hiring of expatriates, flexible labor regulations, tax breaks, customs duty exemptions and certainly good infrastructure to woo investors in export-oriented industries. To be successful, a SEZ should provide superb logistical efficiency, which is anchored on fast flows of goods, labor and documents.

The 2009 SEZ Law requires the involvement of regional administrations in selecting the area to be developed as a SEZ because their participation from the outset will strengthen their sense of local ownership of the development process, thereby facilitating better cooperation and coordination with the central government.

Now that the government has decided to place the Batam Development Authority under the Batam administration, the process of designating Batam as a SEZ should go unhindered. Because under the SEZ Law, the head of the local administration is in charge of establishing the administrative authority as the one-stop licensing center for businesses and the development authority in charge of managing the operations and promotion of the SEZ.

Hence, the current Batam Development Authority would be able to continue operating but perhaps with a slight name change to the Batam Development Board, with its management selected by the Batam mayor.

However, it is imperative for the Batam administration to see to it that the administrative authority truly runs as a one-stop administrative center for processing all licenses needed to do business on the island. The management of the development board should operate with good corporate governance to serve investors well.

Dec 15, 2018  
J. Post

## COMMODITY

# High stocks, low prices clog palm oil supply chain in SE Asia

Emily Chow

REUTERS/KUALA LUMPUR, MALAYSIA

Palm oil suppliers across Southeast Asia are struggling to cope with a record output, with plantations delaying harvests and mills stalling on deliveries as storage tanks overflow, multiple industry sources said.

Inventories of the edible oil, used to make consumer goods like shampoo, ice cream and cosmetics, usually peak between the third and fourth quarters of the year as seasonal production peaks, but slower demand this year has accelerated stockpile growth and driven prices to multi-year lows.

Malaysian stocks rose to 3 million tons in November, the highest in at least 18 years, while Indonesian stocks totaled more

than 4.4 million tons in October, having peaked at close to 5 million tons in July.

Two Malaysian-based planters told *Reuters* they delayed harvesting in their Indonesian estates as storage tanks were full.

"We've faced delayed harvesting in Indonesia. We are dependent on third-party mills and face delays in fresh fruit bunch deliveries," said Peter Benjamin, chief executive of United Malacca Berhad, adding that high stocks and low prices could persist throughout 2019.

"The combined stocks of Malaysia and Indonesia are high, with higher output coming from Indonesia. Unless exports improve, stocks are going to be high."

With palm's benchmark contract currently trading near three-year lows, some Malaysian

smallholders have stopped harvesting activities and mills refuse to buy their fruit.

Millers said late harvests have impacted fruit quality and deliveries to refiners have been stalled, while refiners are trying to process more crude palm oil into refined products which have a longer shelf life.

A manager at a palm refiner in Sabah, Malaysia's largest producing state, said he sees trucks loaded with palm fruit lining up at mills every day.

"Players with large tank spaces can keep their oil. Others rent additional tanks, which are in high demand now. Those who can't store either sell their oil cheap or stop taking harvests," he said.

The supply glut, however, is easing in top producer Indonesia.

Output is declining seasonally while shipments have picked up after the government eased export levy rules on palm products last week.

Indonesia had supply chain disruptions in July due to an extended public holiday, and mills had suspended production in September when storage tanks were full.

"Things are better now in terms of congestion at refineries and ports. The tariff removal has helped [...] Production has begun to taper off too," said an Indonesian planter.

While there is still some port and refinery congestion in Kalimantan and parts of Sumatra, Indonesia's main palm growing regions, the planter said he expects it to ease throughout the country by January.

# Parking fees set to rise sharply in 2019

The Jakarta Post  
JAKARTA

In line with planned improvements in public transportation in the capital, the Jakarta administration aims to restrict the use of private vehicles through higher parking fees.

With 18 million vehicles passing through Jakarta on a daily basis, traffic gridlock is inevitable. However, as the modern rail-based MRT and light rail transit (LRT) are set to start running next year, the administration is confident that hiking parking fees will discourage people from using their cars and switch to public transportation instead.

"[The parking fees] for private vehicles will be higher, so people will be willing to shift [to public transportation]," Jakarta Governor Anies Baswedan recently said as reported by *kompas.com*.

The policy begins at home as he intends to end parking facilities for Jakarta administration employees who work at City Hall on Jl. Medan Merdeka Selatan in Central Jakarta. The employees park their cars in the IRTI parking space in the Monument National (Monas) area for a mere Rp 68,000 (US\$ 4.65) per month, which he described as a logical fallacy as it encouraged workers to take their cars to work. Starting January, there will be no more special rates to park vehicles in the IRTI, he said.

The acting head of the Jakarta Transportation Agency, Sigit Wijatmoko, said his office might apply a zoning system to determine the parking fees. The higher fees will be in the downtown area

City trying to persuade people to use public transportation through higher parking fees

Some raise concerns policy will lead to more illegal parking

served by good public transportation modes. He cited as an example that the parking fees in main thoroughfares of Jl. Sudirman and Jl. MH Thamrin, in Central Jakarta, might be increased to Rp 69,000 per hour for four-wheeled vehicles and Rp 54,000 per hour for two-wheeled vehicles. The high tariff would be in accordance with the availability of transportation in the area, he said

"There is the BRT Transjakarta, Jak Lingko, and then MRT Jakarta," Sigit said as reported by *kontan.co.id*.

However, Sigit stressed that the discussion on parking fees was still ongoing. The implementation would follow the launch of the MRT.

The plan has received a mixed response with experts and the business sector warning the administration to strengthen law enforcement against potential illegal parking that might thrive after the hike.

Rio Octaviano, chairman of the Indonesian Parking Association, said parking service providers feared illegal parking might be one of the most likely outcomes of the policy.

"Illegal parking is more dangerous for us. [Unlike legal service providers who pay taxes] we have no idea who the money goes

to," he said.

Rio expected all relevant stakeholders would be involved in the discussion, as it would affect the revenue for parking service providers.

Azas Tigor Nainggolan from the Jakarta Residents Forum (Fakta) said a reduction in parking spaces should follow the policy to be effective.

"It should be done by eliminating and prohibiting on-street parking," he said.

The 2017 Jakarta gubernatorial Regulation on parking charges stipulates the fees for private car parking on streets at Rp 3,000 to Rp 12,000 per hour and Rp 2,000 to Rp 6,000 for motorcycles.

Inside buildings, the parking fees are set at Rp 3,000 to Rp 9,000 and Rp 2,000 to Rp 4,500 for cars and motorcycles, respectively.

Almost all parking lots in the city adopt the lower fee, contributing to the increase in private vehicle ownership in the capital.

Jakarta Transportation Council (DTKJ) member Najid lauded the plan citing a 2017 survey that was conducted in Kuningan, South Jakarta and Jl. Sudirman and Jl. MH Thamrin.

The survey showed if parking costs amounted to Rp 50,000 a day, 30 percent and 40 percent of respondents in Sudirman-MH Thamrin and Kuningan, respectively, would consider shifting to the Transjakarta bus service.

"We [the DKTJ] hope that the administration could impose fees over Rp 50,000 [a day]," he said, stressing that the current gubernatorial regulation was sufficient as long as the maximum parking fee applied. (sau)