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RELIGIOUS OBSERVANCE

Govt announces Ramadan starts Monday

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SEMARANG/BANDUNG/BLITAR

The government has declared that the first day of Ramadan will fall on Monday after considering *hisab* (astronomical calculations) and *rukyat* (new moon observations) conducted by several Islamic organizations and other relevant parties.

Religious Affairs Minister Lukman Hakim Saifuddin said at least nine moon observers in East Java, West Java and South Sulawesi had spotted the new moon on Sunday afternoon. Lukman was speaking after holding an *isbat* (confirmation) meeting to determine when the fasting month would begin.

The meeting was attended by clerics, representatives of Islamic organizations such as Nahdlatul Ulama (NU) and Muhammadiyah, officials from the National Institute of Aeronautics and Space (LAPAN) and the Meteorology, Climatology and Geophysics Agency (BMKG).

"Upon receiving the reports of new moon sightings, participants of the meeting agreed that Rama-

dan would start tomorrow, May 6. We hope all Muslims in the country start the fasting month simultaneously," Lukman said.

The moon observations were conducted at 102 spots across the country — including at the Bosscha Observatory in Lembang, West Java and Nusa Cendana University in Kupang, East Nusa Tenggara.

A public service officer at Bosscha, Yatny Yulianty, said observations at Bosscha were carried out by 12 astronomers, while five experts made observations from Nusa Cendana University.

"If the weather is good, the new moon can be observed first in Kupang, as the sun set earlier in the eastern part of the country at 5:33 p.m. local time," she said.

NU, the country's largest Islamic organization, also announced Ramadan would begin on May 6 after receiving reports of new moon sightings in Gresik, Lamongan and Bangkalan in East Java and Sukabumi in West Java.

The moon was also visible in Blitar, East Java, according to the regency's religious affairs agency. M. Dawami and Nanik Puspitosari — who were tasked with reporting on moon sightings — said the

moon was visible at 5:27 p.m. in the area.

NU chairman Said Aqil Siradj called on all Muslims to do good deeds during the holy month and refrain from committing sins, such as slandering, spreading hoaxes and hate speech.

"Let's stop spreading such negative content on social media, especially that which may divide the nation. Allah will not accept the prayers of his servants if they continuously do wicked things," he said.

The country's second-largest Islamic organization, Muhammadiyah, previously announced in a statement that Ramadan would begin on May 6, while Idul Fitri would fall on June 5.

Various events to welcome the fasting month took place nationwide, including the Dugdheran Carnival in Semarang, Central Java. Thousands of people in Semarang flocked to the city center to take part in the Dugdheran street parade, a tradition dating back to 1881 that features warak, a mythical creature that resembles a dragon, goat and camel. It represents the ancestors of people from Semarang.

The characteristics of a dragon represent people of Chinese de-

scend, while the goat and camel represent those whose ancestors hail from Java and the Middle East, respectively.

In the street performance, the warak, a symbol of greed and anger, hatches an egg, a symbol of purity that conveys the spirit of Ramadan, encouraging people to combat greed, anger and other worldly desires during the holy month to purify themselves.

Semarang Mayor Hendrar Prihadi and Central Java Governor Ganjar Pranowo took part in the carnival by playing the roles of 19th century leaders who held *halaqah* (a convention with clerics) before deciding the official start of Ramadan.

"Let's use this month to perform good deeds and deliver positive sentiments," Ganjar said after reading the *halaqah* results.

Meanwhile, hundreds of people in Babakan, Tangerang, Banten province flocked to the Cisadane River on Saturday to take part in a tradition called *keramas mereng* (washing one's hair using rice straw shampoo), which was started in the 1990s.

"[This tradition] symbolizes the cleansing of the heart," Tangerang Mayor Arief R. Wisnansyah said during the event.

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ECONOMY

Infrastructure spending helps maintain GDP growth

Winnie Tang

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Tightening global financial conditions have affected Asia, particularly Indonesia and the Philippines, which saw their borrowing costs rise abruptly, according to a flagship report released by the ASEAN+3 Macroeconomic Research Office (AMRO) in Fiji on Wednesday.

Capital outflows from those regions totaled US\$6 billion in September and October as foreign investors liquidated portfolios, according to the report.

Just like other emerging markets, Indonesia has been confronted with external pressure. As a result, Bank Indonesia has tightened monetary policy to ensure financial stability, by raising its key policy rate six times from May-November 2018 by a cumulative 175 basis points.

AMRO expects Indonesia's real GDP growth to be 5.1 percent in 2019 and 2020, similar to the 5.17 percent rate achieved in 2018.

Hoe Ee Khor, chief economist

with AMRO, said at this point, despite the expected slight decrease in growth, he was optimistic that the Indonesian government had done the right move to ensure the economy would grow at a healthy pace in the future.

"Last year was a very bad year for Indonesia. The country was hit by natural disasters and capital outflow. Yet, the economy still managed to grow by 5.2 percent," he said, indicating the country's economic resilience.

To ensure that the economy would grow faster in the future, AMRO suggested that the government keep increasing infrastructure spending, aside from further tweaking business-related policies.

"In light of ongoing external uncertainties, the authorities are expected to continue recalibrating the policy mix to maintain economic stability and strengthen resilience against external shocks. On the upside, the recent moderation in fuel prices may provide some respite for Indonesia's widening current account deficit and provide room

for necessary adjustments to the current fuel subsidy policy," as stated in the ASEAN+3 Regional Economic Outlook (AREO) 2019 report published by AMRO.

The Asian Development Bank (ADB) also expects Indonesia's economy to continue to expand in 2019 and 2020 thanks to robust domestic demand.

"On the back of solid macroeconomic management and strong domestic demand, Indonesia's growth momentum is expected to continue at a healthy pace," said ADB country director for Indonesia, Winfried Wicklein.

In addition, the AMRO report stated that regional growth in the ASEAN+3 region was expected to slow down amid intensified trade frictions, although the long-term economic fundamentals remained robust.

ASEAN+3 includes the 10 members of ASEAN plus China, Japan and Korea.

Hoe said the trade tensions between the United States and China would cause a slowdown in regional economic growth, although the region's long-term

fundamentals would be supported by robust consumer spending and growing inter-regional trade.

"While regional growth is softening from 5.3 percent last year to 5.1 percent in 2019 and 5.0 percent in 2020, the longer-term economic fundamentals remain intact," he said during the 52nd ADB annual meeting held in Fiji.

Amid ongoing external uncertainties, AMRO also advised the countries in the ASEAN+3 region to prioritize longer-term policies, especially those focused on capacity-building and connectivity to leverage the Fourth Industrial Revolution and sustain the growth in the new economy.

However, challenges persist for the region to meet the demands of the new economy, such as the need for qualified human capital and technological expertise.

To address those challenges, the ASEAN+3 economies must leverage intra-regional savings and investments; strengthen regional safety nets and redouble efforts to develop technological capacity, AMRO recommended.

INDUSTRY

Manufacturing remains weak despite incentives

Rachmadea Aisyah

THE JAKARTA POST/JAKARTA

Indonesia's medium and large-scale manufacturing sector remained weak in the first quarter of this year despite a series of economic policy packages issued by the government over the last two years to revitalize the industrial sector.

Statistics Indonesia (BPS) reported that the production of medium and large industries rose by 4.45 percent year-on-year (yoy) in the first quarter, down from 5.36 percent over the preceding one-year period. The BPS defines medium manufacturers as those employing 20 to 99 people, whereas large manufacturers employ at least 100 people.

Food production, as the largest segment representing 24.5 percent of the medium and large manufacturers, grew by a mere 1.36 percent yoy in the January-March period. Quarterly, it dropped by 5.42 percent.

"The food products we account for are not just those directly consumed but also food [ingredients] like crude palm oil [CPO]. The campaign against CPO overseas has affected the production [of

CPO] and subsequently the whole segment," BPS industrial statistics director Marlina Kamil told *The Jakarta Post* on Thursday.

The automotive sector, which makes up 8.52 percent of the medium and large industries, contracted 5.97 percent yoy.

"Such a decline in the automotive sector is unusual around this time of year, but it is understandable as people might have held back from buying cars and waited for more new models to come out," she said.

On the other hand, some industries posted positive figures, with apparel and beverages growing at 29.2 percent and 24.82 percent, respectively.

"These increases hardly influenced the total growth of the medium and large industrial sector, as their proportions are much smaller than, for example, food products," said Marlina.

According to the Industry Ministry, the non-oil and gas industry grew by 4.77 percent in 2018, behind overall economic growth of 5.17 percent. This year, the ministry aims for 5.4 percent growth, noting that a global economic slowdown would affect trade and demand.

The weak industrial sector

growth indicates that the series of economic policy packages, including regulations to improve the ease of doing business and a number of fiscal incentives, introduced during the last two years, have not brought about the desired effect in the industrial sector.

Economists blamed the weak industrial growth not only on the sluggish global economy but also on a lack of coordination among government authorities in the manufacturing sector.

Ahmad Heri Firdaus of the Institute for Development of Economics and Finance (Indef) said the lack of coordination among government bodies had, in fact, hurt the manufacturing sector more than external factors.

"It is the Industry Ministry's task to improve manufacturing, but related regulations were issued by other ministries. Regulations on fiscal benefits were issued by the Finance Ministry, and those related to imports by the Trade Ministry," Heri told the *Post* separately.

He said the scattered nature of regulatory responsibilities caused setbacks in manufacturing, as the various bodies involved were unable to coordinate well.

For instance, the Industry Ministry had proposed a 200 percent tax allowance based on investments made by manufacturing firms to improve the skills of their workers. However, the fiscal incentive, which would reduce a firm's tax bill by twice the amount invested in such efforts, has not yet been approved by the Finance Ministry.

Meanwhile, Center of Reform on Economics (CORE) Indonesia executive director Mohammad Faisal said the weak industrial growth was partly due to the decline in new investment.

"The next administration should make revitalizing manufacturing their main task to fix the sector's competitiveness, attract capital [...] and fix technical issues, like costly logistics or a mismatch of labor skill," Faisal told the *Post* on Thursday.

The chairman of the Coordinating Investment Board (BKPM), Thomas Lembong, acknowledged that weak industrial activity was due to a decline in interest from investors to do business in the manufacturing sector. According to Lembong, investment tended to go toward service sectors like telecommunications instead of the manufacturing industry.

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RI, S. Korea to complete CEPA this year

JAKARTA: Indonesia and South Korea aim to complete negotiations for the Comprehensive Economic Partnership Agreement (IK-CEPA) this year to boost bilateral trade and other economic relations, an official has said.

According to the Trade Ministry international trade negotiation director general, Iman Pambagyo, the two countries had exchanged initial trade in goods requests during the eighth round of IK-CEPA negotiations, which will be followed by initial offers held in June.

He said both nations were committed to improving the offers they had made in the Regional Comprehensive Economic Partnership (RCEP) and the ASEAN-South Korea Free Trade Areas (ASEAN-South Korea FTA).

"Indonesian-South Korean trade could have reached US\$20 billion," he said as quoted by *kontan.co.id*.

Other issues to be discussed include reviews on trade in services, rule of origin (ROO) and customs procedures and trade facilitation (CPFT).

With regard to trade in services, both parties had reviewed text that had been agreed on in the previous round, he said.

Iman stressed the importance of completing IK-CEPA negotiations as soon as possible because trade between the two countries had not been optimally explored.

Last year, bilateral trade between the two countries reached \$18.6 billion, of which Indonesia enjoyed a \$443.6 million surplus.

Indonesia currently has two CEPA agreements, namely with Australia (IA-CEPA) and with the European Free Trade Association (Indonesia-AFTA CEPA). — JP

Reshuffle 'likely' as KPK grills ministers

Kharishar Kahfi and Marguerite Afra Sapiie

THE JAKARTA POST/JAKARTA

The last five months of President Joko "Jokowi" Widodo's first term are expected to be a walk in the park as he is on course to secure a second one, according to vote count progress at the General Elections Commission.

But things may not be smooth sailing as the Corruption Eradication Commission (KPK) zeroes in on three Cabinet members that have been implicated in graft cases.

Youth and Sports Minister Imam Nahrawi has been probed by antigraft investigators for alleged bribery committed by National Sports Council secretary-general Ending Fuad Hamidy.

While remaining a witness in the case, the National Awakening Party (PKB) politician has been accused of accepting bribes given in an effort to disburse Rp 30 billion (US\$2.11 million) of state funding for the Asian Games and Asian Paragames.

A third of the money was later alleged to have been given to high-ranking officials at the ministry.

During a hearing last week, Imam admitted that he used money from the ministry to go on *umrah* (minor haj) with his wife and close aides.

Three ministers under investigation for graft

President yet to plan Cabinet shake-up, but things 'may change'

Religious Affairs Minister Lukman Hakim Saifuddin was also implicated in a bribery case pertaining to botched job promotions at the ministry. Former United Development Party (PPP) chairman M. Romahurmuziy was also named a suspect in the case.

Suspicion regarding Lukman, also a PPP politician, became stronger after graft busters found and seized \$40,000 from the minister's office during a raid.

Investigators summoned Lukman on April 24 to be questioned as a witness in the case, but the minister failed to show up. He is scheduled for questioning next Wednesday.

The latest minister to be implicated in a graft case was Trade Minister Enggartiasto Lukita, after graft suspect and Golkar Party lawmaker Bowo Sidik Pangarso told the KPK he had accepted S\$191,500 (Rp 2 billion) from the minister.

The bribe was allegedly given to the NasDem Party politician, who at that time served as the chairman of House of Representatives

Commission VI overseeing trade and industry, in connection to a 2017 trade ministerial regulation on the refined sugar trade.

The testimony reportedly led KPK investigators to raid on April 29 Enggartiasto's office in the Trade Ministry building, where graft busters seized several documents on the refined sugar trade.

KPK spokesperson Febri Diansyah said the three ministers were examining the evidence that might lead to charges being pressed against the minister.

"If we find sufficient evidence to name other suspects, our investigators will study it first," he said.

Febri said investigators would summon several witnesses against Bowo soon to verify the source of the alleged bribes and gratuities accepted by politicians that had been fired by Golkar after the case emerged. "We will summon [Enggartiasto] as a witness if necessary," Febri said.

Lukman and Enggartiasto have denied the allegations.

Presidential Chief of Staff Moeldoko said although Jokowi had not planned a reshuffle, the situation would change if the KPK pressed charges against the ministers.

He said Jokowi would make a decision similar to the case of former social affairs minister Idrus Marham. "[The President] will

wait for the clear legal status [of the ministers] before making a decision," said Moeldoko.

A Golkar politician, Idrus resigned from his ministerial position in August after being named a suspect in a graft case pertaining to a coal-fired power plant project in Riau. He was the first minister in Jokowi's Cabinet named a suspect in a graft case.

Centre for Strategic and International Studies researcher Noory Okthariza said it might be better for Jokowi to reshuffle his cabinet immediately to deliver a message to the public and his political opponents that he had started work for his second term.

"It is also important to reduce uncertainty among ministers on whether they will keep their positions in the next term. This will prevent the ministers from acting strategically because of the uncertainty," Noory said.

He acknowledged a reshuffle might create rifts among political parties in the ruling coalition, especially if a certain party lost its ministerial seat to others.

"This, however, might be inevitable. Jokowi needs to fulfill the political wishes of many parties in his second term, including the ones that might join the coalition after the official results of the elections are announced," Noory said.

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Ruling camp may welcome Dems, PAN

Nurul Fitri Ramadhani and Marguerite Afra Sapiie
THE JAKARTA POST/JAKARTA

Political bigwigs supporting incumbent Joko "Jokowi" Widodo may be getting ready to welcome the Democratic Party and the National Mandate Party (PAN) into the ruling coalition.

That does not mean, however, that the two will find it easy to get strategic positions in the upcoming Cabinet.

The possibility of the Democrats and PAN joining the incumbent's camp became the talk of the town after the President met with Agus Harimurti Yudhoyono, the son of Democratic Party chairman Susilo Bambang Yudhoyono, at Merdeka Palace on Thursday.

The meeting followed that of PAN chairman Zulkifli Hasan and Jokowi at the palace some two weeks ago.

Indonesian Democratic Party of Struggle (PDI-P), Golkar Party, National Awakening Party (PKB) and NasDem Party elites regarded Jokowi and Agus' meeting as a good opportunity to "strengthen the friendship" between the two camps.

However, PDI-P politician and daughter of party chairwoman Megawati Soekarnoputri, Puan Maharani, said all parties still need to sit together and talk before deciding anything.

"There are certain things that we have to consider first," Puan said. "Many things."

Golkar chairman Airlangga Hartarto said that welcoming the Democrats and PAN into the coalition was fully Jokowi's prerogative.

The Democrats and PAN have been in the opposition coalition, endorsing challenger Prabowo Subianto, the Gerindra Party chief patron, since 2018.

However, both of the parties took initiatives interpreted as attempts to approach Jokowi right after the President was projected to win the election, according to a number of quick counts by established pollsters and the progressing real count by the General Elections Commission (KPU).

Prabowo has nevertheless declared victory multiple times and accused the pollsters and the KPU of being partisan and of having committed massive misconduct.

The Democrats and PAN have apparently refused to endorse the declaration and preferred to encourage the public to wait for the final count by the KPU. Also,

Ruling party coalition may welcome Democratic Party, PAN into their camp

Discussion on Cabinet seats will take place later on

Prabowo's running mate Sandiaga Uno has never explicitly declared victory the way Prabowo did.

The PDI-P and the Democrats have been, most of the time, at odds, partly because of strained relations between Megawati and Yudhoyono, after the latter decided to run against Megawati in the 2004 presidential election. Yudhoyono was, at the time, serving in Megawati's Cabinet as coordinating political, legal and security affairs minister.

Last year, Yudhoyono hinted that Megawati was the reason his party had not supported Jokowi's reelection bid. The Democrats were the last to join the coalition that backed the Prabowo-Sandiaga ticket in the 2019 elections.

Meanwhile, PAN was also a member of the coalition that endorsed Prabowo and his 2014 running mate Hatta Rajasa in that year's presidential contest. However, after Jokowi was declared the winner, PAN jumped ship to join the ruling coalition and eventually secured a seat in the Cabinet.

PAN decided to support Prabowo and Sandiaga this time around, but speculation is rife that the party may repeat the move it took some five years ago.

PKB executive Abdul Kadir Karding said it was possible that the Democrats, most probably represented by Agus, and PAN would get seats in the Cabinet once they officially joined the coalition. He added, however, that the possibility could very well not materialize in the near future.

"Talks over technicalities, such as distribution of ministerial seats, will follow," Karding said.

Golkar executive Ace Hasan Syadzily emphasized that the ruling coalition would definitely set conditions that both parties should fulfill.

Separately, the Prabowo-Sandiaga campaign team made accusations that the meeting between Jokowi and Agus was the President's way to shake up the opposition coalition.

"Jokowi and his campaign team tried very hard to divide our coalition, but we will remain solid," the opposition spokesman, Dahnil Anzar Simanjuntak, said.

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PALM OIL

Biofuel producers continue to push for exports despite trade barriers

Stefanno Reinard Sulaiman
THE JAKARTA POST/JAKARTA

The export market will remain attractive for biofuel producers despite "trade barriers" in the European Union and mandatory biofuel mix policy.

Local producers aim to export their products to increase profit, given the fact biodiesel commands a much higher price when sold to the European market rather than domestically.

"The export market is more attractive because it offers a better price, which could reach US\$70 per ton higher than what we can get from the domestic market," Indonesian Biofuel Producers Association (APROBI) cochairperson Paulus Tjakrawan said Thursday.

Exports of the palm oil-based biofuel, such as that to the EU, United States and China, made up more than 30 percent of the country's biodiesel sales last year at 5.33 million kiloliters, nearly 50 percent of total production capacity of 12 million kl.

Biodiesel exports in the first quarter of 2019 reached 173,543 kl, 78 percent up quarter-to-quarter at only 97,455 kl owing

to EU antidumping duties on biodiesel imports.

Paulus also said efforts to secure export markets had also taken into account the amount of foreign exchange that could be gained from biodiesel exports, especially as a processed product.

"Besides that, we can't lose in defending our products against their allegations. Otherwise, they will think we're guilty [of producing unsustainable products]," he said.

"And then other countries could use it [the dumping allegations and etc] as a weapon to impose tariffs on our country's palm oil products."

APROBI chairman MP Tumanggor further added that three industries in Europe had opted for Indonesian biofuel, which is made from palm oil, rather than the EU's biofuel, such as from rapeseed.

"They [some European industries] want to use our biofuel, because it's cheaper than their rapeseed biofuel. However, their parliament is defending the voices of the rapeseed farmers," he said.

APROBI said its members were facing three trade barriers, namely subsidy and dump-

ing allegations by the US, subsidy accusations in the EU and the EU's Renewable Energy Directive (RED) II policy to phase out palm oil use.

Paulus said the EU had twice attempted in the past two years to limit Indonesia's palm oil imports after the World Trade Organization ruled out the EU's antidumping duties on the import of Indonesian biodiesel last March.

"After we won in March, the export of biodiesel to the EU increased. But, it [probably] made them lodge another accusation, saying our products are subsidized by the government despite the fact that we use a non-state budget scheme," he said.

Regarding domestic biofuel use in the transportation sector, palm oil must be sold below or at least the same price as diesel fuel, known as Solar, ensuring the biodiesel policy is viable.

On the other hand, APROBI is optimistic about growth in the domestic market and believes biofuel production capacity of 12 million kl will increase.

Business players are upbeat about the government's ongoing biofuel mix policy, the percentage of which will be increased

from 20 percent (B20) to 30 percent (B30) next year.

"Two companies are set to add 300,000 kl to their production capacity and one new company with around the same production capacity," he said.

Sahat Sinaga, executive director of the Indonesian Vegetable Oil Refiners Association (GIMNI), said the success of the B30 policy would help absorb more than half of national palm oil production by 2025.

"I hope it [the B30 policy] will be successful as it'll help make up to 60 percent of our production for domestic use, 20 percent for food products and 20 percent for the energy sector. If that happens, we shouldn't be worried about what the world's going to do with [our] palm oil," he said.

Indonesia, which holds 54 percent of the crude palm oil (CPO) market share, is the world's largest CPO producing country with total average production of 40 million tons.

The Indonesian Palm Oil Producers Association (GAPKI) recorded the export of 34.71 million tons of palm oil last year, while the domestic market absorbed around 13 million tons.

Big car brands to join B30 biofuel test at end of May

Stefanno Reinard Sulaiman
THE JAKARTA POST/JAKARTA

Stakeholders comprising private and state institutions will kick off a maiden road test for vehicles using diesel fuel containing 30 percent palm oil-based biofuel, known as B30 biofuel, at the end of this month.

The road test, which will involve carmakers such as Nissan, Toyota, Isuzu and Mitsubishi, is part of the government's efforts to increase the blending rate of B20 biofuel currently being sold by state-owned oil and gas company Pertamina to 30 percent by 2020.

According to Biofuel Producers Association (APROBI) executive Paulus Tjakrawan, the association of Indonesian Automotive Manufacturers (Gaikindo) has provided at least 10 diesel vehicles from different brands to take part in the trial.

"There will be Nissan, Toyota, Isuzu and Mitsubishi vehicles traveling about 500 kilometers from Lembang in Bandung [West Java] to Guci in Tegal [Central Java]. Each vehicle needs to complete a 40,000 km journey," he said in a press conference about the B30 update on Thursday.

The route was chosen for its hilly terrain and the cold temperatures of Lembang.

Prior to the road test, Paulus said the related agencies had already started their machine preparation tests, called overhaul, which included a cleaning of the engines and taking photos of engine parts that would be used a "before-and-after comparison".

Among the institutions involved in the test are the Energy and Mineral Resources Ministry, Industry Ministry, Transportation Ministry, Assessment and Application of Technology Agency (BPPT), Bandung Institute of Technology (ITB), state energy holding company Pertamina and APROBI.

The test, however, does not include a train test, but Paulus said the results for cars and trucks could also be used to ascertain whether the fuel can be used by trains.

Separately, Energy and Mineral Resources Ministry bio-energy director Andriah Feby Misna told *The Jakarta Post* that the series of tests was expected to be completed in October.

"After we evaluate the test, we will provide a recommendation on whether B30 can be used or not. If the results are good, then we will apply for an Indonesia



climateaction.org

Paulus Tjakrawan

National Standard [SNI] certification," she said, adding that if everything went as planned, the B30 policy could be implemented in January.

APROBI estimated that once the policy is in place, Indonesia's consumption of biodiesel will increase by about 60 percent from the 2019 consumption target of 6.12 million kiloliters.

The association remains upbeat about the growth in the domestic market and believes that the current biofuel production capacity of 12 million kl a year will soon increase.

"Two existing biofuel producers have already planned to increase their production by 300,000 kl and the same production is also expected from a new producer," Paulus said.

Besides pinning its hope on the 30 percent biodiesel policy, APROBI also expects additional demand from power plants as the government had ordered state electricity firm PLN to use palm oil-based biodiesel for its diesel power plants.

APROBI chairman MPTumanggor said PLN could require 3 million kl annually. To date, the firm has yet to use any palm oil-based biofuel due to a disagreement about crude palm oil (CPO) prices between the two parties.

"We are still in talks [with PLN] regarding the price of CPO. PLN wants the price to be 16 percent below the Means of Platts Singapore [MOPS] oil price index, while we want it to be 2 percent below the MOPS," he said, adding that the issue could be resolved soon as this year if a deal is reached.

APROBI vice chairman Harry Hanawi further added that PLN had upgraded most of its diesel-fueled power plants so that it could use CPO-based biofuel. They can only use 600,000 kl of biofuel a year without any conversion.

Last year, Energy and Mineral Resources Minister Ignasius Jonan said PLN's diesel-fueled power plants must soon be converted into fuel-based plants in order to reduce the firm's dependency on fluctuating oil prices.

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Two killed in self-detonated blasts

JAKARTA: Two alleged terrorists were killed in an explosion they had triggered themselves to avoid arrest by antiterror squad Densus 88 in Jatikramat, Bekasi, West Java, on Sunday.

Bekasi Police chief Sr. Comr Indarto confirmed the deaths to *kom-pas.com*.

Densus 88 was led to the alleged terrorists following the capture of three suspected Jamaah Ansharut Daulah (JAD) members in Babelan, Bekasi regency, and Tegal, Central Java, on Saturday.

One of the three had been wanted for terrorism, while the other two were arrested for aiding and abetting him.

National Police spokesperson Brig. Gen. Dedi Prasetyo told *kom-pas.com* that during their interrogation, they confessed to knowing about a planned attack on police during the general election.

Last year, the South Jakarta District Court issued a ruling that declared JAD a "forbidden organization". The police believe that JAD is linked to Islamic State (IS). — *JP*