

May 28 2019
J. Post

Jokowi eyes young guns in next Cabinet

Nurul Fitri Ramadhani

THE JAKARTA POST/JAKARTA

While he keeps reminding the nation about the potential of its young generation and the importance to adapt to the Fourth Industrial Revolution, President Joko "Jokowi" Widodo has expressed his intention to appoint young professionals in his next Cabinet.

Jokowi, who has been declared the winner of the recent presidential election by the General Elections Commission (KPU), has stated his intention to pick young professionals and politicians for key positions in the next five years.

Campaign chairman Erick Thohir said the incumbent needed the young figures to support his focus on the development of human resources in his second term.

"[Jokowi] sees such figures as supporting his vision," he said.

As the country awaits the outcome of a lawsuit lodged by rival presidential candidate Prabowo Subianto against Jokowi's electoral victory, political parties are lobbying Jokowi for ministerial positions.

A number of names have been mentioned as options for filling the ministerial seats. Most recently, Jokowi suggested that the chairman of the Association of Young Indonesian Businessmen (HIPMI), Bahlil Lahadalia, was qualified.

"The way I see it, Bahlil is suitable to be a minister. He has good social skills and is very smart," Jokowi said when attending an event held by HIPMI in Jakarta on Sunday night.

The President later asked the

Jokowi wants people with good managerial skills to join Cabinet

Political parties have own ideas about Jokowi's 'young Cabinet'

audience for their opinion about choosing the 42-year-old businessman as a minister, drawing cheers of support.

"[I want] a Cabinet that can work, that's why it is called the Working Cabinet. I've said it so many times, I need people who can execute programs, who have good managerial skills," he said.

Jokowi is set to lead a strong government with greater support from the House of Representatives, since political parties backing him are projected to control about 60 percent of the seats at the legislature.

During his first term in office, Jokowi had to make compromises with political parties in return for their support of his administration. Now, observers have said, he has more freedom to realize his vision and programs, including making personal choices for his Cabinet.

Other young figures that have surfaced as potential candidates are Erick himself and Indonesian Solidarity Party (PSI) chairwoman Grace Natalie.

Figures from the opposition camp, including Sandiaga Uno, the businessman-turned-politician who was Prabowo's running mate in the presidential election, and Agus Harimurti, the son of former president and Democrat-

ic Party patron Susilo Bambang Yudhoyono, have also been touted for Cabinet positions.

Parties of Jokowi's political camp, however, quickly responded to the President's intention.

National Awakening Party (PKB) chairman Muhaimin Iskandar has handed Jokowi a list of 20 PKB members and appears to expect at least 10 ministerial posts for his party.

"I pray that 10 Cabinet ministers in the next period are from the PKB," Muhaimin said.

The Indonesian Democratic Party of Struggle (PDI-P) has also been lukewarm about the idea of a "young Cabinet".

PDI-P secretary-general Hastu Kristiyanto said the consideration for appointing ministers should not be based on the age of potential ministers but on their capability, quality and readiness.

"We can't simply appoint a person [to fill the post]. It's not only about the young age. A minister is a leader, thus he or she should really understand the ministerial duties and has to have leadership skills," Hastu said.

Political expert Djayadi Hanan from Saiful Mujani Research & Consulting (SMRC) mentioned three criteria Jokowi should consider for future ministers: technocratic competence, political skill and communication skill.

"The challenge for Jokowi is to accommodate the demands of all political parties in his coalition. Therefore, Jokowi should also be firm and focus on those criteria when discussing [the Cabinet composition] with the parties," Djayadi said.

State officials 'targeted in riots'

Marguerite Afra Sapiie
THE JAKARTA POST/JAKARTA

The National Police have revealed another group they claim attempted to disrupt the capital's security during the riots that followed postelection protests against the victory of incumbent President Joko "Jokowi" Widodo last week.

The protests, originally driven by supporters of losing presidential candidate Prabowo Subianto, descended into deadly riots as more violent groups became involved, leaving at least eight people dead and hundreds injured, including journalists and humanitarian workers.

In their latest release on Monday, the police named six people suspects for alleged illegal arms possession relating to a murder plot against four state officials and the head of a polling agency during the riots that occurred from May 21 to 23 in several locations in Central and West Jakarta.

Five men and one woman were arrested at different times and places in raids around Greater Jakarta, during which the police also seized at least four firearms and boxes of ammunition, National Police spokesperson Gen. M. Iqbal said.

"The four [targets] were state officials, not the President," Iqbal said. "It's not in my capacity to disclose [the names] and the investigation is still under way."

Three of the suspects, identified only as HK — thought to be the leader of the operation — AZ and IR, were arrested on Tuesday, May 21, before the first riot broke out, while the other three suspects, identified as TJ, AD and AF, were arrested on Friday, May 24.

The police suspect HK, TJ, AZ and IR were tasked with executing the plan, while the police have charged AD and AF with possessing and selling illegal firearms.

Iqbal said the suspects were believed to be highly professional and they had planned the murders by surveying the locations of the targets and planning the times.

"They were looking for the right opportunity [to attack]," Iqbal said. "We anticipated these actors, so we carried out preventive strikes. We don't know whether or not there are other groups that have escaped."

The group that allegedly attempted to murder the officials was the fourth violent group that the police have identified as being involved in the riots.

Earlier, they named two suspects allegedly linked to the hardline Islamic Reformist Movement (Garis) while another group linked to Soenarko, who was once

Police identify group allegedly plotting to murder four state officials

Circumstances of deaths of eight people in riot still mystery

an Army Special Forces (Kopasus) commander, was arrested for possession of firearms allegedly to be used in the riots.

Three members of Prabowo's Gerindra Party have also been named suspects in connection with the finding of an ambulance belonging to the party that was filled with stones and money allegedly to support rioters.

The police have declined to name the masterminds behind the violent groups or whether they were all connected.

Despite these arrests, along with those of at least 400 suspected rioters, there has as yet been no explanation for the deaths of the eight people or why the police used force against journalists and volunteers at the scene.

The police recently confirmed that some riot officers beat an unarmed man with sticks in a parking lot near Al Huda Mosque in Kampung Bali, Tanah Abang, Central Jakarta, after a video of the beating went viral last week.

The man, identified as Andri Bibir, has denied allegations that he was involved in the riot and the National Police said they would enforce the law against officers responsible for the incident.

At least 20 journalists also fell victim to violence when reporting the riots, according to the Alliance of Independent Journalist (AJI), while philanthropic group Dompot Dhuafa also claimed that police officers ransacked its ambulance and attacked three of its volunteers.

Amnesty International Indonesia director Usman Hamid said the police should immediately reveal the masterminds behind the riots and move to investigate the incidents that involved its members in the reported cases of violence.

"The public need a sense of safety and legal certainty so the police should immediately reveal publicly the intellectual actors who were allegedly behind the riots," Usman said.

National Commission of Human Rights (Komnas HAM) commissioner Amiruddin Al Rahab said the police should examine the eight fatalities during the riots and investigate the circumstances of the deaths.

"In the meantime, Komnas HAM will also conduct its own investigation into the cases," Amiruddin said.

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Calls raised for investigation into alleged police violence

**Kharisar Kahfi and
Ivany Atina Arbi**

THE JAKARTA POST/JAKARTA

Lawyers and activists are urging oversight bodies to investigate allegations of excessive use of force by National Police personnel in handling riots that occurred in Jakarta on May 21-22.

A street protest held by supporters of losing presidential candidate Prabowo Subianto to oppose the reelection of President Joko "Jokowi" Widodo erupted into full-fledged riots that gripped the capital for days.

Dozens of rioters have been detained for allegedly instigating the violence, but activists are claiming that police were seen hitting the suspects during a televised broadcast.

"Police are authorized to keep civilians secure. Therefore, they should maintain the presumption of innocence and not use excessive force," said Indonesian Legal Aid Foundation (YLBHI) chairwoman Asfinawati said.

A video showing an unarmed man being repeatedly beaten with sticks by riot police officers in a parking lot near Al Huda Mosque in Kampung Bali, Tanah Abang, Central Jakarta went viral last week.

The National Police confirmed the incident had taken place. National Police spokesman Brig. Gen. Dedi Prasetyo said the man being beaten was Andri Bibir, who allegedly supplied rocks to rioters who threw them at police officers

Police allegedly abused suspected rioters, journalists, volunteers

Rights groups say police used excessive force in handling protests

during a riot in front of the Elections Supervisory Agency (Bawaslu) headquarters in Central Jakarta on Wednesday.

Andri and nine other individuals were later arrested. Speaking to the press, Andri conceded that he was the man in the video but denied allegations that he was involved in the riot.

"I was sleeping when the sound of angry officers woke me up. I ran and tried to escape through the back door, but some officers were already there as well," Andri said.

Dedi said the National Police would act against any officers responsible for the incident.

"In relation to the viral video, we have asked the National Police's internal affairs division [Propam] to question witnesses, including the man beaten, Andri," Dedi said during a press briefing on Saturday.

"The police will enforce the law against any officer who commits a violation while on duty," he said, adding that officers' actions against Andri, as captured in the video, were not in line with the police's standard procedure.

Claims have also been made

about police making false arrests on people not related to the protest and riots, said Amnesty International Indonesia researcher Papang Hidayat.

A Kampung Bali resident identified as Iwan said police arrested an *ojek* (motorcycle taxi) driver named Iyok who was resting in a hut behind a parking lot, as he was not able to return to his home in Slipi Kemanggisan, West Jakarta, on Wednesday night.

"Iyok was sleeping in the hut, while the police searched the area. Maybe he ran away and hid in a vacant lot behind the hut as he sensed danger," Iwan said.

Police spokesperson Dedi said that arrested individuals who had nothing to do with the riots had already been sent home.

"They were questioned as witnesses," he said.

Yati Andriyani of the Commission for Missing Persons and Victims of Violence (Kontras) said it was urgent for oversight bodies, including but not limited to the National Commission for Human Rights (Komnas HAM) and Indonesian Ombudsman, to conduct independent investigations on such cases.

"Other institutions such as the Witness and Victim Protection Agency [LPSK] can also ensure victims' safety when giving their testimony during the investigation," she said.

The Jakarta administration has said that at least eight people lost their lives during the two-day postelection riots, while more

than 700 people received medical treatment at several hospitals for various injuries. The police said only seven people died during the riots.

In addition to the incident in Kampung Bali, the police have also been accused of committing violence against protesters, humanitarian activists and also journalists.

According to the Alliance of Independent Journalists (AJI), at least 20 journalists fell victim to violence upon reporting the riots. Seven incidents of violence were committed by protesters and rioters, while the police were allegedly behind the other 11 incidents. AJI is still verifying the remaining two cases.

The police and protesters allegedly forcefully held back journalists, confiscated their cameras and forced them to delete pictures and videos.

While requesting law enforcers to investigate violent acts committed by protesters, AJI chairman Abdul Manan said he also condemned cases committed by the police.

"These cases should also be investigated to end police's impunity in cases of violence against journalists," he said.

Philanthropy group Dompet Dhuafa also claimed to have been attacked by police officers during the riots. The officers, the group said, ransacked its ambulance and attacked three of its volunteers. However, the group has settled the case with the police.

Government involves police in controlling food prices

Made Anthony Iswara
THE JAKARTA POST/JAKARTA

Industry players and traditional market regulars can expect an extra pair of eyes in the campaign to curb a sharp increase in food prices in the market during the Ramadan fasting month.

Trade Minister Enggartias-to Lukita said on Friday that the ministry would deploy its officials alongside National Police officers across Indonesia to oversee stock availability and the prices of basic commodities in the market such as rice, sugar, cooking oil and garlic, the prices of which have risen sharply during Ramadan.

In addition to price controls, the government will also team up with producers to increase the supply of the high-demand commodities including rice, sugar and cooking oil.

In regulating manipulative traders, Enggartias-to said the ministry would avoid using "repressive measures" but declined to elaborate on the specific responses to violations. He claimed a police presence would have enough authority to discourage traders from engaging in unfair practices.

He hoped the tight price controls would keep the inflation rate under control in May, which Bank Indonesia estimates will rise to 0.51 percent because of higher staple food prices.

"So there is no need to worry," Enggartias-to told reporters on the sideline of a meeting. "We will be on the ground and ensure that there is no more speculative trading to push up the prices of the main commodities."

Inspections would cover 205 markets across 82 regencies from May 27 to June 4

Government will also team up with producers to increase supply of high-demand commodities

The ministry's domestic director general, Tjahja Widayanti, said the inspections would cover 205 markets across 82 regencies from May 27 to June 4.

The initiative marks the third year since 2017 of such procedures during Ramadan, where basic commodity prices tend to increase as people typically eat a greater variety of meals to break their fast. Earlier this year, the Office of the Coordinating Economic Minister predicted the demand for staple foods would increase by 10 to 20 percent in the early and mid-Ramadan season.

This year's Ramadan has witnessed a dramatic increase in garlic prices, which soared to above Rp 60,000 (US\$4.10) per kilogram during the first day of Ramadan in several regions. Before the fasting month, garlic prices ranged from Rp 20,000 to Rp 30,000 per kg.

In a bid to reduce garlic prices, the Trade Ministry issued import permits for an additional 125,000 tons of garlic to 11 importers earlier this month. The decision follows a similar issuance on April for eight others to purchase 115,000 tons of garlic.

Agriculture Minister Andi Aman Sulaeman has even threat-

ened to blacklist importers who manipulate garlic prices. Since last year, the ministry has blacklisted 56 such importers.

While agreeing that the government should pay close attention to the supply of commodities, the deputy head of the Traditional Market Vendors Association (APPSI) Ngadiran said the government should equally supervise the licenses it provides to importers.

If the authorities discover any price manipulation among importers, they should immediately revoke their authorization, he argued.

"Otherwise, give it to another importer so that we avoid having [fraudulent importers] who monopolize the market just because they own the commodities," Ngadiran said.

Enny Sri Hartati, the executive director of the Institute for Development of Economics and Finance (Indef), criticized the initiative as mere "image-building", which would be ineffective in stabilizing prices.

She claimed that the prices at the markets that were being visited were not the actual prices, they were changed for the sake of media coverage.

"The concept of stabilizing prices is simple," Eny said. "If the [government] supply enough [commodities], keep the distribution uninterrupted and prevent market monopolies, then the price will remain consistent."

"But if it's only a question of overseeing markets [...] it won't influence the price of commodities in the wider marketplace whatsoever."

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TELECOMMUNICATION

Telkom suffers as 'legacy services' shrink

Norman Harsono

THE JAKARTA POST/JAKARTA

Most consumers in Indonesia have currently stopped or at least greatly reduced usage of short message service (SMS) and credit-based voice call, leading to decreased sales of the services in the past few years.

Dio, 23, a freelance designer based in Jakarta, virtually stopped using SMS and credit-based voice call roughly four years ago, which was around the time he got his first smartphone. Since then, he has been mostly using WhatsApp to text and call friends, family and clients.

"Except Go-Jek drivers. I still use voice call to contact them," he said during a Saturday night dinner with his friends, who all nodded in agreement.

Dio and his friends also agreed that they began to stop using SMS when BlackBerry Messenger (BBM) became popular in Indonesia. This was around 2006-2008. They then stopped using SMS and credit-based calls when WhatsApp and Android smartphones became popular or around the mid 2010s.

According to Telkom Indonesia, the country's largest telecommunications company, SMS and credit-based voice call, which are

collectively known as "legacy services" in the telecommunications industry, are becoming "increasingly irrelevant in supporting customers' activities and businesses", to quote its 2018 annual report.

The report shows digital service sales increased 23.3 percent from Rp 66.82 trillion (US\$4.6 billion) in 2017 to Rp 82.39 trillion this year. In comparison, legacy service sales decreased 22.76 percent from Rp 47.9 trillion to Rp 37 trillion in the same time frame.

Thus, even though Telkom's annual revenue slightly increased (1.9 percent) from Rp 128.26 trillion in 2017 to Rp 130.78 trillion last year, profits sharply declined by 19 percent from Rp 22.15 trillion in 2017 to Rp 18.03 trillion last year due to the drop in legacy service usage.

However, Telkom is not the only telecommunications company to have had a bad year in 2018. The country's second and third largest operators, Indosat and XL, recorded respective net losses of Rp 2.40 trillion and Rp 3.3 trillion last year.

"2018 is a year that should be forgotten," Ririek Adriansyah, who officially replaced Alex Singa as president director of Telkom last week, told reporters at a recent media gathering in Bali.

"Our industry has shrunk. The big three players recorded a com-

bined negative growth 7.3 percent last year. But, *alhamdulillah* [thank God], the revenue of Telkomsel [Telkom's mobile operator subsidiary and spearhead for growth] only declined by 4.7 percent," he said.

Ririek added that a price war between telecommunication providers was another major cause of the decline in sales.

However, Telkom is optimistic about growth this year. This is firstly because the government introduced a regulation two years ago that restricts individuals to a default maximum of three phone numbers each.

Even though the regulation would hurt sales in the short term, the company expects it to help overcome the price war in the long term.

Ririek also pointed to the company's first quarter financial statement, which shows revenue alone reached Rp 34.84 trillion, higher than the Rp 32.34 trillion recorded in the same period last year. First quarter net profit also increased to Rp 6.2 trillion this year, higher than the Rp 5.73 trillion last year.

"This year, we will try to slow down the decline in legacy service sales but we will also push our digital services. While legacy services contributed 37 percent [to last year's revenue], digital services contributed 63 percent. Thus,

we expect the growth of digital to compensate for the decline in legacy," he said.

Telkom "delayed" the decline in legacy services by introducing several SMS and voice call promotions last year. The company also spent nearly US\$2.15 billion (excluding \$150 million for a satellite) in building its 4G mobile internet capabilities in the same period. The investments included installing 28,500 new 4G-capable base transceiver stations (BTSs) and laying down fiber optic cables.

Financial director Harry Mozarta Zen said the company was targeting "mid to high single growth" this year. Growth of 3 to 9 percent in other words. Given the company's 2018 revenue, its target would be between Rp 134.7 trillion and Rp 142.6 trillion this year.

He added that capital expenditure was targeted at 27 percent of this year's revenue. This is higher than the 25.7 percent allocated last year. Given this year's growth target, his statement would translate to a capex target of between Rp 36.4 trillion and Rp 38.5 trillion.

"Around 40 to 50 percent of the capex will be used for mobile related purpose for both Telkom and Telkomsel. We will have many activities to boost our mobile connectivity business," he said.

Indonesia seeks secured coal access in China

Rachmadea Aisyah

THE JAKARTA POST

In an effort to secure access for coal exports to China amid a potential slump in domestic production, the Indonesian Coal Mining Association (APBI) signed on Friday a memorandum of understanding (MoU) with the China National Coal Association (CNCA) to support further trade and investment flow between the two countries.

APBI chairman Pandu Sjahrir said the association was the first to sign such a MoU among the CNCA's other foreign counterparts.

"There are so many things we have done at the business-to-business level [with the CNCA], but we want to strengthen our policy perspectives, especially regarding energy security in the two countries," Pandu told reporters

in Jakarta.

China is the world's largest coal consumer and the largest buyer of Indonesia's coal. In 2018, it imported 125 million metric tons of mostly low-calorie coal from Indonesia, absorbing 25 percent of Indonesia's coal exports.

As the world's second-largest coal producer after Australia, Indonesian coal comprised 45 percent of China's coal imports in 2018. That same year, China also produced over 3 billion metric tons of coal.

Coal, most of which is converted into electricity, forms a crucial part of the countries' energy security plans.

According to the Indonesian Energy and Mineral Resources Ministry, coal made up 60.5 percent of energy mix last year.

Reuters reported that coal accounted for 59 percent of China's

overall energy consumption.

In terms of the existing contracts of work (PKP2B) for coal mines in Indonesia, the ministry has projected that coal production would decrease to 489 million metric tons this year, from a 2018 output of 557 million metric tons.

Nevertheless, Pandu emphasized that the APBI was looking to ensure market access to the Asian behemoth.

"Enhancing the volume or value of our coal exports to China is not our goal of signing [the MoU], but rather the prioritization of our commodity in their market," he said. "As long as we can maintain our exports to China at 120 to 130 [million metric tons a year], it will not be a problem."

Pandu also expected the MoU signing to encourage the Chinese market to provide more leniency in some default requirements for

Indonesian coal, such as the policy on national insurance.

The policy, which is stipulated in Trade Ministerial Regulation No. 48/2018, states that exports and imports of coal, crude palm oil and rice must be protected under a national insurance scheme.

The policy has been slow in its implementation, with the Trade Ministry reporting that only 9 percent of overseas coal shipments in March had national insurance. The transition period for the policy will end in June, when it is to take full effect, reported *kontan.co.id*.

Speaking at the same occasion, CNCA executive director general Su Chuanrong shared optimism for improved cooperation with the Indonesian coal mining industry as a result of the MoU.

Su acknowledged that the bilateral partnership had been ig-

nited through the Indonesian Trade Ministry's diplomatic efforts in April, during the CNCA's Global Coal Seaborne Market 2019 in Shanghai.

"As we have discussed with the Indonesian Ministry of Trade, we will make efforts with our [coal stakeholders] and our government in order to enhance and reach the peak of our cooperation," she said.

The deputy chief of mission at the Indonesian Embassy in Beijing, Listyowati, lauded the partnership, saying that it would amplify the potential of the coal trade between China and Indonesia.

"I strongly believe this [MoU] will make for strong growth and cooperation between the coal associations [...] and become an important framework in the cooperation on coal between Indonesia and China," she said.

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INNOVATION

Insurance firms go digital to tap into millennial market

Made Anthony Iswara

THE JAKARTA POST/JAKARTA

The life insurance industry is looking to technological innovation to tap into Indonesia's growing middle-class millennial market, which is expected to propel the sector's growth over the next few years.

Sun Life Financial Global CEO Dean A. Connor said recently that he saw "tremendous potential" in the Indonesian market given the rapidly increasing middle-income population.

World Bank data also suggests that Indonesia will soon attain upper-middle income status, as the country's per capita income reached US\$3,846 in 2017.

Connor said the middle-class market segment the company had been particularly "aggressive" in its efforts to reach was millennials, a tech-savvy generation aged between 20 and 34 years old that now accounts for around 34 percent of the country's total population of 255 million.

Globally, he claimed that of the company's \$1 billion in total investment in technology, at least \$111.53 million would be invested in building digital systems and data-based tools to reach this segment.

"We are now making notes on millennials and how they want to be served. They want it to be a digital experience," Connor told reporters.

Last February, life insurer Allianz Life Indonesia also began catering to its client's digital needs through its application Allianz Discover. As quoted in a press statement, the insurer's president director, Joos Louwerier, said the application was aimed at simplifying the purchasing process and improving the dissemination of information about insurance to the public.

The initiative came two years after the global company published a worldwide survey, revealing that more than 70 percent of millennials desired employment stability and security over the "flexibility and freedom" offered by the gig economy. Thus, the demand for insurance is still omnipresent.

"In discussions about millennials, it is inevitably commented that they are the first genera-

tion to grow up in the digital era," said Dominik Hahn, global head of people attraction at Allianz, as quoted in a press statement.

"This implies they are different but technology has not magically freed them from the basic needs and desires all individuals share. And this comes out strongly in our survey."

As a future challenge, Connor of Sun Life Financial highlighted the industry's need to attract digitally talented individuals to drive innovation in digital systems. The company currently employed around 200 people in this segment, he said, adding that the company hoped to double this number within the next five years.

Communication and Information Minister Rudiantara has repeatedly referenced a 2018 study from the McKinsey Global Institute and the World Bank that estimates that Indonesia requires 600,000 new skilled workers every year to cover its deficit of 9 million skilled and semi-skilled workers between 2015 and 2030.

However, the adoption of technology was of secondary importance to the lack of literacy on insurance, Center of Reform on Economics (Core) Indonesia research director Piter Abdullah argued.

Recent data from the Indonesian Life Insurance Association (AAJI) revealed that life insurance market penetration totaled just 1.3 percent in 2018, down from the already-low figure of 1.4 percent the previous year.

He argued that insurers' emphasis on figures rather than on the specific needs of millennials had contributed to their lack of interest. He said focusing on health compensation and death remuneration were ineffective ways to reach this demographic, which were "generally young and healthy" people who "typically have short-term goals".

As a result, millennials leaned toward banking products and mutual funds for investment instead, he added. According to Indonesian Central Securities Depository (KSEI) data, around 37.92 percent of the more than 1.1 million investors in the capital market in 2018 were millennials, up from 28 percent in 2017.