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## MONETARY

# National economy still in good condition: BI

### The Jakarta Post

JAKARTA

Despite the weakening of the rupiah against the United States dollar triggering anxiety in the market, newly appointed Bank Indonesia (BI) Governor Perry Warjiyo has assured that the Indonesian economy is still in good condition.

Over the past few weeks, the rupiah has consistently weakened, even surpassing the psychological level of Rp 14,000 per US dollar.

Perry said the rupiah's depreciation was caused by external factors, particularly after US Federal Reserve Chairman Jerome Powell took office in February.

"His background, and political views have caused the market to speculate that the Fed will raise the Fed fund rate [FFR] four times this year," Perry said during a forum group discussion with chief

editors in Jakarta on Wednesday.

The US' GDP growth, which hit 2.9 percent in the fourth quarter last year, has seen the greenback grow even stronger.

At the same time, Perry added, US President Donald Trump's tax cuts, which were passed by Congress last year, would likely result in a budget deficit in the years to come. It also resulted in US Treasury 10-year bond yields increasing to 3.01 percent in May, the highest level since 2014.

These factors saw foreign investors withdraw significant funds from emerging markets to invest in the US. Increasing geopolitical turmoil in the Middle East and Italy has also caused further uncertainties in emerging markets.

The weakened rupiah lead Indonesia to mobilize its foreign exchange reserves to stabilize the currency. Indonesia's foreign ex-

change reserves slid to US\$124.9 billion in April from its highest level of US\$131.9 billion in late January.

Perry, however, assured that the country's reserve was still at a safe level.

"[The foreign exchange reserves] are still 22 percent higher than what we need to pay for imports, foreign debt and anticipate capital reversal," Perry said.

Furthermore, the recent BI board of governors' decision to increase its benchmark seven-day reverse repo rate to 4.75 percent last week helped the rupiah regain its strength. The rupiah slowly climbed its way from Rp 14,215 per US dollar to Rp 13,875 per US dollar, returning to below the psychological level.

The rate hike by the central bank also helped to maintain the government debt paper (SUN) yield at 7.17 percent as of Wednesday, and made

the Jakarta Composite Index (JCI) rebound from its lowest level of 5,733.85 to 6,069.71.

Perry said that BI had prepared four "sweet pills" to boost the nation's economic growth.

The first was macroprudential policy to ease down payment regulation in the property sector, loan-to-value (LTV) ratio and financing-to-funding ratio to boost the property market. The second "sweet pill" was financial market deepening for private funding of infrastructure projects, while the third was the development of a payment system for the digital economy to streamline social aid distribution and simplify transactions within central and regional governments.

"Lastly, we're planning to develop a sharia finance and economic system to establish Indonesia as the main player in the sharia market," he said. **(ris)**

# Indonesia to advance as risks persist: WB

Jun. 7, 2018  
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Rachmadea Aisyah

THE JAKARTA POST/JAKARTA

The World Bank (WB) is expecting the Indonesian economy to perform better in the next half of this year thanks to credible fiscal and monetary policies implemented by the government to handle the depreciating rupiah and external pressures.

The WB concluded in its June 2018 edition of *Indonesia Economic Quarterly (IEQ)* that while global risks are not going to recede in the near future and will still affect domestic situation, Indonesia will still be able to achieve a 5.2 percent economic growth.

The figure, however, is slightly below the prediction WB had made in its previous IEQ in March at 5.3 percent, as first-quarter growth at 5.1 percent this year was lower than the 5.2 percent recorded in 2017.

are a signal of commitment to [the currency's] stability," Sander said on the same occasion.

Domestically, economic risks are expected to decrease with smooth investment inflows, such as in the mining and construction sectors, and a potential pickup in consumption.

The report pointed to Indonesia's import-intensive investments because of machinery purchases required to boost production activities in the country.

"However, I wouldn't say that it [imports] is a burden on the economy," said Sander, commenting on the trade deficits Indonesia has recorded every month this year except in March.

"The fact that investments do include some important machinery is a good reason to have trade deficits, because to expand your [Indonesia's] economic capacity, you should produce more domes-

RI still able to achieve 5.2 percent economic growth

Growth lower than BI's 5.3 percent prediction

Macroprudential measures well-managed, says World Bank

"Indonesia's sound macroeconomic fundamentals continue to provide a solid buffer against rising global volatility," World Bank Indonesia country director Rodrigo A. Chaves said during the report's launch on Wednesday. "Meanwhile, sound economic management has kept inflation in check and debt levels at about only half of the legal threshold."

*IEQ* reported that headline inflation, which comprises food and energy prices, eased to an average 3.3 percent in the first quar-

ter of 2018 from 3.5 percent in the fourth quarter of 2017.

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Responding to the findings, Finance Minister Sri Mulyani Indrawati said economic development goals could no longer be achieved through just state budgets but through more direct aspects, like education and public facilities.

"We are not going to be using easy instruments like spending more, BI lowering [its interest] rate or the Financial Services Authority [OJK] relaxing its restructuring rules," Sri said following the report's launch. "We must address issues that matter more to Indonesian fundamentals."

While coordination among central and regional governments is mainly hampering the goal and results might not show immediately, the government has nonetheless been determined to do all it takes to boost growth, she added.

"Therefore, the [government's] responsibilities must be done collectively," Sri said.

## DEMOGRAPHIC BONUS

# RI should go extra mile to excel: CSIS

Marchio Irfan Gorbiano

THE JAKARTA POST/JAKARTA

Indonesia would have to fully tap into its demographic bonus, thriving digital economy as well as ride the global economic cycle if it wants to jump from middle-income to high-income status by 2040, Bank Indonesia (BI) Governor Perry Warjiyo said.

"We may catch up [to high income countries] by 2040 if we work very hard on increasing our aggregate supply by tapping into opportunities provided by the demographic bonus, digital economy and finance, as well as how we ride the global economic cycle," said Perry at a discussion hosted by the Centre for Strategic and International Studies (CSIS) in Jakarta on Wednesday.

In an optimistic scenario, BI's statistical model projected Indonesia would reach high income status — defined by the World Bank as countries that have US\$12,736 GNP per capita income — by 2040 at the earliest.

Such an achievement could be reached if GDP could expand by 6.5 percent on average from

2017 to 2045, with the contribution from total-factor productivity reaching an average 1.46 percent over the same period, up from the 0.99 percent average contribution recorded between 2010 and 2016.

Fully banking on the demographic bonus, defined as an unusually large number of young people entering the workforce in a short period of time — which in the case of Indonesia is projected to occur in 2030 — would be key for the country to realize its growth potential, said Perry.

Moreover, the widespread use of financial technology also provides opportunity to boost GDP growth and it could be utilized to leapfrog from an economy dominated by agriculture toward an economy that relies on services, Perry said.

"We could be quicker in catching up with high-income [economies] if we utilize the demographic bonus as a market and production input, while at the same time we could utilize greater productivity provided by technological progress," he said, adding that Indonesia could be well positioned to achieve higher growth if

it could ride the global economic cycle and penetrate key markets in the international economy.

To bank on these opportunities, Perry said the central bank would focus its resources to reverse its deficit from the current account.

"Going forward, we have to be more specific and targeted in structural reform. In my opinion, Indonesia could be well off if it could reduce its current account deficit or even reversing it to surplus," said Perry, arguing that one of the characteristics of a high income country is its ability to move away from a current account deficit.

However, CSIS senior fellow Mari Elka Pangestu begged to differ, saying the structure of the current account deficit and how it is financed is crucial.

Mari argued it was fine for a country to maintain its current account deficit if the deficit was financed by sustainable investment flows.

"Past investment could lead to higher imports, particularly from raw materials and machinery, but if investment was export-oriented, it will result in export with some time lag. If that's the kind of

deficit you're experiencing then it's fine because it's part of [economic] growth," she said.

As the global economy suffers from trade tensions between the United States and China, Mari also argued that countries in Asia could be more open to each other and drive growth in the global economy.

"If Asia continues to be open and expands the market between each other, that is part of the solution [...] we are also contributing to world growth. That is the kind of approach that we should take," said Mari.

Shinta W. Kamdani, Indonesian Chamber of Commerce and Industry deputy chairwoman for international relations, said while the demographic bonus could benefit the country, it could also become a liability if the government does not create enough jobs for its young people.

She said it is vital for the government to focus on vocational education to increase the number of skilled workers as well as meet demand in the labor market if it wants to benefit from the demographic bonus.

# Fuel subsidy

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# to hurt budget

**Stefanno Reinard Sulaiman**

THE JAKARTA POST/JAKARTA

The 2019 state budget is likely to place a heavier burden on taxpayers with the government proposing a Rp 25 trillion (US\$1.8 billion) diesel fuel and kerosene subsidy to maintain fuel prices at affordable levels amid increasing global oil prices.

The proposal made by the Energy and Mineral Resources Ministry is almost threefold the subsidy in 2018 of Rp 8 trillion.

At present, the subsidy for diesel fuel is Rp 500 per liter, set when the Indonesian Crude Price (ICP) was at \$48 per barrel. The proposed increased fuel subsidy is based on an estimated ICP of \$70 per barrel, meaning the subsidy would increase by Rp 1,000 per liter to Rp 1,500.

The total volume of subsidized diesel and kerosene fuel is set at 16.76 to 17.18 billion liters, consisting of around 16.17 to 16.53 billion liters of diesel and 590 to 650 million liters of kerosene.

Energy and Mineral Resources

Fuel subsidy proposal  
threefold 2018 subsidy

Total subsidized diesel fuel  
more than 16 billion liters

es Minister Ignasius Jonan, who presented the subsidy proposal to the House of Representatives, wanted to see the ICP increased by \$60 to 70 per barrel from the \$48 per barrel in the 2018 state budget.

"The proposed ICP for 2019 was determined by considering a number of factors, not only supply and demand but also global factors such as issues related to the Korean peninsula and Iran," Jonan said on Tuesday, referring to the tense relations between the United States and Iran.

The government also predicted a surge in oil production among non-OPEC (Organization of the Petroleum Exporting Countries) members, such as Russia, Mexico and Malaysia due to an increase in drilling activities after the agreement between OPEC members to

cut oil production in early 2017.

In addition to the increased diesel fuel subsidy, proposals for added expenses in the 2019 state budget include budget increases for ministries and state institutions, including the National Police.

The National Police, for example, have requested an additional Rp 44.4 trillion on top of the Rp 76.9 trillion already allocated in the 2019 budget. If approved, its total budget would soar to Rp 121.3 trillion, far higher than the 2018 budget of Rp 95 trillion.

The police said the additional budget would be spent on counterterrorism related activities.

Villages, Disadvantaged Regions and Transmigration Minister Eko Putro Sanjoyo has also promised to increase the village budget from Rp 60 trillion in 2018 to Rp 85 trillion in 2019.

He emphasized the need for village heads to ensure there were no irregularities in budget spending.

The government is also considering the possibility of increasing the salaries of civil servants,

Indonesian Military (TNI) personnel and National Police officers next year. This year, salaries totalled Rp 365.7 trillion, almost one quarter of the central government's total spending.

In addition, the Energy and Mineral Resources Ministry also proposed increasing the electricity subsidy to between Rp 53 and Rp 58 trillion, a slight increase from the Rp 52.66 trillion set in the 2018 budget. Jonan said the increase was needed mainly because of the rupiah's depreciation of around 3 to 4 percent.

In response, state electricity firm PLN finance director Sarwono Sudarto said it was a reasonable budget plan given the growing number of customers.

"Every year we have around 3.7 million new customers [...] the usage of electricity is also increasing. We recorded a 7 percent hike last month," he said, adding that around 24 million customers currently used 450 VA subsidized electricity.

PLN corporate planning director Syofvi Felienty Roekman said

the proposed subsidy was similar to the firm's proposal to the ministry.

Sarwono assured the public that PLN would continue to maintain electricity prices at affordable levels and ensure there were zero power outages throughout 2019.

Critics have argued the proposed fuel subsidy increase and the plan to increase the salaries of civil servants, TNI personnel and National Police officers next year is a politically motivated move ahead of the 2019 presidential election, with President Joko "Jokowi" Widodo seeking a second term.

"Why should the salary hike be made in 2019? This is something to do with politics," said Azam Natwijana of the Democratic Party.

The government has also predicted oil and gas production to increase to 1.9 to 2.1 million barrels of oil equivalent per day (boepd), with oil production increasing from 722,000 to 805,000 boepd and gas production increasing from 1.2 to 1.3 million boepd.

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INFLATION

# Govt pulls out all stops to stabilize commodity prices

Marchio Irfan Gorbiano

THE JAKARTA POST/JAKARTA

The government is pulling out all the stops to tame inflationary pressures leading up to the Idul Fitri festivities in mid-June, a period that usually sees price increases.

The Consumer Price Index was largely stable in May at 0.21 percent, or 3.23 percent year-on-year, the Central Statistics Agency (BPS) reported, thanks to government efforts in maintaining food prices throughout the archipelago.

Despite relatively controlled inflation last month, price increases were recorded in several commodities such as chicken, eggs, fish and shallots, with BPS head Suhariyanto calling on the government to monitor the price of chicken and eggs, both of which usually see heightened demand in the period leading up to Idul Fitri.

Trade Minister Enggartiaso Lukita said the government would instruct large chicken and beef suppliers to supply frozen chicken and beef to markets in an effort to control prices, which he said were fluctuating.

"We will ask chicken and beef distributors to supply frozen meat to markets," he said in Jakarta on Tuesday.

Frozen meat supplies, particularly beef, would provide an alternative to the public, who can then purchase either fresh or frozen beef, said Enggartiaso.

He added the government, through the State Logistics Agency (Bulog), as well as beef importers, suppliers and distributors would supply imported frozen beef from Australia, which is priced at Rp 80,000 (USD5.77) per kilogram.

Enggartiaso added the Trade Ministry would team up with the food task force to monitor daily prices of staple commodities at local markets.

Bulog chief Budi Waseso said rice stocks held at Bulog's warehouses amounted to 1.5 million tons, assuring that it was enough to meet increased demand during Idul Fitri.

Edi Prio Pambudi, undersecretary of monetary and balance of payments at the Office of the Coordinating Economic Minister, said

the government was committed to structural reform by coordinating with businesses on food supplies and anticipating demand.

"Going forward, we will not only rely on market operations, but also consolidate with business players to plan [food] supplies, so that the government does not have to intervene in the market leading up to religious holidays," Edi said.

The role of the regional inflation management team (TPID), which consists of officials from the Home Ministry, Bank Indonesia and the Office of the Coordinating Economic Minister, will detect early signs of inflation in the regions, said Edi.

The government, in its effort to control inflation, is not averse to importing several commodities such as rice, Edi said, adding that such a policy would be undertaken based on the best available data.

"Production data is hugely important as inaccuracies would lead to rushed imports. [The TPID team] will gather data to ensure food imports do not harm domestic supplies," he said.

Institute for Development of Economics and Finance economist Bhima Yudhistira Adhinegara said the impact of the weakening rupiah against the United States dollar should be noted as it posed an inflationary risk, particularly regarding imported food.

"Even if the impact of inflation as a result of imports remains minimal, it is possible that in June there will be pressure on the rupiah and therefore food prices could increase, particularly for imported commodities," he said, referring to the monetary policy of the US Federal Reserve, which is widely expected to raise its interest rate in June.

Eric Sugandi, economic observer at the Asian Development Bank Institute, said inflationary pressures from the supply side could come in the form of higher oil prices, which could translate to price increases in non-subsidized fuel and imported goods.

Another inflationary pressure could come from the depreciation of the rupiah, provided that depreciation is persistent, said Eric. (nor)

# Government wants less draconian KUHP bill

Nurul Fitri Ramadhani,  
Margareth S. Aritonang and  
Kharishar Kahfi

THE JAKARTA POST/JAKARTA

The government is trying to make the Criminal Code (KUHP) less draconian by proposing some changes to the bill, but doubts remain on whether it can convince lawmakers or whether the changes will go far enough to make a difference.

At the risk of angering Islamist parties, the government has suggested that article 495, which criminalizes sexual acts involving same-sex couples be removed from the bill to prevent discrimination against people of different sexual orientation.

By removing the phrase *sesama jenis* (same-sex), it argued, the article would no longer be needed as sexual acts were regulated under article 451.

"All people, regardless of their gender or sexual orientation, can commit indecent acts. We have reviewed the passage and found that [the article] is prone to abuse," Enny Nurbaningsih, head of the President Joko "Jokowi" Widodo administration's team deliberating the KUHP bill, told *The Jakarta Post* on Wednesday.

Govt wants article criminalizing same-sex sexual acts removed

Islamic parties oppose government's proposal

Enny admitted the government decided to scrap the article based on suggestions from human rights groups and also given the fact that it had caused international concern.

The government's proposal met opposition from Islamic parties at the House of Representatives, particularly the United Development Party (PPP) and Prosperous Justice Party (PKS) that insisted the phrase "same-sex" be retained in the bill to criminalize same-sex sexual acts.

The phrase is needed to send a clear message to the public that homosexuality is banned in Indonesia, PPP secretary-general Arsul Sani said.

He said the article did not criminalize people based on their sexual orientation, but because they committed "indecent acts".

"Men or women, regardless of whether they are straight or homosexual, will only be charged if they commit indecent acts."

Other than nixing the articles on same-sex relations, the government also proposed that the wording of article 238 that criminalizes people for insulting the president be changed as it said it was open to abuse.

It proposes to change the phrase "insulting the president" into "attacking the honor or dignity of the president or vice president".

What constitutes as "attacking honor" includes defamation with letters, libel and insults that contain defamatory language, Enny said.

The government added a clarification to ensure that perpetrators can only be charged if the president decides to press charges.

Human rights groups, however, have played down the government's move, saying that the article, which was declared unconstitutional by the Constitutional Court in 2006, could still be used to limit the freedom of speech.

The Institute for Criminal Justice Reform (ICJR), a member of the National Alliance of KUHP Reform, said the government must remove the article entirely.

"The ICJR needs to remind [the House and government] again that the president and vice

president are elected by the people. To keep the provisions will give them special protection as if they are kings and queens in a monarchical system. Like it or not, the provisions will restrict the people's right to criticize their president," ICJR executive director Anggara said.

The group reminded the government that the KUHP bill retains other controversial provisions, including the article that criminalizes people who engage in extra-marital sex or cohabitation. The provision, critics said, violate people's privacy.

Factions at the House have yet to elaborate on their official stance. Mulfachri Harahap, who leads the House's working committee tasked to deliberate the bill, said lawmakers would first review the government's recommendations with their faction's leaders.

"We did not make a decision at the latest meeting because each faction will first negotiate their position, especially in regard to the contentious articles. The next meeting will be after Idul Fitri where we are scheduled to hear the final stance of each faction," said the National Mandate Party (PAN) politician.

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## Govt pins hope on China for infrastructure

**BEIJING:** The government is hoping that China's mega-project, dubbed the Belt and Road Initiative (BRI), could help Indonesia reduce economic disparities across the archipelago through infrastructure development. National Development Planning Agency (Bappenas) undersecretary of infrastructure Wismana Adi Suryabrata conveyed the government's hopes during his speech at the 2018 BRI international summit held by Siemens AG in Beijing, China, on Wednesday.

The development of infrastructure outside of Java is believed to be the key to Indonesia's higher economic growth.

"Java, in terms of area, only covers around 7 percent of Indonesia but contributes to [more than 50 percent of] national gross domestic product [GDP]," he said. "If we would like to [improve] our economic growth, we need to reduce these regional disparities between Java and outside of Java,"

Wismana said Indonesia was open to possible partnerships and collaborations through the BRI for infrastructure development projects outside Java.

The partnership would be focused on infrastructure development in four areas, namely North Sumatra, North Kalimantan, North Sulawesi and Bali.

North Sumatra, for example, would be established as an ASEAN economic and business hub for western Indonesia through the development of Kuala Tanjung Port and industrial estates in Kuala Tanjung, Kuala Namu and Sei Mangke.

Meanwhile, the government is focused on establishing North Kalimantan as an energy and mineral resources hub by developing hydropower plants, industrial estates, ports and smelters.

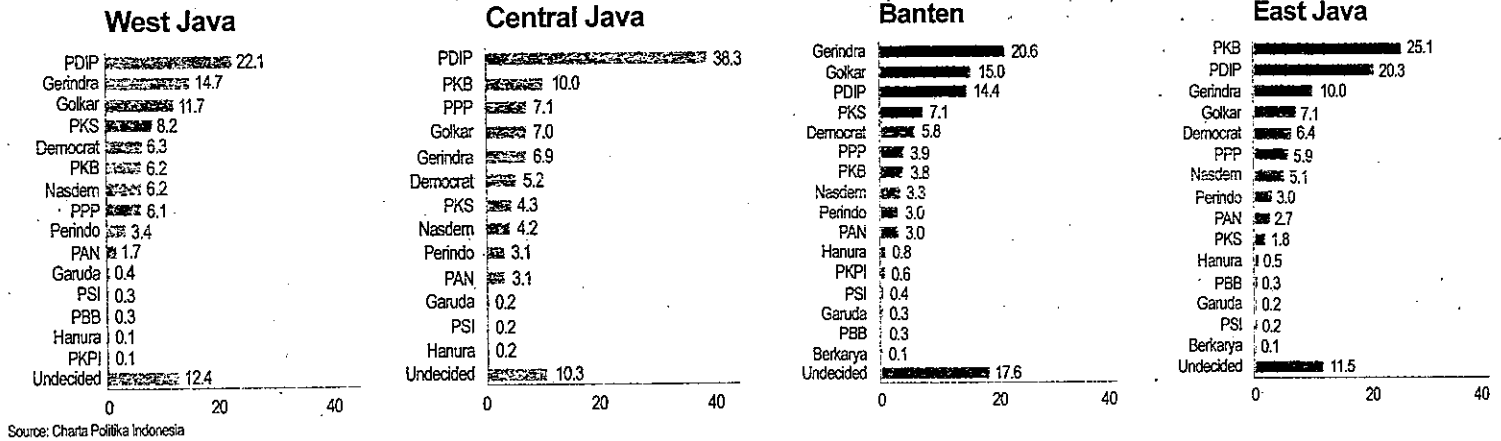
Bali would be the country's high-tech and creative economy hub.

Wismana said that an investment of some US\$ 359.2 billion was required to develop the infrastructure projects.

"Out of the total estimation, 41.3 percent will be covered by the Indonesian government. Meanwhile, [we hope the rest can come] from the Belt and Road Initiative [BRI] cooperation through public-private partnerships and non-government infrastructure investment," he said. — *JP*

# Jokowi tightens grip on Java, but Gerindra gains ground too

## Parties electability



Source: Charta Politika Indonesia

**Karina M. Tehusjarana**  
THE JAKARTA POST/JAKARTA

President Joko “Jokowi” Widodo has continued to strengthen his electoral position in Java, while Gerindra, the party of Jokowi’s main rival Prabowo Subianto, has also gained ground, boosting its chances of becoming the country’s second-largest party behind Jokowi’s Indonesian Democratic Party of Struggle (PDI-P), a new poll reveals.

Java, which is divided into four provinces, is Indonesia’s most populous island with around 160 million people, accounting for 70 percent of the total population and around 60 percent of potential voters in the upcoming general election.

Jakarta-based pollster Charta Politika recently surveyed 800 people in Banten and 1,200 people each in West Java, Central Java and East Java, asking them which presidential candidate and political party they would vote for in 2019.

As in other polls, Jokowi and Gerindra chairman Prabowo Subianto are the frontrunners, while the PDI-P remains the dominant party, with Gerindra pushing for second place.

In 2014, Jokowi won both Central Java and East Java by more than 6 percentage points but lost by landslides in Banten and West Java, with Prabowo gaining al-

most 60 percent of the vote in both provinces.

According to the survey, Jokowi has turned the tables in West Java, with 46.1 percent of respondents saying they would vote for him, compared to 40.5 percent backing Prabowo.

On the other hand, Prabowo seems to have maintained his stranglehold over Banten, with an electability rating of 44.1 percent compared to Jokowi’s 36.9 percent. Prabowo’s popularity in the province has also produced a “coattail effect” for Gerindra’s electability, according to Charta Politika’s executive director Yunarto Wijaya.

Around 20.6 percent of respondents in Banten said they would vote for Gerindra, comfortably

beating the Golkar Party at 15 percent and the PDI-P at 14.4 percent and improving on their 2014 performance of 14 percent of the vote in the province.

“Prabowo’s increased political capital from his two previous presidential bids has strengthened the coattail effect for his party,” Yunarto said at the survey release event on Wednesday.

In Central Java and East Java, however, Jokowi and the PDI-P maintain their strong positions. More than two-thirds of respondents in Central Java said they would vote for Jokowi, compared to Prabowo’s meager 11.2 percent, echoing the results of the 2014 election.

In East Java, Jokowi had the support of 53.4 percent of respon-

dents, compared to 33.6 percent for Prabowo, while the PDI-P had an electability rating of 20.3 percent, slightly higher than its 2014 vote count.

The results reflect those of a nationwide Charta Politika survey from April, in which 2,000 people were polled across all 34 provinces.

In that poll, Jokowi had a formidable electability rating of 58.8 percent, far ahead of Prabowo’s 30 percent. Despite his lackluster electability, Prabowo’s nationwide presence has helped propel Gerindra to second place behind the PDI-P with 12.3 percent, overtaking Golkar.

Nearly 40 percent of respondents who said they would vote for Gerindra named Prabowo as

the main reason for their support. A recent survey from pollster Indikator Politik Indonesia showed similar results, with both Jokowi and Gerindra’s electability showing an upward trend.

“Since Jokowi is only behind in Banten, it’s safe to say that he remains dominant in Java, which is reflected in several national surveys,” Yunarto said. “Overall, Jokowi has improved his lead compared to 2014.”

He added that Jokowi still had some work to do in Sumatra, where he was weak in several provinces, but that Java seemed solidly in his column.

“Prabowo, on the other hand, has failed to retain West Java, which was the source of much of his support in 2014,” he said.



## MOSQUES

# Jakarta on alert over radical sermons

Callistasia Anggun Wijaya

THE JAKARTA POST/JAKARTA

Ahmad Mahar, 26, a resident of South Tangerang, Banten, was appalled when hearing a preacher rant about former Jakarta governor Basuki "Ahok" Tjahaja Purnama during a sermon at a mosque in Menteng, Central Jakarta, in early 2017.

The gubernatorial election last year has been dubbed the most divisive election the country has ever seen, as religious and racial issues were highly exploited, with some mosques reportedly used as campaign battlegrounds.

Ahmad said the preacher had reminded the congregation not to vote for a non-Muslim leader, in obvious reference to Ahok, a Christian.

"I was not comfortable with that, because what I know is that Islam is tolerant and respects diversity," Ahmad said on Wednesday.

Gangsar Parikesit, 29, a resident of Mampang, South Jakarta, had a similar experience to share.

Last year, he was listening to a preacher ranting about Ahok at the mosque near his house.

The sermons have shifted to other topics since then. Once, Gangsar recalls, the preacher criticized President Joko "Jokowi" Widodo's administration, which he said was disrespectful of ulemas by criminalizing them.

"I personally don't agree with the sermon, because politics should not be discussed at the mosque. It's enough for the mosque to be a house of worship," Gangsar said.

The Jakarta administration has begun to keep an ear to the ground following information that dozens of mosques in the city were spreading radical teachings and political sermons.

Jakarta Deputy Governor Sandiaga Uno said the mosques in question were deemed radical because they spread hate speech and divisive messages. He refused to reveal their names.

The information comes from Alissa Wahid, the eldest daughter of late president Abdurrahman "Gus Dur" Wahid, who is the national secretariat coordinator of GUSDU-Rian, a network of people who admire her father's legacy. Alissa conveyed her findings during a meeting at the State Palace on Monday.

Alissa reportedly told the President that 40 mosques she had surveyed were spreading radical and intolerant teachings.

Sandiaga said the administration would take measures to rein in radicalism through economic empowerment.

"There is no other way than education and giving them opportunities to become successful entrepreneurs," he said.

Bureau of Mental and Spiritual Education (Dikmental) head Hendra Hidayat said the city administration would team up with the Indonesian Mosque Council (DMI) and Indonesian Ulema Council (MUI) to guide mosques and other houses of worship in upholding the concept of the Unitary State of the Republic of Indonesia (NKRI).

He added that the Mosque Welfare Council (DKM) in the city should be selective in inviting preachers to deliver sermons. "We urge the DKM to present preachers that promote peace and can maintain a conducive environment," Hendra said.

DMI member Maria Ulfah Anshor said some mosques in the capital, such as in Pasar Minggu, South Jakarta, as well as Petamburan and Kebon Jeruk, West Jakarta, were spreading radical teachings.

"A mosque can be seen as radical when invited preachers deliver provocative sermons that discredit Quran interpretations differing from their own beliefs," she said.

Muhammad Syauquillah, a terrorism expert from the University of Indonesia's School of Strategic and Global Studies (SKGS), said radical mosques were found in West Jakarta and other regions of the city.

# Police ask for bigger budget to support Densus 88

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The National Police have requested more money to fund their operations and programs in 2019, particularly in improving counterterrorism operations.

National Police chief Gen. Tito Karnavian said as the Rp 76.9 trillion (US\$5.5 billion) earmarked for the force in the government's 2019 state budget proposal was not enough to cover their operations, they had requested Rp 120 trillion in funds.

The police received around Rp 95 trillion in 2018.

The proposed increase, Tito said, would allow the police, among others, to expand their elite counterterrorism unit, Densus 88, from 16 task forces to 34 task forces next year.

Tito made the appeal during a hearing with the House of Representatives on Tuesday, as lawmakers will soon discuss the 2019 state budget with the government.

In stating his case Tito referred to a string of terrorist attacks that plagued Indonesia last month, starting with a deadly standoff between terror inmates and the police at the Mobile Brigade headquarters (Mako Brimob) in Depok, West Java.

Tito said the budget increase would also be spent on security for the 2019 legislative and presidential elections, which will require a high level of security, as well as on improving personnel performance, just like last year.

The police are among the institutions that are consistently allocated a large budget every year. They received Rp 95 trillion in 2018 — up from Rp 84 trillion in 2017 and Rp 73 trillion in 2016 — to allow them to prepare for the simultaneous regional elections.

Tito's demand came only hours after President Joko "Jokowi" Widodo announced on Tuesday that the monthly performance allowance of both the police and the Indonesian Military (TNI) would be increased to 70 percent starting in July.

"We are grateful that the TNI and the police are united in protecting the country, people and nation against terrorism," Jokowi said in front of hundreds of armed forces and police personnel who had gathered for a breaking-of-the-fast event that day.

Police request Rp 44 trillion increase

Police want Densus 88 task force in every province

Jokowi also announced a roughly sevenfold increase in the monthly operational allowance for village supervisory non-commissioned officers (Babinsa) starting next month.

Babinsa personnel work under an Army division and operate on a village level to serve as the front line of information-gathering.

"Therefore, as of July, their operational income will increase from the lowest [income] of Rp 310,000 to Rp 2.7 million," Jokowi said, adding that those with the highest operational income of Rp 1.3 million would now get Rp 3.6 million a month.

Finance Ministry director general of budgetary affairs Askolani confirmed that the allowance increases for TNI, police and Babinsa personnel would be implemented in July as they had been allocated in the 2018 state budget.

However, the TNI had not yet asked for a budget increase next year, according to Askolani, despite the new Terrorism Law now allowing the TNI to play a greater role in the war on terror.

The new Terrorism Law, enacted shortly after the spate of terror attacks last month, gives leeway for the TNI to reestablish the Joint Special Operations Command (Koopsusgab), a special unit tasked with fighting terrorism as a military operation other than war.

Speculation was immediately raised that Jokowi's move was politically motivated, but Jokowi, who is running for reelection next year, dismissed the concerns.

"When it comes to the TNI and the police, there is no such politicking. I have made it clear and repeatedly told the TNI and police chiefs [to maintain neutrality during the elections]," he said.

Babinsa's political partisanship came to surface in 2014 when two of its officers were found guilty of political canvassing for Jokowi's former rival Gerindra Party chairman Prabowo Subianto, a former Army's Special Forces (Kopassus) commander, in a neighborhood in Jakarta. (nor)