It is aimed to navigate through uncertain global environment and to stimulate domestic economic growth, Indonesia has launched a series of economic policy package.
Economic Stimulus Policy Package I, II, and III

...to navigate through uncertain global environment and to stimulate domestic economic growth, Indonesia has launched a series of economic policy package

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cut Red Tapes</strong></td>
<td><strong>Simpler Permit Requirements</strong></td>
<td><strong>Lower Fuel and Electricity Prices</strong></td>
</tr>
<tr>
<td>- Rewriting 89 out of 154 regulations</td>
<td>- Ease bureaucracy for investments via 3-hour permit issuance program</td>
<td>- Lower retail fuel costs (jet fuel, LPG and retail fuel)</td>
</tr>
<tr>
<td>- Deregulation policies such as relaxing visa requirements, gas price adjustment for certain industries and enhancing cooperative function</td>
<td>- Faster process for tax allowance and holiday for qualified investments to 25 days and 45 days, respectively</td>
<td>- Decrease gas price for factories and qualified industries</td>
</tr>
<tr>
<td>- Simplification to obtain business licenses and implementation of e-services</td>
<td>- Streamline permit requirements in forestry sector from 14 to 9</td>
<td>- Lower industrial electricity prices</td>
</tr>
<tr>
<td><strong>Accelerate Strategic National Projects</strong></td>
<td><strong>Tax Incentives</strong></td>
<td><strong>Land Permit Simplification for Investment Activities</strong></td>
</tr>
<tr>
<td>- Simplifying spatial license &amp; land accommodation</td>
<td>- Elimination of VAT for transport industries (train, shipping and air transport inc. spare parts)</td>
<td>- 3-hour turnaround for land availability</td>
</tr>
<tr>
<td>- Accelerating goods &amp; service procurement for the government</td>
<td>- Reducing tax rate on deposits from export proceeds. 1-month deposit tax 10%, 3-month 7.5%, 6-month 2.5% and more than 6-month 0%</td>
<td>- Faster approval time for building, leasehold, use right and land permits</td>
</tr>
<tr>
<td>- Discretion in legal issue barriers</td>
<td>- <strong>Integrated Logistics Facilities</strong></td>
<td><strong>Broadening of Small Business Credit Recipients</strong></td>
</tr>
<tr>
<td>- Strengthen the role of regional heads to accelerate national strategic project completion</td>
<td>- Facility incentive on integrated logistic center</td>
<td>- Expanding criteria of eligible recipients for Small Business Credit</td>
</tr>
<tr>
<td><strong>Boost Low Income Housing</strong></td>
<td><strong>%</strong></td>
<td><strong>$</strong></td>
</tr>
<tr>
<td>- Promoting housing construction for low income citizens</td>
<td>- Two facilities slated to be operational by end of 2015; Cikarang (Manufacturing) and Merak (Fuels)</td>
<td><strong>$</strong></td>
</tr>
<tr>
<td>- Expanding opportunity for investments in property sector</td>
<td></td>
<td><strong>$</strong></td>
</tr>
</tbody>
</table>

Source: Coordinating Ministry of Economic Affairs
Short Run Policy Package IV, V, and VI

...to navigate through uncertain global environment and to stimulate domestic economic growth, Indonesia has launched a series of economic policy package.

### Stimulus Package IV: 15 Oct 2015

**Fair, Simplified and Projectable Wage System**

- Setting **Provincial Minimum Wage** regulation
- Formula for setting minimum wage to ensure simplified, stable and projectable yearly wage adjustments

**Ease and Affordability of Small Business Credit**

- Government provides **subsidy on small business credit** to stimulate credit growth in banking sector and affordability to applicants
- Expanding **criteria for small business credit** to include:
  - Micro, Small and Medium enterprises in productive sectors (farming, fishery, manufacturing, creative business, trading and services)
  - Overseas Indonesian workers with occupation in formal sectors
  - Family members of salaried workers
  - Ex-Overseas Indonesian workers
  - Overseas Indonesian workers with terminated contract

### Stimulus Package V: 23 Oct 2015

**Lower Asset Revaluation Tax**

- Revaluation tax originally set at 10%
- Under new incentive, tax rates are cut according to periods, detailed below:
  - Revaluation period until 31 Dec 2015: tax rate at 3%
  - Revaluation period until 30 Jun 2016: tax rate at 4%
  - Revaluation period until 31 Dec 2016: tax rate at 6%

**Eliminating Double Taxation for REITs**

- Eliminating double taxation system for Real Estate Investment Trusts (REITs)
- Encourage **Indonesian property and infrastructure companies** to issue REITs in Indonesia

### Stimulus Package VI: 5 Nov 2015

**Propel Rural Economies through Development in Special Economic Zones (SEZs)**

- **Tax holiday** (reduce income tax) and tax allowance (reduce net income and accelerate depreciation).
- **No charges** on value-added tax and luxury goods tax
- Import duty tariff require Certificate of Origin
- Foreigners are allowed to have property
- Reduce tax on development and amusement in tourist areas
- Establish wage boards and specialized tripartite agencies
- Grant 30 days visitor visa which are extendable for 5 times
- SEZ administrator is able to provide land services
- SEZ administrator is able to issue principles and business permits
- Accelerating licensing process a max. of 3 hours

**Sustainable and Equitable Water Supply to the Community**

- Drafting government regulations (RPP) on water resources utilization
- Drafting RPP on water supply systems (SPAM)
- Ensure that private entities do not dominate the whole SPAM subsystem
- Private water supplier to meet their needs on its own.

**Simplifying Import Licensing for Pharmaceutical Raw Materials**

- Simplifying the licensing process to only 5.7 hours
- Target 100% paperless

---

Source: Coordinating Ministry of Economic Affairs
Economic Stimulus Policy Package VII, VIII, and IX

...to navigate through uncertain global environment and to stimulate domestic economic growth, Indonesia has launched a series of economic policy package.

### Stimulus Package VII: 4 Dec 2015

**Acceleration of Land Certification Process**
- Increasing numbers of certified surveyor, especially from non-civil servant.
- Speed up the time needed to land registration announcement, from 60-30 days to 14 days.
- Shifting land registration process to electronic system.
- Giving communal rights for indigenous peoples and people who lives in plantation/forest area.

**Tax Incentive for Labor Intensive Industry**
- Releasing Government Regulation (PP) which facilitate income tax (PPh) for the labor works in labor intensive industry for 2 years.
- Giving tax facilities for various footwear industries throughout provinces in Indonesia.

### Stimulus Package VIII: 21 Dec 2015

**One Map Policy**
- All government office will use only thematic map in 1:50,000 in order to accelerate the settlement of land using problem and to solve the country’s borderline problem.

**Refinery Construction**
- New refinery will be constructed in Tuban and Bontang, to support the existing refinery in Cilacap, Balikpapan, Balongan and Dumai.

**Incentive for Aircraft Maintenance Companies**
- 0% of import duty will be applied for 21 tariff post regarding aircraft sparepart and maintenance components.

### Stimulus Package IX: 27 Jan 2016

**Accelerated Construction of Electricity Infrastructure**
- The Government will support State Electricity Company (PLN) in its various actions by guaranteeing the supply of primary energy.
- Giving facilities for development of renewable energy sources.
- Streamlining of licensing through the one-stop-shop.
- Resolution of conflicting spatial planning, provision of land and resolution of legal issues.

**Stabilisation of Meat Prices**
- Expanding the cattle population.
- Development of logistics and distribution.
- Improvements to the cattle and beef regulated trading schemes.
- Institutional strengthening involving Smallholder Livestock Centres (SPRs).

**Deregulation on Logistics Sector**
- Development of commercial postal services.
- Electronic single billing for port services.
- SoE’s synergy in development of export aggregators for SME’s products, geographical indications and the creative economy.
- Electronic port integrated services system.

Source: Coordinating Ministry of Economic Affairs
Short Run Policy Package X, XI, and XII

...to navigate through uncertain global environment and to stimulate domestic economic growth, Indonesia has launched a series of economic policy package

**Stimulus Package X: 11 Feb 2016**

**Easing of Investment Restrictions**
- The government has added 19 business categories to those reserved for micro, small and medium enterprises and cooperative (MSMECs) in a revision to Presidential Decree Number 39 of 2014 concerning the List of Business Closed and Conditionally Open to Investment, more commonly known as the Negative Investment List (NIL).
- 35 business categories, including crumb rubber production; cold storage; tourism (restaurants, bars, cafés, recreational, art and entertainment businesses, sports facilities); the film-making industry; operation of marketplace electronic transactions above Rp 100 billion; establishment of telecommunication devices testing institutions; toll road concessions; non-hazardous waste management and disposal; and the pharmaceutical raw material industry have been taken off the NIL.
- The revisions to the NIL also opens 20 business categories to foreigners permitted to hold shares up to particular levels, compared to the previously required 100% domestic investment, including health support services (max. 67% foreign capital), land passenger transportation (max. 49%), the film-making industry including film distribution (up to 100%) and high/extra high voltage power utility installations.

**Stimulus Package XI: 29 Mar 2016**

**Export-Oriented People’s Business Credit (KURBE)**
- Provide complete and integrated export finance facilities for the working capital and investment needs of micro, small and medium enterprises.

**Real Estate Investment Trust (REITs)**
- Issue REITs at relatively low cost in order to bolster efficiency in provision of long-term investment funds in support of accelerated construction of infrastructure and housing under the National Medium-Term Plan for 2015-2019.

- Expedite services for import/export activities that can offer business certainty, efficiency in times and costs of licensing, and savings in dwelling time through more effective supervision through integration of risk management among the relevant line ministries/government agencies.

**Further Development of the Pharmaceutical and Medical Equipment Industries**
- Guarantee the availability of pharmaceutical preparations (i.e. drugs, drug raw materials, traditional medicines and cosmetics) and medical equipment in an effort to improve health services under the National Health Insurance (JKN) and promote affordable prices for drugs in Indonesia.

**Stimulus Package XII: 28 April 2016**

**Simplification of Licensing, Procedures, Duration, and Cost of Starting Business in Indonesia**
- Starting Business
  Cutting procedures and minimum requirements in the establishment of Limited Company (Ltd.)
- Dealing with Construction Permit
  Simplification from 17 procedures / 210 days to 14 procedures / 52 days
- Registering Property
  Simplification from 5 procedures / 25 days to 3 procedures / 7 days
- Paying Taxes
  Introduce online tax system to simplify procedure from 54-time to 10-time payments.
- Getting Credit
  Easing access to credit through PT Pefindo Biro Kredit and PT Kredit Biro Indonesia Jaya
- Enforcing Contract
  Simple disputes will be settled through 8 procedures that take 28 days to complete
- Getting Electricity
  Simplification from 5 procedures / 80 days to 4 procedures / 25 days
- Trading Across Borders
  Cut export time from 4.5 days to 3 days and export fees from USD424 to USD83.
- Resolving Insolvency
  Return for curator is calculated by the percentage of debtor’s asset value (based on the value of debt)
- Protecting Minority Investors
  Minority investors will be protected by the existing regulations.