

# Indonesia

Updated on: July 2022

## What is the current situation?

### General information

COVID-19 infection cases have been increasing since mid of June 2022. As of 3<sup>rd</sup> July 2022, the active cases are at 16,919. The total number of cases in Indonesia are 6,093,917 which 5,920,249 of them have been recovered.[1] The government has a target to get 208.265.720 people vaccinated. As of 3 July 2022, 96.78 % of the population (or 201.56 million people) have received their first shot. While 81.2% or 169,11 million people have completed the second shot. The government has been providing a third vaccine (booster). About 50.9 million people (24.4%) has got the 3<sup>rd</sup> shot.

Based on the travelling regulation issued on 18 May 2022, restriction for domestic and international travellers has been waived for the travellers who have been fully vaccinated (two or three doses). For the one who had no vaccine or only had the 1<sup>st</sup> dose of vaccine, antigen or RT-PCR test is required. The antigen test is only valid for 1x24 hours, RT-PCR test is only valid for 3 x 24 hours and shall be taken in the registered health facility. All travellers must download "Peduli Lindungi" application, fill out the data in Electronic Health Alert Card (eHAC) and scan it at the departure and arrival airport. The App also has the function to keep the vaccine certificate, RT-PCR and antigen test, also for tracking the mobility. Specific for international travellers who arrive in Indonesia and has not been vaccinated, the vaccine will be provided during the quarantine.

### Government has Revoked the New Policy on Old-age Saving (JHT)

On 2nd February 2022, the Ministry of Manpower issued Regulation Number 2/2022 on Old-age Saving (JHT). This regulation only allows the workers to take the saving after the workers reach the age of 56 years old. JHT is one of five areas under the Social Security – Employment Scheme (*BPJS Ketenagakerjaan*), next to the Working Accident Protection, Death Insurance, Pension Insurance (JP) and Health Insurance. JHT needs a 2% contribution of the salary plus a fixed allowance from workers and 3.7% from the employers. Previously, JHT can be claimed if the workers experience dismissal or resign at any age. With the new regulation, the workers can only take the saving maximum of 10% or 30% for the house down payment after 10 years of saving.

After a lot of critics and strikes by the trade unions, NGOs and other stakeholders, the government revoked the regulation and on 26 April 2022 issued Ministry of Manpower Regulation Number 4/2022 on "Procedures and Requirements for Payment Benefits of Old-age Saving (JHT)". With this new regulation, the workers only need 1 month before they can claim the Old-age Saving. The benefits are applied for the resigned workers, dismissed workers and the one who will leave Indonesia, in addition to the retired workers.

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[1] Indonesian National Board for Disaster Management (BNPB), [www.bnpb.go.id](http://www.bnpb.go.id)

### **The Minimum Wage for 2022 has been announced**

Following the Omnibus Law or Job Creation Bill Number 11/2021 that was issued by the government last year, the minimum wage calculation for 2022 has used the new formula based on Government Regulation (PP) Number 36/2021. If we use the previous Labour Law, the wage increase for next year will be around 5.2 – 6% considering the economic growth plus inflation in 2021. However, with a new formula, the average increase of Provincial Minimum Wage (UMP) is much less. Please be reminded that there was no minimum wage increase for 2021 except in a few provinces. In addition to UMP, there is also District Minimum Wage (UMK) that is applied in certain areas. If the UMK is available, suppliers shall follow UMK, rather than UMP.

The Provincial Government has announced the UMP, here are the minimum wage for 2022 for the areas and Fair Wear brands active:

1. DKI Jakarta, increase from IDR 4,416,186 (EUR 273.8) to IDR 4,453,935 (276.14)
2. Banten, increase 1.63% from IDR 2.460.996 (EUR 152.58) to IDR 2,501,203 (EUR 155.07 )
3. West Java, increase 1.72% from IDR 1,810,351 (EUR 112.24) to IDR 1,841,487 (EUR 114.17)
4. Central Java, increase 0.78% from IDR 1,798,979 (EUR 111.54 ) to IDR 1.812.935 (EUR 112.4)
5. East Java, increase 1.22% from IDR 1,868,777 (EUR 115.86) to IDR 1,891,567 (EUR 117.28)
6. Yogyakarta, increase 4.3% from IDR 1,765,000 (EUR 109.43) to IDR 1,840,951 (EUR 114.14)

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[1] <https://covid19.go.id/>

### **The situation with factory production**

The relocation of factories to the areas with lower minimum wage have causes impacts. *First*, garment in Central Java face labour shortage. *Second*, trade unions in Central Java have challenges to have new members because the type of contract in garment is shorter and more flexible.

### **What are the government policies to support local businesses?**

Government has waived the increase of electricity price for business and industry. While electricity in household has been raised 17-36% since 1 July 2022, which depends on the voltage.

### **What are the government policies and regulations to protect employees – the workers?**

#### **Pre-Working Card (Kartu Pra Kerja)**

Registration is opened for the 35<sup>th</sup> Pre-Working Card distribution. Pre-Working Card program provides free training for 4 months and IDR 1.15 million for workers as an incentive

to join in the training and survey. The workers who have received a Pre-Working Card in 2020-2021 cannot join in 2022. To apply for the Pre-Working Card, workers shall follow the steps on <https://www.prakerja.go.id/>