

ELUCIDATION OF
REGULATION OF THE GOVERNMENT OF
THE REPUBLIC OF INDONESIA
NUMBER 41 OF 2015
ON
INDUSTRIAL RESOURCES DEVELOPMENT

I. GENERAL

Industrial development in accordance with the provisions of Law Number 3 of 2013 on Industrial Affairs requires various support in the form of a set of proper policies, integrated planning and efficient management with due observance of good governance principles.

A set of proper policies which is implemented in a consistent manner will create conducive business climate. On the other hand, the business sector needs to provide positive feedback by developing innovative Industry which is based on a high sense of nationalism, and is environmentally friendly and sustainable to enhance national competitiveness on a global scale.

A set of policies conducive to Industrial development among others consists of those relating to provision of competent Industrial Manpower, use of competent Industrial consultants, Natural Resources Utilization in accordance with good governance principles as well as Technology Procurement by Turnkey Project which is followed by Transfer of Technology to domestic parties.

The main regulatory points in this Government Regulation cover development of Industrial Manpower and use of Industrial consultants, utilization of and ensuring on the availability of Natural Resources, procurement and utilization of technology by turnkey project as well as underwriting of risks on the utilization of technology resulting from domestic Research and Development.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

Sufficiently clear.

Article 4

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

The term “managerial knowledge” means knowledge which relates to the management/governance of an Industrial Company and/or an Industrial Estate Company in accordance with their respective level of position, among others on the organizational structure and the standard operating procedures of a company.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Section (1)

The term “teaching factory” means a production facility that is operated based on actual working procedures and standards to manufacture products which accord with actual Industrial conditions and that is not profit-oriented in nature.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

The term “related ministers” among others refers to ministers administering government affairs in the fields of:

- a. education and cultures; and
- b. manpower.

Article 7

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Section (7)

Sufficiently clear.

Section (8)

Sufficiently clear.

Section (9)

The term “related ministers” among others refers to ministers administering government affairs in the fields of

- a. education and culture; and
- b. manpower.

Section (10)

Sufficiently clear.

Section (11)

Sufficiently clear.

Article 8

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The term “facilitate” among others refers to the provision of information on the need for Industrial Manpower competency, preparation of curriculums on industrial vocational education and trainings, conducting of industrial internships, placement of graduates and/or granting of scholarship assistance.

Article 9

Section (1)

The term “Industrial Manpower candidates” includes students, university students and/or trainees in trainings.

Section (2)

Sufficiently clear.

Section (3)

The term “facilities” means, among others, in-house trainers.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

The term “facilitate” includes, among others, to provide information to Industrial Companies and Industrial Estate Companies on venues for the conducting of apprenticeships as well as to encourage Industrial Companies and Industrial Estate Companies to engage in the apprenticeships of Industrial Manpower candidates and Industrial Manpower.

Section (7)

Incentives to Industrial Companies and/or Industrial Estate Companies which engage in apprenticeships are granted in compliance with the provisions as regulated under the legislation.

Section (8)

Sufficiently clear.

Article 10

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Section (1)

The purpose behind the mandatory imposition of SKKNI is to enhance and increase the national competitiveness of Industrial Manpower and resulting products.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 13

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The term “National Professional Certification Board” means an independent institution which has the duty of conducting Competency Certification, and is established by virtue of a Government Regulation.

Section (4)

Sufficiently clear.

Section (5)

The term “facilitate” means, among others, to encourage Industrial business actors to conduct Competency Certification for Industrial Manpower and to make available budget/funds for the conducting of such certification for Industrial Manpower.

Article 14

Sufficiently clear.

Article 15

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Point a

Sufficiently clear.

Point b

The term “competency certificate” means written evidence which certifies that an individual has mastered certain Working Competency in accordance with SKKNI. A competency certificate is issued by LSP which has already obtained a license from the National Professional Certification Board.

Article 16

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Sufficiently clear.

Article 20

Sufficiently clear.

Article 21

Sufficiently clear.

Article 22

Sufficiently clear.

Article 23

Sufficiently clear.

Article 24

Section (1)

Sufficiently clear.

Section (2)

The term “related ministers” among others refers to ministers administering government affairs in the fields of:

- a. energy and mineral resources;
- b. maritime and fisheries; and
- c. agriculture.

Section (3)

The term “business sector” means trade and industrial chambers of commerce and related Industrial associations.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Article 25

Sufficiently clear.

Article 26

Sufficiently clear.

Article 27

Section (1)

Point a

Sufficiently clear.

Point b

The provision of infrastructure for Natural Resources Distribution is adjusted with the form, type and type specifications of the Natural Resources as well as meets the

aspects of security, safety, health and preservation of environmental functions.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

The term “policies which support the stability of Natural Resources Distribution” means, among others, the prioritizing of Natural Resources for Industries which can contribute more to the national economy.

Point f

Sufficiently clear.

Section (2)

The term “related ministers” among others refers to ministers administering government affairs in the fields of:

- a. energy and mineral resources;
- b. maritime and fisheries; and
- c. agriculture.

Article 28

Sufficiently clear.

Article 29

Section (1)

The term “related ministers” among others refers to ministers administering government affairs in the fields of :

- a. energy and mineral resources;
- b. maritime and fisheries; and
- c. agriculture.

Section (2)

Sufficiently clear.

Section (3)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Included in the meaning of national interests is, among others, the ensuring of fulfillment of domestic needs.

Section (4)

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

Sufficiently clear.

Article 32

Section (1)

Sufficiently clear.

Section (2)

The term “certain conditions” means a condition whereby the need for Industrial development is crucial while the relevant technology is not yet mastered in terms of design, engineering, procurement and construction.

Section (3)

The term “related ministers” among others refers to ministers administering government affairs in the fields of:

- a. research and technology; and
- b. finance.

Section (4)

Point a

Sufficiently clear.

Point b

The term “form” means a method or mechanism for the transfer of technology by licensing, trainings and supervision in accordance with an agreement between a Technology User and a technology provider.

Article 33

Section (1)

The term “domestic parties” means recipients/users/Technology Users by domestic turnkey projects.

Section (2)

Sufficiently clear.

Article 34

Section (1)

The Underwriting of Risks means the efforts and commitment of the Central Government to mitigate risks on Industrial Technology Utilization.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Article 35

Point a

The term “enhancing the competitiveness of the national Industry” means the improvement of Industrial capabilities in facing both domestic and international markets, namely by increasing the efficiency, effectiveness and productivity as well as the merits of national Industrial products.

Point b

The term “self-reliance of domestic Industries” means the ability to master technology by domestic Industries in efforts to reduce dependency on imported technology and encourage the strengthening and deepening of national Industrial structure.

Point c

The term “preservation of environmental functions” includes the utilization of technology to make the use of Raw Materials and energy more efficient as well as to minimize and utilize waste.

Article 36

Section (1)

Sufficiently clear.

Section (2)

The Underwriting of Risks on the Industrial Technology Utilization is among others provided in the form of Guarantee.

The purpose of Guarantee as an underwriting scheme is to allow a Technology Provider to achieve the agreed level of performance.

Section (3)

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The term “coordinate” means, among others, coordination in relation to technology and budgeting. The term “related ministers” among others refers to ministers administering government affairs in the fields of:

- a. research and technology; and
- b. finance.

Section (4)

Sufficiently clear.

Article 39

Section (1)

The term “other legal sources” means grants or non-binding support.

Section (2)

Sufficiently clear.

Article 40

Sufficiently clear.

Article 41

Sufficiently clear.

Article 42

Section (1)

Sufficiently clear.

Section (2)

Point a

A complaint-based report may be filed by a member of the community, whether an individual or a group, or by an institution, to the Minister, a governor or a regent/mayor.

Point b

Sufficiently clear.

Article 43

Sufficiently clear.

Article 44

Sufficiently clear.

Article 45

Sufficiently clear.

Article 46

Sufficiently clear.

Article 47

Sufficiently clear.

Article 48

Sufficiently clear.

Article 49

Sufficiently clear.

Article 50

Sufficiently clear.

Article 51

The term “related ministers” among others refers to ministers administering government affairs in the fields of:

- a. research and technology; and
- b. finance.

Article 52

Sufficiently clear.

Article 53

Sufficiently clear.

Article 54

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The phrase “actions by the Central Government in accordance with the matters agreed” among others includes the waiving of payment obligation of the Central Government to the technology provider and the assignment of assets from the technology provider to the Central Government.

Article 55

Sufficiently clear.