



## **MEDIA RELEASE TRADE UNIONS IN THE ELECTRICITY SECTOR**

### **TRADE UNION DEMAND THE OMNIBUS TO BE REVOKED**

The trade unions/labour unions in the electricity sector disappointed with the government and the house of representatives that acted as if they are “chasing the deposit”, in a hurry to pass the omnibus law Job Creation Bill to become the law in the plenary session on Monday (5/10). This is quoted from the statement conveyed by trade unions in the energy sector such as SP PLN Persero, PP Indonesia Power, SP PJB, SPEE-FSPMI, dan Serbuk Indonesia.

The General Chairperson of PPIP PS Kuncoro stated that the Omnibus Law potentially will violate the interpretation of the state constitution, especially in the Sub-cluster Electricity where the constitutional court decision No. 111/PUU-XIII/2015 was not being used as a point of reference in the Job Creation Law. This will resulted in the violation of state constitution UUD 1945 article 33 paragraph (2), the electricity as part of essential production line for the state and covering basic life needs for the people will no longer controlled by the state, which then will potentially impacted in the electricity tariffs increase.

“We have conveyed to whom that might have concern to this issue about the bad impact might arise if the omnibus being implemented. But our inputs were only going through from the left ear to the right ear. Previously the People’s Representatives had promised makes the Constitutional Court’s decision as a guideline in drafting the Job Creation Law, but in fact in the discussion in the Sub-cluster Electricity this promise was forgotten” stated him firmly.

The most real things from the Omnibus that will threaten the energy sector in Indonesia are as follows:

1. The role of the house of representatives (DPR) is eliminated in the consultation right for the National Electricity General Plan (RUKN), this will create impacts in the following:
  - a. People’s aspirations and people’s role in the development of national energy sector will not have any channels so all planning in the energy sector will only benefitted and for the interest of certain group of party.
  - b. RUKN plays an important role in determining the price of electricity because it is related to the type of primary energy used in electricity generation, because the price of electricity is determined 70% of the type of primary energy. Therefore, the intervention

of the People's Representatives in primary energy policy is very important in the RUKN. In the end, the electricity tariff will also have an impact on the people's economy.

- c. The essence of the deletion in DPR's role in consultation for the National Electricity General Plan (RUKN) is violating the *check and balance* principles to implement state related activities in Indonesia
2. By re-inserting article 10 and 11 related to the *Unbundling* in the power plant, transmission, distribution, and sales sector by the private company will be resulted in the following:
    - a. Violating the decision of the Constitutional Court based on the Constitutional Court decision number MK No. 111/PUU-XIII/2015 stating that the provision in Article 10 Paragraph (2) and Article 11 Paragraph (1) do not have any legal force.
    - b. The Supreme Court consideration for the decision is that Article 10 Paragraph (2) and Article 11 Paragraph (1) omitting state control function in the national energy sector as one among many essential needs for Indonesian people and thus will wipe out energy sovereignty for the state.
    - c. The rise of potentially worsened condition in the energy sector which currently experiencing oversupply and the huge amount of liability to pay the *take or pay* to the private power plants (TOP IPP).

Therefore, the trade unions in the energy sector demanded the government to revoke the newly passed Omnibus Law. Even more, this law is also rejected by many elements of the people, not only workers but also students, farmers, fisherman, cultural community, academics, human rights activists, and many more.

Government is no need to be embarrassed to revoke the omnibus law the Job Creation Bill as this is in the interest of its own people.

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