Welcome to the LPEM Newsletter May 2022 Edition. The LPEM Newsletter is the fruit of thoughts and a summary of the activities of the LPEM FEB UI team. This edition is the third edition and will continue to be published every month. Since 1953, LPEM FEB UI has been actively conducting research, consulting, and training activities to solve development problems in Indonesia. The activities focused on various issues related to institutions, regional economy, international trade, finance and banking, fiscal and monetary economy, agriculture, industry, tourism, rural development, environment, demography, employment, poverty, and MSMEs.

In this edition, the LPEM Newsletter will discuss a workshop entitled Realizing A Just Transition in Coal-Based Region in Indonesia organized by Task Force 3 Think20. In addition, this edition will summarize LPEM FEB UI’s annual activities with the ANU Indonesia Project, namely the 16th Sadli Lecture. Finally, a research from TERC LPEM FEB UI entitled Improving the Tradition of Tax Reporting in Indonesia will also be discussed in this edition.

This newsletter is widely distributed among the government, academics, advocates and environmental activists, NGOs, the media, and the general public. We encourage your involvement in sharing this publication widely and making it a reference when needed.

Enjoy reading,

Alin Halimatussadiah
Head of Environmental Economics Study Group
LPEM FEB UI
Realizing A Just Transition in Coal-Based Region in Indonesia

On April 6, 2022, LPEM FEB UI collaborated with the Wuppertal Institute to hold a workshop entitled “Realizing A Just Transition in Coal-Based Region in Indonesia”. This activity was organized by Task Force 3 Think20, where LPEM FEB UI acted as the host institution. This workshop aims to become a forum for discussion on how the economy and energy transition need to be planned and implemented in areas that are highly dependent on coal commodities, especially in Indonesia. This activity was attended by Timon Wehnhert and Jannis Beutel (Researchers of the Wuppertal Institute), Alin Halimatussadiah (Head of the LPEM FEB UI Environmental Economic Research Group), Iqbal Mandal (Director General of Mineral and Coal at the Ministry of Energy and Mineral Resources), and Fabby Tumiwa (Executive Director of IESR). This activity was moderated by Kuki Soejachmoen (Executive Director of the Indonesia Research Institute for Decarbonization and Lead Co-Chair of TF 3 T20).

Timon and Jannis described a useful toolbox for practitioners in local government because of its usefulness in providing information on global trends and learning materials aimed at assisting Local Governments in making energy transitions and avoiding negative impacts that arise from the energy transition process. Alin added his perspective by providing economic analysis in East Kalimantan and South Sumatra. She said that realizing sustainable economic growth could reduce greenhouse gas emissions and minimize costs for the energy transition process. She added that there is a need for innovative solutions in the financial sector as well as good utilization of regional budgets to realize this growth.

In addition, Iqbal conveyed the commitment of the Indonesian government in realizing the energy transition through macro frameworks such as the downstream coal industry scheme and empowering communities that live side by side with coal mining companies. The government, according to him, also always encourages coal companies to organize community empowerment activities. Lastly, Fabby Tumiwa pointed out the impact of the coal transition on regions with vulnerable economies. He mentioned that no practical solution is the same for all regions, so further research and analysis specific to each region is needed.

This activity was also enlivened by representatives of the Regional Government represented by Bappeda from the Provinces of South Sumatra, East Kalimantan, and South Kalimantan.

More details can be accessed at: https://youtu.be/T8EjCCzHo4E

16th Sadli Lecture: Competition Policy in the Age of Algorithms

Since 2007, LPEM FEB UI and ANU Indonesia Project have organized an annual lecture aimed at broadening understanding and encouraging discussion among students, academics, and policy makers about the main economic policy challenges that Indonesia faces every year. This annual lecture is entitled “Sadli Lecture” in honour of the late Professor Mohammad Sadli, a senior economist who was very influential in Indonesia’s economic development in his generation. The discussion in this lecture will then be published in the Bulletin of Indonesian Economic Studies (BIES) Indonesia in the Comparative Perspective series.

Following the success of previous Sadli Lectures for the last fifteen years, LPEM FEB UI and ANU Indonesia Project this year will again hold the 16th Sadli Lecture with the theme “Competition Policy in the Age of Algorithms: Challenges for Indonesia”. This activity has been held on Thursday, 19 May 2022 at 13.00-15.00 AEST/10.00-12.00 WIB (GMT+7) with Cassey Lee, Ph.D. (ISEAS–Yusof Ishak Institute) as the speaker, Dr. Chandra Setiawan (KPPU) as the keynote speaker, and Lili Yan Ing, Ph.D. (ERIA) and Chaikal Nuryakin, Ph.D. (LPEM FEB UI) as the discussants.

More details can be accessed at: https://youtu.be/9g6blflfRZ4
Improving the Tradition of Tax Reporting in Indonesia

The e-filing system is a platform that makes it easier for taxpayers to report their taxes. This system is not yet required to be used by all taxpayers. However, most taxpayers have switched from manual SPT to e-filing to report their SPT. The number of SPT submitted through e-filing has increased significantly compared to five years ago which was only about 25% of the total SPT submitted, and most of them still use manual SPT (51%), and the rest are e-SPT (24%). This is in line with the results of the TERC LPEM FEB UI study which found that the quality of the e-filing system was positively correlated with user satisfaction (taxpayers). If the level of satisfaction with e-filing is higher, taxpayers will be more motivated to continue using e-filing.

Although the current e-filing system may be good enough, the results of a study by researchers from TERC LPEM FEB UI (Wicaksono, Tjen, and Vitria, 2021) show that there are still problems related to e-filing accessibility. Server downtime and slow access are considered quite frequent, especially when the annual SPT reporting deadline (e.g. March 31 for WPOP) is approaching. Furthermore, the study also shows that e-filing is considered to be quite complicated to use and the information in it is also quite difficult for some taxpayers to understand. Therefore, e-filing needs to provide a filling guide that is clearer, more complete, and easily understood by anyone. In addition, DJP must also add important features that support taxpayers to make it easier and more comfortable to use e-filing. For example, the temporary storage feature of data that has been inputted into e-filing. This feature currently does not exist and requires taxpayers to be able to complete the e-filing process at one time.

DJP must also continue to intensify the socialization of the use of e-filing so that the public is more aware and punctual in filling out e-filing. In a broader context, DJP needs to continue to improve its positive image so that the level of public trust in DJP also increases. The results of a similar study found that the level of public trust in the tax authority has a positive effect on their trust in the e-filing system, which in turn encourages the use of e-filing. When the level of trust in the DGT is higher, the public will be more motivated to voluntarily fulfill their tax obligations, including using e-filing or e-forms as media for reporting taxes.

A review on the issue of tax reporting was written by Christine Tjen and Panggah Tri Wicaksono (Tax and Education Research Center LPEM FEB UI). The article has been published in Kontan e-paper.
expected to accelerate this month like its usual seasonal inflation and the economic recovery process. Domestically, it shortage as the impact of Russia and Ukraine's conflict in supply chain disruption and energy growth in Q4-2021, thanks to the pandemic containment that hardest during the pandemic, namely transportation & activity, household demand, and purchasing power of the biggest sectors in the Indonesian economy, such as variants has served as the hiccups on the economic recovery progress trajectory throughout 2021. Moreover, sectoral performances indicate that the economic recovery got back to its upward track at the end of 2021 after took a hit in Q3-2021 due to the disruption of Delta variant. Several biggest sectors in the Indonesian economy, such as manufacturing, wholesale retail & trade, and agriculture grew robustly in Q4-2021, suggesting the spurt in production activity, household demand, and purchasing power of the population. Furthermore, two sectors that has been hit the hardest during the pandemic, namely transportation & storage and accomodation & FnB, enjoyed a significant growth in Q4-2021, thanks to the pandemic containment that enables people to travel and do leisure activities. trend during Ramadan and Eid al-Fitr celebrations. However, the trade balance emerged as one of the windfalls from the prolonged increasing trend of commodity prices that could maintain Rupiah stability and economic growth from export channel, also contribute to the state’s revenue. Considering the current condition, we view BI should hold its policy rate at 3.50% this month. In addition, BI should maintain its pro-stability monetary stance and progrowth macroprudential policy during the current uncertain times. The cooking oil trading crisis, which has started since August 2021, has not yet ended. The still high price of cooking oil in the market and the uneven supply of bulk oil to all traditional markets prompted the government to take a bold step, namely to issue Minister of Trade Regulation No. 22/2022 which prohibits the export of CPO, raw material for cooking oil and cooking oil. This month's Trade and Industry Brief discusses various challenges that need to be anticipated by the government in order for the policy to be effective, not only in the short term ensuring sufficient domestic cooking oil, but also encouraging downstream palm oil in the long term. The increase in commodity prices, in this case cooking oil, has been highlighted amid the issue of economic recovery due to the pandemic. The government quickly responded to this by issuing a policy in the form of the cooking oil BLT program. This BLT is part of the Government’s efforts to protect the purchasing power of the poor and vulnerable.
LPEM FEB UI Education and Training: May - July 2022

Monitoring and Evaluation (14–16 June 2022)
Policy Report Writing (7–9 June 2022)
Public Policy Analysis (11–15 July 2022)
Economic and Financial Data Exploration Analysis (20–24 June 2022)
Econometrics (4–8 July 2022)
Regulatory Impact Assessment (17–19 May 2022 & 18–22 July 2022)
Planning and Budgetting (25–29 July 2022)
Regional Potential Analysis: Regional Taxes and Regional Potential (20–24 June 2022)
Macroeconomics (23–25 May 2022)

More information about the education and training:
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