

NEWSLETTER

By : Law Office Yang & Co

THE NEW MINIMUM WAGE FOR THE JAKARTA PROVINCE OF YEAR 2019

On 9th October 2018, the Governor of the Special Region of Jakarta (“**Governor**”) has enacted the new regulation regarding the 2019 provincial minimum wage, namely the Governor of DKI Jakarta Regulation No. 114 of 2018 (“**Governor Regulation No 114/2018**”).

Governor Regulation No. 114/2018 sets the UMP for 2019 as much as Rp. 3.940.973 per month. This has increased from the previous Regulation of the Governor No. 182 Year 2017 (“**Previous Regulation No.182/2017**”) which was as much as Rp. 3.648.035 per month. The increase shall take effect on 1st January 2019 and apply for every employee who has worked for a period of less than 1 (one) year. Wages for workers who have been working for more than one year will be determined based on the negotiations between the employee and the employers/ companies.

In addition to the increase of the UMP, the Governor Regulation No. 114/2018 also stipulates that the Regional Government of DKI Jakarta also provides policies in the form of:

- a. Free transportation service assistance
- b. Providing food at low prices; and
- c. Personal education costs

The policies above were not included in the Previous Regulation No.182/2017. The purpose of these new policies is to increase the welfare of workers by helping the low-income workers to cut their expenditure on transportation, household needs and education.

The Governor Regulation No. 114/2018 will not affect the specific sectors, which examples are listed in the table below, as UMP for these sectors are currently regulated under Regulation of the Governor No.16 of 2018 regarding the 2018 Minimum Wages for Industrial Sector:

| | | | |
|----|--------------------------------------|-----|-------------------------------------|
| 1. | Construction and public works | 7. | Pharmaceuticals and health services |
| 2. | Chemicals, energy and mining | 8. | Textiles, apparel and leather |
| 3. | Metalwork, electronics and machinery | 9. | Tourism |
| 4. | Automotive industry | 10. | Telecommunications |
| 5. | Insurance and banking | 11. | Retail |
| 6. | Food and beverage | | |

**Please Note that the above table minimum wages are not the complete list mentioned in the Governor Regulation No. 16/2018, as we only want to provide some sectors which we deem as common activities.*

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As for the specific sectors that have not been stipulated, the minimum wage can be proposed and will only be stipulated based on consent being established between company associations and labour union operating within the relevant sector.

For any queries and assistant related to the above matters or if you need the complete list of minimum wages, please contact our office.