INDONESIA

TOBACCO INDUSTRY INTERFERENCE INDEX 2023
Date of Publication:
June 2023

Author:
Mouhamad Bigwanto
Indonesia Health Policy Forum (RUKKI)

Acknowledgements:
I would like to thank Dr Mary Assunta, Dr Widyastuti Soerojo and the SEATCA team for their technical assistance during the preparation of the 2023 index. I would also like to thank the Campaign for Tobacco Free Kids for providing us with the daily media monitoring reports for tobacco media articles in Indonesia and to Farandi A. Ramadhan for helping in the organization of the references. The completion of this report would not have been possible without their help and insights. I acknowledge funding support from the Bill and Melinda Gates Foundation.
Background and Introduction

Indonesia is a country with one of the highest rates of tobacco use in the world. It is estimated that over two-thirds of adult males in Indonesia use tobacco products, making it one of the largest markets for tobacco in the world. However, the widespread use of tobacco in Indonesia is not just a public health issue but also a matter of tobacco industry interference.

Currently, the market share of cigarettes in Indonesia is still dominated by PT HM Sampoerna or Philip Morris with 32.4% shared for the year 2021, followed by Gudang Garam (31.8%), Djarum (17.5%) and Bentoel or BAT (7.9%). In other words, 40.3% of the cigarette market in Indonesia is controlled by 2 large foreign companies, namely Philip Morris and BAT. Making Indonesia an investment haven for the international tobacco industry.

The Tobacco Industry Interference Index (TII Index) is a tool to assess the degree of tobacco industry interference in the policymaking process. The TII Index provides a framework for identifying and analyzing the ways in which the tobacco industry interferes with tobacco control measures at the national level. The index covers seven areas of tobacco industry interference, the higher the score, the more interference occurs.

For the TII index in 2023, scores are calculated based on data taken for the last 2 years (April 2021-March 2023). Based on those data, we found that the tobacco industry in Indonesia is highly involved in policy development and benefits from various forms of government support. There are concerns about unnecessary interaction between high-level government officials and the tobacco industry, and a lack of transparency regarding these interactions.

The industry also engages in corporate social responsibility activities to improve their public image and relationship with the government and local communities. During the Covid-19 pandemic, the tobacco industry managed to enter the health sector by providing the assistance for Covid-19 treatment to both the Central Government such as the Ministry of Health and Local Government and Hospitals, something that never happened before, especially to the Ministry of Health.

While there are no current active civil servants working in the tobacco industry, there have been cases of former government officials transitioning to leadership positions in industry associations related to the tobacco industry. There is also a lack of specific policies and preventive measures in place to regulate these interactions.

Given those condition, currently the Indonesia’s index score still ranks high indicating high level of tobacco industry interference. Indonesia has maintained this high score for several years. This report shows that there has been no progress with a total score that remains at a high 84 in 2023. Having bought into the “legal product/legal industry” dodge, the government is reluctant to strictly regulate the industry. This TII Index report is an important reference for governments to consider how they are unduly influenced by the industry.

The report is based on a questionnaire developed by the Southeast Asia Tobacco Control Alliance. There are 20 questions based on the Article 5.3 guidelines. Information used in this report is obtained from the public domain only. A scoring system is applied to make the assessment. The score ranges from 0 - 5, where 5 indicates highest level of industry interference, and 1 is low or no interference. Hence the lower the score, the better for the country.

---

1 Global Data. Cigarettes in Indonesia, 2021
Summary Findings

1 INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT
(Summarize your evidence/main points in questions 1-4)

The Coordinating Ministry for the Economy prepared a tobacco industry roadmap based on proposals from INDEF in 2019, which was used as reference in 2021 and 2022. Several ministries and legislative institutions in Indonesia support the proposal, and the roadmap draft is called the ‘tobacco products’ roadmap, planned to be issued as a presidential regulation. The government was tasked to finalize the roadmap in early 2024 or before the dissemination of the 2025 Macroeconomic Framework and Principles of Fiscal Policy. However, the Ministry of Health’s plan to revise Government Regulation 109/2012 on Safeguarding Materials Containing Addictive Substances in the Form of Tobacco Products for Health is facing challenges from various parties, including from within the government.

The Ministry of Investment, the Ministry of Industry, the Coordinating Ministry for the Economy, and the National Research and Innovation Agency (BRIN), supports the development of special regulation for new tobacco products. In June 2021, the Minister of Investment sent a letter to PT HM Sampoerna expressing support for their investment in building a Heated Tobacco Products (HTP) factory in Indonesia and supporting the implementation of National Standardize Product (SNI) for HTP, no pictorial health warnings for HTP, and lower excise tariffs.

Meetings between government officials and the tobacco industry in policymaking processes are considered normal and legal. Several customs and excise offices have worked with business entities, including PT HM Sampoerna, to promote economic growth under the Customs Visit Customer (CVC) program.

2 INDUSTRY CSR ACTIVITIES
(Summarize your evidence/main points in question 5)

There were massive involvement of tobacco companies in non-tobacco related activities, such as COVID-19 handling, vaccination programs, training activities for persons with disabilities, environmental activities, and charity events. The involvement of tobacco companies in these activities serves as a form of corporate social responsibility (CSR) and aims to improve their public image and strengthen their relationships with the government and local communities. Moreover, tobacco companies have made donations or provided the assistance to government agencies or organizations during the COVID-19 pandemic. The donations are generally in the form of medical equipment, such as oxygen concentrators or rapid antigen tests, and the events are attended by government officials or representatives. The companies involved include KT&G from Korea, PT Djarum, and PT HM Sampoerna.
3 **BENEFITS TO THE INDUSTRY**
*(Summarize your evidence/ main points in questions 6-7)*

The tobacco industry has been receiving various forms of support and benefits in Indonesia. The government has decided to provide a non-fiscal stimulus in the form of a postponement of excise payments for a maximum period of 90 days to the tobacco industry in 2021 and 2022, which is seen as an effort to maintain the sustainability of the industry. The revision of Government Regulation No. 109/2012 regarding Safeguarding Materials Containing Addictive Substances in the Form of Tobacco Products for Health, which is aimed at safeguarding public health, has been delayed due to the strong pressure from the industry on the government. Representatives from the tobacco industry have also been invited to provide input on local regulations regarding smoke-free areas, and there have been rejections of tax increases on tobacco products from various state institutions, including members of the House of Representatives and the Regional Representative Council. Furthermore, regulations supporting the tobacco industry are being introduced at the provincial level, and there have been rejections of regional regulations that planned to ban cigarette advertising and promotion in several cities.

4 **UNNECESSARY INTERACTION**
*(Summarize your evidence/ main points in questions 8-10)*

There were numerous incidents of unnecessary interaction between high-level government officials and tobacco industry. For example, despite being a public health official and having the Health Minister Regulation No. 50/2016 on Guidelines for Managing Conflict of Interest with the Tobacco Industry within the Health Ministry, the Minister of Health attended and gave a speech at an event sponsored by the tobacco industry’s affiliation program. Meanwhile the Ministry of Environment and Forestry gave PT. HM Sampoerna the Green Industry Performance Rating Program (PROPER) award for their effort in ensuring environmental sustainability, which creates a positive public image for the company.

The government also accepts, endorses, and enters into partnerships with the tobacco industry. In 2021, the Ministry of Investment (BKPM) collaborated with PT HM Sampoerna to promote the online single submission (OSS) program for small and medium-sized businesses in Indonesia by conducting a roadshow to various cities. This collaboration was supported by the Minister of Cooperatives and SMEs and the Minister of State-Owned Enterprises.

5 **TRANSPARENCY**
*(Summarize your evidence/ main points in questions 11-12)*

The government does not have a standard mechanism to disclose information on meetings/interactions with the tobacco industry or their outcomes, nor does it require the industry to report on or register affiliated members. However, in formal interactions, the names of participants are recorded in the list of attendance and minutes of meetings.
6 CONFLICT OF INTEREST
(Summarize your evidence/main points in questions 13-15)

Due to a strict regulation that prohibits active civil servants from working outside of the government, there are no government officials currently employed in the tobacco industry. However, in 2021 we found 2 former high-ranking government officials from the Ministry of Industry who have transitioned to leadership positions in industry associations related to the tobacco industry.

7 PREVENTIVE MEASURES
(Summarize your evidence/main points in questions 16-20)

The Indonesian government does not have a specific policy on record-keeping of interactions with the tobacco industry, and formal meetings are recorded as minutes of meetings. There is only partial government request for tobacco industry reports on production volume for tax calculation purposes. Moreover, the government does not have a consistent program that builds public awareness on WHO FCTC implementation guidelines.

Currently, only the Ministry of Health has a code of conduct, the Minister of Health Regulation No. 50 (2016) on Guidelines for Managing Conflict of Interests with the Tobacco Industry in the Ministry of Health, to protect public health policies.

RECOMMENDATIONS

- The Indonesian government should take steps to reduce the tobacco industry's interference in public policies and regulations. This includes banning tobacco industry donations, prohibiting tobacco industry representatives from being stakeholders in policy development, and limiting industry access to policymakers. This will require a strong legal standing.

- The government should also require transparency in the tobacco industry's lobbying activities and ensure that policymakers are not unduly influenced by industry representatives. Therefore, it is important for the government to adopt a code of conduct that regulates interactions with the tobacco industry and its front group.

- Preferential treatments given to the tobacco industry has to be re-calculated against the economic losses in human health and human resource development in a broader sense.
## INDONESIA

### Tobacco Industry Interference Index 2023

#### Results and Findings

<table>
<thead>
<tr>
<th>INDICATOR 1: Level of Industry Participation in Policy-Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The government(^i) accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry or any entity or person working to further its interests(^{iii}) in setting or implementing public health policies in relation to tobacco control(^{iv}) (Rec 3.4)</td>
</tr>
<tr>
<td>- The plan to prepare a roadmap for the tobacco industry by the Coordinating Ministry for the Economy based on proposals from INDEF in 2019(^1) was discussed in 2021 and 2022. The tobacco industry roadmap is also touted as a solution and a balance between economic and health interests. This proposal is supported by several ministries in Indonesia, such as the Ministry of Agriculture, Ministry of Industry,(^2) as well as legislative institutions such as members of the House Representative (DPR)(^3)(^,)(^4)(^,)(^5) and People’s Consultative Assembly (MPR)(^6). Currently the draft of roadmap is called the ‘tobacco products’ roadmap and planned to be issued in the form of a presidential regulation.(^7) The House Representative Council (DPR) asked the government to finalize the roadmap in the early 2024 or before the dissemination of the 2025 Macroeconomic Framework and Principles of Fiscal Policy.(^8)(^,)(^9)</td>
</tr>
<tr>
<td>- The Ministry of Health’s plan to revise Government Regulation (PP) 109/2012 regarding Safeguarding Materials Containing Addictive Substances in the Form of Tobacco Products for Health faces challenges from various parties,(^10)(^,)(^11)(^,)(^12) including from within the government such as the Coordinating Ministry for Economic,(^13)(^,)(^14) Ministry of Agriculture,(^15) Ministry of Industry,(^16)(^,)(^17) Ministry of Law and Human Rights,(^18)(^,)(^19) members of the People’s Representative Council (DPR),(^20)(^,)(^21)(^,)(^22)(^,)(^23)(^,)(^24)(^,)(^25) members of the Regional Representative Council (DPD),(^26) Regent of Jombang,(^27) Pamekasan, and Temanggung.(^28) The government, through the Coordinating Ministry for the Economy, will ensure the interests of the tobacco industry are considered in the revision process of Government Regulation No. 109/2012. The Ministry of Law and Human Rights hopes that the Ministry of Health will involve all stakeholders, including industry players, in formulating policies.(^29)(^,)(^30)</td>
</tr>
<tr>
<td>2. The government accepts, supports or endorses policies or legislation drafted by or in collaboration with the tobacco industry. (Rec 3.4)</td>
</tr>
<tr>
<td>- The industry has persistently been pushing for special regulation for e-cigarettes and heated tobacco products, claiming that these are less harmful.(^31) In June 2021, The Minister of Investment sent an official letter to PT HM Sampoerna, stating that his Ministry supports Sampoerna’s investment in building Heated Tobacco Products (HTP) factory in Indonesia. There were also three other points in that letter, where his Ministry will support the implementation of National Standardize Product (SNI) for HTP and support exclusion of pictorial health warnings for HTP and imposed lower excise tariffs. The support for the development of special regulation for new tobacco products is not only from the Ministry of Investment and The Ministry of Industry, it was also supported by the Coordinating Ministry for the Economy(^22)(^,)(^33) and its research will be supported by the National Research and Innovation Agency (BRIN).(^34)</td>
</tr>
</tbody>
</table>

---

\(^i\) The term “government” refers to any public official whether or not acting within the scope of authority as long as cloaked with such authority or holding out to another as having such authority

\(^ii\) The term, “tobacco industry” includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

\(^iv\) “Offer of assistance” may include draft legislation, technical input, recommendations, oversees study tour
3. The government allows/invites the tobacco industry to sit in government interagency/multi-sectoral committee/advisory group body that sets public health policy. (Rec 4.8) 1 Never 5 Yes

There is no legal instrument prohibiting tobacco industry participation in policy development. Meetings between government officials and the tobacco industry in policymaking processes are considered normal. For example in 2021 Several customs and excise offices worked with business entities including with PT. HM Sampoerna to promote and maintain economic growth. This initiative was carried out under a program called CVC (Customs Visit Customer) program.13

NOTE: Indonesia has a legislation that allows involvement of individuals or organizations related to the regulation being discussed.

1. Article 96 of Law No. 12/2011 on the Establishment of Laws and Regulations reads:
   (1) The public is entitled to give inputs, orally and/or in writing into the establishment of laws and regulations.
   (2) Oral input and/or in writing as set forth in clause (1) may be provided through: a. public hearing; b. official field visit; c. info dissemination and/or d. seminar, workshop, and/or discussion.
   (3) The public as set forth in clause (1) is an individual or group of individuals who have interests in the content of the draft law or regulation.

2. Article 5(4) of Law No 39/2007 on Excise Tax stipulates:
   “Determining the amount of state revenue targeted from excise tax in the Draft Annual National Budget and alternative policies issued by the Minister (Finance) in optimizing efforts aimed at achieving revenue targets shall take into consideration the condition of the industry and the ASPIRATIONS of businesses within the industry and presented to parliament for approval.”

The government of Indonesia will invite and accept input from the tobacco industry during public hearings or policy-making forums.

4. The government nominates or allows representatives from the tobacco industry (including State-owned) in the delegation to the COP or other subsidiary bodies or accepts their sponsorship for delegates. (i.e. COP 4 & 5, INB 4 5, WG) (Rec 4.9 & 8.3) For non-COP year, follow the previous score of COP year. For non-Parties, apply a score of ‘0’

This indicator is not applicable because Indonesia is not a party to the FCTC.

INDICATOR 2: Industry CSR activities

5. A. Government agencies or their officials endorse, support, form partnerships with or participates in activities of the tobacco industry described as “socially responsible” or “sustainable”. For example, environmental programs. (Rec 6.2)

B. The government (its agencies and officials) receives CSR contributions monetary or otherwise, including CSR contributions from the tobacco industry or those working to further its interests during the pandemic. (Rec 6.4)

NOTE: exclude enforcement activities as this is covered in another question

* Please annex a list since 2009 so that the respondent can quantify the frequency. [http://www.who.int/fctc/cop/en/]

* political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions
Q 5.A

1. The Coordinating Minister for Maritime and Investment appreciated the support from PT Sukun and PT Djarum in handling COVID-19 in Kudus Regency to reduce the number of corona virus cases. This appreciation was delivered by the Minister while chairing a coordination meeting via video conference with local government officials.37

2. The Indonesian Personal Vaporizer Association (APVI) together with the Indonesian Electronic Nicotine Delivery Entrepreneurs Alliance (APPNINDO) carried out the first phase of the COVID-19 vaccination program for 400 workers in other tobacco processing industries (HPTL). This event was officiated by the Director of Technical and Excise Facility Directorate General of Customs, Ministry of Finance.38

3. The Malang Regency Manpower Office (Disnaker) cooperates with PT Trubus Alami (local Tobacco Company) and related stakeholders to hold training activities to improve decent work for persons with disabilities.39

4. PT Nojorono Tobacco International together with the Kudus Health Office in Central Java carried out the Covid-19 vaccination for the company's employees and residents of the villages around the factory. The company was provided vaccination point facilities and the involvement of thousands of workers to receive vaccines.40

5. The Sukun tobacco industry held a Ramadan Safari event at the Pendopo of the Blora Regent's Residence. The event was attended by the Regent and the Chairman of the Blora District Council of Indonesian Ulema Council (MUI). One hundred orphans from various areas were brought to the event as recipients of donations.41

6. The Nojorono tobacco industry in Kudus held a Tabebuya seed planting activity at the Logung Dam, Kudus, Central Java in conjunction with World Environment Day. The seed planting activity one of which was attended by the Housing, Settlement and Environmental Office (PKPLH) of Kudus Regency.42

Q 5.B

1. KT&G, a tobacco company from Korea, participated in the handover of medical equipment donations at the Ministry of Health, Indonesia on October 15, 2021. During the event, the Head of the Health Crisis Center at the Ministry of Health expressed gratitude for the donation. Other Korean companies that participated also delivered their speech and received a certificate of appreciation from the Ministry of Health.43,44

2. Djarum Foundation donated 1,000 units of oxygen concentrators through the Ministry of Industry of the Republic of Indonesia to several hospitals in Central Java and Yogyakarta Special Region. The donation was symbolically handed over by the Vice Program Director of Djarum Foundation’s Social Service to the Acting Director General of Agro Industry at the Ministry of Industry in Semarang and was attended by the Inspector General and the Director of Beverage, Tobacco and Refreshment Industry at the Ministry of Industry.45

3. The Pasuruan Regency Government received 3,000 rapid antigen test kits from PT HM Sampoerna. This sponsorship was symbolically handed over to the Regent and Deputy Regent of Pasuruan at the Education Office Yard.46

INDICATOR 3: Benefits to the Tobacco Industry

6. The government accommodates requests from the tobacco industry for a longer time frame for implementation or postponement of tobacco control law. (e.g. 180 days is common for PHW, Tax increase can be implemented within 1 month) (Rec 7.1) 5

A. National level (Ministry involvement)

1. The government through the Ministry of Finance, provided a non-fiscal stimulus in the form of a postponement of excise payments for a maximum period of 90 days to the tobacco
industry in 2021 and 2022. This is a responsive action by the government in following up on the aspirations of the Association of Tobacco Product Manufacturers regarding the application for relaxation of excise payments. This decision is supported by the Regent of Jombang and is considered to be able to maintain the sustainability of the tobacco industry which is classified as a labor-intensive industry. Previously in 2020, the government had also provided similar relaxation.

2. The revision of Government Regulation No. 109/2012 regarding Safeguarding Materials Containing Addictive Substances in the Form of Tobacco Products for Health, which was initiated from 2018 has not been completed yet until now. The long duration of completing this regulation revision is attributed to the strong pressure from the industry on the government.

3. The Directorate General of Regional Autonomy of the Ministry of Home Affairs invited 22 representatives from Local Governments to clarify the Local Regulations regarding Smoke-Free Areas in their cities/districts. The invitation indicates that the regulations may not be in accordance with the laws and national regulations. During that meeting, The Ministry of Home Affairs invited a representative from Sampoerna as one of the resource persons.

4. The rejection of the tax increase has been quite intense in 2021 and 2022. This rejection came from various representatives of state institutions such as the Coordinating Ministry for the Economy, Ministry of Industry, the Chairman of the People's Consultative Assembly (MPR), members of the House of Representatives (DPR), member of the Regional Representative Council (DPD), member of the East Java Regional House of Representatives (DPRD), and Regent of Temanggung. In a meeting with the Ministry of Finance, DPR members requested a maximum increase of 7% for cigarette excise (average) and 2% a maximum increase for hand rolled cigarette excise tax. The rejection from DPR members is also aimed at the increase in electronic cigarette taxes.

B. Provincial level

1. At the provincial level, regulations supporting the cigarette industry are being introduced. The Regional House of Representatives (DPRD) together with the East Java Provincial Government are currently developing a bill of regional regulation on tobacco to support tobacco industry in the Province. Meanwhile, in other cities such as Padang, members of the Budget and Finance Committee (Banggar) of the Padang City Regional House of Representatives (DPRD) rejected the implementation of tobacco advertising and promotion ban in the Padang City Regional Regulation on Smoke-Free (Perda KTR) because cigarette advertisements are considered to be able to increase local revenue. Rejection of the Regional Regulation Plan on Smoke-Free (Raperda KTR), which planned to ban cigarette advertising, also occurred in Jakarta, Bandung and Yogyakarta.

7. The government gives privileges, incentives, tax exemptions or benefits to the tobacco industry (Rec 7.3)

A. National level (Ministry involvement)

1. After successfully launching the National Standardize Product for HTP, the Ministry of Industry is provided their full support and assistance to the National Standardization Agency (BSN) to issue the SNI regulation for e-cigarettes.

2. The Ministry of Finance decided that the Tobacco Excise Revenue Sharing Fund (DBHCHT) could be used by the Kudus Regency Government to purchase a new cigarette manufacturing machine to be placed in the Small Tobacco Products Industrial Area (KIHT). DBHCT is also used by the Industry and Manpower Office of Temanggung Regency to provide training in making cigars and by Sinjai Regency to build integrated tobacco production house.
3. The Ministry of Agriculture proposed tobacco leaf insurance for tobacco farmers, with funding taken from the Tobacco Excise Revenue Sharing Fund (DBHCT).\(^{80}\)

4. The Ministry of Foreign Affairs plans to help facilitate the cooperation between the cigar industry in Jember and Cuba.\(^{81}\) According to the Ministry official, Director of America II, "The Ministry of Foreign Affairs will facilitate various preparations and implementation of the cooperation," and the collaboration will be expanded to other countries too.

5. The tiered excise tax rate system provides benefits for the cigarette industry, where in 2022 PT. HM Sampoerna was able to sell the Marlboro brand cigarette at a very low price because the cigarette was categorized as Rhubarb Incense Cigarettes (KLM). Aware of this loophole, the government finally revised the Minister of Finance Regulation and applied different tax rates for KLM cigarettes with a production capacity of more than 4 million sticks per month into Group I or subject to a tax of Rp 440 per stick. Meanwhile, KLM cigarettes produced by factories with a production capacity of less than 4 million sticks per month are classified as Group II (tax rate of Rp 25 per stick). However, the potential loss of excise tax has occurred. The new policy from the Ministry of Finance does not regulate the authority to collect the difference in tax from KLM cigarettes produced by large cigarette companies.\(^{82,83}\)

B. Provincial level

1. The Governor of East Java issued Governor Regulation No. 10 of 2022 on the Policy Direction for the Protection and Development of Tobacco in 2022-2024. One of the targets set in this regulation is the increase in tobacco production in East Java and the protection of tobacco farmers, tobacco laborers, and cigarette factory workers through the provision of direct cash assistance, tobacco product protection guarantees, tobacco price subsidies, business capital assistance, the provision of seedlings/seeds/fertilizers and/or production facilities and infrastructure.\(^{84,85}\)

2. The Governor of Central Java urges the central government to establish a Tobacco Center and invites the National Research and Innovation Agency (BRIN) to build a Tobacco Research Center.\(^{86,87}\)

3. The Regent of Jepara provides assurance of convenience to illegal cigarette entrepreneurs in Jepara Regency, Central Java to obtain permits.\(^{88}\)

### INDICATOR 4: Forms of Unnecessary Interaction

8. Top level government officials (such as President/ Prime Minister or Minister\(^{vii}\)) meet with/ foster relations with the tobacco companies such as attending social functions and other events sponsored or organized by the tobacco companies or those furthering its interests. (Rec 2.1)

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- In September 2022, several ministers in the Indonesia Maju Cabinet attended the Indonesia Millennial & Gen-Z Summit organized by IDN Media as speakers. Despite the fact that the event was sponsored by one of the tobacco industry’s affiliation program (SUPERLIVE) and that there was promotion of Djarum Super cigarettes at the venue, the Minister of Health attended and gave a speech at the event.\(^{89}\)

- The Coordinating Minister for the Economy gave an online speech at the inauguration of the IQOS Factory on January 12, 2023 in Karawang, West Java. The inauguration ceremony was witnessed by the Head of the National Research and Innovation Agency (BRIN), Head of the National Standardization Agency (BSN), Secretary of the Coordinating Ministry for the Economy, and Director General of Agro Industry of the Ministry of Industry. The Head of BRIN in his remarks expressed his appreciation to Sampoerna for the investment and innovation made in Indonesia.\(^{90,91}\)

\(vii\) Includes immediate members of the families of the high-level officials.
construction of the IQOS Factory also came from the Provincial Government of West Java. The establishment of the IQOS Factory is considered to have contributed significantly to the realization of investment value in West Java Province.92

- The Minister of Trade visited the cigarette production warehouse of PT Sukun Wartono Indonesia in Kudus and promised to help the cigarette manufacturers to exports its product.93
- The Minister of Cooperatives and SMEs supported the strengthening of the brand and expansion of the market for Gayo’s signature cigars during his visit to the Gayo Mountain Cigar Workshop in Takegon, Central Aceh.94
- The Ministry of Investment/Indonesia Investment Coordinating Board (BKPM) inaugurated the electric cigarette production facility owned by Chinese company, PT Smoore Technology Indonesia in Malang.95
- The Coordinating Minister for Maritime Affairs and Investment appreciates the effort from Sukun Toba company in handling Covid-19 prevention in the company.96
- PT. HM Sampoerna received the Green Industry Performance Rating Program award (PROPER) from the Ministry of Environment and Forestry of the Republic of Indonesia in 2021. Sampoerna is considered successful in carrying out environmental sustainability programs at its production sites.97

9. The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors. (including monetary contribution for these activities) (Rec 4.3)

The Director of Beverage, Tobacco, and Refreshment Industry of the Ministry of Industry and member of the People’s Representative Council (DPR) supports the cigarette industry program in preventing underage smoking.98,99,100

10. The government accepts, supports, endorses, or enters into partnerships or non-binding agreements with the tobacco industry or any entity working to further its interests. (Rec 3.1)

NOTE: This must not involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.

A. National level (Ministry involvement)

1. In 2021 The Ministry of Investment (BKPM) collaborated with PT HM Sampoerna to ensure the success of the online single submission (OSS) program for small and medium-sized businesses in Indonesia. They conducted a roadshow to several cities to promote the program. This collaboration is also supported by the Minister of Cooperatives and SMEs and the Minister of State-Owned Enterprises.101,102

2. The Ministry of Investment/Indonesia Investment Coordinating Board (BKPM) collaborated with the Indonesian Chamber of Commerce and Industry (KADIN) to present the Indonesia Pavilion at the World Economic Forum (WEF) 2023 held at the Morosani Schweizerhof Hotel in Switzerland. As part of Indonesia’s participation in WEF 2023, the BKPM also held the Indonesia Night and invited The Djarum Foundation to participated by showcasing various Indonesian artists to perform.103

3. The Coordinating Ministry for Economy, the Ministry of Industry, and the Ministry of Agriculture support and appreciate the tobacco farmer partnership program carried out by PT. HM Sampoerna.104,105

B. Provincial level

1. The Vice Governor of Bali expressed support and appreciation for the expansion of PT Mitra Prodin’s factory development in Jembrana. PT Mitra Prodin is a cigarette rolling paper manufacturer from Bali.106
2. The Regional People's Representative Council of Kudus is urging the Kudus Regency Government to collaborate with tobacco companies to build infrastructure. Additionally, the Regent of Kudus also encourages young people to learn about kretek cigarette innovation and requests history teachers to include visits to kretek museums in the school curriculum. The instruction from the Regent to promote kretek was followed up by the Office of Culture and Tourism of Kudus by holding an Expo "Kretek Pulang ke Rumah" at the kretek museum in collaboration with Kudus Creative Economy and the Republic of Tjangklong Akar Rumput (RTAR), a community organization of traditional tobacco enthusiasts.

3. The Deputy Regent of Temanggung attended and appreciated the workshop held by Indonesian Tobacco Farmers Association (APTI) of Temanggung. He hopes that in the future APTI Temanggung with new management can become a bridge for tobacco farmers to be more prosperous. In addition, the Regent of Temanggung also met with the management of Gudang Garam in Kediri to discuss cooperation so that tobacco from farmers in Temanggung can be purchased at a high price.

4. The Regional Meeting of the Regional Representatives Council of the Indonesian Tobacco Farmers Association (APTI) in East Java was attended by the Regent and Vice Regent of Jombang, as well as representatives from the East Java Office of Forestry and Plantation.

5. The Local Government of Situbondo Regency through the Department of Cooperatives, Industry, and Trade of Situbondo Regency held a Coffee and Tobacco Festival which took place at the City Square of Situbondo. This festival aims to promote the coffee and tobacco products of Situbondo both nationally and internationally.

6. The government of Bontang City plans to revise the Regional Regulation on Smoke-Free Areas which prohibits tobacco advertising. Efforts to lift the ban on tobacco advertising have received support from various groups who believe that the regulation prohibiting tobacco advertising in Bontang has crippled the creativity of young people.

7. The Jember Regency government held a coordination meeting with businessmen, tobacco company representatives, tobacco farmers, and academics ahead of the 2021 planting season. The Regent of Jember hopes that the previous success achieved by the Jember Regency in the tobacco industry can be regained. In addition, the Jember Regional People's Representative Council (DPRD) supports the demands of tobacco farmers to reject the World No Tobacco Day celebration.

8. The Department of Industry and Trade of Sinjai Regency participated in the South Sulawesi Tobacco Exhibition in Makassar city organized by the South Sulawesi Tobacco Lovers Community.

### INDICATOR 5: Transparency

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.</td>
<td>The government does not publicly disclose meetings/interactions with the tobacco industry in cases where such interactions are strictly necessary for regulation. (Rec 2.2)</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>There is no standard mechanism for the government to openly disclose information on meetings/interactions with the tobacco industry or their outcomes.</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>The government requires rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists (Rec 5.3)</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>The government has no specific policy requiring the tobacco industry to report on or register their affiliated members. In formal interactions, the names of participants in any meetings are recorded in the list of attendance and minutes of meetings. This list is not available to the public.</td>
<td></td>
</tr>
</tbody>
</table>

### INDICATOR 6: Conflict of Interest
<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>13. The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions. (Rec 4.11)</td>
<td>Never</td>
<td>5 Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government officials involved in the campaign of political party are obliged to leave the service; on the other hand, there is no policy that prohibits contributions from any sources including the tobacco industry for political campaigns.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There were two incidents in 2021:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Benny Wahyudi, Former Director General of Agro Industry, Ministry of Industry appointed as the Chairman of Gapindo (Association of White Cigarette Manufacturers). 119</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Willem Petrus Riwu, Former Director of the Tobacco Beverage and Refreshment Industry, Ministry of Industry is now the Secretary General of GAPPRI (The Association of Indonesian Cigarette Manufacturers). 120</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Current government officials and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None of active government officials work in tobacco industry businesses. There is a strict regulation that does not permit active civil servant to work with other than the government. It is stated in the Minister of Administrative and Bureaucratic Reforms Regulation No. 37/2012 on Guidelines for Managing Conflict of Interest.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INDICATOR 7: Preventive Measures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16. The government has put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives. (Rec 5.1)</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is no specific policy on record keeping of interactions with the tobacco industry. Normally, formal meetings are recorded in the form of minutes of meetings; no difference among establishments including the tobacco industry that is perceived as normal business and treated the same as other normal businesses.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. (Rec 4.2); 1 for whole of government code; 2 for Yes but partial if only MOH</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indonesia has a general code for all public officials but not specifically targeted at tobacco industry. The Minister of Administrative and Bureaucratic Reforms Regulation No. 37/2012 on “Guidelines for Managing Conflict of Interest” is applied to all establishments outside the government sector. This regulation however, served the reference for MOH to develop and implement a regulation on tobacco industry code of conduct. The Health Minister Regulation No. 50/2016 on “Guidelines for Managing Conflict of Interest with the Tobacco Industry within the Health Ministry” was broaden to cover relevant provisions exclusively applied to the harmful tobacco industry.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18. The government requires the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. (5.2)</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
There is only partial government request for tobacco industry to submit report, i.e.: disclosing production volume to the DG for Customs and Excise for annual tax calculation purpose. Other information on tobacco manufacture such as personnel, land size, tobacco leaf production, import, export, market share, etc. is collected by the Central Bureau of Statistics. There is no obligation to report on other activities such as advertising, promotion and sponsorship expenditures.

19. The government has a program / system/ plan to consistently raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)  

Although WHO FCTC accession is an advocacy topic that has been frequently referred to, there is no program in the government that consistently build public awareness on WHO FCTC Articles or their implementation guidelines.

20. The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations given or offered to the government, its agencies, officials and their relatives. (3.4)  

Partial Regulation available. Among all government sectors, only MOH has a policy in place to prevent government officials within the National MOH administration from tobacco industry interference. The Minister of Health Regulation No. 50/2016 on Guidelines for Managing Conflict of Interests with the Tobacco Industry in the Ministry of Health (State Gazette of the Republic of Indonesia Year 2014 No.1599) applies specific to tobacco industry that is harmful and has distinctive characteristics. The abovementioned regulation promulgated on 26 October 2016 was a further elaboration of the Minister of Administrative and Bureaucratic Reforms Regulation No 37/2012 that applies to all establishments outside the government sectors.

As a non-party country, Q4 is not applicable for Indonesia. The total score of 80 is adjusted and recalculated to become 84 (80 ÷ 95 x 100)

---

For purposes of this question, “consistently” means: a. Each time the FCTC is discussed, 5.3 is explained. AND b. Whenever the opportunity arises such when the tobacco industry intervention is discovered or reported.
References


Annex A: Sources of Information

Sources of Data
Daily monitoring of print and online media from eBdesk between April 1st 2021 to March 31st 2023. Additional sources for clarification when needed:

<table>
<thead>
<tr>
<th>TOP TOBACCO COMPANIES/DISTRIBUTORS</th>
<th>MARKET SHARE</th>
<th>BRANDS</th>
<th>SOURCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 PT HM Sampoerna/PMI</td>
<td>32.4%</td>
<td>A Mild, Marlboro etc.</td>
<td><a href="http://www.sampoerna.com/id_id/pages/homepage.aspx">http://www.sampoerna.com/id_id/pages/homepage.aspx</a></td>
</tr>
<tr>
<td>2 Gudang Garam</td>
<td>31.8%</td>
<td>GG Filter, GG Surya etc.</td>
<td><a href="http://www.gudanggaramtbk.com/">http://www.gudanggaramtbk.com/</a></td>
</tr>
<tr>
<td>3 Djarum</td>
<td>17.5%</td>
<td>Djarum Super, LA etc.</td>
<td><a href="https://www.djarum.com/">https://www.djarum.com/</a></td>
</tr>
<tr>
<td>4 Bentoel Group/BAT</td>
<td>7.9%</td>
<td>Dunhill, Lucky Strike etc.</td>
<td><a href="http://www.bentoelgroup.com/">http://www.bentoelgroup.com/</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOP MEDIA/NEWSPAPERS</th>
<th>URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 detik.com</td>
<td><a href="https://www.detik.com/">https://www.detik.com/</a></td>
</tr>
<tr>
<td>2 Kompas</td>
<td><a href="https://www.kompas.com/">https://www.kompas.com/</a></td>
</tr>
<tr>
<td>3 tribunnews.com</td>
<td><a href="https://www.tribunnews.com/">https://www.tribunnews.com/</a></td>
</tr>
<tr>
<td>4 suara.com</td>
<td><a href="https://www.suara.com/">https://www.suara.com/</a></td>
</tr>
<tr>
<td>5 Tempo</td>
<td><a href="https://www.tempo.co/">https://www.tempo.co/</a></td>
</tr>
<tr>
<td>6 Kontan</td>
<td><a href="https://www.kontan.co.id/">https://www.kontan.co.id/</a></td>
</tr>
<tr>
<td>7 Antara</td>
<td><a href="https://www.antaranews.com/">https://www.antaranews.com/</a></td>
</tr>
<tr>
<td>8 Media Indonesia</td>
<td><a href="https://mediaindonesia.com/">https://mediaindonesia.com/</a></td>
</tr>
<tr>
<td>9 Republika</td>
<td><a href="https://www.republika.co.id/">https://www.republika.co.id/</a></td>
</tr>
<tr>
<td>10 akurat.co</td>
<td><a href="https://akurat.co/">https://akurat.co/</a></td>
</tr>
<tr>
<td>11 merdeka.com</td>
<td><a href="https://www.merdeka.com/">https://www.merdeka.com/</a></td>
</tr>
<tr>
<td>12 industry.co.id</td>
<td><a href="https://www.industry.co.id/">https://www.industry.co.id/</a></td>
</tr>
<tr>
<td>13 ddtc.co.id</td>
<td><a href="https://ddtc.co.id/">https://ddtc.co.id/</a></td>
</tr>
<tr>
<td>14 bisnis.com</td>
<td><a href="https://bisnis.com/">https://bisnis.com/</a></td>
</tr>
<tr>
<td>15 wartaekonomi.co.id</td>
<td><a href="https://wartaekonomi.co.id/">https://wartaekonomi.co.id/</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MAIN TOBACCO INDUSTRY ALLIES/FRONT GROUPS</th>
<th>TYPE (FRONT GROUP, LOBBY GROUP, INDIVIDUAL)</th>
<th>SOURCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Sampoerna Foundation</td>
<td>Affiliate</td>
<td><a href="http://www.sampoernafoundation.org/">http://www.sampoernafoundation.org/</a></td>
</tr>
<tr>
<td>2 Djarum Foundation</td>
<td>Affiliate</td>
<td><a href="http://www.djarumfoundation.org/">http://www.djarumfoundation.org/</a></td>
</tr>
<tr>
<td>3 AMTI</td>
<td>Front Group</td>
<td><a href="http://amti.id/">http://amti.id/</a></td>
</tr>
<tr>
<td>4 APTI</td>
<td>Front Group</td>
<td><a href="http://petanitembakau.blogspot.co.id/">http://petanitembakau.blogspot.co.id/</a></td>
</tr>
<tr>
<td>5 GAPPRI</td>
<td>Affiliate</td>
<td></td>
</tr>
<tr>
<td>6 APVI</td>
<td>Affiliate</td>
<td><a href="https://apvi.id/">https://apvi.id/</a></td>
</tr>
<tr>
<td>7 Komunitas Kretek</td>
<td>Front Group</td>
<td><a href="http://komunitaskretek.or.id/">http://komunitaskretek.or.id/</a></td>
</tr>
</tbody>
</table>