



**HOUSE OF REPRESENTATIVES  
OF THE REPUBLIC OF INDONESIA**

**SPEECH OF SPEAKER OF  
THE HOUSE OF REPRESENTATIVES  
AT THE PLENARY SESSION  
ON THE OPENING OF THE 1<sup>st</sup> SITTING PERIOD  
OF THE 2020-2021 SESSION  
IN THE PRESENTATION  
OF SPEECH OF THE PRESIDENT OF  
THE REPUBLIC OF INDONESIA  
ON PRESENTATION OF BILL ON STATE  
BUDGET AND EXPENDITURE  
FOR THE FISCAL YEAR OF 2021**

**FRIDAY, AUGUST 14, 2020**

***Assalamu alaikum warrahmatullahi  
wabarakatuh***

**May peace be upon you all**

***Om swastiastu***

***Namo buddhaya***

**Greetings of virtue**

- **Your Excellency**, President of the Republic of Indonesia, Mr. Joko Widodo,
- **Your Excellency**, Vice President of the Republic of Indonesia, Mr. K.H. Ma'ruf Amin,
- **Excellencies**, Vice Speakers and Honorable Members of the House of Representatives,
- **Honorable** Chair, Deputy Chairs and Members of the Regional Representative Council,
- **Honorable** Head and Deputy Head of State Institutions,
- **Honorable** Ministers of the Advanced Indonesia Cabinet,

- **Distinguished** invitees who are present both in person and virtually,
- **Distinguished** people of the Republic of Indonesia.

Praise be upon Allah SWT the Almighty God, it is for His grace and blessings that we are able to attend the Plenary Session of the Indonesian House in the opening of the 1<sup>st</sup> Sitting Period of the 2020-2021 Session.

The House Plenary Session today is organized with two agendas:

- **First**, Speech of the House of Representatives of the Republic of Indonesia in the opening of the First Sitting Period of the 2020-2021 Session, and
- **Second**, Speech of the President of the Republic of Indonesia in the presentation of

the Bill on the State Budget (APBN) for the Fiscal Year of 2021 and its Financial Notes.

*Excellencies President and Vice President,  
Honorable Members of the House of  
Representatives,*

The COVID-19 pandemic that is currently affecting our lives is not a problem isolated only to the health sector. **It has changed the economic and social order in Indonesia, and even throughout the world. The pandemic has threatened the health of all mankind, distorted the global economy, and deprived social welfare, and when this threat will end remains unknown.** As a result, the global economic recovery, including in Indonesia in 2021, is now faced with formidable challenges.

**Restored social life and national economy post COVID-19 is something that all Indonesians**

**are looking forward to.** The government is expected to take various effective measures, through policies, cross-sectors coordination, as well as fiscal and monetary instruments, in order to make that expectation comes true.

**The Indonesian House has lent its support to the Government with the adoption of Government Regulation in Lieu of Law No.1 of 2020 into Law No.2 of 2020** concerning State Financial Policy and Financial System Stability for the COVID-19 Pandemic Response and/or in addressing the challenges that threaten the national economy and/or financial system stability.

**Through this law, the Government has been given the authority that it requires** to deal with the COVID-19 Pandemic and its impacts. The government must be able to carry out the mandate of the law effectively to strengthen its

performance in the fields of health, social protection, economic recovery, and state public services. **The Indonesian people increasingly expect their government to respond quickly, accordingly, and in an integrated manner in carrying out various programs to protect the people, help the people, and restore the social and economic life of the Indonesian people.**

We are aware that **this pandemic has severely affected the welfare of the Indonesian people**, and this is marked by an increase in poverty and unemployment rates, along with a significant decrease in people's purchasing power. This condition puts enormous pressure on our national economy and the 2021 State Budget.

The government has projected that the national economy in 2021 can grow in the range of 4.5-5.5 percent. **The recovery of the national economy will only be possible if the Economic and Social**

**Recovery Programs are carried out by the Government in a proper and consistent manner, with the right assistance being delivered to those who deserve it most.**

The 2021 State Budget has been prepared in an extraordinary situation amid the COVID-19 pandemic that has brought negative impacts on uncertainties in the global and national economy. Therefore, **the Government should carefully take into account the various possibilities in anticipating future uncertainties**, while providing anticipatory fiscal space for the 2021 State Budget to be implemented effectively.

As a very important and strategic instrument for the administration of the country for the welfare of the people, **the 2021 State Budget can be directed towards strengthening the health sector, economic recovery, social recovery,**

**strategic transformation, and strengthening reforms.**

In the health sector, the 2021 State Budget is formulated to enable Government programs to **accelerate the COVID-19 mitigation measures** through, among others: facilitating vaccine development; facial mask provision; improving the quality of health facilities, healthcare workers and medical devices; strengthening Large-scale Social Restrictions with a more integrated and coordinated mechanism; reform of the National Health Insurance program towards universal health coverage. These measures are urgently needed, both for the purpose of accelerating socio-economic recovery and in the context of developing and realizing Indonesian human resources with excellent quality.

The national economic recovery program is expected to be directed towards **achieving**



**recovery on the demand side and the supply side:**

- On *the demand side*, the recovery carried out by the Government should emphasize on efforts to overcome the widespread decline in social welfare; anticipate an increase in the poverty and unemployment rates; anticipate a decline in people's purchasing power, layoffs, reduced household income, an increase the numbers of people who need social assistance. The government should continue to strengthen and expand social assistance to support recovery; improvement of Integrated Social Welfare Data (DTKS); ensuring more effective social protection programs through synergy and/or integration of social assistance; and preparing social protection programs that

are adaptive to economic recession and disasters.

- On *the supply side*, it is expected that efforts and policies introduced by the Government through the National Economic Recovery Program for business actors can be implemented right on target and effectively to drive the productivity of the national economy. The recovery of the MSMEs and the labor-intensive sectors also needs to be continuously strengthened. Nearly 60 percent of national GDP comes from MSMEs and 97 percent of the national workforce relies on this sector for their livelihood. That is why government intervention in MSMEs through assistance and capacity building programs is critical.

Meanwhile, in order to restore social life, information dissemination and public

announcement measures, supported by collective discipline have now become requirements in adhering the the health protocols in response to COVID-19. Presidential Instruction Number 6 of 2020 concerning Promotion of Discipline and Law Enforcement in Health Protocols in the Prevention and Control of COVID-19 is expected to be implemented by the Government consistently, with coordination and the right dissemination program, so that its implementation can be widely supported by the people at large.

The COVID-19 pandemic also serves as an opportunity for Indonesia to immediately carry out a strategic transformation. In addition to carrying out strategic transformation through optimal use of Information and Communication Technology in various sectors and fields, strategic transformation also needs to be directed

particularly towards strengthening the national food and industry sector.

While global exports and imports are contracted and all countries prioritize their domestic needs, **Indonesia can take the opportunity to bring about strategic transformation in strengthening the food sector and building a national industry based on domestic raw materials.**

The Indonesian House of Representatives supports of the Government's effort to reform, as provided in the preliminary deliberation of the 2021 Macroeconomic Policies and Fundamentals of Fiscal Policies, and that the Government will carry out **budget reform, tax, and non-tax Revenue reform, national to sub-national intra governmental transfer and Village Funds (TKDD) reform, health reform, education reform, and social protection reform.** In the

increasingly depressed state of the State Budget Fiscal Space, these **reform efforts are needed to ensure efficient state budget to achieve social prosperity; state budget that allow people to feel the presence of the state through better public services; people should really experience improved state of their welfare; they should have access to health services; access to educational services; receive the social assistance they need; the people should really feel the presence of the state that protects and is available for them.**

*Excellencies President and Vice President,  
Honorable Members of the House of  
Representatives,*

The 2021 State Budget, apart from allocating programs and budgets for handling COVID-19 and its impacts, must also ensure the sustainability of

national development and public services. This will certainly be a challenge for the Government, considering that **currently state revenue is being eroded due to the impact of COVID-19, while state expenditure is increasing.**

In 2021, the budget deficit is expected to remain high in the amount of that exceeds 3 percent of GDP, due to the unimproved revenue performance. The revenue performance in 2021 is predicted to remain depressed and this will have implications for the increasing dependence of the Government on debt financing instruments to make up for the budget deficit. Therefore, the Government is required to **formulate a debt financing strategy that takes into account the risks and fiscal capacity of the state budget in the future**, as well as the principles of good and accountable governance. With the debt burden getting bigger, the Government **has the**

**responsibility to ensure that the debt is used for State Expenditures that actually have positive effects on improved welfare of the people.**

The 2021 State Budget Bill will be jointly deliberated by the Government and the House of Representatives, with due consideration of input from the Regional Representative Council. The House truly understands the burden that comes with the 2021 State Budget and **it is committed to working hand-in-hand in the spirit of *Gotong Royong* (collaboration) with the Government in formulating a quality 2021 State Budget, one that truly protects, empower, and improve the welfare of Indonesian people. It is also aspired to bring Indonesia forward and strengthen the unity of all Indonesian people as a nation.**

The Indonesian Parliament hopes that the 2021 State Budget Draft Bill and its Financial Notes delivered by the President of the Republic of Indonesia **can meet the expectations of the Indonesian people to overcome the problems of COVID-19, as well as accelerate social recovery and economic recovery.**

*Excellencies President and Vice President,  
Honorable Member of the House of  
Representatives,*

The implementation of the legislative function of the House of Representatives, as a constitutional task in fulfilling the need for legal frameworks in Indonesia has encountered great challenges amid the COVID-19 pandemic. Taking into account efforts to prevent the spread of COVID-19 and the need to carry out legislative tasks to the fullest, the Indonesian House has now approved the latest procedure for holding meetings virtually. This



method was endorsed by the Parliamentary Regulation No. 2 of 2020 concerning the Lawmaking Procedure.

During the 4<sup>th</sup> Sitting Period of 2019-2020 Session, the House, the Government, and the Regional Representative Council have conducted an evaluation of the 2020 priority bills of the Priority Legislation Program (*Prolegnas*) to ensure more realistic and measurable achievement of the legislative function. Based on the results of the evaluation, the list of bills in the 2020 Priority *Prolegnas* consists 37 bills, with 16 bills being subtracted from the list and 3 bills were added in the 2020 Priority *Prolegnas*, and 2 replacement bills of the previous bills in the 2020 Priorities.

The House will finalize all priority bills of 2020 Priority *Prolegnas* in the 1<sup>st</sup> Sitting Period of the 2020-2021 Session with due consideration of the

priority scale, making sure that the legal needs for the Unitary State of the Republic of Indonesia can be met. It will also continue to deliberate on the Draft Bill on Job Creation, **carefully, transparently, openly, and most importantly by prioritizing the continuity of national interests both in the present and in the future, therefore the produced laws will have strong legitimacy to protect the interests of the State of the Republic of Indonesia.**

In the implementation of its oversight function, the House through its standing committees will organize joint meetings with their respective counterparts and task forces to implement the principle of checks and balances of governance. One of the focuses of oversight that will be carried out by the Indonesian House of Representatives is an oversight of the handling of the COVID-19 pandemic and its impacts, both in matters relating

to health, social protection, economy, MSMEs, education, regional elections, tourism, and other affected areas.

The House understands that the current dynamic conditions require swift actions by the Government, whose authority has been regulated in Law Number 2 of 2020. However, in accordance with its constitutional tasks, the House will ensure that every step taken for the social and economic recovery are consistent with the prevailing laws and regulations, fulfilling the principles of transparency, accountability, good governance, and preventing moral hazard.

The Covid-19 pandemic is currently the biggest challenge that we must face together as a global society. This pandemic tests the commitment of the international community to work together and resolve the pandemic and its impacts.

***Mr. President, Mr. Vice President, distinguished ladies and gentlemen,***

That concludes the Speech to Open the Sitting Period I of 2020-2021 Session. We will now follow the Address of the President of the Republic of Indonesia on the Bill on State Revenue and Expenditure Budget of Fiscal Year 2021 and its Financial Notes.

We give the time and floor to the President to deliver the State Address of the President of the Republic of Indonesia on the Bill on State Revenue and Expenditure Budget of Fiscal Year 2021 and its Financial Notes.

**STATE ADDRESS OF THE PRESIDENT**

***Mr. President, Mr. Vice President, distinguished ladies and gentlemen,***

We have followed and listened to the State Address of the President of the Republic of Indonesia on the Bill on State Revenue and Expenditure Budget of Fiscal Year 2021 and its Financial Notes. On behalf of all members of the House of Representatives, we thank you.

I will now give the time and floor to Mr. MUFTI AIMAH NURUL ANAM, member of the House of Representatives of the Republic of Indonesia from the Indonesian Democratic Party of Struggle Faction to recite prayers.

**[PRAYER LED BY MEMBER OF THE HOUSE]**

Thank you to Mr. MUFTI AIMAH NURUL ANAM from the Indonesian Democratic Party of Struggle Faction for leading our prayer, may Allah the Most Exalted and Most Glorious, the One and Only God, grant our prayers, amen.

The conclusion of the S of the President of the Republic of Indonesia and prayer mark the end of the entire event of the Plenary Assembly of the House of Representatives of the Republic of Indonesia today. We express our thanks to the President, Vice President, Members of the House, Members of the Regional Representative Council, Leaders of State Institutions, Ministers in the Advanced Indonesia Cabinet, and all participants and invitees for their participation and support that have made it possible for this event to be running as planned, orderly, and smoothly.

Finally, by reciting *Bismillahirrahmanirrahim*, on behalf of the leadership of the House of

Representatives of the Republic of Indonesia, I announce to all people of Indonesia that the Sitting Period of the House, 2020-2021 Session, commences today, Friday, August 14, 2020 until October 9, 2020.

Our constitutional duties await through our legislative, budgetary, and oversight functions to realize a Government of the State of Indonesia that protects this entire nation and its generation, and to promote public welfare, to educate the people, and to establish world order based on freedom, perpetual peace, and social justice.

On behalf of the leadership of the House, we would wish you A PRODUCTIVE YEAR IN WORKING AND FIGHTING to dedicate yourselves for the interest of the people, this nation, and state.

May Allah the Most Exalted, the One and Only God,  
never ceases to bestow His blessings and favor to  
us.

**Thank you**

*Wassalamu'alaikum warohmatullahi  
wabarokatuh.*

*Om shanti shanti shanti om*

*Namo buddhaya*

**SPEAKER  
HOUSE OF REPRESENTATIVES  
OF THE REPUBLIC OF  
INDONESIA  
DR. (HC) PUAN MAHARANI**