



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

**ADDRESS OF THE SPEAKER OF THE HOUSE  
IN THE PLENARY SESSION  
FOR THE OPENING OF SESSION PERIOD I  
SESSION YEAR 2021-2022**

**ON THE  
STATE ADDRESS OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA  
CONCERNING  
THE BILL ON STATE REVENUE AND EXPENDITURE BUDGET  
FISCAL YEAR 2022**

**MONDAY, AUGUST 16, 2021**

***Assalamu alaikum warrahmatullahi wabarakatuh - May Peace be Upon Us  
All***

**Greetings to all of us**

***Om swastiastu***

***Namo buddhaya***

**Greetings of Virtue**

**Your Excellencies,**

- **The President of the Republic of Indonesia,**
- **The Vice President of the Republic of Indonesia**
- **Deputy Speakers and Members of the House of Representatives**
- **Speakers, Deputy Speakers, and Members of the Regional Representative Council,**
- **Leaders and Deputies of State Institutions**
- **Ministers of the Advanced Indonesia Cabinet**
- **Esteemed guests, ladies and gentlemen,**

We express our gratitude to God the Most High and Exalted, the One and Only God, for the abundance of blessings and grace that allow us to convene today in the Plenary Session of the House of Representatives of the Republic of Indonesia for the opening of Session Period I, Session Year 2021-2022. To our distinguished members of the House, on behalf of the leadership, welcome to this Plenary to fulfill your constitutional duty.

We pray to God the Most High and Exalted, the One and Only God, to end Covid-19 pandemic and restore our people's health, to return them to their

productive lives and to the pursuit of a life of prosperity, peace, and contentment. We pray for every Indonesian that Covid-19 affected and hope for their recovery and their return to their families in good health. (Amen)

The Plenary Session of the House today has two agenda items:

- ***first***, the Address of the Speaker of the House to open the Session Period I of Session Year 2021-2022; and
- ***second***, the Address of the President of the Republic of Indonesia to Introduce the Bill on State Revenue and Expenditure Budget of Fiscal Year 2020 and its Financial Notes.

On behalf of the leadership and all members of the House, we would also like to express our thanks, appreciation, and congratulations to the Indonesian Olympic Team for bringing home medals in the Tokyo Olympics 2020. We hope that the great accomplishments can be continued and built upon and inspire other Indonesian athletes and young generation to also reach for their successes and carrying Indonesia's name in the global platform.

Tomorrow, on August 17, 2021, the people of Indonesia are celebrating the 76<sup>th</sup> Independence of the Republic of Indonesia. The success of our athletes in this year's Olympics has become a truly precious gift in commemoration of our Independence Day. Echoing this year's celebration that carries the theme, "A Resilient Indonesia, an Advanced Indonesia", our athletes have demonstrated how resiliency and determination can lead to such extraordinary achievements.

It is my belief that, when every element of the nation unites, then we will become the strength of a resilient Indonesia in furthering our goals as a state and in addressing any challenges faced by this nation and country.

***Your Excellencies Mr. President and Mr. Vice President,  
Distinguished Members of the Plenary,***

It has been 17 months since the World Health Organization (WHO) declared the Covid-19 outbreak as a global pandemic. Within this period, all of us have felt the devastating impacts of the pandemic, where nearly all human activities are put into a standstill, and this has consequently compromised the welfare our people in health, social, economic, and cultural aspects.

In facing the Covid-19 pandemic and its extensive impacts, the state cannot resign to the situation. The state must endeavor and exert its best efforts to exercise its duties and aims, which are to protect the nation and all Indonesians, to advance the people's welfare, to educate the people, and to contribute to perpetuating world peace.

The House appreciates the government's swift actions in navigating the Covid-19 pandemic and widespread impacts and in doing so responding with a variety of policies and recovery programs in health, social, and economic sectors as well as efforts to save our national economy. Going forward, the Government should continue to improve its performance as our people looks to the state to protect their lives and future.

The House is deeply committed to contribute to the said cause of overcoming the pandemic and its impacts through our legislative, budgeting, and oversight functions and by ensuring that all duties of the state are properly exercised. In this Plenary, the House shall also optimize the effective implementation of its constitutional duties.

In carrying out its legislative function, during this session period, the House shall focus on completing discussions of several bills at the central level with the government, namely:

- a. Bill on Personal Data Protection;
- b. Bill on Disaster Mitigation;
- c. Bill on the Fifth Amendment to Law Number 6 of 1983 on the General Provisions and Procedures of Taxation;
- d. Bill on Fiscal Relations between the Central and Regional Governments;
- e. Bill on Roads;
- f. Bill on Village-Owned Enterprises;
- g. Bill on National Sports System;

Additionally, the House and the Government are preparing the discussions of other bills that are part of our shared commitment and specified in the 2021 National Priority Legislation Program.

Our lawmaking performance relative to the National Priority Legislation Program will be under the scrutiny of the public and will be considered as an indicator of the overall performance of the House.

Lawmaking is a collective work that involves the House and the Government sitting in the discussion table together. Lawmaking performance reflects the performance of both the House of Representatives and the Government. In discussing and forming laws, it is imperative for the House and the Government to be diligent and to consider the variety of opinions, insights, conditions, situations, and the needs of our national legal framework. Therefore, the time spent for this process is contingent upon the degree of complexity and the contesting views with regards to the substance of a bill in question.

The success of the National Priority Legislation Program lies in the collective hands of the House and the Government. This program and its accomplishment should be a shared concern of the House and the Government. The House pledges its highest commitment to completing the National Priority Legislation Program to meet the needs of our national legal framework and to support the state in implementing its duties.

In terms of our oversight duty, the House, through its Complementary Bodies, will organize meetings with its counterparts and with working committees to make sure that the governance checks and balances principle is upheld.

Our oversight duty implementation shall also continue to focus on response efforts to the Covid-19 pandemic and its impacts. We shall ensure that the state is present to protect our people, as they strive to survive the pandemic. We highlight the following concerns:

- First, health response measures: the Government should accelerate vaccination roll out nationally and equally across the archipelago; expand testing, tracing, and treatment activities; optimize mobility restriction policy to restrain Covid-19 transmission; and to closely monitor the entry of foreign nationals during mobility restriction period;
- Second, Covid-19 impact mitigation measures: the Government should anticipate the pandemic's impact to people's welfare, their income and purchasing power, lost of jobs, and other economic impacts; ensure that the children who lost their parents and guardians to the disease are cared for; and ensure that social assistance programs are disbursed on time, properly, and to the intended beneficiaries.
- Third, on public services during the pandemic: the Government needs to optimally sustain essential public services; healthcare for patients

seeking treatment for conditions other than Covid-19, education, transportation, licensing, certification, and many others should continue with strict health protocols in place.

- Fourth, on synergy between the central and regional governments: the House has been following the central-regional synergy in terms of budget implementation and mitigation measures during the Covid-19 pandemic. An effective mechanism is needed to facilitate central-regional relationship to ensure that our people receive the greatest benefits of the system.

In executing Covid-19 control policies, the Government also needs to demonstrate clear and consistent rules, to properly communicate the rules and policies, and to strictly implement those rules. In doing so, the Government needs work in a well-orchestrated manner, to show synergy between its different elements, to show that it has the same, consistent voice to prevent confusion among the people. The commitment to the disciplined exercise of Health Protocols needs to be put into practice and shown by all public agencies to set an example for our people.

The House understands that the policies the Government has been taking reflect its swift responses to the fluid situation of the Covid-19 pandemic situation and that the Government is striving to help the people who are under increased pressure of the pandemic. Therefore, the House will continue to support the Government and its actions that are aimed to keep the people of Indonesia afloat amid the pandemic.



Aside from our focus on Covid-19 pandemic, the House will also focus its oversight duty during this session period on:

1. National Defense Strategies and Policies 2020-2024;
2. The Concept and Design of Concurrent Elections in 2024 and the Concurrent Elections of Heads of Regions in 2024;
3. Visitation permit and cross border movement of foreign nationals in Indonesia in order to curb the Covid-19 transmission;
4. Food availability and food price stabilization;
5. Use of Village Funds;
6. State Finance Implementation as part of Government Policy Oversight;
7. Medicine and Medical Equipment Governance;
8. Social assistance distribution, providing monitoring and assistance to ensure its effectiveness and appropriateness;
9. 1 Million Contract Teacher program in 2021 to ensure that the issue of gaps in teacher availability and distribution across different schooling levels can be addressed;

10. The performance of policies on monetary and financial services as part of the National Economic Recovery Program.

The House also follows the implementation of the duties of our National Armed Forces and the Police Force during the Covid-19 pandemic in keeping our national security and public order when Health Protocols and the Mobility Restriction Policy are in place. We all share the hope that every defense and security personnel conduct themselves as humanist state apparatuses who protect, guard, and assure security of the Indonesian people, while at the same time being the pillar that protects the unity of our nation within the Unitary State of the Republic of Indonesia.

In celebration of National Children's Day 2021, the House believes that it is vital that we step up our attention to the growth and development of children during the Covid-19 pandemic. Social and mobility restrictions that have been imposed during the pandemic have directly affected our children and their need to socialize. This year's National Children's Day is a momentum for all of us, and especially the Government through its policies and programs of its ministries/institutions to properly address the developmental needs of children, especially young children and children in primary and secondary schools amidst this pandemic.

During this session period, The House's parliamentary diplomacy role will be focused on forging global synergy and collaboration so that we can survive the pandemic together and mitigate a potential global crisis together. Our fight, alongside the global community, against the Covid-19 pandemic

continues. We still record spikes in Covid-19 cases, and hundreds of millions of families have lost their jobs, fallen into poverty, and are even facing the threat of hunger.

The limited vaccine manufacturing capacity has caused uneven distribution and access to vaccines, and this in turn has delayed global recovery. Therefore, in various interparliamentary cooperation fora, the House's delegates have consistently voiced and encouraged for global solidarity to ensure that the world has fair and equal access to vaccines.

Furthermore, the House wishes to remind the parliaments of friendly countries about the importance of our collective efforts in driving regional and global economic recovery, to protect the welfare for all, and to prevent a global economic crisis that may only create new colonialism.

***Your Excellencies Mr. President and Mr. Vice President,  
Distinguished Members of the Plenary,***

With respect to the Budgeting Function of the House, this session period will be focused on the 2022 State Revenue and Expenditure Budget Plan. In the previous session period, the House and the Government discussed Macroeconomics Framework and Fiscal Policy Principles (KEM-PPKF) of 2022. During our discussion, the House and the Government realized that the 2022 State Revenue and Expenditure Budget Plan will need to be designed in a volatile situation of high uncertainty due to the Covid-19 pandemic.

Therefore, various fiscal anticipation measures are needed for the 2022 State Revenue and Expenditure Budget Plan.

In 2020, our economic growth contracted to negative 2.07 per cent year on year. We are seeing another increase in our poverty rate as of March 2021 to two digits, namely 10.14 per cent, or an addition of 1.12 million poor people compared to March 2020. In terms of employment, the Statistics Agency noted a surge in unemployment rate from 4.94 per cent in February 2020, prior to the pandemic, to 6.26 per cent in February 2021, or an addition of 1.82 million people. These numbers evidence the enormous impacts of the pandemic to the decline of our people's welfare.

The decline could have gone even steeper had the government not swiftly responded and acted by taking extraordinary and countercyclical policies throughout 2020. The House supported the Government's decision to issue a Government Regulation in lieu of the Law Number 1 of 2020 that was passed as Law Number 2 of 2020, as well as the Covid-19 Response and National Economic Recovery Program (PEN) that the Government launched and is still ongoing today. Nonetheless, the Government needs to continue taking various improvements in the program's implementation as discussed and recommended during meetings with our committees and bodies. More than ever, the people of Indonesia need effective policies and programs of the Government that can provide them with health, social, and economic protection.

Year 2021 marks the second year of Covid-19 pandemic, and the outbreak continues to be the overwhelming factor that affects the socioeconomic activities of the people. Today, we are battling against the second wave of the pandemic that has already swept other countries in previous months. The House appreciates the Government's decision to put people's lives first by strengthening the mobility restriction policy despite having to anticipate adverse consequences of that policy to our social and economic conditions.

In the first and second quarter of 2021, our economic activities have in fact started to rebound and our economy have gotten back on its recovery trajectory. In the first quarter of 2021, our economy grew by 0.74 per cent year on year and 7.07 per cent year on year in the second quarter of 2021. However, growth in quarter III is estimated to be stifled by the mobility restriction policy. Nevertheless, the recovery trajectory of 2021 can be reference in designing and formulating fiscal measures for Fiscal Year 2022.

The experience with the implementation of the State Revenue and Expenditure Budget in Fiscal Year 2021, where the Government must respond to the Covid-19 pandemic, as well as program and budget refocusing in consequence, should provide lessons learned for the upcoming 2022 State Revenue and Expenditure Budget. By knowing what to expect, the Government should be able to effectively exercise its other governance duties in addition to responding to the Covid-19 pandemic.

Looking ahead to 2022, there is confidence towards global economic recovery. In the World Economic Outlook (WEO) July 2021, the IMF projects 4.9 per cent growth of the global economy, or up by 0.5 percentage point compared to this April 2021 projection. The realization of this projection will certainly depend on the world's ability to control the pandemic and to ensure successful inoculation to achieve global herd immunity.

On another note, the World Health Organization predicts that the pandemic will continue until end of next year, or at least mid-2022. This condition will be a challenge for our social and economic recovery efforts in the coming years.

Additionally, there are significant risks and uncertainties in 2022 will continue to pose obstacles to our economy. These risks include uneven recovery rate between countries due to the countries' individual Covid-19 situation, vaccination coverage, and economic stimulus support.

We also need to consider the likelihood of accelerated monetary normalization policy taken by the United States and other developed countries as their economic recovery occurs sooner than others, and that this may create spillover effects to the volatility and uncertainties faced by the global financial market and the global capital flow. They include the currency exchange value risk of the Rupiah against the US Dollar and increase in crude oil price, as the global economy rebounds.

The various dynamics and challenges are inexplicably linked to the developments related to Covid-19 pandemic that is fraught by uncertainty. The capacity of our 2022 State Revenue and Expenditure Budget should anticipate these uncertainties.

The capacity of the State Budget depends on economic growth, especially state revenue. Economic growth is propelled by the increase in production of goods and services to meet demands. Increase in production will in turn augment the people's income. The question at hand is, what can sustain the production of goods and services amid the Covid-19 pandemic? This is a question that we all need to ponder and address.

Therefore, the 2022 fiscal policy should prioritize on recovering our health sector as our key to reinvigorating the economy and strengthen and maintain the people's purchasing power as well as the recovery of MSMEs and the business sector.

In a situation where the State Budget is experiencing a decline in state revenues and an increase in spending for pandemic response efforts as well as increase in deficits, the Government should optimize state revenues, come up with innovative financing, and rationalizing public spending to meet spending better criteria.

In taxation, Government is to issue a more focused and measurable fiscal incentive to support strategic economic activities that have strong multiplier effects, to expand the tax base by broadening taxable items and expanding

regional-based taxation, to strengthen our tax systems and create robust and fair systems that are tailored to the changes in our economic structure and the characteristics of our business sectors, and to explore other taxation potentials whilst keeping the investment climate attractive and business sustainability intact.

One of the measures to take is to optimize tax income deriving from digital economy. As we know, during this pandemic, at a time when various economic sectors decelerate, digital economy has been growing exponentially. Digital transformation is expanding to more sectors such as finance, education, healthcare, and more.

In terms of the Non-Tax State Revenues, or PNB, the Government should optimize the management of natural resources without compromising environmental sustainability, optimize asset management to increase productivity, improve innovations and service quality of our service units and general service agencies, optimize the state's dividend revenues, refine policies and explore other potentials, and expand the use of information technology.

In managing Deficit Financing, the Government needs to carefully consider our debt ratio and ensure that the ratio stays within the tolerable limit according to the law, to improve debt cost efficiency, and to maintain optimal debt portfolio to guard economic stability as well as to consider the future fiscal capacity of the State Budget.



Public Spending rationalization should lead to 'spending better' condition, characterized by efficient and productive spending that generates multiplier effects for the economy, and effective in improving the people's welfare. The government should improve its consistency and discipline in implementing the spending better principle across all ministries and institutions.

The Government should also be consistent in safeguarding spending policies of the central government at the ministry-institution level that are focused on: manpower reform, bureaucracy reform, efficiency, infrastructure of basic services, appropriate subsidy, support for regional infrastructure development, and disaster anticipation/mitigation. The allocation for programs and budget at the ministry-institution level must adhere to the said policy and the Government has committed to during the discussion on Macroeconomics Framework and Fiscal Policy Principles.

***Your Excellencies Mr. President and Mr. Vice President,  
Distinguished Members of the Plenary,***

We have been in the middle of Covid-19 pandemic for the past 17 months and the end of the pandemic is yet to be seen. The situation has opened our eyes that a prolonged disruption to the social activities will result in a decline of the welfare of our people.

We therefore need our national strength to work together, to collaborate, in addressing the pandemic, namely by demonstrating discipline

in implementing health protocols in the hope that we can allow the people to resume their activities in all sectors and we can gradually recover.

The House, through its constitutional duty, is highly committed to working alongside the Government, other public institutions, and all elements of the nation to endeavor and save the nation and country as we deal with the Covid-19 pandemic and its impacts.

With your indulgence, the House wishes to express its appreciation to everyone in the Central Government, Regional Government, health workers, the Indonesian Armed Forces, the Police Force, our State-Owned Enterprises, private companies, volunteers, and the public at large for working together, showing solidarity, and building our nation's strength in our fight against Covid-19 pandemic.

***Your Excellencies Mr. President and Mr. Vice President,  
Distinguished Members of the Plenary,***

I hereby conclude the Opening Address of Session Period I in Session Year 2021-2022. We will now proceed with the Address of the President of the Republic of Indonesia to introduce the Bill on State Revenue and Expenditure Budget of Fiscal Year 2020 and the Financial Notes.

The Bill on State Revenue and Expenditure Budget of Fiscal Year 2020 and the Financial Notes that will be delivered by the President of the Republic of Indonesia is hoped to satisfy the expectations of the Indonesian people with

respect to our response to Covid-19 pandemic and its impacts, the recover of the national economy, and the implementation of structural reform in governance.

Finally, in the Name of God Most Merciful and Most Benevolent, on behalf of the leadership of the House, allow me to announce to the Indonesian people that the Session Period I of the House, Session Year 2021-2022 is officially opened today, Monday August 16, 2021, until October 7, 2021.

On behalf of the leadership of the House, we wish you a PRODUCTIVE YEAR IN EXERCISING THE DUTIES OF THE PEOPLE'S SOVERIGNTY, and may God Almighty blesses and guides us in our work. Amen.

**Thank you.**

***Wassalamu'alaikum warohmatullahi wabarokatuh.***

***Om shanti shanti shanti om***

***Namo buddhaya***

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

**DR. (HC) PUAN MAHARANI**