Good news and bad news from Indonesia

Kabar baik - kabar buruk

By Ahmad Safrudin - KPBB

For at least the past 13 years, the push toward LCEV (Low Carbon Emission Vehicle)—or what is now termed NZEV (Net Zero Emission Vehicle)—has faced numerous challenges. Thirteen years ago, just as we were striving to promote LCEVs, we were blindsided by an automotive industry intent on preserving internal combustion engine (ICE) vehicles through the LCGC (Low Cost Green Car) scheme, arguing that LCGCs could also meet LCEV standards. Their lobbying power ultimately stifled the LCEV program; indeed, up until March 2023, the Indonesian government provided incentives exclusively for LCGCs. In 2017, when we successfully engaged the Fiscal Policy Agency (BKF) to conduct a Cost-Benefit Analysis (CBA) of LCEVs—with a specific focus on Battery Electric Vehicles (BEVs)—we were once again thwarted by the ICE technology manufacturers' association. They countered with an alternative study conducted by six state universities and funded by TMC. The result was predictable: the conclusion was that BEVs were not feasible for Indonesia.

Similarly, even after Presidential Regulation No. 55/2019 on Accelerating the BEV Program was enacted, efforts to realize LCEVs/NZEVs in the form of BEVs remained an uphill battle—akin to trying to stand a wet thread upright. These efforts faced obstruction at every turn; it was as if opponents had strategically placed their people across various sectors specifically to derail the BEV agenda. Their argument was that ICE technology contributed 2.8% to the GDP and employed 25,000 workers directly, plus another 600,000 in supporting sectors (such as the spare parts industry). The government was swayed by these figures. It was not until April 2023 that the government finally introduced tax incentives, allowing BEV buyers to pay a total vehicle tax amounting to 53% of the standard 83% (based on Cost of Goods Sold) that would otherwise be required.

Setidaknya sudah 13 tahun ini, perjuangan menuju LCEV atau sekarang NZEV menghadapi banyak tantangan. 13 yll di saat kita berjuang untuk mempromosikan LCEV, tiba-tiba ditabrak oleh industri otomotif yang masih ingin mempertahankan kendaraan BBM dengan LCGC, dengan dalih LCGC juga bisa mencapai LCEV. Kekuatan lobby merekan akhirnya membenam program LCEV karena hingga Maret 2023 pemerintah Indonesia hanya memberikan insentif untuk LCGC. 2017 ketika kita berhasil mengajak BKF untuk menghitung CBA LCEV dengan fokus pada BEV, lagi-lagi ditabrak oleh ICE tech manufacturers association dengan memberikan alternatif kajian yang dilakukan oleh 6 PTN dibiayai oleh TMC. Hasilnya dapat ditebak, BEV is not feasible for Indonesia.

Demikian juga saat telah diundangkannnya Perpres No 55/2019 tentang Percepatan BEV, selalu saja upaya merealisasikan LCEV/NZEV dalam bentuk BEV bagaikan menegakkan benang basah, sulit sekali. Usaha ini dihadang di banyak tempat, seolah-olah mereka telah menempatkan orang-orangnya di berbagai sektor untuk menggagalkan BEV. Dalihnya adalah ICE tech menyumbang 3% pada GDP dan menyerap 25 ribu tenaga kerja plus 600 ribu tenaga kerja sektor pendukung (spare part industry). Pemerintah klepek-klepek. Baru pada April 2023 akhirnya pemerintah memberikan insentif potongan pajak sehingga pembeli BEV hanya membayar total pajak kendaraan sebesar 53% dari 83% (COGS) yang seharusnya dibayarkan.

Namun ternyata tidak berhenti di situ. Lobby dari ICE tech industry untuk mendictract BEV deployment dengan mengusulkan untuk memerikan insentif juga bagi HEV dan PHEV, yang akhirnya disetujui oleh Pemerintah pada 2024. Apalagi dengan Pemerintahan baru yang akhrinya menghentikan insentif BEV pada 2026, *Yet, it did not end there. Lobbying efforts by the internal combustion engine (ICE) industry sought to derail BEV deployment by proposing incentives for HEVs and PHEVs as well—a move the government ultimately approved in 2024. The situation was further exacerbated when the new administration halted BEV incentives in 2026, causing an immediate collapse in total BEV sales across both four-wheeled and two-wheeled vehicle segments. Lobbying also targeted the Ministry of Home Affairs, resulting in the issuance of Regulation No. 11/2026, which imposed annual motor vehicle taxes (PKB) and title transfer fees (BBN) on electric vehicles. This policy stood in direct conflict with Presidential Instruction No. 17/2022, which mandated the use of BEVs for government operations. Fortunately, the issue was quickly rectified through the issuance of Circular Letter No. 900/2026 regarding fiscal incentives for BEVs. A final act of sabotage involved a plan by the DKI Jakarta Provincial Government to eliminate tax exemptions (PKB and BBN) for BEVs, citing an annual regional revenue loss of IDR 2 trillion.*

We have undertaken extensive efforts—conducting studies, calculations, analyses—to present the benefits of BEVs to policymakers, particularly regarding economic impacts. This includes our advocacy since 2013 for a fiscal feebate/rebate scheme; projections indicate this could generate a national revenue surplus of IDR 92 trillion/year (KPBB, 2024) and a surplus of IDR 5.7 trillion/year for DKI Jakarta (KPBB, 2026). Nevertheless, numerous obstacles and lobbying efforts have continued to hinder progress or actively derail BEV deployment—including proposals for biofuels and hydrogen originating from within the government itself. However, a promising opening emerged following President Prabowo Subianto's statement regarding a carbon tax during the launch of the National Electric Motorcycle initiative on August 13, 2026; this created an opportunity to trigger a fiscal feebate/rebate scheme based on gCO2/km emission level, offering a significant boost for BEV deployment.

yang secara kontan menjatuhkan total sales BEV, baik 4-wheelers maupun 2-wheelers. Juga lobby kepada Kementerian Dalam Negeri yang menetapkan Peraturan Mendagri no 11/2026 pengenaan PKB dan BBN untuk kendaraan listrik. Tentu ini bertentangan juga dengan Inpres No 17/2022 tentang BEV untuk Kendaraan Operasional Pemerintah. Namun syukurnya segera diralat dengan menerbitkan SE No 900/2026 tentang Pemberian Insentif Fiskal untuk BEV. Sabotase terakhir, rencana Pemeritna Daerah Provinsi DKI Jakarta untuk menghapus insentif pembebasan PKB dan BBN untuk BEV karena kehilangan pendapatan daerah sebesar Rp 2 trilion/tahun.

Banyak usaha kita lakukan, kajian, menghitung, menganalisis, dan menyajikannya serta mengkomunikasikannya kepada policy makers terkait benefits dari BEV terutama dari aspek ekonomi. Termasuk usaha kita sejak 2013 mengusulkan feebate/rebate fiscal scheme yang secara national dapat memberikan surplus pendapatan mencapai Rp 92 triliun (KPBB, 2024), dan untuk Provinsi DKI Jakarta mencapai Rp 5,7 triliun/tahun (KPBB, 2026). Namun tetap saja ada banyak juga rintangan, lobby dll yang menghalang-halangi perkembangan atau setidaknya usaha mendistrack BEV deployment, termasuk penawaran biofuel dan hidrogen oleh bagian dari pemerintah sendiri. Namun beruntung, statement Carbon tax oleh Presiden RI Prabowo Subiyanto pada peluncuran Sepeda Motor Listrik Nasional, 13 Agustus 2026 memberikan celah untuk proposal yang sudah lama kita sampaikan, yaitu mentrigger feebate/rebate fiscal scheme base on grCO2/km emission level, peluang baik untuk BEV deployment.