



INFORMATION

Update on the 2023 Minimum Wage Determination Based on the Minister of Manpower Regulation No. 18 Year 2022

The Ministry of Manpower of the Republic of Indonesia has set the amount of increase in the Provincial Minimum Wage/Upah Minimum Pekerja (UMP) 2023 to a maximum of 10% on 17 November 2022. The determination of the 2023 UMP is guided by the Regulation of the Minister of Manpower No. 18 Year 2022 Concerning the Determination of the 2023 Minimum Wage. The governor of the Provincial Government set the deadline for the determination of 2023 UMP at the latest on 28 November 2022, however, there are still provinces that have not determined it yet.

The list of summaries of the 2023 UMP as follows:

1. DKI Jakarta UMP is IDR 4.901.798, an increase from previous UMP was IDR 4.641.854
2. Bangka Belitung Islands UMP is IDR 3.948.479, or an increase from previous UMP was IDR 3.264.884
3. North Sulawesi UMP is IDR 3.485.000, an increase from previous UMP was IDR 3.310.723
4. Nanggroe Aceh Darussalam UMP is IDR 3.413.666 or an increase from previous UMP was IDR 3.166.460
5. South Sumatra UMP is IDR 3.404.177, or an increase from previous UMP was IDR 3.144.446
6. West Papua UMP is IDR 3.282.000, or an increase from previous UMP was IDR 3.200.000.
7. East Kalimantan UMP is IDR 3.201.396, or an increase from previous UMP was IDR 3.014.497
8. Riau UMP is IDR 3.191.662, or an increase from previous UMP was IDR 2.938.564
9. Central Kalimantan UMP is IDR 3.181.013, or an increase from previous UMP was IDR 2.922.516
10. South Kalimantan UMP is IDR 3.149.977, or an increase from previous UMP was IDR 2.906.473
11. Gorontalo UMP is IDR 2.989.350, or an increase from previous UMP was IDR 2.800.580
12. Jambi UMP is IDR 2.943.033, or an increase from previous UMP was IDR 2.649.034
13. West Sulawesi UMP is IDR 2.871.794, or an increase from previous UMP was IDR 2.678.863
14. Southeast Sulawesi UMP is IDR 2.758.984, or an increase from previous UMP was IDR 2.710.595
15. West Sumatra UMP is IDR 2.742.476, or an increase from previous UMP was IDR 2.512.539
16. Bali UMP is IDR 2.713.672, or an increase from previous UMP was IDR 2.516.971
17. North Sumatra UMP is IDR 2.710.493, or an increase from previous UMP was IDR 2.522.609
18. Banten UMP is IDR 2.661.280, or an increase from previous UMP was IDR 2.501.203
19. Lampung UMP is IDR 2.633.284, or an increase from previous UMP was IDR 2.432.001
20. Central Sulawesi UMP is IDR 2.599.546, or an increase from previous UMP was IDR 2.390.739
21. West Nusa Tenggara UMP is IDR 2.371.333, or an increase from previous UMP was IDR 2.207.212
22. East Java UMP is IDR 2.040.244, or an increase from previous UMP was IDR 1.891.567
23. West Java UMP is IDR 1.986.670, or an increase from previous UMP was IDR 1.841.487
24. Yogyakarta UMP is IDR 1.981.782, or an increase from previous UMP was IDR 1.840.915
25. Central Java UMP is IDR 1.959.169, or an increase from previous UMP was IDR 1.812.935

The regulation emphasized that the adjustment to the value of the 2023 minimum wage is calculated using a formula that takes into account the variables of economic growth, inflation and certain indices. Meanwhile referring to the previous rules listed in the derivatives of the Job Creation Law; the Government Regulation (PP) No. 36 Year 2021 Concerning Wages, the formulation only considers economic growth or inflation (whichever is larger).

Reference:

- The Regulation of the Minister of Manpower No. 18 Year 2022 Concerning of 2023 Minimum Wage Determination.

If you require a copy of the reference documents above, please do not hesitate to contact research@ibai.or.id

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