



**INFORMATION**

**The update on Skills Recognition for Foreign Construction Workers based on Government Relations No.34/2021**

On July 22<sup>nd</sup>, 2021, the Minister of Manpower, Ida Fauziyah stated that as many as 94,983 Foreign Workers still have valid permits in Indonesia. All foreign workers consist of those in various industrial, service, agricultural, and maritime sectors with special positions in accordance with the government regulations.

This is stipulated on the Government Regulation No.34 Year 2021 (GR 34/2021) concerning the Employ of Foreign Workers, which is a derivative regulation of Law No. 11 Year 2020 concerning Job Creation (Omnibus Law). Applies since April 1<sup>st</sup>, 2021, GR 34/2021 stipulates that the employ of foreign workers in Indonesia can only apply in an employment relationship for certain positions, a certain period of time and must be competent in accordance with the position to be occupied.

This regulation revokes and replaces the previous regulation contained in Presidential Regulation (Peraturan Presiden) No.24 Year 2018 concerning the Employ of Foreign Workers, thus giving birth to several updates, especially the simplification of the work permit process. The approval of work permits no longer requires recommendations from the relevant Ministries/Technical Departments as it is already under the authority of the Ministry of Manpower and has become the basis for issuing entry permits and residence permits in Indonesia. By that, employers can directly apply for a work permit in the form of the Foreign Worker Utilization Plan (RPTKA/Rencana Penggunaan Tenaga Kerja Asing) before employing foreign workers.

Moreover, in order to ensure the competence of foreign workers in the construction sector, the Ministry of Public Works on June 11<sup>th</sup>, 2021 has issued a policy on skill recognition and the registration of foreign construction workers, imposed for foreign workers after the employment and immigration licensing processes are completed but before they start the construction work services. The employ of foreign construction workers with expert qualifications shall consider minimum remuneration standards that are set based on qualifications, professional experience, and education level. In every construction project implementation, the provisions on technology transfer must be included in the contract and must use more Indonesian workers than foreign workers for positions at the expert level.

The Construction Services Development Institution (LPJK/Lembaga Pengembangan Jasa Konstruksi Nasional) also ensures the fulfillment of the requirements for foreign workers by examining the minimum bachelor's diploma, minimum 5 (five) years of experience, and certificates or evidence of competency recognized by the country of origin, which are in accordance with the qualifications, classification, and sub-classification for positions occupied by foreign workers.

Furthermore, at least once per year in collaboration with the Ministry of Manpower, the Ministry of Public Works is responsible for monitoring and evaluating compliance with the qualifications, classification, and sub-classification of foreign construction workers with respect to the work positions occupied, the use of Indonesian Co-Laborer (TKI/Tenaga Kerja Indonesia Pendamping), as well as the implementation of knowledge and technology transfer. The Ministry of Public Works also will coordinate with competent labor inspectors from the Ministry of Manpower to conduct supervision.

Reference:

- The Government Regulation No.34 Year 2021

If you require a copy of the reference document above, please do not hesitate to contact [research@ibai.or.id](mailto:research@ibai.or.id).

Thank you for your attention and hope this information would be valuable for you.

**Italian Business Association in Indonesia (IBAI)**

c/o Istituto Italiano di Cultura Jakarta

Jl. HOS Cokroaminoto No. 117 Menteng Jakarta 10310 INDONESIA

P: +6281 1979 4262 E: [ibai@ibai.or.id](mailto:ibai@ibai.or.id)