

Warm welcome



J Trust Bank president director Rinauo Ando (center, standing) visits a customer service desk during the launch of its branch in Aca Mall, Garden City, East Jakarta on Tuesday, accompanied by the bank director for Lanesur (center left) and consumer financing (center right). The branch, which adopts a Japanese 'omotenashi lounge' concept, complements the bank's 34 existing offices and is expected to boost growth of third-party funds and lending by optimizing the network of Japanese businesses and communities in Indonesia.

Uber under fire over surge in prices

Farida Susanty
THE JAKARTA POST/JAKARTA

Dania Ari Dwi, 27, was surprised to find out she had to pay Rp 154,000 (US\$11.7) for a trip slightly above 10 kilometers with ride-hailing app Uber almost five times the initial fare that was set when she ordered her ride.

"When I checked the route [of the trip] at home, it was weird. It should have been just a straight drive but the driver zigzagged all over the place. It doesn't make sense," said Dania, who took the ride at 10 a.m., still within peak hours in Bandung, West Java.

"Suspecting that there might be something wrong with Uber's GPS, she filed a complaint via email and the company reimbursed her without giving any explanations. 'I heard it happened a lot with Uber [riders]," said Dania, who works in Jakarta. Her complaint is just one of many that Uber is facing.

The surge in itself is part of the perks in ride-hailing operations that sees higher fares when there is greater demand for the service.

"Typically, the [ride] fees can be adjusted according to the situation on the street. [...] On the excessive fare increase, we see it can be caused by the system or other factors," Uber Indonesia senior public policy as-

Concerns linger over excessive fares charged by Uber

Govt revisits rule, aims to set price range again

Jaunna added that Uber usually reviewed customer complaints thoroughly before it refunded them via Uber credit.

"But if there are irregularities, we encourage customers to report them to Uber," she said.

Since last year, Uber Indonesia has provided information on app front fares to let their users know how much they must pay before they order. The fares, it claimed, have taken all factors into account, including the price surge.

It also says in its official website that the fare is subject to change at the end of the trip if passengers change the destinations or make multiple stops. However, it does not elaborate how customers end up with paying much higher fares than what are initially estimated.

Jas. Trias Uska Bernama (JTUB) cooperatives, which groups Uber driver partners, attributed the issue to "miscommunication between drivers and customers, although it acknowledged some drivers took additional routes."

"I don't think you can really trick the system. However, perhaps

one who just drive the passengers around or intentionally pushing the trip," JTUB secretary general Hana Ramus said, adding that his cooperative usually terminated its partnership with cheating drivers. It also coordinated with the app company over such cases, JTUB said.

The complaints add pressure to Uber, which has been under public scrutiny after being investigated by United States Department of Justice for allegedly bribing foreign officials. Uber recently notified US authorities about payments made by its staff to Indonesian police officers.

Bloomberg reported that the Uber employee in Jakarta gave multiple small payments to the police to secure permission to continue its operation in an office located in a non-business zone.

In response, Transportation Ministry acting director general for land transportation Hinda Suratman said that his office would send a warning to Uber regarding the fare issue.

The Transportation Ministry has actually tried to set the tariff of ride-hailing apps through Regulation No. 26/2017. However, the Supreme Court (MK) recently annulled 14 points, including the ceiling and base prices, although the rule is still in place.

He added that the upcoming revision of the regulation would

SERVICE SECTOR Consultants vow to help govt attract investors

The Indonesian Consultant Association (Inkindo) has pledged to support the government's efforts to attract investors in infrastructure, given the importance of consultancy services during the investment assessment.

Inkindo chairman Nugroho Pudji Rahardjo said consultants would be heavily involved with investors in the process of investment decision-making, just as the government was doing now in assessing its projects, especially those requiring state funding or loans.

"Investors will ask whether it [the project] is feasible. They must employ consultants to help individuals or companies," he said recently.

Inkindo vice president for international affairs Jimmy Santjono Michael said this was especially so for private investors whose role was now becoming more vital as the source of funding for infrastructure projects.

"The government is only able to meet 35 percent of the total required financing [for infrastructure projects], and the rest is [provided by] the private sector. These private firms need consultants to facilitate that," he said.

Jimmy referred to the estimated Rp 4.7 quadrillion (US\$347.1 billion) of financing required for infrastructure development until 2019. Of the total funding, 40 percent is to be funded by the state budget, while the majority will rely on state-owned enterprises (SOEs) and private firms.

Inkindo has been hosting the annual gathering of the International Federation of Consulting Engineers (IFHC), of which the association is a member, in Jakarta since Monday, with global construction consultants from 103 countries taking part.

Infrastructure development is one of the main highlights of President Joko "Jokowi" Widodo's administration's efforts to spur economic growth. It has set various targets of construction until 2019, including 1,000 kilometers of new toll roads, 3,250 km of new railway track and 49 new dams, among other projects.

The government has long attempted to attract greater participation from private entities including by revising regulations on public-private partnerships (PPP) and non-state budget infrastructure funding, known as PINA.

The National Development Planning Board (Gappenas) recently signed a memorandum of understanding (MoU) with Chinese infrastructure and energy firm Huajiang Housing Holding Co. Ltd. for investment under such a scheme, which allows the Chinese firm to inject funds in the form of equity through third parties.

"It's still in process. Maybe there will be certainty by mid to late October," Suspartono, head of Bambang Brodjonegoro said.



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