

Economic Losses Due to Merapi's Eruption Amount to 5 Trillion Rupiah

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Temporary losses estimation that has been calculated by the Regional Development Office (Bappeda) of Sleman district as of 14 November 2010 due to eruption of Mount Merapi amounts to 3.385 trillion Rupiah. This figure does not include losses in the fisheries sub-sector, Kaliurang tourism, infrastructure, and junior high and elementary school buildings.

If all is included, according to the temporary estimation of ISEI (Indonesian Economist Association) Branch of Yogyakarta, the losses reach up to 5 trillion Rupiah. "If the scope of the losses is extended to the regions that are adjacent to the three sub-districts, for example Ngaglik, Ngemplak, Sleman, and Tempel, the losses will certainly increase," said the Chairman of the Yogyakarta branch of ISEI, Prof. Lincoln Arsyad, Ph.D., on Thursday (18/11).

Merapi eruption has caused many people in the disaster areas to evacuate. The number of IDPs in all Yogyakarta is 152,075 people, while in Sleman 111,569 people. The data of Yogyakarta Branch Office of Bank Indonesia(18/11) showed as many as 3655 SME's debtors are likely to experience bad debt reaching up to 106, 4 billion Rupiah. "This can increase considering the coverage areas and periods. Given these conditions, Yogyakarta Branch of ISEI decided to contribute ideas to accelerate economic recovery. The first step is taken by forming the team for Post-Eruption Disaster Economic Recovery Acceleration," said Lincoln at the Magister Management of UGM.

To reporters, Lincoln explained the team appointed Professor. Mudrajad Kuncoro, Ph.D. as coordinator. To accelerate the recovery, the team will focus on two things, namely Economic Recovery, with the coordinator Dr. Fahmy Radhi, M.B.A, and Image Restoration for Yogyakarta by Drs. Wing Wahyu Winarno, MAFIS, Akt.

Together with the Centre for Disaster Studies (PSB) UGM, the team held a meeting and coordination with the Regent of Sleman, Drs. Sri Purnomo, on November 14, 2010.



The work of the ISEI Yogyakarta Branch team in accelerating economic recovery include: assessment survey, cluster analysis and action plan covering areas of monetary, capacity building and marketing. This team even immediately urged Bank Indonesia to consider writing off the SMEs Credit up to Rp 100 million of the budget from Central Government, Yogyakarta Provincial Government or SOEs. "ISEI Yogyakarta Branch will follow this up by sending a letter to the Governor Of Bank of Indonesia copy to Head of Bank Indonesia Yogyakarta, Yogyakarta Governor and Minister of State Enterprises," Lincoln explained.

In addition, ISEI Yogyakarta Branch will send a letter to the Minister of Finance (c.q Directorate General of Taxation and Director General of Customs and Excise) to immediately publish the rule from Ministry of Finance which provides facilities for Income Tax (PPh), Value Added Tax (VAT) and luxury tax (VAT BM) and Import Duties (BM) for taxpayers affected by the Merapi eruption.

Lincoln also expected the media to make more positive news, such as the social capital and very strong community solidarity during disasters. With this perspective, disaster coverage will provide positive image.

"We will convey information about the various steps taken, including coordination and cooperation with various offices, for example, Yogyakarta Tourism Promotion Board (BP2KY), and called on state and private universities in Yogyakarta to help economic recovery of the Sleman regency with a number of actions such as thematic KKN in the disaster areas," he said.

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