

**Media Monitoring September 4th Week
(28 September - 03 October 2026)**

Highlights the issue in the media:

1. Proposed Tobacco Product Restrictions Draw Opposition Over Potential Impacts on Industry, Farmers, and Employment

The Indonesian Cigarette Manufacturers Association (GAPPRI) expressed concerns that proposed restrictions on nicotine and tar levels, as well as regulations on tobacco product additives and flavorings under Government Regulation No. 28/2024, could affect domestic tobacco absorption, employment, investment certainty, and state revenue. GAPPRI stated that locally sourced tobacco and cloves account for around 95% of the raw materials used by the kretek industry and warned that stricter standards could affect tobacco farmers and the hand-rolled kretek cigarette sector, which it said employs around 600,000 factory workers. The Ministry of Industry also estimated that nearly Rp700 trillion in economic activity across the tobacco sector could be at risk. Separately, 15 communities participating in the 2026 National Kretek Deliberation issued six demands, including rejecting Government Regulation No. 28/2024, opposing restrictions on tar and nicotine levels, and halting discussions on the draft Minister of Health Regulation.

2. Proposed New Tobacco Excise Tier Sparks Debate Over State Revenue and Illegal Cigarette Circulation

The proposal to introduce a new tobacco excise tier to bring illegal cigarette manufacturers into the formal market has drawn differing views from economists, farmer representatives, and government officials. Senior economist Tauhid Ahmad of the Institute for Development of Economics and Finance (INDEF) warned that the additional tier could reduce state revenue by encouraging consumers to switch to cheaper products and accelerate the shift toward lower-excise cigarette categories. Simulations by the Center for Indonesia's Strategic Development Initiatives (CISDI) indicated potential revenue declines of up to Rp12.23 trillion or Rp35 trillion under different proposed rates; the figures were simulation results rather than official government projections. The Indonesian Tobacco Farmers Association (APTI) in West Nusa Tenggara also reported that illegal cigarettes were 50–60% cheaper than legal products and that legal cigarette sales had declined amid weak purchasing power and illegal cigarette circulation. Meanwhile, the Directorate General of Customs and Excise said the proposal remained under review, and the Ministry of Finance reported 13,151 enforcement actions and the seizure of 1.12 billion cigarettes between January and August 2026.

3. Proposed Vape Restrictions Generate Debate Over Narcotics Misuse and the Treatment of Legal Products

The proposed tightening or possible ban on electronic cigarettes has prompted discussions about distinguishing legally marketed products from illegal products associated with narcotics misuse. The Indonesian Vape Consumer Association (AKVINDO) and the Indonesian Personal Vaporizer Association (APVI) called for targeted enforcement against prohibited substances and those responsible for their misuse, rather than treating legal vape products and illegal products alike. The National Narcotics Agency (BNN) had uncovered cases involving narcotics disguised in vape liquids,

while industry representatives emphasized the need for stronger monitoring of illegal products and regulatory certainty for compliant businesses. The debate also drew attention from financial analysts, who discussed the possible effects of a vape ban on PT HM Sampoerna Tbk (HMSP), a tobacco company with alternative tobacco products. Analysts noted that the proposal remained under review and that smoke-free products accounted for a relatively small share of the company’s total revenue.

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Monitoring tobacco industry activities relevant to tobacco control.				
Monitoring Area	Date (DD/MM/YY)	Headline (Source)	Summary	Spokesperson
Tobacco Industry Participation in Policy Development	Kompas 28/09/26	Cigarette Nicotine and Tar Restrictions: Industry and Farmers Voice Concerns	Henry Najoan, Chairman of the Indonesian Cigarette Manufacturers Association (GAPPRI), expressed concern that proposed limits on nicotine and tar (TAR) levels in tobacco products could affect business sustainability, domestic raw-material absorption, employment, and investment certainty. He said the kretek industry relies heavily on locally sourced tobacco and cloves, which account for around 95% of its raw materials. According to Henry, local farmers are not yet able to produce tobacco with lower nicotine and tar levels, raising concerns about whether their harvests could continue to be absorbed if stricter standards are introduced. Henry warned that strict limits could reduce demand for local tobacco and affect the tobacco-processing industry, particularly hand-rolled kretek cigarettes (SKT), which he said directly employ around 600,000 factory workers. He also highlighted pressure from weakening consumer purchasing power and the circulation of illegal cigarettes. Separately, the Ministry of Industry expressed concerns about the draft implementing regulations for Government Regulation No. 28/2024 on Health, including a proposed maximum tar level of 10 milligrams. The ministry estimated that nearly Rp700 trillion in economic activity across the tobacco sector could be at risk and called for more comprehensive review of provisions that could affect businesses and tobacco farmers.	Henry Najoan — Chairman, Indonesian Cigarette Manufacturers Association (GAPPRI)

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	Bromo Today 27/09/26	National Farmers' Day: APTI Probolinggo Calls for Legal Protection for Tobacco Farmers	Pradipto Atmasunu, Chairman of the Indonesian Tobacco Farmers Association (APTI) in Probolinggo Regency, called on the government to provide stronger legal protection for tobacco farmers, particularly in the national tobacco trading system. Speaking in connection with National Farmers' Day 2026, he emphasized that protection must go beyond written policies and ensure fair trading practices, legal certainty, and stronger bargaining positions for farmers. He also highlighted the importance of addressing tobacco prices, trading arrangements, and policies that directly affect farmers' livelihoods. APTI Probolinggo urged the government to maintain dialogue with farmers and their organizations when developing tobacco-related policies. Pradipto stressed that farmers' welfare should be central to agricultural policymaking and that the tobacco trading system should provide economic fairness, business protection, and legal certainty for tobacco farmers, particularly those in Probolinggo Regency.	Pradipto Atmasunu — Chairman of APTI Probolinggo Regency
	Warta Ekonomi 29/09/26	Economist Warns Government: New Cigarette Excise Tier Could Cause Revenue to Plunge	Senior economist Tauhid Ahmad of the Institute for Development of Economics and Finance (INDEF) warned that adding a new tobacco excise tier to bring illegal cigarette manufacturers into the formal system could undermine state revenue. He said that imposing additional excise of around Rp300–400 per cigarette could push prices closer to those of existing legal products, potentially driving price-sensitive consumers toward cheaper alternatives. Tauhid recommended allowing illegal manufacturers to enter the formal system using existing excise rates rather than increasing their tax burden through a new tier. Tauhid also warned of downtrading, in which consumers or manufacturers shift from higher-excise cigarette categories to lower-tariff products. A new, cheaper tier could accelerate this shift and reduce revenue per cigarette. Simulations by the Center for Indonesia's Strategic Development Initiatives (CISDI) indicated potential revenue declines of up to Rp12.23 trillion under an SKM III tier with a rate of Rp615 per cigarette, and up to Rp35 trillion at Rp301 per cigarette; these are simulation results, not official government projections. Meanwhile, Director General of Customs and Excise Djaka Budhi Utama said the proposed new tier remains under review, while Finance Minister Suahasil Nazara emphasized continued enforcement against illegal cigarette distribution. From January to August 2026, Customs and Excise conducted 13,151 enforcement actions and seized 1.12 billion cigarettes.	1. Tauhid Ahmad — Senior Economist, Institute for Development of Economics and Finance (INDEF) 2. Djaka Budhi Utama — Director General of Customs and Excise 3. Suahasil Nazara — Minister of Finance

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	Kontan.co.id 30/09/26	Kretek Cigarette Industry Contracts, GAPPRI Calls for Relaxation of Labor Regulations	Henry Najoan, Chairman of the Indonesian Cigarette Manufacturers Association (GAPPRI), said the kretek cigarette industry had experienced significant contraction over the past five years, with production among GAPPRI members declining by nearly 15%. He attributed the challenges partly to uncertainty surrounding fiscal and non-fiscal regulations and warned that continued contraction could further affect employment in the tobacco products industry. Speaking at an APINDO press conference on the Employment Protection Bill, Henry called for a balance between employers' interests and workers' protection. GAPPRI urged policymakers to consider flexibility in the proposed Employment Protection Bill, particularly regarding wage regulations, severance pay, fixed-term employment agreements (PKWT), and outsourcing. Henry warned that further workforce reductions could increase unemployment and create new poverty. He called for adjustments that would allow tobacco companies to sustain their businesses while maintaining employment. Related articles: • (SINDOnews, 30 September 2026) Kebijakan Hasil Tembakau Perlu Pertimbangkan Industri hingga Penerimaan Cukai • (Jawa Pos, 30 September 2026) Pembahasan Aturan Larangan Bahan Tambahan Produk Tembakau Perlu Kaji Mendalam • (Tribunnews, 30 September 2026) Pemerintah Diminta Pertimbangkan Dampak Aturan Bahan Tambahan Rokok • (Kontan, 1 Oktober 2026) Industri Tembakau Tertekan Aturan, Petani Madura Khawatir Kehilangan Pasar	Henry Najoan — Chairman, Indonesian Cigarette Manufacturers Association (GAPPRI)
	Kontan 01/10/26	Illegal Cigarettes 60% Cheaper, APTI Says Legal Cigarette Sales Continue to Decline	Sahminuddin, Chairman of the Indonesian Tobacco Farmers Association (APTI) in West Nusa Tenggara (NTB), said legal cigarette sales had continued to decline over the past two years amid weak consumer purchasing power and the circulation of illegal cigarettes. He stated that illegal cigarettes can be 50–60% cheaper than legal products, making them an alternative for some smokers. Similarities in taste and appearance, particularly between illegal and legal machine-made kretek cigarettes (SKM) and machine-made white cigarettes (SPM), have also made illegal products more competitive. Sahminuddin raised concerns about the government's proposal to introduce a new tobacco excise tier to bring illegal cigarette manufacturers into the formal market. Although the policy could reduce illegal cigarette circulation, he warned that it could also	Sahminuddin — Chairman, Indonesian Tobacco Farmers Association (APTI), West Nusa Tenggara

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			intensify competition for existing legal products and affect excise revenue. He argued that excise rates should not differ between existing legal cigarettes and formerly illegal products entering the formal system. He also claimed that excise increases between 2020 and 2024 outpaced economic growth, contributing to weaker purchasing power and declining demand for legal cigarettes.	
	Metro TV News 02/20/26	Potential Increase in Illegal Cigarette Circulation Must Be Prevented	Bestari Gede Sandra, Executive Director of InFast, warned that plans to restrict additives and flavorings in tobacco products could increase illegal cigarette circulation as consumers may switch to illegal products. He urged the government to consider market conditions, the tobacco products industry's economic contribution, and potential effects on state revenue and workers when formulating derivative regulations under Government Regulation No. 28/2024 on Health. He cited tobacco excise revenue of approximately Rp211.7 trillion in 2025 and the government's 2026 target of Rp225.73 trillion, warning that a shift toward illegal products could reduce state revenue and threaten jobs across the tobacco industry supply chain. Samukrah, Chairman of the Indonesian Tobacco Farmers Association (APTI) in Pamekasan, also urged the government to consider the policy's effects on farmers and workers. He stated that the tobacco business supports more than five million workers and contributes substantially to state revenue through excise. The government is continuing to develop implementing regulations under Government Regulation No. 28/2024, covering tobacco product control and public health protection. Related articles: (Disway, 02 October 2026) Waspada Peningkatan Rokok Ilegal. Ahli Ingatkan Dampak Aturan IHT (RRI, 02 October 2026) Pelaku IHT Minta Pemerintah Kaji Dampak Aturan Produk Tembak	- Bestari Gede Sandra — Executive Director of InFast. - Samukrah — Chairman of the Indonesian Tobacco Farmers Association (APTI), Pamekasan.
	VIVA Jogja 03/10/26	15 Communities Consolidate Opposition to Tobacco Regulations on National Kretek Day 2026	Fifteen communities from various regions of Indonesia gathered for the 2026 National Kretek Deliberation, held from 30 September to 3 October, to consolidate opposition to government regulations they consider threats to the sustainability of the tobacco products industry (IHT). The communities discussed strategies to respond to regulations they view as increasingly restrictive, emphasizing kretek's cultural significance and its economic role in supporting an estimated six million people, including tobacco and clove farmers, cigarette rollers, and small-scale retailers. The deliberation resulted in six demands to the government: reject Government Regulation No. 28/2024, halt	- Khoirul Atfifudin (Atfi) — Spokesperson for Komunitas Kretek. - Alfianaja Maulana — Spokesperson for the National Committee for Kretek Preservation (KNPK).

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			discussions on the draft Minister of Health Regulation, oppose cigarette excise increases, reject restrictions on tar and nicotine levels, oppose a single-tier excise tariff scheme, and stop regulations considered harmful to the kretek industry. The event also featured music performances, a tingwe (roll-your-own cigarette) booth, and free distribution of Group 3 kretek cigarettes to visitors. Related articles: (IDN Times Jogja, 04 October 2026) Kosolidasi Hari Kretek Nasional 2026 Serukan Enam Tuntutan (Harian Jogja, 03 October 2026) Musyawarah Kretek 2026 Hasilkan 6 Tuntutan untuk Pemerintah, Ini Isinya	
Corporate Social Responsibility (CSR) Activities				
Benefits to the Tobacco Industry	Bola.com 26/09/26	Garuda Fans Take Home Prizes Alongside Watching Indonesia's National Team	Fans gathered at the IQOS Boutique, SOL Collective Space, in SCBD, Jakarta, to watch Indonesia face Singapore in the FIFA ASEAN Cup 2026 on Friday, 25 September. The watch party featured quizzes hosted during the match, with participants winning various prizes, including shopping vouchers, meal vouchers, clothing, and IQOS products. The event attracted football supporters and created a lively atmosphere outside the stadium. Edu Krisnadea, Editor-in-Chief of Bola.com and Bola.net, also attended the event and discussed Indonesia's squad depth. He highlighted the flexibility of players who can perform in multiple positions, giving the coach more tactical options. He also noted that substitutions could play an important role in maintaining players' fitness and adjusting strategies during the match.	Edu Krisnadea — Editor-in-Chief of Bola.com and Bola.net
	Tribunnews 25/09/26	E-Cigarette Businesses Urge Consumers to Beware of Illegal Vape Products	Gumira Juandana, Head of Marketing at PT Delta Sukses Teknologi, urged consumers to be cautious of illegal vape products and check for excise stamps, packaging seals, and expiration dates before purchasing. He emphasized consumer education and called for clearer regulations governing vape production. The company also encouraged consumers to purchase products through official distribution channels and expressed support for government policies. Iwan Wiratmana, Sales Director of PT Delta Sukses Teknologi, said the	- Gumira Juandana — Head of Marketing, PT Delta Sukses Teknologi - Iwan Wiratmana — Sales Director, PT Delta Sukses Teknologi

Tobacco Industry Activity Monitor (TIAM)
Monitoring tobacco industry activities relevant to tobacco control.

			company had held discussions with the National Narcotics Agency (BNN) regarding the proposed vape ban, including how to distinguish legal products from illegal ones. He noted that the electronic cigarette industry has recorded double-digit growth in recent years, partly driven by demand for alternative smoking products. He argued that stronger enforcement against illegal products should be accompanied by regulatory certainty for compliant businesses, helping companies plan sales and business strategies. Related articles: (ANTARA News Gorontalo, 25 September 2026) Industri rokok elektrik dorong alih teknologi bidik produksi perangkat	
	Kompas 27/09/26	Association Calls for Firm Action Against Drug Misuse Through Vapes. Says Legal Products Should Not Be Treated the Same	Paido Siahaan, Chairman of the Indonesian Vape Consumer Association (AKVINDO), called for firm but targeted action against narcotics misuse involving electronic cigarettes. He stressed that enforcement should distinguish legally marketed vape products from illegal products used to introduce narcotic substances. According to Paido, treating both categories alike could distract from efforts to combat narcotics. He urged the government to strengthen monitoring and enforcement against prohibited substances and those responsible for their misuse, rather than treating legal vape consumers as offenders. Budiyanto, Chairman of the Indonesian Personal Vaporizer Association (APVI), said narcotics can be distributed through various means, not only vapes. He highlighted the price difference between illegal vape liquids allegedly containing narcotics, reportedly sold for Rp3–5 million, and legal vape liquids costing around Rp100,000. The discussion followed cases uncovered by the National Narcotics Agency (BNN) involving narcotics disguised in vape liquids and flavored energy-drink packaging, with the illegal vape liquids reportedly sold for Rp2–6 million per unit. Related articles: (Kontan.co.id, 26 September 2026) Konsumen Tolak Vape Dilarang. Minta Vape Legal Dibedakan dari Penyalahgunaan (Antara, 26 September 2026) Asosiasi harap penyalahgunaan narkoba lewat vape ditangani terukur (Tribunnews.com, 26 September 2026) Marak Penyalahgunaan Liquid Vape untuk Narkotika, Pengawasan Jalur Gelap Diminta Diperketat	1. Paido Siahaan — Chairman, Indonesian Vape Consumer Association (AKVINDO) 2. Budiyanto — Chairman, Indonesian Personal Vaporizer Association (APVI)

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	Kontan.co.id 25/09/26	Proposed Vape Ban Resurfaces, Investors Urged to Assess Impact on Sampoerna (HMSP)	The proposed tightening of electronic cigarette regulations has raised concerns about its potential impact on tobacco companies with alternative tobacco product portfolios, including PT HM Sampoerna Tbk (HMSP). Health Ministry support for stronger vape regulations is aimed at preventing the misuse of hazardous substances and narcotics, particularly among young people. MNC Sekuritas analyst Catherine Florencia M. noted that the proposed ban remains under review and is not yet a final decision. She added that HMSP has exposure to smoke-free products, although the segment contributes less than 3% of the company's total revenue. Kiwoom Sekuritas Indonesia equity research analyst Abdul Azis Setyo Wibowo said a vape ban could restrict growth opportunities for HMSP's alternative products and increase regulatory uncertainty, although the overall financial impact may remain limited while the segment's contribution is relatively small. HMSP recorded net sales of Rp56.5 trillion in January–June 2026, with smoke-free products contributing Rp1.23 trillion, up from Rp1.13 trillion in the same period the previous year. Their share of total sales increased from 2.05% to 2.18%. Azis recommended a hold rating for HMSP, with a target price of Rp660 per share.	1. Catherine Florencia M. — Analyst, MNC Sekuritas 2. Abdul Azis Setyo Wibowo — Equity Research Analyst, Kiwoom Sekuritas Indonesia
Unnecessary Interactions			•	1.
Transparency				

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Conflict of Interes				
Preventive Measures				
N/A - Not Relevant to TII				