

Analysis of Debt Negotiation of PT. Garuda Indonesia Through “ICON” Negotiation Model

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Abstract

This paper will discuss the debt negotiation of PT. Garuda Indonesia. PT. Garuda Indonesia has been declared bankrupt at least three times. The first was in 1968, the second in 1998, and the third in 2021. This study will focus on negotiates debt of PT. Garuda Indonesia with lessors and creditors in 2021. In September 2021, Garuda Indonesia was threatened with bankruptcy with a recorded \$9.75 billion or equivalent to Rp138.93 trillion. As the only state-owned air transportation service company, the Ministry of State-Owned Enterprises (BUMN) decided negotiates with lessors and creditors. This study will use a qualitative method with secondary data from literature studies. This study will use “ICON” model negotiation models to analyze PT Garuda Indonesia’s debt negotiations. “ICON” is four interrelated elements, namely Interests, Criteria, Choices, and Alternatives Without Agreement, which help prepare negotiations so that it is expected to provide a greater chance of success in negotiations. This study finds that the accuracy interest of PT. Garuda Indonesia is the restructuring of the application or Postponement of Debt Payment Obligations (PKPU). The most sensible option with the Suspension of Debt Payment Obligations (PKPU) negotiation in court chosen by Garuda. Then, the criteria standard is from the regulation has been stated in Article 222 paragraph (3) of Law Number 37 of 2004 become a fair process to each party by law. Lastly, the Non-Agreement Alternative are conducting a merger, liquidation, or state capital participation if homologation PKPU is not achieved. From the results of this negotiation process, all parties agreed to accept the debt restructuring peace proposal and Garuda avoided bankruptcy. The total votes that approved the peace plan represented 97.46% of the votes.

Keywords: Debt of PT. Garuda Indonesia, ICON Negotiation Model, Negotiation, PKPU

I. INTRODUCTION

PT. Garuda Indonesia or better known as Garuda Indonesia (IDX: GIAA) is an Indonesian national airline headquartered at Soekarno-Hatta International Airport, which was founded on August 1, 1947, previously known as KLM Interinsulair Bedrijf. PT. Garuda Indonesia is an Indonesian state-owned airline company that has the concept of Full Service Airlines [1]. In 1950, Garuda Indonesia became a state-owned company. During that period, Garuda Indonesia operated a fleet of 38 aircraft consisting of 22 DC-3s, 8 Catalina airplanes, and 8 Convair 240s. Garuda Indonesia's fleet continued to grow and finally succeeded in carrying out the first flight to Mecca carrying Indonesian hajj pilgrims in 1956. In 1965, the first flight to European countries was carried out with Amsterdam as the final destination [2].

PT. Garuda Indonesia’s shareholders come from the government of the Republic of Indonesia at 60.54%, PT. Trans Airways at 25.81%, and the public at 13.65%. It has 210 fleets, 15 international and 48 domestic flight routes [3]. PT. Garuda Indonesia itself is an airline with

the status of a flag carrier for Indonesia and its position is within the Ministry of State-Owned Enterprises (BUMN) which is an asset of the Indonesian nation. The government needs to focus efforts on increasing productivity strict regulation [4].

PT. Garuda Indonesia has many awards and prestigious brands in the domestic and international flight consumers, but Indonesian airline company has various vital problems within it. These problems include financial crisis conditions concerning declining profits, large debts, high aircraft rental costs, unprofitable flight routes and corrupt practices whereas employee productivity is an important thing in a company [5]. These complex problems have existed for a long time and have had a major impact on the performance of PT. Garuda Indonesia [6]. Although the development of financial institutions in Indonesia is very rapid [7]. Public and private organizations have different goals and priorities [8]. Limitations in human resource management and management are another significant challenge [9].

Major losses occurred during the Covid-19 pandemic. PT. Garuda Indonesia reported the company's financial performance in the third quarter of 2020 amid the Covid-19 pandemic, in which Garuda Indonesia lost USD 1.07 billion or IDR 15.3 trillion (assuming an exchange rate of IDR 14,321). In fact, in the same period the previous year, the company managed to record a profit of USD 122.4 million. Citing PT. Garuda Indonesia's consolidated financial report, the factor causing the loss was a decrease in revenue. In the third quarter, Garuda Indonesia recorded revenue of USD 1.13 billion, down 67.83 percent compared to the same period the previous year of USD 3.54 billion. Basic loss per share was recorded at USD 0.04152. Revenue from scheduled flights also fell significantly, to USD 917.2 million from the previous USD 2.79 billion. Likewise, unscheduled flights amounted to USD 46.9 million from the previous USD 249.9 million. Then, other income decreased to USD 174.5 million from the previous USD 494.8 million [10]. This difficult condition is due to restrictions on air travel, social distancing, and lockdowns, causing passenger restrictions where only 50 percent of passengers can be carried. This is further exacerbated by macro predictions and micro uncertainties, making it difficult for airlines to achieve operational efficiency [3].

PT. Garuda Indonesia continues to experience a decline every year, the company has difficulty in paying off its current liabilities, the value of retained earnings decreases every year, the utilization of total assets in obtaining profits is still less efficient due to high investment costs, global economic conditions that have not improved which have an impact on the decline in people's purchasing power and also the market value has decreased due to changes in prices every year [11]. This is the concern about bankruptcy at PT. Garuda Indonesia. During 2020 to 2021, PT. Garuda Indonesia has experienced many bankruptcy lawsuits and PKPU from its creditors. Most of these lawsuits were filed due to arrears on payment of aircraft rental fees and other routine bill payments. PT. Garuda Indonesia was determined to be Postponement of Debt Payment Obligations (Penundaan Kewajiban Pembayaran Utang/PKPU) by the Central Jakarta Commercial Court [12].

The peak at the end of 2021, PT. Garuda Indonesia was declared technically bankrupt and threatened with bankruptcy. The mountain of debt with minus equity in the banking world is categorized as technically bankrupt. Deputy Minister of State-Owned Enterprises (BUMN) Kartika Wirjoatmodjo explained that PT. Garuda Indonesia at that time was technically bankrupt, but legally not yet [13]. Garuda Indonesia has been declared bankrupt at least three times. The first was in 1968, the second in 1998, and the third in 2021[14].

PT. Garuda Indonesia's rescue efforts are by restructuring debt through negotiations with creditors. Negotiations are carried out to reach the best agreement to obtain relief on aircraft rental costs amidst declining performance due to the pandemic. Negotiations are carried out with creditors for debt restructuring. As a result, PT. Garuda Indonesia has reached a number of debts restructuring agreements with creditors and has successfully emerged from

bankruptcy. This paper will describe PT. Garuda Indonesia's debt negotiations through the conceptual framework of "The ICON Negotiation Model" which consists of four components, namely: Interest, Criteria, Options, and No-Agreement Alternatives (ICON). From here, it is hoped that the results of this study will provide a new perspective [15].

II. LITERATURE REVIEW

A. *Definition of Negotiation*

Negotiation is a process of making decisions involving parties who have interests. In negotiation, the negotiating parties have common and conflictual goals, both parties will carry out bargaining process until reach a mutually beneficial agreement [16]. Negotiation is the main tool for achieving a just and sustainable settlement. The final negotiation process emphasizes offers and communication. Almost all negotiation processes have a deadline for completion. This deadline is to provide immediate influence to the negotiators [17]. Before starting a negotiation, the initial stage or pre-negotiation, is a substantive stage that needs to be prepared. In the pre-negotiation stage, the negotiators prepare the negotiation objectives and strategies to achieve the goals, prepare how the negotiation is carried out, who are the parties invited, the parties also agree on the location and time of the negotiation, and identify the participants involved. Negotiation procedures can include a combination of formal and informal mechanisms. In a negotiation, it is very important to agree and decide who will be the chairperson to lead the negotiation process. In the process of decision-making or negotiation agreements, there are two common methods, namely consensus or majority-based rule/voting [18]. In policy making, decision-making will always occur, however, this decision-making does not necessarily become the end of the policy [19]. Public policy is the answer to a problem that occurs in society because public policy is an effort to solve, reduce, and prevent a problem [20].

B. *Definition of Debt Negotiation*

Debt negotiation is defined as a process in which debt is negotiated with creditors. Debt negotiation is a way to reach an agreement to resolve debts in order to avoid bankruptcy. Debt negotiation can be done by one of them by postponing debt payments or a moratorium for a certain period of time. If the creditor agrees to the moratorium, the debtor still has to pay the debt when the moratorium ends. If debtor request a moratorium, the debtor can also request that no interest and fees be charged during that period. This is important so that the debt does not increase during the moratorium period. Some creditors may agree to this type of arrangement but they don't have to. Debt negotiations are carried out through debt management focused on debt restructuring, which usually implies some form of debt reduction. Restructuring of sovereign debt can be defined as the exchange of outstanding sovereign debt instruments, such as loans or bonds, for new debt instruments or cash through a legal process. However, it needs to be understood that debt restructuring negotiations are a complex process which is determined by the number of participants, diversity of participants, number of issues, diversity of issues, duration and various external factors [21], [22], [23].

C. *"ICON" Negotiation Model*

"ICON" is four interrelated elements, namely Interests, Criteria, Choices, and Alternatives Without Agreement, which help prepare negotiations so that it is expected to provide a greater chance of success in negotiations because they have been organized. ICON aims to prepare negotiators in all forms of negotiations. The following is an explanation of the 4 ICON elements:

First, interests are the foundation for the entire negotiation and the reasons for being in a negotiation. Interests are the motivators, needs, drivers, concerns and fears of the parties. Second, criteria are the precedents, benchmarks and standards used by negotiators to evaluate their options. Criteria help parties feel fairly treated rather than taken advantage of, and can help parties defend their decisions. Third, options are possible solutions to satisfy interests. Some of these options will later become part of the final agreement. Finding options that satisfy interests creates a higher likelihood of achieving an agreement. Last, no-agreement alternatives help determine whether or not to agree. They provide a backup plan and increase confidence and competence at the negotiation table. They can also prevent overestimating or underestimating the other party's power in a negotiation [24].



FIGURE 1. ICON Negotiation Model [16]

III. METHODS

This study uses a qualitative approach that requires data in the form of descriptive information which is a series of scientific activities carried out intensively [25]. This study attempts to create a systematic description of the situation, facts or events, especially those related to the negotiation of PT. Garuda Indonesia. Descriptive qualitative research is conducted by collecting data in a reasonable state, using a systematic, directed, and accountable working method. This study uses secondary data collection techniques derived from literature studies. Moreover, there are three steps involved in data analysis. The first step is data reduction through the selection of pertinent items that align with the study issue. The second method is data presentation, which is a way to arrange data in accordance with the ICON Negotiation Model in the context of PT. Garuda Indonesia's negotiation. The last is making conclusions.

IV. RESULT AND DISCUSSION

A. PKPU: Formal Mechanism of Debt Negotiation

PKPU or Postponement of Debt Payment Obligations, this is a legal process in which a company experiencing financial difficulties can apply to the court to temporarily postpone its debt payment obligations to creditors. The goal is to give the company time to restructure its debts and improve its financial condition, so that it can continue its business. Law Number 37 of 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations (PKPU) is one of the legal means to resolve debt disputes. This law was formed in response to the 1998 monetary crisis and aims to address the problem of bad credit in Indonesia. The PKPU process of PT. Garuda Indonesia has started on December 9, 2021 and ended with the Homologation decision on June 27, 2022. The results of the PKPU are stated in the Peace Plan which has been

uploaded on the Garuda PKPU page (<https://www.pkpu-garudaindonesia.com/>) [26]. Every regulation aims to achieve legal certainty [27].

B. The Main Cause of Garuda's Bankruptcy

In addition to the Covid-19 pandemic which accelerated the bankruptcy of PT. Garuda Indonesia, other factors before the pandemic had affected the operational conditions of PT. Garuda Indonesia. Including those summarized by the writers as follows: First, during the period 2009 to 2021, PT. Garuda Indonesia has made excessive investments to procure 50 new aircraft from Boeing and an additional 10 Airbus units with debt funding. This is an excessive investment that is reinforced by several errors in the company's strategic malpractice [28]. Second, PT. Garuda Indonesia's financial performance is poor. This is because every year the company's working capital continues to decline, a decrease in retained earnings, and high investment costs [29]. Last, there is a lack of governance due to parties taking personal advantage or committing corruption

In addition to the above conditions, huge debts worsen the operations of PT. Garuda Indonesia. It was accumulated debt to \$9.75 billion or equivalent to Rp. 138.93 trillion. The mountains of debt with minus equity in the banking world are categorized as technically bankrupt. Deputy Minister of State-Owned Enterprises (BUMN) Kartika Wirjoatmodjo explains that PT. Garuda Indonesia at that time was technically bankrupt, but not yet legally [28].

C. PT. Garuda Indonesia's Strategy to Prevent Bankruptcy

PT. Garuda Indonesia's strategy is to revive its finances by carrying out a restructuring process in terms of its finances and operations. Optimization of various aspects was also carried out in order to save the company. Such as intensive communication and negotiations with creditors and lessors, restructuring through in court settlement and out of court settlement through negotiations with creditors. Another strategic step that the company has decided to take is optimizing flight routes, simplifying aircraft types to reduce maintenance costs, increasing cargo contribution, and increasing ancillary business income [30].

PT. Garuda Indonesia management has officially completed the debt restructuring process. On December 28 and 29 2022, New Debt Securities and Sukuk were issued. The effectiveness of all provisions of this Peace Agreement complements the implementation of various other fundamental stages that have been achieved by Garuda through the process of Postponing Debt Payment Obligations [31]. In general, Garuda Indonesia's creditors can be categorized into several large groups, including:

- Aircraft Lessors: Companies that lease aircraft to Garuda Indonesia are the largest creditors. They have rights to aircraft lease payments and other related assets.
- Spare Parts Suppliers: Companies that supply spare parts for Garuda Indonesia's aircraft are also creditors. Their bills are related to spare part purchases that have not been fully paid.
- Financial Institutions: Banks and other financial institutions that provide loans to Garuda Indonesia are also included in the list of creditors.
- Government: The Indonesian government, as the majority shareholder in Garuda Indonesia, also has certain bills.

The following is the chronology of PT. Garuda Indonesia's negotiations that the writers has compiled from various sources:

- PT. Garuda Indonesia chose to negotiate with its creditors partially or out of court. However, PT. Garuda Indonesia also uses the bankruptcy or Suspension of Debt Payment Obligations (PKPU) route through the Central Jakarta Commercial Court.

PKPU can be interpreted as a method of peace between debtors and creditors regarding the settlement of debt payments that cannot be fulfilled by creditors within the specified time period [32], [33].

- The initial process of out-of-court negotiations by PT. Garuda Indonesia together with the Ministry of State-Owned Enterprises (BUMN) with lessors was carried out in November-December 2021. PT. Garuda Indonesia submitted a restructuring proposal scheme to lessors and creditors [34].
- Meanwhile, the negotiation process is through PKPU in early December 2021. Explanation of PT. Garuda Indonesia President Director, Irfan Setiাপutra in a press conference, the temporary PKPU decision provides 45 days to submit a peace proposal containing a plan to restructure business obligations to creditors [35].
- PT. Garuda Indonesia then focuses on negotiation efforts through the PKPU route. The court has made a schedule for the PKPU process [36]. The temporary PKPU implementation schedule will begin with the first creditor meeting on Tuesday, December 21, 2021. A creditor meeting for tax verification and receivables matching will be held on Wednesday, January 19, 2022. A meeting to discuss the peace plan as well as a voting meeting on the peace proposal and/or the proposed extension of the PKPU will be held on Thursday, January 20, 2022. Then, the deliberation session of the panel of judges in the decision of the case will be held on Friday, January 21, 2022 to decide whether the peace is achieved in the form of a homologation agreement or a PKPU extension.
- In the process, the Central Jakarta Commercial Court decided to extend the debt payment obligation suspension process for 60 days ending on March 21, 2022. The decision was at the request of the debtor and the majority of creditors. This extension is a good step for PT. Garuda Indonesia to complete various administrative aspects in the PKPU stages, including completing verification documents and completing the calculation of debts and receivables so that the management team can issue a list of fixed receivables as a basis for voting [37].
- Furthermore, the panel of judges at the Commercial Court at the Central Jakarta District Court extended the permanent PKPU process for Garuda Indonesia for 60 days until May 20, 2022. PT Garuda Indonesia re-submitted a request to extend the debt payment obligation suspension process or PKPU for 30 days. The total period of PT. Garuda Indonesia's PKPU is 150 days [38]. The extension aims to achieve a mutually beneficial solution.
- On June 27, 2022, PT. Garuda Indonesia succeeded in achieving approval for the peace proposal in the Postponement of Debt Payment Obligations (PKPU) process at the Central Jakarta District Court. Approximately 95 percent of creditors agreed to the PKPU proposal with long-term payment instruments proposed by PT. Garuda Indonesia. Minister of State-Owned Enterprises (BUMN) Erick Thohir said that PKPU's success was the result of hard work and support from many parties, both internal and external to Garuda [39].



FIGURE 2. Final PKPU Process Completed June 27, 2022, PT. Garuda Indonesia was declared not bankrupt by the Court

D. Analysis of Debt Negotiation of PT. Garuda Indonesia Through “ICON” Negotiation Model

“ICON” is four interrelated elements, namely Interests, Criteria, Choices, and Alternatives Without Agreement, which help prepare negotiations so that it is expected to provide a greater chance of success in negotiations because they have been organized. ICON aims to prepare negotiators in all forms of negotiations. In the context of this article, PT. Garuda Indonesia as a negotiator (debtor) who is trying to negotiate debt with lessors or creditors prepares everything so that it can run smoothly, so the writers tries to describe the preparation of PT. Garuda Indonesia negotiations using this ICON approach. The outcome of process negotiation, PT. Garuda Indonesia was able to emerge from bankruptcy, approved by the Central Jakarta District Court Panel of Judges on June 27 2022 [40].

The following is a description that the writers analyzes regarding the preparation of debt negotiations of PT. Garuda Indonesia through the ICON model negotiation. **Interests** are the motivators, needs, drivers, concerns, and fears of the parties. The main interest of PT. Garuda Indonesia in negotiating debt with lessors and creditors is to prevent bankruptcy by choosing the debt restructuring path through PKPU. The interests of PT. Garuda Indonesia are very clear from the statement of the Deputy Minister of BUMN, Kartika Wirjoatmodjo: “*We emphasize that the government wants to find a solution, restructuring, and indeed a solution that can be effective using the in-court process to obtain homologation*” [37].

As the only state-owned air transportation service company in Indonesia, the Ministry of State-Owned Enterprises (BUMN) negotiates with lessors and creditors to save PT. Garuda Indonesia, this shows the motivation behind the negotiation process. President Director of PT. Garuda Indonesia, Irfan Setiাপutra also firmly stated that the main interest in saving Garuda is with the Postponement of Debt Payment Obligations (PKPU), although there is still a risk of bankruptcy. This risk of bankruptcy could potentially occur if the agreement from the lessors or creditors does not reach homologation. This shows the needs and concerns in the PKPU process negotiation is very important since there is a fear that the PKPU will not achieve homologation. Furthermore, to prevent this condition, PT. Garuda Indonesia and BUMN as the drivers of negotiation must prepare a promising peace proposal to be accepted by the lessors or creditors.

Options are possible solutions to satisfy interests. Some of these options will later become part of the final agreement. Finding options that satisfy interests creates a higher likelihood of

achieving an agreement. In the case of debt negotiation PT. Garuda Indonesia, there are two negotiation preparation options that will be taken. First, conducting partial negotiations with lessors and creditors, but this option was not continued because considering the large number of lessors and creditors that cause inefficiency and ineffectiveness. Thus, PT. Garuda Indonesia chose the most sensible option with the Suspension of Debt Payment Obligations (PKPU) route through the Central Jakarta Commercial Court. Even though it is through the courts, negotiations with the lessor and creditors are also attempted outside the court through intensive communication. PKPU allows the debtor to submit a Peace Plan which includes an offer to pay part or all of the debt to his creditors. With the PKPU procedure, creditors get certainty about the debt payment schedule, while the debtor gets debt restructuring which will facilitate the payment process [38].

Criteria refer to the standards, external benchmarks, commonly accepted procedures, and precedents we can point to as we negotiate. Think of criteria as the objective part of a negotiation and interests as the subjective part. Discover interests and options first, then use criteria to choose from among options. Use criteria to determine what options are fair, to alter and narrow the options, and to move toward a possible commitment or final agreement [24]. PT. Garuda Indonesia's choice to take the PKPU route, reviewed from the legal standards in Indonesia, has been stated in Article 222 paragraph (3) of Law Number 37 of 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations (Law No. 37 of 2004), PKPU can be submitted to the Court, one of which is when the creditor estimates that the debtor cannot continue to pay his debts that have matured and can be collected [39].

A crucial thing in the negotiation process which takes time is the process of verifying the bill amount. This causes obstacles in the PKPU process so that it is not timely. Verification of the amount of the bill requires careful cross-checking and from the results of the cross-check it was found that there were quite significant differences between the bills submitted by creditors to PT. Garuda Indonesia. Therefore, to keep the negotiation process running fairly, the PKPU extension was re-submitted by PT. Garuda Indonesia. The total period of PT. Garuda Indonesia's PKPU is 150 days, because in the PKPU regulations, if within 270 days there is no agreement and settlement from the debtor and creditor, the company automatically goes bankrupt [41]. The extension aims to achieve a mutually beneficial solution with clear bill amount. This time extension procedure is one of the criteria that agreed upon by both parties negotiating. PT. Garuda Indonesia has fulfilled the Temporary PKPU process and the Permanent PKPU according to the applicable regulations.

No-agreement alternatives help determine whether or not to agree. The negotiator provided a backup plan. If PT. Garuda Indonesia's negotiations through PKPU which have the potential risk of homologation are not achieved, in other words PT. Garuda Indonesia will be declared bankrupt, then the backup plan as conveyed by the Deputy Minister of BUMN, Kartika Wirjoatmodjo, is to merge Garuda with PT Pelita Air Service, another the backup is that Garuda Indonesia will be liquidated and its position will be replaced by a private company [42]. Another backup, although unlikely to be implemented, is the proposal for state capital participation.

The Homologation Decision on June 27, 2022 has a beneficial impact on all parties recognized in the consolidated financial statements for the year ended December 31, 2022. The details of the benefits are as follows (in millions of US Dollars) are shown in Figure 3.

PT GARUDA INDONESIA (PERSERO) Tbk
DAN ENTITAS ANAK/AND SUBSIDIARIES

Lampiran 5/116 Schedule

CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
31 DESEMBER 2022 DAN 2021
(Dinyatakan dalam Dolar AS, kecuali dinyatakan lain)

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS
31 DECEMBER 2022 AND 2021
(Expressed in US Dollars, unless otherwise stated)

55. PENUNDAAN KEWAJIBAN PEMBAYARAN UTANG ("PKPU") (lanjutan)

Keputusan Homologasi yang tercapai pada tanggal 27 Juni 2022 memberi dampak keuntungan yang diakui di dalam laporan keuangan konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2022. Rincian keuntungan adalah sebagai berikut (dalam jutaan Dolar AS):

55. SUSPENSION OF DEBT PAYMENT OBLIGATIONS ("PKPU") (continued)

Homologation decision reached on 27 June 2022 resulted the gain recognised as in the consolidated financial statements for the year ended 31 December 2022. The details of the gain as follow (in million US Dollars):

	Klaim Penyelesaian/ Settlement Claim	Dilunasi sebagian/ Partially paid	Keuntungan dari restrukturisasi pembayaran/ Gain on Adjustment of payment term restructuring (b)	Pendapatan dari restrukturisasi utang/ Income from restructuring debt (a)	Utang jangka pendek/ Short-term debt	Utang jangka panjang/ Long-term debt	Instrumen baru dan pro-rata ekuitas/ New instrument and pro-rata equity	
Penyewa pesawat Pinjaman bank	4,085	-	(1,224)	(2,188)	-	-	842	Lessor Bank loans ^(b)
PT Bank Negara Indonesia (Persero) Tbk	181	-	(128)	-	-	33	-	PT Bank Negara Indonesia (Persero) Tbk
PT Bank Mandiri (Persero) Tbk	296	-	(236)	-	-	60	-	PT Bank Mandiri (Persero) Tbk
PT Bank Rakyat Indonesia (Persero) Tbk	317	-	(252)	-	-	65	-	PT Bank Rakyat Indonesia (Persero) Tbk
Lembaga Pembiayaan Ekspor Indonesia	67	-	(53)	-	-	14	-	Lembaga Pembiayaan Ekspor Indonesia
Bank of China Limited	15	-	(12)	-	-	3	-	Bank of China Limited
PT Bank Permata Tbk	50	-	(40)	-	-	10	-	PT Bank Permata Tbk
PT Bank Panin Tbk	120	-	(66)	-	-	25	-	PT Bank Panin Tbk
Industrial and Commercial Bank of China Co, Ltd	17	-	(13)	-	-	4	-	Industrial and Commercial Bank of China Co, Ltd
BUMN dan anak perusahaan	707	-	(560)	-	-	147	-	BUMN and subsidiaries ^(b)
Sukuk/utang obligasi	530	-	-	(421)	-	-	109	Bonds payable
Utang preferen	281	(92)	-	-	189	-	-	Preferred debt
Utang vendor (> IDR 255 juta)	103	-	-	(83)	-	-	20	Vendor payable (> IDR 255 millions)
MRO dan Manufaktur	88	-	-	(162)	-	-	14	MRO and manufacture ^(b)
Obligasi wajib konversi	67	-	-	-	67	-	-	Mandatory convertible bonds
Jumlah	6,884	(92)	(1,224)	(1,389)	256	361	985	Total

FIGURE 3. Notes to the Consolidated Financial Statements [43]

V. CONCLUSION

The bankruptcy of PT. Garuda Indonesia did not only occur in 2021, previously in 1968 and 1998 it had experienced similar conditions. This article specifically discusses the bankruptcy period of PT. Garuda Indonesia in 2021, one of which was marked by facing various demands from lessors and creditors.

Furthermore, this study concludes that PT. Garuda Indonesia's efforts to escape bankruptcy include the management of PT. Garuda Indonesia and the government BUMN, preparing solidly and carefully in the debt negotiation process with lessors and creditors. This solid preparation can be seen from PT. Garuda Indonesia's ability to decide on the main interests that must be fought for, it was saving PT. Garuda Indonesia. Supported by the accuracy of PT. Garuda Indonesia's steps in taking the option to negotiate through the PKPU route rather than the partial route outside the court, so that the option of the negotiation process through debt restructuring through PKPU is more effective and efficient. On the other hand, the legal regulations in Indonesia Article 222 paragraph (3) of Law Number 37 of 2004 concerning Bankruptcy and Suspension of Debt Payment Obligations are fair standard criteria in monitoring each negotiation process until the vote for each party can be fulfilled.

From the ICON Negotiation model approach which is the conceptual framework for writing this article, it shows that solid preparation from PT. Garuda Indonesia does not only lie in the clarity of interests, the accuracy of the solution options taken, and fair legal criteria. However, PT. Garuda Indonesia has also prepared a backup plan or no-agreement alternatives, namely by conducting a merger, liquidation, or state capital participation if homologation is not achieved.

In the end, the results obtained from the debt negotiation process of PT. Garuda Indonesia through the debt restructuring PKPU went smoothly and was able to meet the interests of all parties through the Peace Agreement Proposal agreed upon by the lessors and creditors which lasted for 150 days. The total votes that approved the peace plan represented 97.46% of the votes.

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