



#### YOUR GUIDE TO INDONESIA'S MOST IMPORTANT NEWS OF THE DAY

Friday, Apr. 24th, 2020

**GENERAL NEWS AND HEADLINES** 

# 'Mudik' ban enforced, police force 1,181 vehicles to return to Jakarta

Tempo (<a href="https://tinyurl.com/ycuekc4y">https://tinyurl.com/ycuekc4y</a>); Liputan6 (<a href="https://tinyurl.com/ybusetyc">https://tinyurl.com/ybusetyc</a>)

The police's "Operation Ketupat", which regulates traffic and maintains safety during Idul Fitri, begun early on Friday, with one of its main priorities to monitor citizens wanting to leave Jakarta to return to their hometowns for the Idul Fitri *mudik* (exodus).

Jakarta Police spokesperson Sr. Comr. Yusri Yunus said that from 12 a.m. until 5 a.m. alone, his team had succeeded in stopping 1,181 vehicles that were about to leave the Jakarta area at two blocking posts. He said all violators were given strict sanctions.

Yusri also added that although there were several public transportation vehicles capable of carrying passengers, most of the violators were private vehicles.

# Reagents shortage yet another test of accuracy for Indonesia's COVID-19 data

The Jakarta Post (<a href="https://tinyurl.com/y9luqv9v">https://tinyurl.com/y9luqv9v</a>)

A shortage of reagents is interfering with the government's efforts to ramp up much-needed mass testing for the coronavirus, posing another challenge for Indonesia regarding the true scale of its outbreak.

Over the past two days, a number of the country's laboratories have temporarily stopped running polymerase chain reaction (PCR) tests because the supply of reagents – the substance essential to testing swab samples – had yet to arrive from abroad.

To Subscribe: info@tenggara.id

The reagents are necessary to isolate the indicators for the coronavirus RNA from human DNA in swab samples to determine whether the test subject has the virus or not.

Disease control and prevention director general Achmad Yurianto of the Health Ministry acknowledged that the shortage of regents had forced a number of laboratories to halt testing, leaving only 37 out of <u>78 labs</u> able to submit test results on Tuesday. However, he gave assurances that a new supply of reagents – enough to support up to 15,000 tests – was en route to the archipelago.

### Soekarno-Hatta airport halts flights

Warta Ekonomi (https://tinyurl.com/y9jkrkff)

The Soekarno-Hatta International Airport has decided to halt future flights as another preventive measure amid the coronavirus pandemic.

This was stipulated in a regulation issued by the Transportation Ministry, No. 25/2020 on transportation control during the 2020 Idul Fitri in preventing COVID-19 transmissions.

Soekarno-Hatta Airport executive general manager Agus Haryadi said that the airport would only serve special flights and cargo transportation. The regulation also states that airports would still be permitted to serve cargo transport flights and cargo terminals.

Furthermore, passengers who had already purchased flight tickets were asked to contact the relevant airlines for refunding or rescheduling purposes.

### **BUSINESS AND ECONOMICS NEWS AND HEADLINES**

### US donates US\$3 million for COVID-19 relief to Indonesia

The Jakarta Post, (<a href="https://tinyurl.com/y8e3meez">https://tinyurl.com/y8e3meez</a>)

Foreign Minister Retno LP Marsudi has announced that Indonesia received US\$3 million in aid from the United States to help battle the COVID-19 outbreak. The donation was given through the World Health Organization, the United States

Agency for International Development (USAID), USAID's Infectious Disease Detection and Surveillance project, Johns Hopkins University and the Centers for Disease Control and Prevention (CDC). Retno added that other forms of assistance given by the US were laboratories, risk communication surveillance and medical supplies such as protective gear and reagents. Retno said the US has donated a total of \$35.3 million to help ASEAN countries to handle the pandemic.

## Loose social distancing rules point to slow Indonesian recovery

The Jakarta Post, (<a href="https://tinyurl.com/ybzmjs8">https://tinyurl.com/ybzmjs8</a>j)

Given that Indonesia has a more lenient social distancing policy compared to its Southeast Asian neighbors, analysts project it will experience a slower economic recovery. University of Indonesia epidemiologist Pandu Riono stated that the consequence of no early testing was that there may be as many as 60,000 people who need treatment by the end of May. The government may need to expand the fiscal stimulus to Rp 160 quadrillion (US\$104 billion), about 10 percent of gross domestic product, to cushion the economic shock, according to nation's top business lobby group. Research firm Fitch Solutions said in a report that the government and central bank's efforts were not enough to offset the pandemic's effects on public health and employment. The country's officials estimate the COVID-19 disease will infect about 95,000 people before slowing down. President Joko Widodo may need to add to the \$28 billion stimulus to fight the economic shock from the pandemic.

# **Energy and Mineral Resources Ministry sets benchmark price for nickel**

Kontan, (<a href="https://tinyurl.com/ycq6l8so">https://tinyurl.com/y7aa948d</a>, (<a href="https://tinyurl.com/y7r3lrrd">https://tinyurl.com/y7r3lrrd</a>)

The Energy and Mineral Resources Ministry has issued Ministerial Regulation No. 11/2020 on metal mineral benchmark prices (HPM) for nickel ore to ensure fair business practices in the domestic market. The regulation is a breath of fresh air to nickel producers who have been affected by the the nickel ore export ban that was put in place in January. With the ministerial regulation, local smelters must adhere to a floor price, which is to be set and regularly adjusted by the government based on prices on the international market and the operating costs of local miners.

## Govt to issue regulation on loan guarantee

Bisnis Indonesia, (https://tinyurl.com/ych6se97)

The Finance Ministry, Bank Indonesia (BI) and the Financial Services Authority (OJK) are in talks to formulate a loan guarantee extension, which is required to help mitigate the impact of COVID-19 on the economy. Previously, Deposit Insurance Corporation (LPS) chairman Halim Alamsyah said his side was ready to guarantee 100 percent loans in the case of a crisis. However, such a move could generate moral hazard, he warned. Finance Minister Sri Mulyani Indrawati said the economic situation would be difficult to maneuver from April to June. In order to keep the economy running, the government would be ready to issue the regulation in one to two weeks, she added.

#### **Disclaimer:**

Tenggara Strategics always aims to use reliable sources in providing our best analysis to our clients, and is not responsible for any errors, inaccuracies and/or viewpoints in the original source material upon which we have based our analysis. The analysis contained in this document is intended exclusively for our clients who have subscribed to this service, and is not for public consumption or dissemination.

Nothing contained herein shall to any extent substitute for the independent investigations and the sound technical and business judgment of the reader. In no event will Tenggara Strategics, including its employees, be liable for any decisions made or actions taken in reference to the information contained in these documents, or for any incidental, consequential, indirect, special or exemplary damages, including damages from loss of profits or opportunities, even if advised of the possibility of such damages.