

**Tuesday, Aug. 11<sup>th</sup>, 2020**

## GENERAL NEWS AND HEADLINES

### **PDI-P officially nominates Jokowi's son-in-law to run in Medan mayoral race**

*Tempo* (<https://tinyurl.com/y38ttjyn>); *Kompas* (<https://tinyurl.com/y3pqcdna>); *The Jakarta Post* (<https://tinyurl.com/y3sedl5s>)

The Indonesian Democratic Party of Struggle (PDI-P) has officially nominated Bobby Nasution, President Joko "Jokowi" Widodo's son-in-law, and Gerindra Party politician Aulia Rahman to run as the mayoral candidate pair in the upcoming election in Medan, North Sumatra.

The PDI-P's decision was announced during an online event attended by matriarch Megawati Soekarnoputri and her daughter, party executive Puan Maharani.

Bobby said he and Aulia would carry out the mandate with full responsibility. "I bring the spirit of collaboration to build Medan, which was born from Bung Karno's *gotong royong* [mutual cooperation] spirit," Bobby said, referring to Indonesia's founding father and first president – and Megawati's father.

Besides the PDI-P and Gerindra, the mayoral pair also secured support from the Golkar party, the NasDem Party, the Hanura Party, the United Development Party (PPP) and the Indonesian Solidarity Party (PSI).

### **Phase 3 COVID-19 vaccine clinical trial launched**

*Tempo* (<https://tinyurl.com/y2p8qxlu>); *Kompas* (<https://tinyurl.com/yxaztuur>)

President Joko "Jokowi" Widodo attended earlier today the ceremony for the launch of Phase 3 clinical trials of a potential COVID-19 vaccine in Bandung, West Java. The clinical trial for the vaccine, which was developed by China's Sinovac Biotech and state pharmaceutical holding company Bio Farma, will involve as many as 1,620 individuals in Indonesia.

President Jokowi said he hoped the trial would be completed within the next six months and that the vaccine would be ready for widespread use as soon as January next year.

The President went on to add that Indonesia had also been developing its own vaccine, dubbed the *Merah Putih* (Red and White) vaccine, over the past three months. However, the home-developed vaccine is expected to only be ready by the middle of next year.

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## **Govt asked to reassess decision to reopen more schools**

*The Jakarta Post* (<https://tinyurl.com/y6xy62gh>)

People's Consultative Assembly (MPR) speaker Bambang Soesatyo has urged the Education and Culture Ministry to reassess its decision to allow the reopening of schools in regions still deemed vulnerable to COVID-19 transmission.

He called on the government to prioritize the health and safety of students and teachers, saying that the ministry should have consulted with the national COVID-19 recovery committee and epidemiologists before allowing in-person learning to resume in "yellow zones".

"I urge the government, in this case the Education and Culture Ministry, to thoroughly reassess its policy, and to take into account the feedback from the national COVID-19 recovery committee so as to prevent new COVID-19 [infection] clusters," Bambang said in a written statement on Monday, as quoted by *kompas.com*.

He went on to say that yellow zones, or moderate-risk areas, could potentially turn into areas with higher transmission risks, namely orange or red zones, without strict adherence to existing health protocols.

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

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## **Airlangga: Negative quarterly GDP growth until year end**

*CNBC Indonesia*, (<https://tinyurl.com/y5gzdvhc>); *CNN Indonesia*, (<https://tinyurl.com/yxo2hgps>); *Detik*, (<https://tinyurl.com/y2lgd8yj>)

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Coordinating Economic Minister Airlangga Hartarto predicts the Indonesian economy, which shrank 5.32 percent year-on-year (yoy) in the second quarter, will continue to contract until year end. In the third quarter, the economy is projected to shrink within the range of 1 to 2 percent. Then, negative quarterly gross domestic product (GDP) growth would continue to the fourth quarter at 1.38 percent. In response to the new economic projection, Airlangga plans to accelerate the disbursement of the COVID-19 mitigation budget, as well as the national economic recovery (PEN) program. As of August 6, the government had disbursed Rp 151.25 trillion (US\$10.35 billion), or 21.75 percent of the total Rp 695.2 trillion.

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### **BI: Retails sales drop 17.1 percent in June**

CNBC Indonesia, (<https://tinyurl.com/y4727bvz>); CNN Indonesia, (<https://tinyurl.com/yyways44>); Liputan 6, (<https://tinyurl.com/y4akryvj>)

Bank Indonesia (BI) has reported a contraction in June's retail sales as indicated by a 17.1 percent year-on-year (yoy) drop in the Real Sales Index. BI spokesperson Onny Widjanarko said the index in June was still better than in May, when it contracted 20.6 percent. BI predicts the index to continue shrinking by July but at a slower rate of 12.3 percent yoy.

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### **Fitch affirms Indonesia's BBB rating despite vulnerabilities**

Bisnis Indonesia, (<https://tinyurl.com/yxe8mah9>); The Jakarta Post, (<https://tinyurl.com/y6lhljm6>)

Credit rating agency Fitch Ratings affirmed Indonesia's long-term foreign currency issuer default rating at "BBB with a stable outlook", the lower medium investment grade. Fitch cited a favourable medium-term growth outlook and low government debt-to-gross domestic product (GDP) ratio against high dependence on external financing among the reasons for retaining the rating, but noted issues around low state revenue and lagging structural indicators. Fitch also warned that Indonesia's dependence on foreign portfolio financing and commodity exports left it vulnerable to renewed bouts of external risk aversion and other shocks. Responding to Fitch's report, Finance Minister Sri Mulyani Indrawati said the rating reflected confidence in the government's policies to mitigate COVID-19 impacts. She also promised to remain accountable while being open-minded with a new economic stimulus plan to boost the economy.

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## Ridwan appointed as new mining director general

*The Jakarta Post*, (<https://tinyurl.com/y2zddyan>)

The Energy and Mineral Resources Ministry appointed Ridwan Djamaluddin as the new mining director general alongside two other echelon one officials. Ridwan was formerly the deputy head of transportation and infrastructure at the Office of the Coordinating Maritime Affairs and Investment Minister, which oversees the energy ministry. Energy and Mineral Resources Minister Arifin Tasrif tasked Ridwan with implementing the recently released Law No. 3/2020 on coal and mineral mining, the new Mining Law, which seeks to upheave Indonesia's mining industry. The tasks include developing the downstream mining sector, raising state income, training mining inspectors and cutting bureaucratic red tape. The other two officials are Eko Budi Lelono and Prahoro Yulijanto Nurtjahyo appointed as the new geology body head and human resources head, respectively.

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