

Friday, Aug. 14th, 2020

GENERAL NEWS AND HEADLINES

We must take a big leap: Jokowi seeks major transformation out of crisis

The Jakarta Post, (<https://tinyurl.com/yxtwlag4>)

President Joko "Jokowi" Widodo called on people to support development amid the health and economic crisis in his state of the nation address on Friday during the People's Consultative Assembly (MPR) annual session at the House of Representatives compound in Jakarta.

Jokowi said the crisis could help push major transformation through the implementation of grand strategies and the resolution of fundamental problems. "Our current goal is not only to escape the pandemic but also to get through the crisis. We are taking measures to take a big leap by making the most out of the ongoing crisis," Jokowi said.

The President emphasized the need for swift action in providing social assistance for people and laid-off workers, while acknowledging the importance of loan restructuring and emergency capital assistance for small and medium enterprises. Jokowi also asserted the importance of speed and accuracy in the health sector, especially in providing emergency facilities and medical equipment, enforcing health protocols and accelerating citizen repatriation processes.

West Java to extend social restrictions in 'Bodebek'

CNN Indonesia, (<https://tinyurl.com/y6czs4gs>)

West Java Governor Ridwan Kamil affirmed that he would extend the large-scale social restrictions (PSBB) in certain regions across West Java, namely in Depok, Bogor and Bekasi municipalities as well as Bogor and Bekasi regencies (Bodebek), until Aug. 27.

Ridwan said his administration's decision to extend the PSBB policy in Bodebek was prompted by the Jakarta administration's earlier decision to extend PSBB enforcement in the capital city. Such a decision was deemed necessary by Ridwan considering Bodebek's status as Jakarta's buffer area.

To date, Ridwan has extended the PSBB policy in Bodebek three times. He first extended the policy back on July 2 for two weeks. He then decided to extend it again on July 18 until Aug. 1.

Bobby's candidacy will not increase Medan's voter turnout: Perludem

Tempo, (<https://tinyurl.com/y5wtc6za>)

Election watchdog the Association for Elections and Democracy (Perludem) researcher Fadli Ramadhanil doubts the candidacy of Bobby Nasution, President Joko "Jokowi" Widodo's son-in-law, in the upcoming 2020 Medan mayoral election will increase the region's voter turnout. The level of public participation in Medan's previous elections has been consistently low, with 74.44 percent of Medan's voters opting not to cast their votes in the last Medan regional election.

Furthermore, Fadli said a number of surveys had found that more than 60 percent of voters would not consider participating in regional elections as important amid the pandemic. According to Fadli, several factors could boost public participation in regional elections, one of which is by spreading the belief that the elections could lead to improvements on the voters' lives.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Indonesia's external debt up 5 percent in Q2

Bisnis Indonesia, (<https://tinyurl.com/y5pa8lfs>); *CNN Indonesia*, (<https://tinyurl.com/y3r2s7r7>); *Kompas*, (<https://tinyurl.com/y5vsum4o>)

Bank Indonesia recorded a 5 percent year-on-year (yoy) increase in Indonesia's external debt at the end of the second quarter of 2020 at US\$408.6 billion, up from \$391.8 billion a year earlier. Public sector external debt grew by 2.1 percent yoy to \$196.5 billion, a reversal from a 3.6 percent yoy decrease in the previous

quarter. Meanwhile, private external debt, including state-owned enterprises, jumped 8.2 percent yoy to \$209.3 billion.

Pertamina out of Fortune Global 500 list

Kontan, (<https://tinyurl.com/y2fvxyvw>); *CNN Indonesia*, (<https://tinyurl.com/yyhdabza>)

State-owned oil and gas holding company Pertamina is out of the Fortune Global 500 list. As the only company representing Indonesia in the list, Pertamina rose in rank to 175th last year, from 238th in 2018. Pertamina spokesperson Fajriyah Usman said the company would improve its performance in the future so that it could return to the list. At its current state, Pertamina's revenue amounts to US\$ 54.58 billion, slightly higher than Japan-based Nippon Steel Corporation, which booked revenue of \$54.45 billion, Fajriyah added. In 2019, Pertamina reported revenue of \$57.93 billion.

OJK sanctions Kresna Life with limitation of business activity order

CNBC Indonesia, (<https://tinyurl.com/yy4joh5a>); *Kontan*, (<https://tinyurl.com/y2qhpbwv>); *CNN Indonesia*, (<https://tinyurl.com/y6c976go>)

The Financial Services Authority (OJK) has sanctioned private life insurer PT Asuransi Jiwa Kresna (Kresna Life) with an order to limit its business activity following the company's failure to follow the OJK's recommendation issued earlier this year. In February, the OJK investigated Kresna Life's business activities of 2019 and found various violations, particularly regarding the marketing of its insurance product K-LITA. Following the investigation, the OJK ordered Kresna to stop the marketing of its K-LITA product in February, pay the policyholders' claims in full and put forward a plan to improve its financial health. The sanction was announced on Aug. 3 through a circular letter.

Indomobil secures \$255 M in syndicated loans from foreign, domestic banks

Investor Daily, (<https://tinyurl.com/yyqjvhwz>)

Automotive distributor PT Indomobil Sukses International, through its subsidiary PT Indomobil Finance Indonesia, has obtained a syndicated loan from 10 foreign and domestic banks amounting US\$255 million, higher than its target of \$240 million. The creditors include Bank of China's Hong Kong and Jakarta branches, Singapore-based Oversea-Chinese Banking Corp., Korea Development Bank's

Singapore branch, Malaysia-based RHB Bank Berhad, Sumitomo Mitsui Trust Bank's Singapore branch, Taiwan-based First Commercial Bank and Chang Hwa Commercial Bank, Bank Mizuho Indonesia, Maybank Indonesia and Bank Tabungan Pensiunan Negara (BTPN). Prior to obtaining the loan, Indomobil Sukses and its subsidiary PT Indomobil Multi Jasa held rights issues in July, obtaining Rp 675.96 billion (\$45.6 million) and Rp 663.5 billion, respectively. On Aug. 5, Indomobil Sukses acquired a 25 percent stake of PT Nissan Motor Distributor Indonesia.

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