

**Wednesday, Aug. 5<sup>th</sup>, 2020**

## GENERAL NEWS AND HEADLINES

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### Task force determined to lower COVID-19 death rate to under 1%

CNN Indonesia (<https://tinyurl.com/yyn88vho>)

The COVID-19 task force is determined to reduce the disease's death rate in Indonesia to under 1 percent. As of Monday, the COVID-19 death rate in the country reached 4.68 percent of the total number of positive cases.

COVID-19 task force expert Dewi Nur Aisyah said the death rate in Indonesia alone was higher than the global average of 3.79 percent.

"Indonesia ranks 103 out of 215 countries in the world. We still have work to do, we cannot take the death rate lightly," Dewi said.

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### Civil servants' neutrality still low: Ministry

Antara News (<https://tinyurl.com/y649uqmf>); Republika (<https://tinyurl.com/yy2vxhja>)

Administrative and Bureaucratic Reform Ministry human resources undersecretary Teguh Widjinarko stated that the neutrality of civil servants was still low, directly affecting the government's effectiveness, Teguh said in a webinar held by the Civil Service Commission (KASN) on Wednesday.

The Worldwide Governance Indicators Reports (update) showed that the average value of the Indonesian government's effectiveness index in 2014 was considered low, with an index value of -0.01, placing Indonesia in the 54.81 percentile rank.

"From a global standpoint, we have a score of around 54.8, which roughly places us below other ASEAN countries. One aspect [affecting this index] is that neutrality is still very low," Teguh said.

Teguh emphasized that maintaining the neutrality of civil servants was essential to ensure a more effective bureaucracy.

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## **MUI's COVID-19 fatwa to guide govt's policy-making: VP**

*Kompas* (<https://tinyurl.com/y6yb6ncl>)

Vice President Ma'ruf Amin said the fatwa issued by the Indonesian Ulema Council (MUI), addressing several matters related to the COVID-19 pandemic, must be adhered to by the government.

"The government's main consideration in issuing policies for COVID-19 handling must be to protect people, in all health, social and economic aspects," Ma'ruf said in a webinar titled "The role of the MUI's fatwa during the COVID-19 pandemic and its impact on the law" held by Al-Azhar University on Wednesday.

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

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### **GDP shrinks more than expected in Q2**

*Bisnis Indonesia*, (<https://tinyurl.com/yyx4du8o>); *CNBC Indonesia*, (<https://tinyurl.com/yxkspx25>); *Kontan*, (<https://tinyurl.com/y3pfka6y>); *The Jakarta Post*, (<https://tinyurl.com/y5yank9c>)

Indonesia's economy suffered its sharpest downturn since the 1998 Asian financial crisis in the second quarter, as the COVID-19 pandemic shut down large parts of the country, ravaging businesses and leaving millions out of work. The gross domestic product (GDP) contracted by 5.32 percent year-on-year, the greatest decline since the first quarter of 1999, Statistics Indonesia (BPS) announced. The figure is deeper than the government's estimate of a 4.3 percent contraction and a consensus of a 4.6 percent contraction projected by economists for a Reuters survey.

Household spending, which makes up more than 50 percent of the GDP, fell 5.51 percent, led by a near-total collapse in spending on restaurant meals, recreational services and transportation, among others. Investment, meanwhile, fell 8.61 percent, as businesses pulled back sharply on their investment in vehicles and other products. Government expenditure fell 6.9 percent as the government cut

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spending on business trips and cancelled events. Exports and imports also plunged 11.66 percent and 16.96 percent, respectively, reflecting the slowdown in global economic activity.

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### **Sri Mulyani: 41.8 percent of social assistance budget distributed**

CNN Indonesia, (<https://tinyurl.com/yy2gpy4v>)

Finance Minister Sri Mulyani Indrawati said the government had distributed 41.85 percent of the total Rp 203.9 trillion (US\$14 billion) social assistance budget, or Rp 85.34 trillion, as of Aug. 4. Sri Mulyani also said the funds had been distributed among 40 million poor people under the Family Hope Program, 80 million people under the Staple Food Card scheme, 40 million people through cash transfers, as well as 24 million people under the BLT Dana Desa (village funds unconditional cash transfers). Twenty-seven million low-income households in the 450 volt-ampere (VA) category also received free electricity, while 7 million low-income households in the 900 VA category obtained an electricity rate discount.

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### **Kookmin Bank becomes Bank Bukopin's controlling shareholder**

Kompas, (<https://tinyurl.com/yxstgjaa>); Antara News, (<https://tinyurl.com/y2939bc2>); Liputan 6, (<https://tinyurl.com/y4qoyndd>)

The Financial Services Authority (OJK) has approved South Korea-based Kookmin Bank as the controlling shareholder of publicly listed Bank Bukopin. The OJK's approval letter was issued on July 30 after Bank Bukopin finished the rights issue. OJK spokesperson Anto Prabowo said Kookmin's stake in the bank increased from 22 percent to 33.9 percent. Another major shareholder, diversified conglomerate PT Bosowa Corporindo, also participated in the rights issue to maintain its stake at 23.4 percent. Besides the rights issue, the OJK also supports Bank Bukopin's extraordinary general shareholders meeting (RUPSLB) to be held on Aug. 25.

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### **Ayoconnect receives US\$5 M from pre-series B funding**

Investor Daily, (<https://tinyurl.com/y6xdj9u3>); Kontan, (<https://tinyurl.com/yxb5t7hb>)

Financial technology (fintech) company Ayoconnect has received US\$5 million from various strategic investors to develop its bill payment network. Ayoconnect is a business-to-business (B2B) fintech that provides a bill payment service dubbed "open bill network", connecting various institutions like utilities companies, telecommunication firms and educational institutions with online and offline payment gateways, such as convenience store chain Indomaret, state-

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owned postal company PT Pos Indonesia as well as various financial institutions. Investors participating in the pre-series B funding include PT BRI Ventura Investama, a subsidiary of state-owned lender Bank Rakyat Indonesia (BRI), Kakaku.com Inc. and Brama One Ventures. Ayoconnect's earlier investors, Finch Capital and Amand Ventures, also participated in the pre-series B funding round. In total, Ayoconnect has obtained \$10 million from investors. As of July 2020, the fintech company has processed more than 40 million payments for 600 companies through 40 payment gateways.

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