



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

Wednesday, Jul. 1st, 2020

GENERAL NEWS AND HEADLINES

Additional regional elections budget of Rp 941b has been disbursed: KPU

Kompas (https://tinyurl.com/yaa7kth3)

The additional budget for the 2020 regional elections has been disbursed by the Finance Ministry to the General Elections Commission (KPU). KPU commissioner I Dewa Kade Wiarsa Raka Sandi confirmed that the government had disbursed the first phase of the additional budget, amounting to Rp 941 billion.

Raka explained that the additional budget was sourced from the annual state budget (APBN) and transferred directly to the provincial, regency and district KPU offices that will be holding the elections in their respective regions.

The additional budget will be used to finance the procurement of equipment for the implementation of COVID-19 health protocols during stages of the elections, such as the preliminary individual candidate verification stage and voting day itself on Dec. 9, as well as during vote counting.

Human rights groups urge privacy protection in COVID-19 contact tracing efforts

The Jakarta Post (https://tinyurl.com/yctun98h)

The ASEAN Intergovernmental Commission on Human Rights (AICHR) and various human rights organizations have sent an open letter to the Indonesian government, demanding transparency in its contact tracing during the COVID-19 pandemic.

In an open letter to the Communications and Information Ministry, the representative of Indonesia to the AICHR and 13 organizations urged the government to issue a specific regulation on its contact tracing efforts, including on the data collected and how the data should be treated to protect privacy.

"In April 2020, as COVID-19 spread, Indonesia rolled out the PeduliLindungi app. While other countries have released the source code of their exposure notification apps, the only available information about PeduliLindungi is from the government. The source code of the app has never been released and the privacy policy of the app has never been clearly stated at the iOS and Android app stores," the letter's signees said in a statement on Tuesday.

House urges Education Ministry to amend school enrollment zoning system

CNN Indonesia (https://tinyurl.com/yaqvo8tw)

House of Representatives Commission X member Bramantyo Suwondo has asked the Education and Culture Ministry to fix the zoning system for this year's public school enrollment (PPDB), following parents' protests when the Jakarta Education Agency included age as an important criterion for enrollment. Bramantyo said the zoning systems implemented by the Education and Culture Ministry had been problematic since 2018.

"The government, especially the Education and Culture Ministry, needs to fix regulations and mechanisms concerning PPDB policies immediately so that no more students will lose opportunities to study," Bramantyo said in a written statement on Wednesday.

Bramantyo questioned the Jakarta administration's decision to prioritize the age of students as opposed to the proximity of a student's residence to the school, since Article 11 of Ministerial Regulation No. 44/2019 stipulates that zoning should be prioritized over age.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

June inflation at 0.18 percent, BPS says

CNBC Indonesia, (https://tinyurl.com/yaxd8vbn); Kontan, (https://tinyurl.com/y8ngfd7e); Investor Daily, (https://tinyurl.com/y8zf7tro)

Statistics Indonesia (BPS) head Suhariyanto has announced June inflation at 0.18 percent – higher than last month at 0.07 percent – a 1.96 percent year-on-year (yoy) increase. Accumulatively, inflation from January to May was 1.09 percent. The reported inflation is higher than consensus forecast at 0.025 percent. The higher inflation rate in June shows improvement in economic and social activities following the relaxation of large-scale social restrictions (PSBB).

Copper smelter construction should be stopped: House member Investor Daily, (https://tinyurl.com/yakz36kj)

House of Representatives Commission VII member Maman Abdurrahman said state-owned mining holding company PT Indonesia Asahan Aluminium (Inalum) should stop its plan to develop a copper smelter with copper and gold mining company PT Freeport Indonesia. Maman argued that the investment in the copper smelter was inefficient because it only increased copper concentrate by 5 percent to 100 percent. He also demanded Inalum to hold a focus group discussion to provide a detailed explanation of the costs and benefits of the investment.

House proposes higher central government expenditure in 2021 budget

Detik, (https://tinyurl.com/yavpp7s2)

The House of Representatives Budget Committee proposed higher central government expenditure in the 2021 state budget to Rp 1.09 quadrillion (US\$76.5 billion). Previously, the government proposed Rp 894.94 trillion. Budget Committee chairman Said Abdullah said the suggestion was made after meetings with all House commissions, from Commission I overseeing foreign affairs to Commission XI overseeing financial affairs. The increase in spending would increase the 2021 state budget deficit to 4.7 percent of gross domestic product (GDP), from what was previously proposed by the government at 3.21 percent to 4.17 percent of GDP.

Foreign arrivals in May drop to 163,600 visitors

Bisnis Indonesia, (<u>https://tinyurl.com/y7ewa5p3</u>); Republika, (<u>https://tinyurl.com/ybl4kdvs</u>)

Statistics Indonesia (BPS) announced the number of foreign arrivals in May dropped by 86.9 percent year-on-year (yoy) to 163,600 visitors. The arrivals were

dominated by Malaysians. Moreover, 70 percent of the visitors came in using land transportation while 29.6 percent came in by sea. Accumulatively, the numbers of foreign arrivals from January to May fell 53.4 percent yoy to 2.9 million visitors.

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.