



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

# Wednesday, Jul. 29th, 2020

#### **GENERAL NEWS AND HEADLINES**

# COVID-19 cases in offices have increased ninefold since transitional PSBB

Kompas (<a href="https://tinyurl.com/yysqybxd">https://tinyurl.com/yysqybxd</a>)

COVID-19 handling task force expert Dewi Nur Aisyah has said that there has been a dramatic increase in COVID-19 transmissions in offices in Jakarta. Based on data compiled by the task force, up until Tuesday, COVID-19 transmissions in offices have increased ninefold.

"In Jakarta, up to July 28, there have been 90 clusters with a total of 459 cases," Dewi said on Wednesday.

This figure was recorded right after Jakarta imposed the transitional large-scale social restrictions (PSBB). Before the transitional PSBB period, Jakarta only recorded 43 cases of COVID-19 transmissions in offices.

According to Dewi, these conditions imply that people must be more disciplined in complying with health protocols wherever they are.

# No 'mudik' ban for Idul Adha, Transportation Minister says

The Jakarta Post (<a href="https://tinyurl.com/yxa8hsls">https://tinyurl.com/yxa8hsls</a>)

There will be no ban on *mudik* (exodus) during Idul Adha (Day of Sacrifice) this year despite the ongoing COVID-19 pandemic, Transportation Ministry Budi Karya Sumadi said on Tuesday.

Budi said he had asked all transportation operators to enforce safety and health protocols established by the national COVID-19 task force circular on travel requirements.

To Subscribe: info@tenggara.id

"We're striving to build up public trust, [for passengers] to feel confident using public transportation such as buses, trains, planes and ships," he said in a press release published on Tuesday.

The recent COVID-19 task force circular on travel stipulated that domestic travelers using public transportation are required to show negative polymerase chain reaction (PCR) or rapid test results in a test taken no more than 14 days before the day of travel.

Alternatively, travelers could show a symptom-free testimonial from a doctor if COVID-19 testing is not available in their area.

## Jokowi asks civil servants to serve the people well

Antara News (<a href="https://tinyurl.com/y2x3bdwj">https://tinyurl.com/y2x3bdwj</a>); Republika (<a href="https://tinyurl.com/y3kc24x7">https://tinyurl.com/y3kc24x7</a>)

During the inauguration ceremony of 881 civil servants graduating from the Institute of Public Administration (IPDN) on Wednesday, President Joko "Jokowi" Widodo asked the graduates to be ready to serve the people well and to provide a sense of justice.

"From now, it is time for you all to show what you've achieved as civil servants serving the people, show your loyalty to the people, nation and country, show your intelligence and agility in the face of changing times, show the ability to uphold a sense of justice and prosperity," Jokowi said.

Jokowi also advised the young civil servants to take part in implementing changes to simplify bureaucracy in the state.

A majority of the civil servants were inaugurated virtually, with six individuals inaugurated directly by the President at the Bogor Palace.

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

# PLN's profit plunges 96.28 percent in first half of 2020

Bisnis Indonesia (<a href="https://tinyurl.com/y2ga27rg">https://tinyurl.com/y22tw4wb</a>)

CNBC Indonesia (<a href="https://tinyurl.com/y22tw4wb">https://tinyurl.com/y22tw4wb</a>)

State-owned electricity company PLN has recorded a significant drop of 96.28 percent in its profit, falling to Rp 273.06 billion (US\$18.83 million) in the first half of 2020 from Rp 7.35 trillion in the same period last year. However, its revenue increased 1.63 percent year-on-year to Rp 132.77 trillion from Rp 137.52 trillion. The drop in profit was due to subsidies to compensate for the national electricity supply cost (BPP), which is lower than the electricity price charged to customers from low-income households, not being recorded. According to PLN's financial statement, the accrued compensation for the six-month period that ended June 30, 2020, was Rp 7.96 trillion. Furthermore, the company also booked a currency loss of Rp 7.79 trillion, while it booked a currency profit of Rp 5.03 trillion in the same period last year. In addition, the company recorded Rp 13.7 trillion in financial liabilities in the first half of this year.

### Workers protest omnibus bill, mass layoffs

CNN Indonesia, (https://tinyurl.com/yy5ergb6) Tempo, (https://tinyurl.com/y338habs)

Members of the Indonesian Worker Union Confederation (KSPI) have protested the continued liberation of the omnibus bill on job creation amid mass layoffs in front of the House of Representatives (DPR) building in Senayan, Central Jakarta. KSPI president Said Iqbal said the workers demanded that deliberations of the omnibus bill be halted and for the government to focus on solving the issue of mass layoffs instead. The deliberation of the bill has continued even though the House has been in recess since July 17 until August 13, which is one of the reasons workers are holding protests against the bill amid the COVID-19 pandemic, according to Said. Meanwhile, the pandemic has triggered layoffs at a staggering rate. Said also objected to the Labor Ministry's statement that the majority of labor unions sided with the government on the bill, as the actions taken by almost every labor union at the national and local levels showed they were against the bill.

# **Industry Ministry receives EV battery investment commitment**

CNN Indonesia (<a href="https://tinyurl.com/y6yaaagr">https://tinyurl.com/y5r3fcsm</a>)

The Industry Ministry's director of maritime industry, transportation equipment and defense equipment Putu Juli Ardika has said a number of companies have committed to investing in electric vehicle (EV) battery production. Mining companies PT QMB New Energy Minerals Lygend in Morowali, Central Sulawesi, and PT Halmahera Persada in Halmahera, North Maluku, have committed to invest US\$700 million and Rp 14.8 trillion (\$1.02 billion), respectively. Furthermore, lithium battery cell producer PT International Chemical Industry has

committed to invest Rp 207.5 billion to produce 25 million lithium ion battery cells, which is equal to 256 Megawatts hour (MWh) per year. "PT International Chemical Industry will commence the commercial pre-production stage at the end of 2020 and start commercial production in 2021," Putu said. To support the investment, the government has established a team that consists of mining and energy state-owned enterprises (SOE) such as Mind.id, PT Antam Tbk, PT PLN, and PT Pertamina to increase the role of domestic companies in developing EV batteries. "Mind.Id and Antam will focus on raw materials and refining, while PLN and Pertamina will focus on the downstream sector," he explained.

#### **ASEAN hotel associations endorse travel bubble**

The Jakarta Post, (https://tinyurl.com/y2ayhd5x)

Hotel associations in Indonesia, Thailand and the Philippines are advocating a start to intra-ASEAN travel to boost regional tourism, which has been hit hard by the COVID-19 pandemic. Thailand Hotel Association president Supawan Tanomkieatipum said that they would like the Thai government to join the intra-ASEAN travel bubble as soon as local travel recovers. The Thai government currently subsidizes 40 percent of local tourists' expenses. The Foreign Ministry's ASEAN economic cooperation director, Berlianto Situngkir, said that the regional organization's member countries were considering creating a travel corridor to facilitate business travel, adding that the foreign minister would discuss the ASEAN travel bubble for international travelers sometime around September.

#### **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.