

Wednesday, Jul. 8th, 2020

GENERAL NEWS AND HEADLINES

Following reshuffle threat, Jokowi urges Cabinet to work optimally

Tempo (<https://tinyurl.com/y9925ntj>); *Kompas* (<https://tinyurl.com/y8v6tlyx>)

In a meeting between President Joko “Jokowi” Widodo and the leaders of the People’s Consultative Assembly (MPR) that took place at the Bogor Palace, West Java, on Wednesday, MPR Chairman Bambang “Bamsoet” Soesatyo said that several issues had been discussed, including the potential Cabinet reshuffle.

Bamsoet explained that the issue was brought up by MPR Deputy Chairman Syarif Hasan. “Earlier, Syarif addressed the reshuffle. The President said that it was still within his authority and he did not know yet if a reshuffle was necessary or not,” Bamsoet said.

Syarief further said the President had instructed his Cabinet to work optimally.

MPR urges govt supervision to prevent commercialization of rapid tests

CNN Indonesia (<https://tinyurl.com/ycm64h9q>)

People’s Consultative Assembly (MPR) Chairman Bambang “Bamsoet” Soesatyo has asked the government to step in and make sure that hospitals and clinics do not commercialize COVID-19 rapid tests. Bamsoet warned that the commercialization of the tests was very likely if the government did not intervene. “Given the opportunity, it is likely that COVID-19 rapid tests conducted by private hospitals may be commercialized as a result of the government’s lack of regulation and monitoring,” Bamsoet said in a press statement on Wednesday.

Nonetheless, Bamsoet gave an assurance that people did not need to worry and reminded those who are in immediate need of COVID-19 treatment to go to any of the referral hospitals. “Please go directly to any of the government’s COVID-19

referral hospitals to receive treatment. All costs are borne by the government," he said.

The commercialization of rapid tests has been the subject of public discourse following Health Minister Terawan Agus Putranto's announcement that all sea and air crew and passengers are required to take rapid tests before traveling.

Djoko Tjandra's e-KTP still valid: Home Ministry's Dukcapil

Kompas (<https://tinyurl.com/y7xdafc7>); *BeritaSatu* (<https://tinyurl.com/ya5a6dso>)

Home Ministry Population and Civil Registration (Dukcapil) Director General Zudan Arif Fakrulloh has said that high-profile corruption convict and fugitive Djoko Tjandra's e-identification card (e-KTP), which was issued on June 8, is still valid. According to Zudan, status as a convict did not cancel out an e-KTP's validity, adding that many convicts still held valid e-KTPs.

Moreover, Zudan explained that the Law and Human Rights Ministry had not yet provided notice of the revocation of Djoko's citizenship as the Home Ministry should be the first to receive information regarding citizenship and naturalization processes.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Retail sales contract 20.6 percent in May: BI

CNBC Indonesia, (<https://tinyurl.com/ybl3txn9>); *Kontan*, (<https://tinyurl.com/ycbs8t44>); *CNN Indonesia*, (<https://tinyurl.com/yd9uycn8>)

Bank Indonesia (BI) recorded a 20.6 percent year-on-year (yoy) decrease in the retail sales index for May. The contraction in May is greater than in April at 16.9 percent yoy. The largest contraction occurred in the clothing category at 74 percent yoy, followed by recreational goods at 53.7 percent yoy. BI predicts the retail sales index to fall 14.4 percent yoy in June.

Padang-Sicincin toll road to start operations by December 2021

CNN Indonesia, (<https://tinyurl.com/y7737erv>); *Tempo*, (<https://tinyurl.com/yd98wj4b>); *Antara News*, (<https://tinyurl.com/y9mtldjf>)

Public Works and Housing Minister Basuki Hadimuljono has set a target for the 30.4-kilometer Padang-Sicincin toll road, part of the 254-km Sirip Pekanbaru-Padang toll road project, to begin operations by December 2021. Construction began in February 2018 under state-owned construction company PT Hutama Karya. As of today, construction of the toll road is 20.5 percent complete.

Indonesian consumers remain anxious despite 'new normal'

The Jakarta Post, (<https://tinyurl.com/y94bztur>)

Indonesian consumers remain anxious about embarking on the so-called “new normal” as shown in a continued reluctance to go out despite the easing of travel restrictions, resulting in a sustained home-based economy. According to a report by market research firm Kantar, almost half of all Indonesians are still worried about going out. Between June 9 and 19, 46 percent of over 4,000 respondents said they were still worried about leaving home. The nationwide infection rate continues to rise and Kantar Worldpanel general manager Venu Madhav referred to this as the reason why Indonesians were generally still anxious. Despite the increasing number of cases, Kantar’s report shows that financial anxiety is on a downward trend. People who responded that they would reduce spending to save money fell to 39 percent, from 47 percent, and those who said they were worried about their job or income fell to 44 percent, from 52 percent.

Burden sharing scheme may affect BI's credibility: Moody's

The Jakarta Post, (<https://tinyurl.com/ycqca45r>)

International credit rating agency Moody's Investors Service said the burden-sharing scheme inked between the government and Bank Indonesia (BI) may affect the central bank's monetary policy framework in the long run. “BI has over the years established a credible monetary policy framework [...] but there are still a few aspects of the burden-sharing mechanism that are unclear, particularly with regard to the exit strategy,” Moody's vice president Anushka Shah said in a webinar held by the agency on Tuesday.

The government and BI agreed on Monday to a burden-sharing scheme worth Rp 574.59 trillion (US\$39.7 billion) to finance the nation's COVID-19 response and bolster economic recovery efforts. The scheme will see BI buying Rp 397.5 trillion in government bonds at a maximum coupon rate to correspond with BI's benchmark interest rate of 4.25 percent to fund healthcare and social safety nets. The central bank will then return the yield to the government in full on the same day it is paid. BI, together with the government, will also bear the debt costs of

the government's stimulus package for small and medium enterprises (SMEs) and large businesses, which is estimated to generate Rp 177 trillion in debt. The scheme will be implemented only for this year and the bonds will be tradable, which will allow BI to use them for its monetary operations.

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