

Monday, June 15th, 2020

GENERAL NEWS AND HEADLINES

Delayed regional elections' preliminary stages begin today

Kompas (<https://tinyurl.com/y6wdqwjjw>); *Tempo* (<https://tinyurl.com/yajm89tv>)

The General Elections Commission (KPU) is pressing ahead with the decision to reschedule polling day for the regional elections (Pilkada) to December this year as it begins one of the preliminary stages of the elections today, namely the inauguration of voting committee (PPS) members.

KPU commissioner Ilham Saputra said the inaugurations were conducted by the respective local KPU officials.

"There are several options. Some [regions] are holding them virtually, while some are being inaugurated directly while in compliance with health protocols," Ilham explained earlier today.

House ends recess period today

Kompas (<https://tinyurl.com/y8wlx3hf>); *Media Indonesia* (<https://tinyurl.com/yd8v2x46>)

The House of Representatives ended its month-long recess by holding a plenary meeting earlier today.

House Speaker Puan Maharani said that COVID-19 health protocols would be implemented during the meeting. Puan said only House and faction leaders would attend the meeting at the House building, whereas other lawmakers would join the meeting virtually.

One of the items on the agenda of the meeting was gathering input regarding the macroeconomic framework and fiscal management guidelines for the 2021 state budget draft bill (RAPBN).

Govt steps up daily COVID-19 testing target

Kompas (<https://tinyurl.com/yasyx8xh>)

The government has raised the country's COVID-19 testing target to 20,000 per day from the previously set target of 10,000 per day.

National COVID-19 task force epidemiologist Dewi Nur Aisyah said in order to meet the target, the government would increase the country's testing capacity as well as increasing the number of hospital beds and isolation rooms.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Indonesia books in \$2.09b trade amid 42 percent import contraction in May

CNBC Indonesia, (<https://tinyurl.com/ybz99wxh>), (<https://tinyurl.com/ybwbv39v>); *Bisnis Indonesia*, (<https://tinyurl.com/ydxuja8g>); *CNN Indonesia*, (<https://tinyurl.com/yawjkzzb>)

Statistics Indonesia (BPS) recorded a US\$2.09 billion trade surplus in May, amid a 28.95 percent (year-on-year) drop in exports to \$10.53 billion. Meanwhile, imports shrank by 42 percent yoy to \$8.44 billion. The sharp drop in imports was led by a 69.87 percent yoy contraction in oil and gas imports. Meanwhile, non-oil and gas imports, mostly of intermediary inputs and machineries for the manufacturing sector, fell by 37.34 percent yoy.

Indonesia's external debt increases to \$400.2b in April

CNBC Indonesia, (<https://tinyurl.com/y8lwmb9p>); *Kontan*, (<https://tinyurl.com/y84m4crj>); *Kompas*, (<https://tinyurl.com/yaot7fxb>)

Bank Indonesia (BI) recorded a 2.9 percent year-on-year (yoy) increase in the country's external debt to US\$400.2 billion in April, an increase from an external debt growth of 0.6 percent yoy in March. The increase was driven by the private sector's external borrowing at 4.2 percent yoy to \$207.8 billion. Meanwhile, the government's external debt rose by 1.6 percent yoy to \$189.7 billion. Because of the increase, Indonesia's ratio of external debt to gross domestic product (GDP) increased by 1.9 percentage points from March to 36.5 percent of GDP.

OJK criticizes media report on Bank Bukopin acquisition

Bisnis Indonesia, (<https://tinyurl.com/y95xhtx4>), (<https://tinyurl.com/y8rzncua>)

The Financial Services Authority (OJK) is scrambling to ensure South Korea-based Kookmin Bank's acquisition of publicly listed lender Bank Bukopin's majority shares. It was previously reported by various media platforms that the OJK had sent an official letter to Kookmin Bank on June 3 reminding the South Korean bank to inject US\$200 million into Bank Bukopin in six days.

The capital injection was needed to strengthen Bank Bukopin's capital and liquidity. In another letter dated June 10, the OJK warned Kookmin Bank that a failure to improve Bank Bukopin's capital and liquidity would result in the share acquisition by an investor chosen by the agency. In response to OJK letter, Kookmin Bank completed the cash transfer on Thursday. OJK spokesman Anto Prabowo criticized media reports on this issue, saying the official letters used as sources were confidential.

Will OVO-Dana merger topple GoPay's dominance?

CNBC Indonesia, (<https://tinyurl.com/ya3otb3g>)

E-wallet companies OVO and DANA are rumored to be planning a merger in order to compete with GoPay, Gojek's e-wallet arm. According to CNBC Indonesia's estimate, GoPay's share in 2019 was 61 percent of Indonesia's US\$10.45 billion e-wallet market. A research from survey company Ipsos also found GoPay to be the most popular e-wallet in the country, with 58 percent of e-wallet users using GoPay. OVO trailed with a 29 percent usage rate and DANA with 9 percent. Dana founder and CEO Vincent Iswara, as well as OVO president director Karaniya Dharmasaputra declined to comment on the rumored merger plan.

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