

Tuesday, June 16th, 2020

GENERAL NEWS AND HEADLINES

House holds fit and proper test for ambassador candidates

Kompas, (<https://tinyurl.com/ydcaafdn>); Detik, (<https://tinyurl.com/yc2do7x6>); Antara News, (<https://tinyurl.com/yd5je3oz>)

House of Representatives Commission I held earlier today a fit and proper test for 32 Indonesian ambassador candidates, whose names have been previously proposed by President Joko "Jokowi" Widodo.

The test was closed to the public in accordance with the House's code of conduct, as affirmed by House Deputy Speaker Muhaimin Iskandar during a plenary meeting on Monday.

Commission I member Charles Honoris stated that Tuesday's fit and proper test was attended by 15 ambassador candidates, while the remaining 17 candidates would undergo the same test on Wednesday.

PGRI reminds students, teachers to remain careful

Detik, (<https://tinyurl.com/ycor5r9o>)

The government has decided to reopen schools located in "green zones" (free of COVID-19) ahead of the new school year.

The Indonesian Teachers Association (PGRI) has reminded all students, teachers and other school officials to remain vigilant of COVID-19 transmission considering that not all students and teachers live within "green zones".

PGRI chairman Unifah Rosyidi has also urged schools to implement the stringent health protocols formulated by the government.

PKS calls for new Pancasila guidelines bill to be revoked

CNN Indonesia, (<https://tinyurl.com/yde6hexw>)

The Prosperous Justice Party (PKS) has called for a new bill on guidelines for the Pancasila ideology to be revoked if the bill is not fundamentally revised according to inputs from a number of mass organizations.

PKS chairman Jazuli Juwaini deemed the new bill problematic considering that it would possibly lead to a reduction in Pancasila's five main ideas.

The new bill was supported by seven out of nine factions in the House of Representatives.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Sri Mulyani predicts 3.1 percent GDP contraction in Q2

CNBC Indonesia, (<https://tinyurl.com/y89toae2>); Bisnis Indonesia, (<https://tinyurl.com/ycm7s4da>); Kontan, (<https://tinyurl.com/y7mjvsyk>); The Jakarta Post, (<https://tinyurl.com/y82j4czy>)

The economy is projected to shrink 3.1 percent in the second quarter, the worst quarterly growth since the 1998 Asian financial crisis, due to the impact of social restrictions to contain COVID-19, according to Finance Minister Sri Mulyani Indrawati.

"An economic contraction will occur in the second quarter as large-scale social restrictions [PSBB] have had a severe impact on economic growth. We expect the economy to drop to negative territory," Sri Mulyani said in a livestream news conference.

While the government maintained the baseline economic growth projection of 2.3 percent for this year amid the pandemic and 0.4 percent contraction under the worst-case scenario, Sri Mulyani stated that the country's gross domestic product (GDP) growth will likely be between zero and 1 percent at best.

PEN budget swells to Rp 695.2 trillion

Bisnis Indonesia, (<https://tinyurl.com/y75nz9ke>); *Medcom*, (<https://tinyurl.com/ybwcv6x4>)

The government has altered the budget for its national economic recovery program (PEN) for the third time to Rp 695.2 trillion (US\$49.6 billion) from the previous Rp 667.2 trillion. As a result, the working capital stimulus budget for corporations increases from Rp 44.57 trillion to Rp 53.57 trillion. Likewise, budget supplements designated to support ministries and regional administrations increases by Rp 9 trillion to Rp 106.11 trillion.

Realized state budget deficit reaches Rp 179.6 trillion in May

Investor Daily, (<https://tinyurl.com/y7rzzgbv>); *Kompas*, (<https://tinyurl.com/y8z3qxnz>)

According to Finance Minister Sri Mulyani Indrawati, the realized state budget deficit from January to May increased by 42.8 percent year-on-year (yoy) to Rp 179.6 trillion (US\$12.8 billion) from Rp 125.8 trillion. The rise was largely due to a 9 percent yoy contraction in realized state revenue to Rp 664.3 trillion. Meanwhile, tax revenue shrank by 7.9 percent yoy to Rp 36 trillion. State expenditure also contracted but at a significantly lower rate of 1.4 percent yoy to Rp 843.9 trillion.

Bosowa reveals letter to BRI asking assistance for Bank Bukopin

CNBC Indonesia, (<https://tinyurl.com/ydx7dpoe>); *Kumparan*, (<https://tinyurl.com/yanmb9yk>)

Bosowa Corporation chairman Erwin Aksa revealed the company's letter to state-owned lender Bank Rakyat Indonesia (BRI), asking for technical assistance to rescue Bank Bukopin. The letter was sent on Monday in accordance with the Financial Services Authority's (OJK) direction, Erwin explained.

The OJK had sent an official letter to diversified conglomerate Bosowa Corporation and South Korea-based Kookmin Bank on June 10, ordering them to transfer their shareholders' rights to Bank BRI in an attempt to help Bank Bukopin manage its liquidity problem.

On June 8, Bank Bukopin submitted a request for technical assistance to state-owned Bank Negara Indonesia (BNI).

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