

Monday, June 29th, 2020

GENERAL NEWS AND HEADLINES

RI's COVID-19 "red zones" decrease to 57

CNN Indonesia (<https://tinyurl.com/ybzff8ch>); Tirto.id (<https://tinyurl.com/y8dxxzdc>)

National Disaster Mitigation Agency (BNPB) head Doni Monardo, who also serves as national COVID-19 task force chief, has said 57 regions are still classified as "red zones", or areas with high rates of COVID-19 transmission.

Doni did not elaborate on which regions were identified as high-risk zones. However, he said the number was a decrease from 108 red zones reported three weeks ago.

Doni said that President Joko "Jokowi" Widodo had instructed the task force to prioritize the 57 COVID-19 red zones. The Army general added that Jokowi had also asked for the involvement of all stakeholders, including the Indonesian Military as well as the National Police in the country's efforts at containing COVID-19.

236 early released prisoners have committed crimes, mostly theft: Minister

Detik (<https://tinyurl.com/ybwyojct>); Kompas (<https://tinyurl.com/ycf7q6o6>)

Some 236 prisoners who were released early in an effort to curb the spread of COVID-19 behind bars, have reoffended, Law and Human Rights Minister Yasonna Laoly said earlier today.

"Most of the offenses committed by the ex-prisoners were theft," Yasonna added. The minister said that the crimes also included drug abuse. Yasonna gave an assurance that his office would crack down on the prisoners who had reoffended. The 236 cases were reported in 29 provinces across the country.

The Law and Human Rights Ministry has released 40,026 prisoners from 525 detention facilities under the COVID-19 assimilation and integration program. Official data show that Indonesia has a total of 270,386 prison inmates, more than twice the official capacity of its detention facilities.

Greater Tangerang extends PSBB to July 12

Kompas (<https://tinyurl.com/yd24vt2f>)

Regions in Banten province, namely South Tangerang municipality, Tangerang municipality and Tangerang regency, have officially extended their large-scale social restrictions (PSBB) period until July 12. Banten Governor Wahidin Halim urged residents to comply with the established health protocols.

Tangerang Mayor Arief Wismansyah lauded Wahidin's decision to extend the PSBB in Greater Tangerang. Arief, however, said the extension would not greatly affect people's activities given that restrictions for a number of sectors in the regions had been previously relaxed.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Energy ministry, House Commission VII agree on energy assumption in 2021 budget

Kontan, (<https://tinyurl.com/ybey7f3d>); *CNN Indonesia*, (<https://tinyurl.com/y84gcmdl>)

The Energy and Mineral Resources Ministry and House of Representatives Commission VII overseeing energy have agreed on the energy assumption for the draft 2021 state budget. The Indonesian crude price (ICP), for instance, is set within the range of US\$42 to \$45 per barrel. Moreover, the total oil and gas lifting target is determined at the range of 1.68 million to 1.72 million barrels of oil equivalent per day (boepd) with oil accounting for 690,000 to 710,000 barrels per day (bpd) and natural gas for 990,000 to 1.1 million boepd. The ministry and the Commission VII also agreed to set cost recovery at \$7.5 billion to \$8.5 billion.

Finance Ministry, BI mull burden-sharing scheme

CNBC Indonesia, (<https://tinyurl.com/ybh3tv8t>); Bisnis Indonesia, (<https://tinyurl.com/y9cn8nd8>)

The Finance Ministry and Bank Indonesia (BI) are mulling a burden-sharing scheme for the national economic recovery program (PEN) after disagreeing over the past month. Finance Minister Sri Mulyani Indrawati said the interest cost for public goods financing, estimated at Rp 397.6 trillion (US\$28 billion), will be fully handled by BI. On the other hand, interest cost for non-public goods financing such as economic relief programs for micro, small and medium enterprises (MSMEs), as well as large corporations will be fully borne by the government or through a discounted interest rate. In total, BI is expected to bear 53.9 percent of the total interest cost.

State-owned banks to distribute Rp 188.57 trillion in new loans

Bisnis Indonesia, (<https://tinyurl.com/yc5b6w2s>); Kontan, (<https://tinyurl.com/y87u4qlw>)

Finance Minister Sri Mulyani Indrawati told House of Representatives' Commission XI members, which oversees financial affairs, that banks under the State-Owned Lenders Association (Himbara) will distribute new loans worth Rp 188.57 trillion (US\$13.3 billion) after receiving Rp 30 trillion placement for three months at 3.42 percent interest per annum. Bank Mandiri, for instance, will distribute Rp 21 trillion in loans with a focus on the productive sector, labor-intensive industries, food security and improving national logistics. Meanwhile, Bank Rakyat Indonesia (BRI) has a disbursement target of Rp 122.5 trillion to micro, small, and medium enterprises (MSMEs). Bank Negara Indonesia (BNI) will be responsible for distributing Rp 15.04 trillion in corporate and consumer loans. Bank Tabungan Negara (BTN) has a plan to distribute mortgage loans worth Rp 30.03 trillion.

Moody's: Govt selective support reduces SOEs credit quality

Bisnis Indonesia, (<https://tinyurl.com/y88fgnfb>)

Credit rating agency Moody's Investors Service said the Indonesian government will become more selective in providing support for state-owned enterprises (SOEs). Moody's senior analyst Spencer Ng wrote in the company's report that the government preferred debt restructuring through state-owned banks, rather than fresh capital injections to help ailing SOEs. Government willingness to inject fresh capital is an important indicator used by the rating agency in assessing the quality of SOEs debt. Nevertheless, SOEs that operate in strategically important

sectors like state-owned electricity company PLN and state-owned oil and gas holding company Pertamina, or still fully owned by the government such as state-owned construction company Hutama Karya will still receive a high level of support from the government.

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