

**Monday, June 8<sup>th</sup>, 2020**

## GENERAL NEWS AND HEADLINES

---

### No odd-even policy yet during transition period, Anies says

*The Jakarta Post* (<https://tinyurl.com/y9gw2xbq>); *CNN Indonesia* (<https://tinyurl.com/y7wpw9my>); *TribunNews* (<https://tinyurl.com/y8ttqzf3>); *Liputan6* (<https://tinyurl.com/y7kdfw8y>)

Jakarta Governor Anies Baswedan said on Monday that the provincial administration would not impose the odd-even vehicle restriction policy yet despite acknowledging that personal vehicles were crowding the streets of Jakarta as the large-scale social restrictions to curb the spread of COVID-19 had been relaxed.

Anies said that, during this transition period, the Jakarta administration saw no circumstances requiring the implementation of the policy.

Although the governor acknowledged that the use of personal vehicles remained high during this transition period, Anies said the Jakarta administration had yet to come to a decision about when it would reimpose the odd-even traffic policy – the strategy of the provincial administration to tackle Jakarta's traffic issues.

---

### Jokowi holds first face-to-face Cabinet meeting in three months

*Media Indonesia* (<https://tinyurl.com/yafof3tx>); *Kompas* (<https://tinyurl.com/y78sfx8u>); *CNN Indonesia* (<https://tinyurl.com/y9y3mboq>); *CNBC Indonesia* (<https://tinyurl.com/yb9telxc>); *TribunNews* (<https://tinyurl.com/ycegrq3u>); *Kontan* (<https://tinyurl.com/y77w947u>)

After nearly three months of having to conduct virtual meetings due to the COVID-19 outbreak, President Joko "Jokowi" Widodo held the first face-to-face Cabinet meeting earlier today with a number of his ministers at the Bogor Palace in West Java.

Presidential Secretariat head Heru Budi Hartono revealed that starting today, future meetings, including limited and Cabinet meetings, would be held face-to-face at the Presidential Palace while still implementing strict health protocols.

The protocols, for instance, include limiting the number of meeting participants to 50 percent. Furthermore, the distance between each chair must be at least 2 meters.

Heru said that simulations had also been carried out since last Friday.

---

### **National Police wrap up 2020 Operation Ketupat**

*Tempo* (<https://tinyurl.com/yb8ae4ju>); *TribunNews* (<https://tinyurl.com/ycppbl2w>); *Republika*, (<https://tinyurl.com/yb8r7hag>); *Detik* (<https://tinyurl.com/y8elxrn3>); *Liputan6* (<https://tinyurl.com/ydx755ld>)

The National Police's 2020 Operation Ketupat, which was carried out to maintain security as people visited their hometowns throughout Ramadan and Idul Fitri amid the COVID-19 outbreak, officially ended on Sunday, June 7.

According to National Police traffic corps operational head Sr. Comr. Benyamin, a total of 156,774 vehicles were asked to turn back after attempting to cross regional borders.

National Police traffic corps head Insp. Gen. Istiono stated that the number of motorized vehicle accidents taking place during Operasi Ketupat 2020 fell by 31 percent. He added that the death rate of victims had also declined to 63 percent. Operation Ketupat had been carried out since April 24.

---

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

### **Indonesia's forex reserves soar to \$130.5 billion in May**

*CNBC Indonesia*, (<https://tinyurl.com/y8po2jtl>); *Bisnis Indonesia*, (<https://tinyurl.com/ydxpcwyd>); *Detik*, (<https://tinyurl.com/yaqhkttt>); *Kontan*, (<https://tinyurl.com/ybu3usvr>); *CNN Indonesia*, (<https://tinyurl.com/y9wryelo>); *The Jakarta Post*, (<https://tinyurl.com/y8xayb7r>)

---

Bank Indonesia (BI) records show that Indonesia's foreign exchange (forex) reserves jumped to US\$130.5 billion in May, up from \$127.9 billion in the previous month. BI spokesman Onny Widjanarko said the forex reserves increased in May because the government took on foreign debts to add to a COVID-19 impact mitigation fund. In addition, banks increased their forex reserves in the central bank to improve liquidity. According to BI, the current level of forex reserves is estimated to be sufficient to support eight months of imports and payment for the government's short-term debts. The central bank is confident that the forex reserve position will be able to support external sector resilience and maintain macroeconomic and financial system stability.

---

### **Ministry allocates Rp 239.7 billion to handle Sidoarjo mud flow**

*Detik, (<https://tinyurl.com/y9est925>); CNN Indonesia, (<https://tinyurl.com/ydg8c78x>)*

The Public Works and Housing Ministry has allocated Rp 239.7 billion in its budget this year for infrastructure and social handling in areas affected by the Lapindo mud in Sidoarjo. Through the Sidoarjo Mud Control Center (PPLS), the budget will be used to handle mudflow and build dykes and other infrastructure, in addition to covering maintenance costs. A ring dyke will be constructed around the mudflow burst to have it diverted through a spillway and pumped into the Porong River. Public Works and Housing Minister Basuki Hadimuljono stressed that the government would continue to carry out its duties in handling the Lapindo mud amid the ongoing national health emergency.

---

### **Only 20 percent of HIPMI members receive debt relaxation**

*Investor Daily, (<https://tinyurl.com/y7t2p6sv>); Tempo, (<https://tinyurl.com/y7elkp54>)*

Indonesian Young Entrepreneurs Association (HIPMI) chairman Mardani H. Maming has said only 20 percent of the association's members have received debt relaxation from banks. The Financial Services Authority (OJK) issued Regulation No. 11/2020 on the national economic stimulus as a countercyclical policy stipulating debt relaxation to be given to small and medium enterprises (SMEs), which are the most affected by the COVID-19 pandemic. However, it turns out that those that have received the debt relaxation are businesses with debt of more than Rp 10 billion (US\$714,360), namely big businesses that usually have a good relationship with banks and therefore do not need the regulation. Mardani said HIPMI was currently working with banks to help its members get debt relaxation so they, especially the SMEs, could prevent layoffs.

---

## Garuda may increase fares as capacity cap hits revenue

*The Jakarta Post*, (<https://tinyurl.com/y7mp358q>)

Airlines can only fill a maximum of half the aircraft capacity to practice physical distancing on board, according to a recent regulation. National flag carrier Garuda Indonesia president director Irfan Setiাপutra said the measure would impact the airline's already ailing finances if implemented for an extended period. As a way out, the airline seeks to increase airfares while finding an increase that is still "acceptable" for passengers. Garuda, which has grounded 70 percent of its aircraft, plans to implement cost efficiency measures while aiming to increase revenue from alternative sources, including its ancillary business. Irfan said the airline would also reduce costs by cutting flight frequency on routes with lower demand.

---

### **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.