



YOUR GUIDE TO INDONESIA'S MOST IMPORTANT NEWS OF THE DAY

Tuesday, Mar. 31th, 2020

GENERAL NEWS AND HEADLINES

NasDems insist on deliberating omnibus bills to prepare for COVID-19 aftermath

The Jakarta Post (https://tinyurl.com/sleoutc)

The NasDem Party, which is part of President Joko "Jokowi" Widodo's government coalition, has called on the House of Representatives to begin deliberating the omnibus bills on job creation and taxation.

Speaking at the House's plenary meeting on Monday, Lawmaker Saan Mustopa of the NasDems claimed the bills were needed to mitigate the economic impacts of COVID-19.

The House, led by Speaker Puan Maharani, who is from Jokowi's Indonesian Democratic Party of Struggle (PDI-P), is still reluctant to process the bills. Of the six political parties in the government coalition, the PDI-P has been the only one to urge lawmakers not to rush, citing public objections to the bills.

Several organizations have called on the House not to deliberate the bills amid the pandemic, citing limited public participation in the current situation.

Jokowi to issue Perppu on COVID-19 handling

Kompas (https://tinyurl.com/s8txjhp)

A government regulation in lieu of law (Perppu) concerning the mitigation of the spread of the coronavirus in the country will be issued by the President in the near future, as confirmed by National Disaster Mitigation Agency (BNPB) head Doni Monardo following his teleconference meeting with President Joko "Jokowi" Widodo on Monday.

To Subscribe: info@tenggara.id

Doni, however, did not provide further details on which laws the Perppu would revoke. Doni added that the drafting of the Perppu would involve several legal experts.

So far, the government has decided to implement large-scale social restrictions and physical distancing policies based on three laws, namely Law No. 24/2007 on disaster response, Law No. 6/2018 on health quarantine and Perppu No.23/1959 on a state of emergency.

Govt to strengthen monitoring of interstate mobility

Tempo (https://tinyurl.com/t9l8h37)

President Joko "Jokowi" Widodo held a Cabinet meeting earlier today to discuss overseas and Indonesian migrant workers' mobility in efforts to contain the spread of the coronavirus in the country.

During the meeting, Jokowi asserted the importance of monitoring interstate mobility, which heightens the risk of imported COVID-19 cases.

Jokowi stated that the return of Indonesian migrant workers from abroad, particularly those from Malaysia, should be closely monitored as hundreds of thousands of them are expected to return home for Idul Fitri.

Related policies, Jokowi added, must also be strengthened and evaluated regularly.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

World Bank: Indonesian economy might grow by only 2.1 percent this year

Bisnis Indonesia, (<u>https://tinyurl.com/t2h76xy</u>); Kontan, (<u>https://tinyurl.com/qpvtxfx</u>); The Jakarta Post, (<u>https://tinyurl.com/uxyhdna</u>)

The World Bank has estimated that the COVID-19 pandemic will significantly slow Indonesia's economic growth this year and may throw millions of people into poverty. According to the Bank's April report, titled "East Asia and Pacific in the Time of COVID-19", the Indonesian economy will only grow by 2.1 percent this year, far below Bank Indonesia's projection in the range of 4.2 to 4.6 percent. Exports are predicted to contract by 2 percent and imports by 7 percent. Private investment is projected to be stagnant at 0 percent. Moreover, household spending growth will be down to 1.5 percent from 5.2 percent last year. To make up for the losses, the World Bank predicts government spending to grow by 5 percent.

Jiwasraya begins paying back its policyholders

CNBC Indonesia, (https://tinyurl.com/sanowsd); Kontan, (https://tinyurl.com/sanowsd)

State-owned insurer PT Asuransi Jiwasraya has begun the first phase of payments to its policyholders. The payments are being made to more than 15,000 policyholders of conventional life insurance products. Jiwasraya president director Hexana Tri Sangsoko said the company had sold its liquid assets such as bonds and properties, including Cilandak Town Square. The total amount of conventional policy products paid out amounts to Rp 470 billion (US\$28.7 million). The payments to JS Saving Plan policyholders will be conducted later, Hexana added.

SOEs Ministry considers state capital injection for SOEs affected by COVID-19

Bisnis Indonesia, (https://tinyurl.com/wu5gwya); Tempo, (https://tinyurl.com/wu5gwya)

The State-Owned Enterprises (SOEs) Ministry is evaluating a request for capital injections to SOEs affected by the COVID-19 pandemic from Garuda Indonesia Workers Union (Sekarga) head Tomy Tampatty. According to Arya Sinulingga, an

To Subscribe: info@tenggara.id

aide to SOEs Minister Erick Thohir, the government has already allocated Rp 17.73 trillion (US\$1.08 billion) for state capital injections in the 2020 state budget. Rp 5 trillion is given to be given to state-owned electricity company PLN and Rp 3.5 trillion to state-owned construction company Hutama Karya.

Deregulation puts sustainable timber trade at risk

The Jakarta Post, (https://tinyurl.com/wdek3yb)

A recent regulation by the Trade Ministry relaxing export requirements for timber products has drawn criticism from environmental groups, which have said it will re-stimulate illegal logging and in turn damage the environment. Issued in late February, the Trade Ministry's regulation on exports of forestry products scrapped the requirement for Indonesian timber companies to secure V-legal documents that certify the wood comes from legal sources before exporting their products.

Indonesian Independent Forest Monitoring Network (JPIK) activist Muhammad Kosar said the scrapping of the V-legal license was a setback for forest protection since it was supposed to be the final check on timber exports. "This new policy also proves that forest protection by the government is still partial. The Trade Ministry and the Environment and Forestry Ministry have different approaches in this case," Kosar said on Thursday.

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.

To Subscribe: info@tenggara.id