

**Tuesday, May 12<sup>th</sup>, 2020**

## GENERAL NEWS AND HEADLINES

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### Jokowi calls for PSBB evaluation

*TribunNews* (<https://tinyurl.com/y74q4lek>); *Detik* (<https://tinyurl.com/ycnmaesj>);  
*Liputan6* (<https://tinyurl.com/y98oosbo>)

President Joko "Jokowi" Widodo has called for further evaluation of regions that are not currently imposing large-scale social restrictions (PSBB), considering that out of 10 provinces with the highest numbers of COVID-19 cases in the country, only three of them, namely Jakarta, West Java and West Sumatra, are currently imposing the restrictions.

Meanwhile, the remaining seven provinces are settling with the implementation of regular physical and social distancing, while still abiding by the customary health protocols recommended by the government.

President Jokowi further acknowledged that there were several regions that had succeeded in slowing the spread of the coronavirus without implementing the PSBB.

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### Disaster agency urges Java regions to impose PSBB

*CNN Indonesia* (<https://tinyurl.com/y7ntn842>); *Kompas* (<https://tinyurl.com/yawt284b>)

National Disaster Mitigation Agency (BNPB) secretary Harmensyah has recommend that all regions across Java impose large-scale social restrictions (PSBB) to further slow the spread of COVID-19.

Harmensyah stated that the implementation of PSBB would flatten the COVID-19 curve, considering that regions in Java have contributed 70 percent of COVID-19 cases nationwide.

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Harmensyah added that social restrictions could be imposed through the initiatives of respective regional administrations.

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## **Home Ministry to integrate social aid, citizenship data**

CNN Indonesia (<https://tinyurl.com/yd4paeak>)

The Home Ministry will integrate the data of residents included in the social aid (Bansos) recipient lists with the established citizenship data, which is managed by the ministry's Directorate General for Population and Civil Registration (Dukcapil). "We are currently in the process of completing the data, so that in the Dukcapil [database], we can see who has received what aid," said Dukcapil Director General Zudan Arif Fakrulloh.

Zudan explained that citizens' economic status was not recorded in the current citizenship data. According to Law No. 23/2006 on citizenship administration, the data only includes 31 elements, including the citizen's full name, identity number (NIK) and family card (KK) number.

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

## **BI predicts April retail sales will continue to decline**

Kontan, (<https://tinyurl.com/y9nwld7n>); CNN Indonesia, (<https://tinyurl.com/y9ovudba>)

Bank Indonesia (BI) has predicted an 11.8 percent year-on-year (yoy) decline in its Retail Sales Index (RSI) to 202.2 in April, continuing a 4.5 percent yoy contraction in March to 219.9. The largest downward pressure is expected to occur in the retail clothing segment, which fell by 60.5 percent yoy in March. Through its retail survey, BI also found that respondents were pessimistic about retail sales in June. But respondents are confident that retail sales will begin to recover in September.

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## **Govt to rescue SOEs through state capital injections, compensation**

CNBC Indonesia, (<https://tinyurl.com/y83g9tm9>), (<https://tinyurl.com/yqjhdbec>); Bisnis Indonesia, (<https://tinyurl.com/y87dtao5>); Bisnis Indonesia, (<https://tinyurl.com/y8pzjlz>)

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The government has issued a regulation on economic recovery that includes state capital injections (PMNs) for ailing state-owned enterprises (SOEs). The PMNs for SOEs aim to strengthen the capital structure of the companies or their subsidiaries affected by the COVID-19 outbreak and to increase the SOEs and their subsidiaries' capacity to carry out economic recovery programs mandated by the government.

According to a Finance Ministry presentation, more than Rp 152 trillion (US\$10.2 billion) is allocated for SOEs, such as national flag carrier Garuda Indonesia, which will receive Rp 8.5 trillion, steelmaker PT Krakatau Steel (Rp 3 trillion) and State Logistics Agency (Bulog), which will get Rp 13 trillion. Garuda Indonesia has been struggling to pay its sukuk, due in June, and to maintain its cash flow as the outbreak has hit air travel demand. Krakatau Steel, meanwhile, had been struggling to pay its debts even well before the outbreak hit the economy. The funds for the SOEs will also be channeled to state-owned oil giant Pertamina (Rp 48.25 trillion) and electricity company PLN (Rp 45.42 trillion) in the form of accelerated compensation payments.

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### **Govt prepares loan interest subsidies, loan guarantees to rescue businesses**

*Bisnis Indonesia*, (<https://tinyurl.com/y89ktghj>); *Kontan*, (<https://tinyurl.com/ycuh2f4g>)

Under Government Regulation (PP) No. 23/2020 on the national economic recovery program, which took effect on Monday, the government will conduct efforts to support the recovery of the virus-battered economy. According to a Finance Ministry presentation, the government will provide loan interest subsidies for ultra-micro enterprises, micro, small and medium enterprises (MSMEs) and cooperatives using state funds, amounting to Rp 34.15 trillion (US\$2.3 million). The expected number of recipients for the loan interest subsidies is 60.66 million. The government is also allocating Rp 6 trillion in loan guarantees for new working capital loans to MSMEs

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### **BPK urges Finance Ministry to monitor Asabri's investment**

*Kontan*, (<https://tinyurl.com/y7kmotyp>)

The Supreme Audit Agency (BPK) has urged the Finance Ministry to periodically monitor and evaluate state-owned insurer Asabri's risk-management strategy to improve its investment performance. According to the BPK's audit of the company's second-half report in 2019, Asabri had made many imprudent investment decisions from 2018 to the first half of 2019. Asabri needs to prepare

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an action plan to improve its investments, the BPK wrote in its recommendation. Previously, in a meeting at the House of Representatives complex in January, the government found Asabri had suffered from unrealized losses amounting to Rp 16.8 trillion (US\$1.12 billion) in 2019 due to mismanagement of its investments.

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