

Tuesday, May 5th, 2020

GENERAL NEWS AND HEADLINES

Hanafi Rais quits House, party

Kompas, (<https://tinyurl.com/ycyo6vyl>); CNN Indonesia, (<https://tinyurl.com/y9cw2x72>); Tempo, (<https://tinyurl.com/yckk44em>); Republika, (<https://tinyurl.com/y8ra7dgm>); TribunNews, (<https://tinyurl.com/y8l8d4mk>)

National Mandate Party (PAN) deputy chairman Hanafi Rais has resigned from his position within the party as well as from his seat as a member of the House of Representatives, as confirmed in his written statement issued earlier today.

Hanafi, who is also the son of PAN patron Amien Rais, explained that following the party congress held in February, he had hoped that PAN would uphold justice to ensure unity among its members. However, the congress, which resulted in chaos, indicated otherwise.

Moreover, Hanafi also argued that PAN, which is an opposition faction, had been conforming to most government policies, a stance he found disappointing. According to Hanafi, many party members wanted it to become the antithesis of government policies.

Lawmakers agree to endorse Perppu on COVID-19 in next plenary session

The Jakarta Post (<https://tinyurl.com/y9mtxz2g>); Kompas (<https://tinyurl.com/yd7r2tyh>)

The House of Representatives' budget committee has agreed to endorse Regulation in Lieu of Law (Perppu) No. 1/2020 on the COVID-19 pandemic response amid public outcry over contentious articles that would grant the government the power to allocate large sums of money and a legal immunity for those disbursing the funds.

Despite agreeing to endorse the regulation in a plenary meeting scheduled for May 12, the House members, however, asked the government to discuss the 2021 state budget with the House through the normal process, not through a presidential regulation (Perpres), as with the revision of the 2020 budget.

Some Gerindra lawmakers, as well as those from the ruling Indonesian Democratic Party of Struggle (PDI-P), previously voiced their objections to the executive order, raising concerns that it could overstep the House's right to deliberate the state budget. The lawmakers also previously objected to Article 27 on government officials' impunity.

However, given the urgency, both factions agreed to discuss the Perppu in a plenary session.

House, ministers hold COVID-19 response meeting

TribunNews, (<https://tinyurl.com/y98bqtcy>); *Detik*, (<https://tinyurl.com/ycl4l7gf>)

House of Representatives Commissions VI, VII and IX held a virtual joint meeting earlier today with a number of ministers to discuss the country's COVID-19 response.

The meeting was attended by Health Minister Terawan Agus Putranto, Research and Technology and Higher Education Minister Bambang Brodjonegoro, State-Owned Enterprises Minister Erick Thohir and Industry Minister Agus Gumiwang Kartasasmita.

Several points mentioned during the meeting were the acceleration of preventive measures, coordination and commercialization of products made by the COVID-19 research and innovation consortium program, as well as the assessment and development of COVID-19 vaccines in Indonesia.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Indonesia's Q1 economic growth weakest since 2001

CNBC Indonesia, (<https://tinyurl.com/ya7flagh>); Bisnis Indonesia, (<https://tinyurl.com/ycdvxdut>); Kontan, (<https://tinyurl.com/ydb3kygx>); The Jakarta Post, (<https://tinyurl.com/y9d3d5ba>); CNN Indonesia, (<https://tinyurl.com/y8foxw3e>)

Indonesia's economy grew 2.97 percent in the first quarter, the weakest since 2001, as household spending and investment growth slowed amid the coronavirus outbreak, which has started to wreak havoc on the economy, Statistics Indonesia (BPS) announced on Tuesday. "This is far lower than many projections, it is not easy to make them given the uncertainties surrounding the economy," BPS head Suhariyanto said. The government expects the economy to grow between 4.5 and 4.7 percent, while Bank Indonesia (BI) has projected gross domestic product (GDP) growth of 4.3 percent.

Household spending, which accounts for more than half of GDP, grew sluggishly by 2.84 percent in the first quarter – far lower than the 5.01 percent recorded over the same period in 2019 – led by a drop in vehicle sales and retail sales as people increased spending on health care. Investment, meanwhile, grew 1.7 percent in the first quarter, a far cry from the 5.03 percent recorded over the same period last year. Government expenditure grew 3.74 percent in the first quarter, lower than the 5.22 percent recorded in the first quarter last year, as the government halted business trips and events spending as it refocused the budget on funding the fight against COVID-19.

However, despite the pandemic, exports grew 0.24 percent from last year's contraction of 1.58 percent, while imports contracted by 2.19 percent, slightly better than the 7.47 percent contraction in the corresponding period.

Transportation Ministry to allow business flights during PSBB

CNBC Indonesia, (<https://tinyurl.com/y9m9puej>); Antara, (<https://tinyurl.com/yb9g226z>)

The Transportation Ministry will issue a circular that allows businessmen to take flights for business purposes amid the implementation of large-scale social restrictions (PSBB). The circular is based on newly issued Transportation Ministerial Regulation (Permenhub) No. 25/2020. "The circular is in the finalization phase," the ministry's spokesperson Adita Irawati told reporters in Jakarta today.

Transportation Minister Budi Karya Sumadi said a relaxation of the PSBB policy was important to ensure a sufficient supply of logistics, particularly food and medical goods.

State-owned national flag carrier Garuda Indonesia supports the ministry's relaxation policy. "Operationally, the company is ready to implement the new policy," Garuda president director Irfan Setiাপutra said in a statement on Monday.

Labor Ministry agrees to delay the arrival of 500 Chinese workers

Kontan, (<https://tinyurl.com/y8etl2h5>); *CNN Indonesia*, (<https://tinyurl.com/y98md3re>); *Kompas*, (<https://tinyurl.com/yalalvjg>)

Manpower Minister Ida Fauziah has ordered Chinese nickel company PT Virtue Dragon Nickel Industry and stainless-steel maker PT Obsidian Stainless Steel to delay the arrival of 500 Chinese workers set to arrive in Konawe, South Sulawesi. Manpower Ministry spokesperson Soes Hindharno said the decision was made following suggestions from regional leaders in the province, specifically Southeast Sulawesi Governor Ali Mazi and Southeast Sulawesi Legislative Council Speaker Abdurrahman Saleh. Ida has instructed the ministry's acting director for workers' training and plotting (Binapenta) Aris Wahyudi to coordinate the decision with the provincial administration.

GrabExpress transactions up by 21.5 percent

CNBC Indonesia, (<https://tinyurl.com/y8pqq5gm>); *Bisnis Indonesia*, (<https://tinyurl.com/ybnt8gsd>)

Grab Indonesia managing director Neneng Goenadi has reported a 21.5 percent month-to-month (mtm) increase in GrabExpress transactions in March. Forty percent of the increase was driven by small and medium enterprises (SMEs), as well as social sellers. Some 41.5 percent of the delivery orders were sent to residential areas, followed by health facilities at 13.6 percent and banking facilities at 12 percent, she added. GrabMart – an on-demand grocery service – also increased by 22 percent mtm. GrabFood recorded a 4 percent mtm increase, dominated by lunchtime orders.

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