

Thursday, Oct. 15th, 2020

GENERAL NEWS AND HEADLINES

Govt aims for Indonesia to be COVID-19-free by GPDRR meeting in 2022

Kompas (<https://tinyurl.com/y3omud57>)

National COVID-19 task force chief Doni Monardo said the government had targeted Indonesia to be free of COVID-19 by the Global Platform for Disaster Risk Reduction (GPDRR) meeting, to be held from May 23 to 28, 2022 in Bali.

"As previously mentioned, vaccines are expected to be available by 2022 so everything can run safely," Doni said following a virtual meeting with President Joko "Jokowi" Widodo on Thursday.

Doni explained that once Indonesia was freed of the pandemic, the GPDRR meeting could be attended by up to 9,000 participants consisting of high-ranking officials, nongovernmental organizations, academics, the private sector and the media from 193 countries.

Thus, the GPDRR meeting is expected to help revive Indonesia's economy and tourism, which has considerably slumped amid the pandemic.

BNPB allocates Rp 1.3 trillion to face La Niña

Republika (<https://tinyurl.com/y59czly6>)

The National Disaster Mitigation Agency (BNPB) said that an emergency budget of Rp 1.3 trillion had been allocated to handling potential impacts caused by the La Niña weather phenomenon. BNPB chief secretary Harmensyah assured that the emergency budget for COVID-19 handling did not reduce the allocated amount for handling natural disasters.

Harmensyah elaborated that Rp 232 billion of the budget had been allocated to handling floods and landslides, Rp 70 billion to earthquakes and tsunamis, Rp 968 billion to forest and land fires, Rp 19.5 billion to volcanic eruptions, Rp 5.2 billion to drought and Rp 30 billion to other disasters.

Previously, the Indonesian Forum for the Environment (Walhi) said that central and regional governments must be ready to coordinate and anticipate potential disasters arising from extreme weather conditions.

Opposition to jobs law will only grow: KSPI chairman

Kompas (<https://tinyurl.com/y4s5ztjy>); *Tempo* (<https://tinyurl.com/y3jlfvb4>)

Confederation of Indonesian Trade Unions (KSPI) chairman Said Iqbal said he would continue to protest against the job creation omnibus law, claiming that opposition to the law would only grow in the future.

Said explained that his party planned to submit a judicial review of the law to the Constitutional Court (MK), then request a legislative review at the House of Representatives as well as an executive review by the government.

In addition, the KSPI will raise awareness about their campaign against the jobs law, including by explaining the content of the law and their reasons for their rejection, especially by laborers.

Said further said he would not be involved in discussions concerning the derivative regulations of the jobs law to maintain his opposing stance.

Moreover, Said that not all workers' demands were accommodated in the law, despite having submitted a counter-draft. "It is not true what the House said about 80 percent of labor proposals having been incorporated into the job creation law," he said.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Record trade surplus in September

Bisnis Indonesia (<https://tinyurl.com/y527togl>); *CNBC Indonesia* (<https://tinyurl.com/y6qbn8ka>); *Kontan* (<https://tinyurl.com/y38qg6tg>); *CNN Indonesia* (<https://tinyurl.com/yxcaw4fv>)

Indonesia managed to record a US\$2.44 billion trade surplus in September, Statistics Indonesia (BPS) announced. The figure is slightly higher than the trade surplus in the previous month of \$2.35 billion. BPS chairman Suhariyanto said exports in September were down by 0.51 percent year-on-year (yoy) but increased by 6.97 percent month-to-month (mtm) to \$14.01 billion. Meanwhile, imports shrank by 18.88 percent yoy but went up by 7.71 percent mtm to \$11.57 billion.

Retno concerned with UK's due diligence policy on Indonesian agriculture imports

CNN Indonesia (<https://tinyurl.com/y4w72qdk>)

Foreign Minister Retno Marsudi is concerned about the British government's plan to conduct due diligence on imported agricultural products from Indonesia, which include palm oil, coffee and timber and wood products. Retno said the policy could hinder bilateral trade between the two countries, as the policy may serve as a non-tariff trade barrier. Retno urged the British government to start conducting talks with the Indonesian government on a mutual recognition policy. On the same occasion, Retno also welcomed British investors' interest in renewable energy investment such as United Kingdom-based renewable energy companies Aggreko on solar photovoltaics and Orbital Marine Power on tidal turbines.

Central Kalimantan cuts mining permits by 70 percent

CNN Indonesia (<https://tinyurl.com/y4af2ovz>); *Republika* (<https://tinyurl.com/yxj5g5fc>)

The Central Kalimantan provincial administration cut the number of mining permits from 1,007 permits in 2016 to 305 permits in August 2020. Within this time period, the number of coal mining permits was down from 618 to 226 permits. Central Kalimantan Energy and Mineral Resources Agency head Ermal Subhan claimed that cutting down the permits had increased the province's locally generated income (PAD) by 460 percent to Rp 1.7 billion (US\$115,060).

Meanwhile, the collection of non-tax revenue (PNBP) from mineral and coal mining increased by Rp 531 billion to Rp 8.2 trillion.

SOEs join forces to invest in electric vehicle battery

CNBC Indonesia (<https://tinyurl.com/y3b3xtdd>); Bisnis Indonesia (<https://tinyurl.com/y288m22s>)

State-owned mining holding company Mining Indonesia (MIND ID), state-owned oil and gas holding company PT Pertamina and state-owned electricity company PLN will cooperate to establish a holding company for electric vehicle (EV) batteries called Indonesia Battery. The new holding company will oversee battery production in the country, from upstream to downstream activities. The State-Owned Enterprises (SOEs) Ministry said China's battery manufacturer Contemporary Amperex Technology and South Korea's LG Chem Korea had expressed their interest in participating in the project worth US\$20 billion. Mining giant Vale Indonesia has also expressed its interest in participating in the downstream industry. Vale Indonesia chief financial officer Bernardus Irmanto said the company would apply for a manufacturing permit to produce EV batteries.

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.