

**Tuesday, Oct. 20<sup>th</sup>, 2020**

## GENERAL NEWS AND HEADLINES

---

### Home minister to summon regional heads to anticipate COVID-19 spike ahead of long weekend

*Kompas* (<https://tinyurl.com/y5jflmuo>); *The Jakarta Post* (<https://tinyurl.com/y4swh7tj>)

National COVID-19 task force chief Doni Monardo has said that Home Minister Tito Karnavian will gather governors, regents and mayors to anticipate a possible surge in COVID-19 cases as people take collective leave at the end of October. The government has set Oct. 28 and Oct. 30 as collective leave days for Prophet Muhammad's birthday, which falls on Oct. 29.

Doni said that Tito would deliver a standard operating procedure (SOP) related to mitigation measures for the long weekend.

On a separate occasion, Tito warned of the potential emergence of COVID-19 clusters and suggested people get tested before traveling or returning to their hometowns. He advised against traveling to other regions and visiting popular tourist destinations to prevent further transmission of the deadly coronavirus, especially for those in areas deemed as high risk for COVID-19 transmission.

---

### Pandemic can end if effective vaccine available, VP says

*CNN Indonesia* (<https://tinyurl.com/y2jjuygh>); *Kompas* (<https://tinyurl.com/y29mxgj4>)

Vice President Ma'ruf Amin has said that the COVID-19 pandemic could end should an effective vaccine be available. While waiting for the availability of the vaccine, Ma'ruf urged the public to comply with the 3M health protocols, which stand for "*menggunakan masker*" (mask-wearing), "*mencuci tangan*" (hand-washing) and "*menjaga jarak*" (social-distancing) to prevent contracting the disease.

The government has confirmed that it will begin the COVID-19 vaccination process as soon as November, as it has secured as many as 100,000, 5 million and 1.5 million doses of potential vaccines from Chinese pharmaceutical giants CanSino, SinoPharm and Sinovac, respectively.

---

The seemingly speedy process has prompted concerns, with many questioning the efficacy of the vaccine.

Responding to such concerns, the Health Ministry's disease control and prevention director general Achmad Yurianto said that the Food and Drug Monitoring Agency (BPOM) was currently in China to directly oversee the development of the potential vaccines, which are currently in its phase three clinical trials.

---

## **Mahfud MD calls for 'humane' handling of jobs law protests as tensions rise**

*The Jakarta Post* (<https://tinyurl.com/yyucxur4>)

Coordinating Legal, Political and Security Affairs Minister Mahfud MD has called for "humane" handling of mass protests against the Job Creation Law, urging the police to practice restraint to ensure peaceful demonstrations amid heightened tensions.

He urged the police to refrain from applying excessive force against protesters as demonstrations pushing for the revocation of the law are set to continue in several regions of the country on Tuesday.

Mahfud went on to say that demonstrations were allowed, as long as they were carried out in accordance with government regulations. "The government does not prohibit demonstrations. What's important is that [the protesters] adhere to the rules," he said.

Mahfud's statement appears to be an olive branch offered to protestors and critics of the jobs law amid concerns over the government's allegedly authoritarian measures to stifle dissent.

---

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

---

## **BI, OJK strengthen short-term liquidity facility for banks**

*CNBC Indonesia* (<https://tinyurl.com/yyrte3zc>); *Bisnis Indonesia* (<https://tinyurl.com/y2ar2hht>)

Bank Indonesia and the Financial Services Authority (OJK) have agreed to strengthen the short-term liquidity facility for commercial banks and shariah banks. BI Governor Perry Warjiyo said the provision of short-term liquidity facility was necessary to maintain financial stability by supporting solvent banks that experienced short-term liquidity problems. Meanwhile, OJK chairman Wimboh Santoso said the agreement would strengthen BI's role as lender of last resort, as

---

well as strengthen OJK's role in banking supervision. The implementation guidelines will be regulated under a joint cooperation agreement between BI and the OJK.

---

### **SOEs Ministry establishes Indonesia Financial Group**

*Kontan* (<https://tinyurl.com/y2xrddb6>); *Bisnis Indonesia* (<https://tinyurl.com/y6b9x7ng>)

The State-Owned Enterprises (SOEs) Ministry has established state-owned insurance holding company Indonesia Financial Group (IFG) with Rp 72.5 trillion (US\$4.9 billion) in total assets. In March, the government consolidated its insurance business under PT Bahana Pembinaan Usaha Indonesia (BPUI) with total assets of Rp 4.7 trillion. IFG finance director Rizal Ariansyah explained that IFG received additional assets from other state-owned insurance companies such as PT Jasa Raharja, Perum Jaminan Kredit Indonesia (Jamkrindo), PT Asuransi Kredit Indonesia (Askrindo), and PT Asuransi Jasa Indonesia (Jasindo). Meanwhile, state-owned insurer PT Asuransi Jiwasraya has been transformed into IFG Life.

---

### **CATL signs \$4.6b investment commitment: Luhut**

*CNBC Indonesia* (<https://tinyurl.com/y5rek7s3>); *Bisnis Indonesia* (<https://tinyurl.com/y6937au7>)

Coordinating Maritime Affairs and Investment Minister Luhut Pandjaitan announced that China-based electric vehicle (EV) battery manufacturer Contemporary Amperex Technology Co. Ltd. (CATL) has signed an investment commitment to build an EV battery plant worth US\$4.6 billion. The investment commitment is a part of CATL's investment plan with another Chinese company, Huayou Cobalt Co. Ltd., valued at \$20 billion, Luhut added. Luhut also said that South Korea-based LG Chem was currently holding investment talks on a charging station with the government.

---

### **Businesses oppose Industry Ministry's plan to cut product certification agencies**

*CNN Indonesia* (<https://tinyurl.com/y44els8p>)

Businesses have sounded their opposition toward the Industry Ministry's plan to cut the number of product certification companies from 59 to just one or two agencies. Indonesian Chamber of Commerce and Industry (Kadin) deputy chairman for upstream and petrochemical industry Achmad Widjaja said the ministry's plan to cut the number of product certification companies would slow

---

down the process for obtaining the Indonesian National Standard (SNI) certificate. Rather than trimming the number, Achmad suggested that the government should improve the quality of existing companies.

---

**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.