

Thursday, Sep. 10th, 2020

GENERAL NEWS AND HEADLINES

PAN calls for careful social aid distribution as Jakarta reimposes PSBB

Detik (<https://tinyurl.com/y63ghm4c>); *Kompas* (<https://tinyurl.com/y23b3kub>)

National Mandate Party (PAN) House faction chairman Saleh Partaonan Daulay has commended Jakarta Governor Anies Baswedan's decision to reimpose the large-scale social restrictions (PSBB) in the capital, starting Sep. 14.

Acknowledging that the restrictions will impact economic activities, especially those of the lower-middle class, Saleh has asked the Jakarta administration to carefully and accurately distribute social aid to those who need it.

He added that the reimplementation of PSBB must be considered for other regions too, especially those categorized as "red zones".

"The world is watching Indonesia. Fifty-nine countries have already barred us from entering. Surely this is a huge task for us to restore our condition to normal," he concluded.

Civil servants to also work from home: Minister

Kompas (<https://tinyurl.com/yy9xbaf2>); *Tempo* (<https://tinyurl.com/y3u24frv>)

In light of the reimplementation of large-scale social restrictions (PSBB) on Sep. 14 in Jakarta, Administrative and Bureaucratic Reform Minister Tjahjo Kumolo has said that civil servants will also have to adapt to these working conditions or will be allowed to fully work from home.

Tjahjo explained that not all high-risk areas – known as "red zones" – are subject to PSBB.

"Therefore, if PSBB are not imposed in an area but is categorized as a 'red zone', offices can only be filled with a maximum capacity of 25 percent, according to Circular Letter [SE] No. 67/2020," said Tjahjo in a written statement on Thursday.

“However, if PSBB are imposed in a ‘red zone’, offices must adhere to SE No. 58/2020, in which workers must fully work from home,” he said.

Sectors allowed to operate during PSBB include health, food and beverages, energy, communication and information technology, finance, logistics, hospitality, construction and strategic needs.

Jokowi criticized for pushing forward with regional elections

CNN Indonesia (<https://tinyurl.com/y2s74ke5>)

Former General Elections Commission (KPU) commissioner Hadar Nafis Gumay has criticized President Joko “Jokowi” Widodo for urging the KPU to push forward with the 2020 simultaneous regional elections amid the pandemic.

Hadar said the KPU served as an independent institution with the capacity to determine its own policies and did not need intervention from the President.

According to Hadar, the regional elections have been flawed since Jun. 15, when Law No. 6/2020 concerning the stipulation of Regulation in Lieu of Law (Perppu) No. 2/2020 concerning the election of governors, regents and mayors, required the KPU to first consult with the government and the House of Representatives if they wished to postpone the regional elections.

With this regulation, Hadar deemed that the KPU loses its independence to manage the elections. According to him, the KPU should have the authority to postpone the elections if the pandemic worsens.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

News on Jakarta’s retightening PSBB triggers stock market crash

CNBC Indonesia (<https://tinyurl.com/y3k7e8az>); *Kontan* (<https://tinyurl.com/yykpw5s>); *The Jakarta Post* (<https://tinyurl.com/y4eabcn6>)

Indonesian stocks fell 5 percent on Thursday morning following the Jakarta administration’s decision to reinstate large-scale social restrictions (PSBB), prompting the Indonesia Stock Exchange (IDX) to halt trading for 30 minutes at 10.36 a.m. as the Jakarta Composite Index (JCI) shed 257.5 points to 4891.88 just two hours after the opening bell. Foreign investors dumped Rp 484.72 billion

(US\$32.97 million) in stocks to exceed stock purchases, bringing foreign net sells to Rp 33.43 trillion to date, while 423 stocks plummeted; 28 went up and 83 remained unchanged amid the trading halt.

"Investors seem worried that the economy will worsen again to the point that the JCI slump of March will happen again, hence the panic in the market right now," said analyst Christ Apriliony of Jasa Utama Capital.

APPBI denounces PSBB retightening

CNBC Indonesia (<https://tinyurl.com/y683kv48>); CNN Indonesia (<https://tinyurl.com/y6bpl88y>)

Indonesian Shopping Center Association (APPBI) chairman Stefanus Ridwan urged Jakarta Governor Anies Baswedan to reconsider the retightening of large-scale social restrictions (PSBB) in Jakarta. He suggested that a curfew be implemented, limiting the operational hours of shopping malls. Ridwan also said mass layoff were inevitable if the Jakarta administration reinstated PSBB measures.

Economic contraction looms in Q4 as Jakarta reinstates PSBB policy

Bisnis Indonesia (<https://tinyurl.com/y2lwhz9d>)

Private lender Bank Permata economist Josua Pardede warns that the retightening of large-scale social restriction (PSBB) in Jakarta could result in an economic contraction in the fourth quarter of this year. Josua urged the Jakarta administration to allocate more funds for social assistance programs, complementing social assistance programs provided by the central government, to support household spending. Meanwhile, economic projections for the third quarter remain unchanged, anticipating a 3 percent year-on-year contraction.

Shopee to levy 10 percent VAT from October

CNBC Indonesia (<https://tinyurl.com/y68ofocn>)

Singapore-based e-commerce company Shopee and 27 digital companies will levy 10 percent value added tax (VAT) starting October. The Finance Ministry's director general of taxation, Suryo Utomo, said the VAT would be imposed on digital goods and services sold by foreign sellers through marketplace platforms.

Shopee spokesperson Radityo Triatmojo said the VAT would only be applied to foreign digital goods and services, not goods and services sold by domestic sellers. Tax on transactions by domestic sellers follows Finance Ministerial Regulation (Permenkeu) No. 48/2020, Radityo added.

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