

Monday, Sep. 28th, 2020

GENERAL NEWS AND HEADLINES

Govt to inspect vaccine development in Beijing

Detik (<https://tinyurl.com/y2a8unq5>)

Foreign Affairs Minister Retno LP Marsudi reported earlier today on the progress made in the development of a potential COVID-19 vaccine, developed through cooperation between Chinese biopharmaceutical firm Sinovac Biotech and state-owned pharmaceutical holding company Bio Farma.

Retno said that following the Sinovac team's recent visit to Bandung, West Java, where the vaccine is being developed, representatives from the Food and Drug Monitoring Agency (BPOM) would go to Beijing.

Retno added that clinical trials of the potential vaccine had gone smoothly. According to a report from Padjajaran University Medical School professor Kusnandi Rusmil, who helms the vaccine's clinical trials, Retno said that no significant side effects had been detected.

Retno also added that besides collaborating with Sinovac, the country had also been in discussions with China's National Pharmaceutical Group (Sinopharm) and the United Arab Emirates' Group 42 (G42) Healthcare.

Provincial-level social restrictions detrimental to many, Jokowi says

Kompas (<https://tinyurl.com/y5ldcjr7>)

President Joko "Jokowi" Widodo has said that social restrictions imposed at the provincial-level are detrimental to many people, as they tend to generalize about conditions in regions across Indonesia.

The President, thus, said that imposing restrictions on a smaller-scale, which he referred to as "mini lockdowns", would be more effective to curb COVID-19 transmission.

Jokowi believes that such restrictions could better curtail COVID-19 infection, with the country having recorded 275,213 confirmed cases as of Sunday.

BNPB warns of heavy rain and strong winds

The Jakarta Post (<https://tinyurl.com/y6p3nxfx>); *Kompas* (<https://tinyurl.com/yyqxut4e>)

The National Disaster Mitigation Agency (BNPB) has urged the public to prepare for heavy rain and strong winds in much of the country and to remain alert for floods and landslides. BNPB spokesperson Raditya Jati said the Meteorology, Climatology and Geophysics Agency (BMKG) had predicted thunderstorms in several parts of the country.

"Heavy rain accompanied by strong winds and lightning is expected in Aceh, West Kalimantan, Central Kalimantan, North Kalimantan, East Kalimantan, Central Sulawesi, North Maluku, Maluku, West Papua, Papua, West Sumatra, Riau, Bengkulu, Lampung, and West Java," Raditya said in a press release on Monday.

Raditya reminded the public to follow health protocols to curb the spread of COVID-19 if they needed to evacuate their homes.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

BI purchases Rp 183.48t of bonds under burden-sharing scheme

Bisnis Indonesia (<https://tinyurl.com/y45endol>); *Investor Daily* (<https://tinyurl.com/y67etgam>); *Kompas* (<https://tinyurl.com/yxfjhvnv>)

Bank Indonesia (BI) had purchased bonds under the burden-sharing scheme, in the public goods category, worth Rp 183.48 trillion (US\$12.33 billion) as of Sept. 15, BI Governor Perry Warjiyo told House of Representatives Commission XI, which oversees financial affairs. In the nonpublic goods category, BI had purchased Rp 44.38 trillion bonds as of Sept. 17. Under the burden-sharing scheme agreement signed with the Finance Ministry on July 7, BI agreed to share the burden with the government by purchasing bonds worth Rp 397.56 trillion under the public goods category and Rp 177.03 trillion under the nonpublic goods category, which targets small and medium enterprises (SMEs). In total, BI has spent Rp 234.65 trillion.

Unions threaten to hold three-day national strike against omnibus bill

CNBC Indonesia (<https://tinyurl.com/y299uchp>); Kompas (<https://tinyurl.com/y4a7d5an>)

The Confederation of All Indonesian Workers' Union (KSPI) is threatening to hold a three-day national strike, starting Oct. 6, in protest against the House of Representatives' plan to hold a plenary session to discuss the omnibus bill on job creation on Oct. 8. The KSPI claims that 5 million workers across 25 provinces or 300 regencies and cities will participate in the strike. Before holding the national strike, the KSPI will conduct street protests every day beginning on Sept. 29.

Sampoerna urges govt to cancel tobacco excise increase

Kontan (<https://tinyurl.com/yxluewkj>)

Cigarette maker PT HM Sampoerna has urged the government to cancel next year's tobacco excise increase in order to protect tobacco and clove farmers' livelihoods, as well as the labor-intensive *kretek* (clove cigarette) industry. "Hand-made *kretek* use 2 grams of tobacco per piece. More than machine-manufactured cigarettes [between 0.7 to 1 gram per piece]," Sampoerna president director Mindaugas Trumpaitis said. Canceling the increase is necessary to maintain tobacco and clove farmers' livelihoods as they have taken a double hit from the economic impact of the COVID-19 pandemic and tobacco excise increase this year, Mindaugas added. In the first half of the year, cigarette production volume was down by 15 percent year-on-year.

Investment realization at Galang Batang reaches Rp 11 trillion in September

CNN Indonesia (<https://tinyurl.com/y4ckdyk2>)

The government has announced that investment realization at the Galang Batang Special Economic Zone (SEZ) in Bintan, Riau Islands, reached Rp 11 trillion (US\$739 million) as of September. Meanwhile, construction in the SEZ has absorbed 3,500 workers. Coordinating Economic Affairs Minister Airlangga Hartarto has lauded aluminum producer PT Bintan Alumina Indonesia as the main investor behind the Galang Batang SEZ development. The government is aiming for Rp 36.25 trillion investment at Galang Batang SEZ with labor absorption of 23,200 workers.

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.