

Wednesday, Sept. 16th, 2020

GENERAL NEWS AND HEADLINES

'Echelons' slashed by 70%, says Minister Tjahjo

Kompas (<https://tinyurl.com/y5f526y6>)

Administrative and Bureaucratic Reform Minister Tjahjo Kumolo has announced that the government had cut officials of the "echelon" tier at both central and regional administrations by 70 percent.

President Joko "Jokowi" Widodo had instructed that the administrative structure should only have two echelon tiers, echelon I and echelon II. All other echelon tiers are to be replaced with functional positions.

Tjahjo said that the cut was intended to improve the government's effectiveness and to spur bureaucratic reform.

UNICEF to play key role in COVAX initiative: Health Minister

Kompas (<https://tinyurl.com/y4z36pd3>); *Kumparan* (<https://tinyurl.com/yy5ysfpt>)

Health Minister Terawan Agus Putranto said that the United Nations Children's Fund (UNICEF) would play an important role in ensuring that every country had access to future COVID-19 vaccines as part of the COVAX initiative.

The COVID-19 Vaccine Global Access (COVAX) facility was a global financing scheme to ensure fast and equitable access to future COVID-19 vaccines, Terawan said at Wednesday's signing ceremony for a Memorandum of Understanding (MoU) on Procurement Service between the ministry and UNICEF Indonesia.

Meanwhile, the Foreign Ministry is to continue in its efforts to secure Indonesian access to COVID-19 vaccines through bilateral and multilateral cooperation. Foreign Minister Retno L.P. Marsudi said the ministry was coordinating with the ministries and institutions of other countries on vaccine development.

Military may use food estate output: Defense Ministry

CNN Indonesia (<https://tinyurl.com/y3apul2d>)

Dahnil Anzar Simanjuntak, the spokesman of Defense Minister Prabowo Subianto, has said that any surplus output from the food estate program could be distributed for military use.

"If the market needs [the output], then it can be used [in the market]. If not, [the output] can be used for consumption by the Indonesian Military [TNI]," Dahnil said on Tuesday, adding that the development of the Central Kalimantan food estate would not pose a jurisdictional conflict with the Agriculture Ministry.

An interministerial coordination is developing the program under Prabowo, whom Jokowi appointed to lead the effort.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Luhut: Govt aims for \$15b in iron and steel exports in 2021

CNN Indonesia (<https://tinyurl.com/y3cpbuup>)

Coordinating Maritime Affairs and Investment Minister Luhut Pandjaitan has said the government has set a US\$15 billion target for iron and steel exports next year. For this year, the target is \$13 billion. Iron and steel exports are expected to double by 2024 to \$30 billion. "Excluding lithium battery [exports]," Luhut added.

SEZ National Council approves just two SEZ proposals this year

Kontan (<https://tinyurl.com/y66slt3b>)

Special Economic Zone (KEK) National Council secretary Enoch Suharto Pranowo has said the council has only approved two KEK proposals this year. They are the Nongsa Digital Park KEK and the Maintenance, Repair, and Overhaul (MRO) Batam Aero Technic KEK; both located at Batam, Riau Islands province. On the other hand, other proposals like the Tanjung Gunung KEK and the Sungai Liat KEK have not yet met the administrative criteria. "[They] have been returned for resubmission," Enoch said. The council is currently preparing government regulation (PP) drafts for the approved KEK.

APTI urges govt to delay tobacco excise increase

Kontan (<https://tinyurl.com/y5qtcn8y>)

Indonesian Tobacco Farmers Association (APTI) chairman Agus Parmuji has said the Finance Ministry's plan to increase the tobacco excise next year has driven demand down, resulting in lower tobacco prices. Agus explained that the drop in the tobacco price this year was similar to the price drop in 2019, after the ministry announced its plan to increase the tobacco excise. Agus also urged the government to stabilize the tobacco price to help tobacco farmers weather the economic impacts of the COVID-19 pandemic.

Zero percent car tax proposal drives auto stock prices up

CNBC Indonesia (<https://tinyurl.com/y4bdcde5>)

Reports on the Industry Ministry's support for a zero percent car tax proposal have driven the stock prices of some automotive companies up. For instance, the stock prices of PT Indomobil Sukses Internasional (IMAS) and PT Indomobil Multi Jasa (IMJS) went up by 6.47 percent to Rp 740 per share and 4.62 percent to Rp 272 per share, respectively, in the morning session. Nevertheless, the stock price of auto parts maker PT Astra Otoparts (AUTO) was not affected by the reports, dropping 0.58 percent to Rp 860 per share. Association of Indonesian Automotive Manufacturers (Gaikindo) chairman Yohannes Nangoi said the zero percent car tax proposal was still under discussions with related ministries, such as the Home Ministry regarding vehicle tax (PKB) and the Finance Ministry regarding luxury tax (PPnBM).

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