

**Wednesday, Sept. 9<sup>th</sup>, 2020**

## GENERAL NEWS AND HEADLINES

### **59 countries bar Indonesians from entering, House urges reassessment of COVID-19 response**

CNN Indonesia (<https://tinyurl.com/y5222gh4>); Pikiran Rakyat (<https://tinyurl.com/y5lgz8ok>)

House of Representatives Commission I, which overseeing defense and foreign affairs, has urged the government to reevaluate its COVID-19 response as at least 59 countries have prohibited Indonesian citizens from entering. In addition to complete entry bans, several countries have also restricted and issued travel warnings for Indonesia, such as the United States and Australia.

"The [approach] of these 59 countries [that have barred Indonesians from entering] should serve as an opportunity to introspect our COVID-19 prevention efforts," said House Commission I member Muhammad Farhan.

House Commission I member Syaifullah Tamliha shared that sentiment, stating that having 59 countries close their doors to Indonesian citizens would negatively impact the country's image and economy.

### **Govt to involve three private companies to accelerate vaccine production**

Republika (<https://tinyurl.com/y4hjk8yb>); Kompas (<https://tinyurl.com/yyvuaprk>)

In a bid to accelerate the production of the COVID-19 vaccine, the government has decided to involve three private companies to meet domestic mass production needs.

Initially, only state-owned pharmaceutical holding company Bio Farma was working with China-based Sinovac Biotech on a candidate vaccine. However, the government believes assistance from private companies could help accelerate production of a vaccine.

“Apart from Bio Farma, which will produce 250 million doses per year, we in the Merah Putih [Red and White] vaccine consortium have also invited several private pharmaceutical companies to participate in producing the potential COVID-19 vaccine,” said Research and Technology Minister Bambang Brodjonegoro.

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## **21 regions yet to transfer election funds to respective KPU offices: Home Ministry**

*Kompas* (<https://tinyurl.com/y3dhomq7>)

The Home Ministry's regional finance director general, Mochamad Ardian, said 21 regional administrations had not yet completed the transfer of funds for the regional elections to their respective regional General Elections Commission (KPU) offices.

Based on an assessment of the data by the Home Ministry, three of those 21 regions have transferred less than 60 percent of the funds to their respective KPU offices, namely Gorontalo regency (58.66%), North Minahasa regency (50%) and Keerom regency (45%).

A total of 249 regions have already completely disbursed the funds for their respective KPU offices. Moreover, 98.52 percent of the funds for the regional elections have already been disbursed.

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

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## **Finance Ministry collects \$35.9 B tax revenue in Q2**

*Kontan* (<https://tinyurl.com/y5phxw6r>)

The Finance Ministry has told the House of Representatives Commission IX, which oversees financial affairs, that tax revenue collection reached Rp 531.71 trillion (US\$35.9 billion) in the second quarter. This amount is equal to 44.35 percent of the revised tax revenue target as stipulated by Presidential Regulation (Perpres) No. 72/2020. As of Sept. 4, the ministry has disbursed Rp 4 quadrillion or 60.33 percent of the revised expenditure target.

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## Retail sales slump in July as recession looms

CNBC Indonesia (<https://tinyurl.com/yxryfcm3>); Kontan (<https://tinyurl.com/yyqmx5rv>)

Bank Indonesia (BI) reported that Indonesia's retail sales index contracted by 12.3 percent year-on-year (yoy) in July. Nevertheless, the contraction is less than in June at 17.1 percent yoy. This is due to an increase in purchasing power and the implementation of the "adapting to new habits" policy, BI wrote in a report. BI predicts the country's sales retail index in August to shrink by 10.1 percent yoy. Moreover, there are signs of growing inflationary pressure for the next three to six months.

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## LPEI to provide loans to export-oriented MSMEs

CNN Indonesia (<https://tinyurl.com/y2kpkzha>)

The government has assigned Indonesian Eximbank (LPEI) to provide loans for export-oriented micro, small and medium enterprises (MSMEs) in an effort to accelerate national economic recovery. The assignment is stipulated in Finance Ministerial Decree No. 372/2020.

LPEI executive director James Rompas said the bank would provide loans within the range of Rp 500 million (US\$33,755) to Rp 2 billion for small enterprises and loans between Rp 2 billion and Rp 15 billion for medium enterprises. To obtain loans above Rp 10 billion, borrowers should provide an audited financial statement. James added that the target of this program was small and medium enterprises (SMEs) that had a direct and indirect impact on export as regulated by Law No. 20/2008.

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## Experts: Stimulus program may continue to 2023

The Jakarta Post (<https://tinyurl.com/yydapl28>)

The government's fiscal stimulus program may need to continue into 2023 if the Indonesian economy and domestic spending remains weak next year, economists have warned, as concerns mount over the government's ability to provide sufficient doses of COVID-19 vaccines for citizens.

"It should continue its fiscal stimulus programs into 2022 or even into 2023," former finance minister Chatib Basri said on Tuesday.

The government has allocated Rp 695.2 trillion (US\$47.15 billion) in fiscal stimulus this year to cushion the health and economic impacts of the COVID-19 pandemic.

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The government and Bank Indonesia have agreed to a \$40 billion debt monetization scheme for this year to fund Indonesia's COVID-19 response, under which the central bank will buy up to \$28 billion in government bonds while shouldering the debt burden.

"The burden-sharing scheme will continue until 2022, in which BI will be a standby buyer of sovereign debt papers in [direct] auctions," Finance Minister Sri Mulyani Indrawati said, ruling out the possibility of another bond-buying scheme by the central bank through private placements.

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