

Wednesday, Apr. 1st, 2020

GENERAL NEWS AND HEADLINES

Turf war undermines COVID-19 fight

The Jakarta Post, headline; Kompas, headline; Koran Tempo; Media Indonesia, headline

President Joko “Jokowi” Widodo on Tuesday declared a public health emergency in response to the escalating spread of COVID-19 in the country as tensions rose between the central government and regional heads over how to tackle the outbreak.

In a speech live-streamed from Bogor Palace in West Java, the President reiterated his decision to rule out any form of lockdown at the regency or provincial levels, while firmly telling regional heads that in declaring a health emergency by presidential decree (Keppres), he was able to issue a government regulation (PP) to impose large-scale social restrictions under the 2018 Health Quarantine Law to slow community transmission across the country.

“With the issuance of this government regulation, all is clear now. Regional heads should not make their own policies. All regional policies must be in accordance with existing regulations,” the President said.

Tensions have been brewing between the State Palace and local governments over their differing approaches to the outbreak in Indonesia, sparking public confusion as well as concerns that the nation lacked a unified strategy to tackle the outbreak.

30,000 inmates released to prevent COVID-19 spread in prisons, detention centers

Kompas, p. 3; Republika, p. 3

The Law and Human Rights Ministry is to issue early releases for about 30,000 incarcerated adults and juveniles through social reintegration and rehabilitation programs. The prisoners’ release is part of the government’s efforts to prevent the

spread of the COVID-19 virus at penitentiaries and detention centers, but strictly excludes drug and corruption convicts. The policy has also been implemented as a way to address overcrowding in the country's penitentiary system.

Indonesia's penitentiary system has 270,386 inmates to date, whereas the system is built to accommodate 131,931 inmates. Under these overcrowded conditions, inmates are at risk of contracting and transmitting the coronavirus because they cannot maintain physical distance.

Law and Human Rights Minister Yasonna Laoly on Monday issued Ministerial Decree (Kepmen) No. M.HH-19.PK.01.04.04/2020 on the Release and Discharge of Adult and Juvenile Inmates Through Assimilation and Integration in the Framework of Preventing and Combating the Spread of COVID-19.

RI to ban foreign arrivals

The Jakarta Post, p. 3; Koran Tempo

The government announced on Tuesday that it plans to bar foreign nationals from transiting or arriving in Indonesia as it steps up efforts to curb the spread of COVID-19, despite paying no heed to growing calls for a nationwide lockdown to contain the epidemic.

President Joko "Jokowi" Widodo said the travel ban would be effective "shortly" during a limited Cabinet meeting to discuss the possibility of repatriating Indonesian diaspora and restricting foreign arrivals.

"The President has decided that the current policies need to be strengthened [...], and so it was decided that all foreign citizens visiting or transiting in Indonesia will be temporarily halted," Foreign Minister Retno L.P. Marsudi told reporters in Jakarta after the meeting.

Foreign visitors and residents holding temporary or permanent stay permits (KITAS or KITAP), diplomatic visas and other permits for official missions are exempt from the ban, as long as they adhere to the appropriate travel health protocols.

KPK sets up online prison visits

Media Indonesia, p. 4

As part of efforts to curb the spread of COVID-19 in the country, the Corruption Eradication Commission (KPK) has extended its suspension of face-to-face inmate visitations. In its place, the KPK has set up an online visitation facility for families and legal counsel.

“Visits can still be made and will be carried out online via video link starting on April 1, 2020. The service will [be available] every Monday and Thursday starting at 10 a.m. to 12 p.m.,” KPK spokesman Ali Fikri said on Tuesday.

The KPK initially imposed a suspension on visitations at all KPK detention centers, effective from March 18 to 31. However, in a continuation of its effort to prevent localized outbreaks at KPK detention centers, the suspension was extended to April 21.

In addition to the online visitation facility, the KPK has started holding hearings by video link in collaboration with the Corruption Court.

Government preparing regulation to ban ‘mudik’: Ma’ruf

Republika, p. 3

Vice President Ma’ruf Amin confirmed that a government regulation (PP) was being drafted to ban *mudik* (exodus), a practice in which people return to their hometowns for the annual Idul Fitri holiday. The ban was intended to contain the COVID-19 outbreak in Indonesia.

“The PP is being formulated, perhaps two more days [until it is ready]. However, it is clear that we are asking the people not to return to their hometowns because of the risks this poses,” Ma’ruf said on Tuesday during a streamed press briefing.

The government has instructed public transportation companies to halt interregional services to support the *mudik* ban, at least until the end of May.

Regional heads, including Cirebon Mayor Nasrudin Azis, have been issuing appeals to its residents not to return to their hometowns, especially those who live in hot zones of the Indonesian epidemic.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Indonesia could handle COVID-19 without IMF's help

Investor Daily, headline

Indonesia does not need the IMF's help in fighting the COVID-19 pandemic as the country could raise up to Rp 1.5 quadrillion (US\$100 billion) in public funds to provide a social safety net program and boost the economy.

The government issued a government regulation in lieu of law to amend a state finance law to raise public funds to fight the pandemic. As a result, the government's budget deficit would expand to around 5.07 percent of gross domestic product (GDP).

Some economists predicted that the government could raise up to Rp 1.5 quadrillion in special funds to fight the pandemic. Of the total funds, Rp 1 quadrillion would come from the issuance of recovery bonds, and the rest would come from reallocating existing budgets from a number of ministry and government programs, such as Rp 190 trillion from ministries' budgets and village funds, Rp 100 trillion from the new capital city budget, Rp 100 trillion from the infrastructure budget and Rp 110 trillion of unspent budget funds from the previous year.

President Joko "Jokowi" Widodo has unveiled that the government would add Rp 405.1 trillion to the 2020 state budget to fight COVID-19. The additional fund includes Rp 75 trillion for health care, Rp 110 for a social protection program, Rp 70.1 trillion for tax incentives and lending-related stimulus and Rp 150 trillion to help boost the weakening economy.

Center of Reform on Economics (CORE) executive director Mohammad Faisal said that Rp 405.1 trillion was actually not big enough to fight COVID-19 and jack up the economy, comparing the COVID-19 stimulus budgets provided by other countries. Malaysia, whose population is way below Indonesia, for example, issued Rp 100 quadrillion worth of stimulus packages to fight COVID-19.

Rp 405 trillion for pandemic budget, deficit at 5%

The Jakarta Post, p. 1

Indonesia will issue a regulation in lieu of law (Perppu) that will boost state spending by up to Rp 405.1 trillion (US\$24.6 billion) and widen the budget deficit to 5.07 percent of gross domestic product (GDP) in the nation's fight against COVID-19.

President Joko Widodo said Tuesday the Perppu would serve as a foundation for the government and banking and financial authorities to carry out "extraordinary measures to ensure the people's health" and to "safeguard the national economy and financial system stability".

Of the extra spending, the government will allocate Rp 75 trillion for healthcare spending, Rp 110 trillion for social protection and Rp 70.1 trillion for tax incentives and credit for enterprises. The biggest chunk, Rp 150 trillion, will be set aside for economic recovery programs including credit restructuring and financing for small and medium businesses.

"I have just signed a Perppu on state finance policy and financial system stability," Jokowi said in a telebriefing. "We will issue the Perppu to anticipate the possibility of a state budget deficit that is estimated to reach 5.07 percent."

The relaxation of the state budget deficit limit from the current legal limit of 3 percent of GDP will apply for three years until 2022. "Afterward, we will return to imposing fiscal discipline of below 3 percent of GDP starting 2023," he added. Indonesia's fiscal discipline has been lauded, as the country has never exceeded its self-imposed state budget deficit limit of 3 percent of GDP introduced after the Asian financial crisis.

Speedy implementation of economic stimulus package

Bisnis Indonesia, headline

The government's move to declare a health emergency status to fight the COVID-19 pandemic must be supported by an effective and speedy implementation of the government's economic stimulus packages.

President Joko Widodo has announced a decision that ruled out any form of lockdown at the local level, firmly telling regional heads that, by declaring a health emergency status, he would be able to issue a government regulation to

impose large-scale social restrictions as stipulated under the 2018 Health Quarantine Law to slow the spread of the coronavirus.

“All parties must work together with the central government in dealing with COVID-19”, the President said on Tuesday, adding that the government had allocated an additional Rp 405.1 trillion to fight COVID-19.

Responding to the government’s new initiative, Indonesian Chamber of Commerce and Industry deputy chairman Shinta W. Kamdani said that the most important thing now was the speedy implementation of the new government incentives.

Center of Reform on Economics (CORE) executive director Mohammad Faisal said that the public was still waiting for the government’s decision regarding a fuel price cut following the freefall of crude oil prices.

Businesspeople pessimistic amid COVID-19 pandemic

Kontan, p. 1

Kontan’s quarterly survey of the top 30 CEOs in various industries has shown that, entering the second quarter of 2020, top executives in the country have the lowest confidence since early 2017 over Indonesia’s economic prospects.

The Kontan CEO Confidence Index (KCCI) for the second quarter of 2020 stayed at 2.84 points. An index of above 3 indicates optimism among CEOs and an index of below 3 indicates pessimism. The index fell below 3 for the first time since April 2017.

The survey asked CEOs about six indicators, namely macroeconomics, government spending, people’s purchasing power, the global economy, national politics and business expansion. Of the six indicators, the CEOs projected the people’s purchasing power and Indonesian macroeconomy would be the most severely affected by COVID-19, respectively falling by 25.8 percent and 24.57 percent from the previous quarter.

PT Tigaraksa Satria president director Lianne Widjaja said that the purchasing power of people in the middle and lower-income bracket would be the most affected, while those in the middle and upper-income levels restrained from spending.

PT Ancora Resources Indonesia president director Rolaw P. Samosir concurred, saying: "The business community has to prepare themselves for the worst to come."

Bakahuni-Palembang toll road now connected

Kompas, p. 1

The 33-kilometer Palembang-Kayu Agung toll-road segment in South Sumatra will be open to the public on Wednesday and, therefore, the toll road now connects Palembang directly to Bahakuni Port in Lampung.

The toll road is expected to cut traffic time from Bahakuni Port to Palembang to four hours only, from the normal journey of 13 to 17 hours.

PT Waskita Sriwijaya Tol's Yusuf Ar Rosadi said the development of the Palembang-Kayu Agung segment took four years to complete because 90 percent of the segment was built over swampy areas.

During the Christmas and New Year holiday, the Palembang-Kayu Agung segment was open to the public to help reduce traffic during the holiday season, though it was not fully ready. At the time, an average of 16,000 vehicles passed the toll road segment per day.

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