

**Monday, Apr. 13<sup>th</sup>, 2020**

## GENERAL NEWS AND HEADLINES

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### **Future of job creation omnibus bill to be decided**

*Koran Tempo, Nasional*

The House of Representatives is reportedly set to hold a meeting with the government tomorrow to discuss the latter's stance on the contentious job creation omnibus bill, the deliberation of which has been urged to be postponed amid the COVID-19 pandemic. According to House Legislation Body (Baleg) head Supratman Andi Agtas, the meeting is not part of the House's deliberation process.

Supratman said that should the government tell the House to proceed with the bill deliberation, the House would continue its deliberation on the bill, with the first stage being the establishment of a working committee by Baleg.

The establishment of a working committee, according to Supratman, will then be followed by a public hearing conducted at the House involving relevant stakeholders such as businesspeople and labor organizations.

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### **Satellite cities ready to impose large-scale social restrictions**

*Republika, headline; Koran Tempo, Nasional*

Five regions in West Java have acquired the Health Ministry's authorization to impose large-scale social restrictions (PSBB) as part of their attempts to curb the spread of COVID-19.

As affirmed by West Java Governor Ridwan Kamil, the Health Ministry has approved the request of Bekasi municipality, Bekasi regency, Bogor municipality, Bogor regency and Depok municipality to impose large-scale social restrictions in the areas for 14 days starting April 15.

The implementation of social restrictions in West Java, however, will be slightly different from Jakarta, the first city in the country to imposed such a policy. In Bogor and Bekasi regencies, in particular, the restrictions will only be fully imposed across districts, while numerous villages located in the regencies are not obligated to enforce social restrictions.

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### **Govt's mixed messages on COVID-19 draw criticism**

*The Jakarta Post, headline*

The central government could use a more coherent public communication strategy as it looks to address the COVID-19 outbreak in the country, with analysts pointing to deepening frustrations over mixed messages and a failure to effectively convey the seriousness of the situation.

After a Cabinet meeting on April 2, presidential spokesperson Fadjoel Rachman released a statement insisting there would be no official ban on the Idul Fitri *mudik* (exodus). Later that day, State Secretary Pratikno sought to clarify Fadjoel's statement, saying President Joko "Jokowi" Widodo had actually called on people not to go back to their hometowns, although he did not categorically state that the President would ban the *mudik* this year.

It is not the first time officials have been caught contradicting one another in public, but the current lapse during a time of crisis made it clear that a communication protocol was needed, said Arya Fernandes, political researcher at the Centre for Strategic International Studies (CSIS).

The confusion caused by these officials indicated that the formulated policies were still rough around the edges, Arya said, suggesting that a clear chain of command in communications would help convey the government's messages with greater clarity.

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### **Public services affected by work-from-home policy**

*Kompas, headline*

The work-from-home policy recommended by the government to contain the spread of COVID-19 has reportedly impacted the services of numerous public institutions. While the government had reminded that public services must not be disrupted during the enforcement of the policy, reports submitted to the Administrative and Bureaucratic Reform Ministry by the public indicate the opposite.

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Out of 348 reports received by the ministry, 153 are letters of complaints about sluggish and inattentive administrative services. Other than administrative services, the rest of the reports concern electricity problems (116), taxation (40), permit issuance (20), immigration (11) and oil and gas (eight).

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## **Ministerial decrees on 'ojek' deemed contradictory**

*Media Indonesia, headline*

Calls are rife for a revision of the recently issued Transportation Ministry Regulation No. 18/2020 for its allegedly misleading content. The regulation, which was issued by acting transportation minister Luhut Pandjaitan, allows app-based *ojek* (motorcycle taxi) to carry passengers with a number of preconditions. This provision, however, contradicts Health Ministry Regulation No. 9/2020, which strictly stipulates that delivery services, including app-based motorcycle taxis, are only allowed to deliver goods and not passengers.

Indonesian Consumers Foundation (YLKI) chairman Tulus Abadi asserted that the transportation ministerial regulation was counterproductive to the government's efforts to stem COVID-19 transmissions in the country, urging an immediate revision of the regulation.

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

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## **Businesses recommend cash for social aid**

*Bisnis Indonesia, headline*

Business associations and labor unions consider cash assistance a more effective social aid than the pre-employment card in mitigating the impact of the COVID-19 pandemic on the economy. The pre-employment card offers online training that would help workers to learn new skills to improve their competitiveness in the job market. Meanwhile, cash is needed to maintain the people's purchasing power.

According to Indonesian Chamber of Commerce and Industry (Kadin) vice chairman for manpower and industrial relations Anton J. Supit, social aid in the form of training is not suitable to be implemented during a public health emergency.

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"Funds for training incentive in the pre-employment card need to be used for direct cash assistance (BLT) for laid-off and furloughed workers during the pandemic," Anton said on Sunday.

Furthermore, Indonesian Workers Organization secretary-general Timboel Siregar said the BLT quota of Rp 600,000 (US\$37.97) given upon completion of the online training program was too low. According to Statistics Indonesia (BPS) data, purchasing power parity in 2019 is Rp 941,666 per person per month.

The pre-employment card, targeting 5.6 million participants across the country, offers its participants a program worth up to Rp 3.55 million that includes a Rp 1 million discount for a training program and a Rp 600,000 cash incentive upon its completion that will be transferred every month for four months.

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## **PSBB weakens businesses in multiple sectors**

*Kontan, headline*

Businesses will grow weaker as the large-scale social restrictions (PSBB) expand to Bekasi regency, Bekasi city, Depok city, Bogor city and Bogor regency in West Java as well as Tangerang regency, Tangerang city and South Tangerang city in Banten. People movement will become more limited, thus risking more industries laying off workers.

The tourism industry was among the first to get hit. Indonesian Hotels and Restaurants Association (PHRI) deputy chairman Rainier H. Daulay said 1,139 hotels had shut down as of Apr. 1 with most hotels located in West Java. The total loss is estimated at US\$1.5 billion, equal to Rp 24 trillion.

Business activities in other sectors have started to experience a slowdown. According to Indonesian Employers Association (Apindo) deputy chairwoman Shinta Kamdani, businesses in the food, electronics, automotive and textile sectors are closing their factories temporarily, negatively affecting the companies' cash flow, thus forcing the businesses to lay off workers.

Furthermore, Indonesian Diversified Ceramics Producers Association (Asaki) chairman Edy Suyanto projects that the ceramic factory utility could fall to 50 percent if the pandemic situation does not improve in the next few months.

## **One and a half million workers laid off and furloughed**

*Investor Daily, headline*

The Manpower Ministry announced that 1.5 million workers had been affected by the COVID-19 pandemic as of Friday. Among this number, 10 percent have been laid off, while the remaining 90 percent have been furloughed.

From the 1,506,713 workers affected, as many as 160,067 workers from 24,225 companies in the formal sector are laid off and 1,080,765 workers from 27,340 companies are furloughed. Meanwhile, in the informal sector, 265,881 workers from 30,466 companies have been furloughed.

The Manpower Ministry is pushing for alternative ways to prevent layoffs, such as by advising pay cuts and benefit removal for top-level employees such as directors and managers. In addition, companies are also advised to limit or reduce working hours or have a rotating working day.

Furthermore, companies may also resort to refusing to extend work contracts and start offering pensions. Nonetheless, these should be discussed first with their respective labor unions or workers representatives.

However, Indonesian Workers Organization secretary-general Timboel Siregar said although the Manpower Law tried to prevent layoffs, industries relied on supply for raw materials and demand for the products. According to Timboel, fiscal incentives such as exemption from income tax could help businesses that in turn protect workers from being laid off.

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## **State-owned banks to offer Rp 28.7 trillion credit relief**

*Koran Tempo, headline*

Banks are ready to offer credit relief to customers affected by the COVID-19 pandemic. The four state-owned bank have prepared an accumulated amount of Rp 28.7 trillion (US\$1.82 billion) to restructure customers' debt.

PT Bank Tabungan Negara, for example, has restructured 17,481 debtors' loan worth Rp 2.8 trillion. According to the bank's finance, planning and treasury director Nixon L.P. Napitupulu, there were tens of thousands more customers applying for relief.

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PT Bank Rakyat Indonesia has done the biggest debt restructuring with Rp 14.9 trillion total debts from 134,000 borrowers. The schemes offered include lower interest rates, loan period extension, loan rescheduling, as well as interest arrears relief.

According to Financial Services Authority (OJK) chairman Wimboh Santoso, if the banks did not restructure their debt, it would increase their non-performing loans (NPL). Wimboh said the banking industry's NPL in February was 2.79 percent, increasing slightly from 2.77 percent in January.

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## **COVID-19: Jakarta's partial lockdown deals heavy blow to 'ojek' drivers**

*The Jakarta Post, p.3*

App-based *ojek* (motorcycle taxi) drivers have experienced a significant drop in income since schools and companies started imposing study and work from home policies. The large-scale social restrictions (PSBB) ordered by the Jakarta administration on Friday worsen the *ojek* drivers' financial situation.

Effective for 14 days until April 24, the PSBB states that *ojek* drivers are only allowed to transport goods and not passengers, as stipulated in Health Ministry Regulation No. 9/2020 on PSBB guidelines and Gubernatorial Decree No. 33/2020, the legal basis for the implementation of large-scale social restrictions in the capital.

To comply with the PSBB status, multi-service apps Gojek and Grab also temporarily disabled their *ojek* or passenger pick-up services. Jakarta-based customers are only able to hail a car and use goods and food delivery services.

Online Driver Association (ADO) head Wiwit Sudarsono said drivers' earnings had been reduced up to 80 percent, especially for drivers who used to take only passengers.

Furthermore, Two-Wheel Movement Union (GARDA) head Igun Wicaksono said the association had requested from the government an allowance of Rp 100,000 (US\$6.30) for each driver, or half the average daily income of app-based *ojek* drivers.

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