

Wednesday, Apr. 15th, 2020

GENERAL NEWS AND HEADLINES

ASEAN leaders support COVID-19 response fund

The Jakarta Post, headline; Media Indonesia, p. 4; Investor Daily, p. 12

The leaders of Southeast Asian countries agreed on Tuesday to establish an ASEAN COVID-19 Response Fund to help procure crucial medical supplies and equipment for frontline response and preventive efforts in all member states, as the deadly virus that causes the disease continues to tear through the region.

President Joko “Jokowi” Widodo and the region’s nine other leaders attended a virtual ASEAN Summit hosted by current group chair Vietnam early on Tuesday. Later that afternoon, they also virtually met with Chinese Premier Li Keqiang, Japanese Prime Minister Shinzo Abe and South Korean President Moon Jae-in under the ASEAN Plus Three (APT) format.

Proposed by Thailand, the COVID-19 fund will deal with the scarcity of medical supplies caused by the pandemic. The fund will be sourced from money funneled into the organization through existing development and cooperation funds, regional officials have said, as member states looked for ways to curb the spread of the disease and treat infected patients effectively. The amount has not been officially revealed yet, but the fund is expected to pool 10 percent from the ASEAN Development Fund and cooperation funds with partner countries.

After the APT Summit, Foreign Minister Retno LP Marsudi told reporters that both sides were committed to utilizing all existing mechanisms as well as newer initiatives such as the COVID-19 response fund, saying that there was also a proposal to allocate other ASEAN cooperation funds for emergency situations.

Activists’ initiatives to compile COVID-19 patient data

Koran Tempo, Main Report

KawalCOVID-19 activists have taken the initiative to collect data on confirmed coronavirus patients, as suspicions mount over whether the central government

is withholding information. KawalCOVID-19 founder Ainun Najib said his team was exploring several methods to collect data from various regions. "We are discussing three ideas; however, no decision has been made yet," Ainun told *Tempo* yesterday.

Ainun explained that the easiest way to collect data unreported by the central government was to retrieve data from mainstream media outlets and local government sites.

Discrepancies in data reported by news outlets and the government had been found in Central Java, where the Central Java Health Office reported on the corona.jatengprov.go.id site a total of 334 confirmed COVID-19 cases. Meanwhile, data reported by the Health Ministry recorded only 278 confirmed cases in Central Java.

In addition to examining news from trusted news outlets, Ainun said they would also attempt to collect data through public reports, where citizens will be able to report people under surveillance, confirmed positive cases and even deaths.

To facilitate data collection and verification, Ainun said KawalCOVID-19 would collaborate with LaporCovid-19, an initiative to report all COVID-19 matters on their site laporcovid19.id without having to go through long bureaucratic processes. Since opening on April 6, LaporCovid-19 has received approximately 2,000 reports from the public.

Pilkada postponed until December

Republika, p. 3; Media Indonesia, p. 3; Kompas, p. 2

It has been decided that the 2020 simultaneous regional elections will be postponed three months and will be held on Dec. 9. However, if the COVID-19 pandemic has not come under control by the beginning of the elections' preliminary stages, it will be delayed further.

The decision was made at a House of Representatives Commission II hearing on Tuesday, attended by Home Minister Tito Karnavian, General Elections Commission (KPU) chairman Arief Budiman, Elections Supervisory Agency (Bawaslu) chairman Abhan and representatives from the Election Organization Ethics Council (DKPP).

The meeting mainly discussed three options to postpone the regional elections, namely December, March 2021 and September 2021.

However, Arief explained that the postponement of the regional elections depended on two things; that a regulation in lieu of law (Perppu) be issued by the end of April and that the emergency response status ends by May 29.

Virus may derail capital relocation plan

The Jakarta Post, p. 2

It is looking more likely the COVID-19 outbreak will derail President Joko “Jokowi” Widodo’s ambitious plan to move the capital from densely-populated Jakarta, with most of the preparatory work delayed as the government shifts its focus to tackling the pandemic.

Coordinating Maritime Affairs and Investment Minister Luhut Pandjaitan said on Tuesday that the government was currently not in the position to say whether or not it would go ahead with the capital relocation project, as it was busy handling the coronavirus outbreak in the country.

Last week, Public Works and Housing Minister Basuki Hadimuljono said that his office was not allocating part of its 2020 budget for preliminary construction work on the site of the new capital, adding that Jokowi would have the final say over the matter.

“The authority to cancel, delay or continue construction of the new capital rests in the hands of the President,” Basuki said in a video conference last week, as quoted by kompas.com.

The National Development Planning Agency’s (Bappenas) regional development deputy, Rudy Soeprihadi Prawiradinata, said separately that some preparatory work relating to the new capital, including field surveys, would have to be postponed due to the government’s focus on combating the virus outbreak.

COVID-19 rapid-response task force to speed up testing

Koran Tempo, Main Report

The COVID-19 rapid-response task force will accelerate COVID-19 testing in the country by equipping 78 laboratories across Indonesia with facilities to test for the coronavirus. Task force head Doni Monardo said that an increase in laboratories with the capacity for testing was needed to accelerate the detection of COVID-19. “We are constantly working to improve [our] laboratories,” Doni said yesterday.

Before the outbreak in Indonesia, Doni said Indonesia only had three laboratories capable of testing for infectious diseases. Over time, 25 laboratories had the capacity to test for the highly contagious disease. "We hope that 78 laboratories will be operating in the country," Doni reiterated, adding that the task force had collaborated with ministries and related institutions to support the laboratory capacity building.

Moreover, the task force has also sought to produce personal protective equipment using local components certified by the World Health Organization (WHO), to become independent of overseas exports. Additionally, the government will also be producing ventilators with the assistance of the Health Ministry.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Indonesian economy to recover in fourth quarter

Investor Daily, headline

Finance Minister Sri Mulyani Indrawati said the economy would recover in the fourth quarter. Indonesian economic performance for the whole year 2020, however, would depend very much on efforts to contain the spread of COVID-19.

Speaking at a tele press conference after a Cabinet meeting on Tuesday, Sri Mulyani said that in the second quarter, economic growth would slow to 2.3 percent or even fall further up to minus 2.6 percent if the pandemic was not contained. In the third quarter, the economy would remain under pressure, growing by between 1.5 percent and 2.8 percent at most.

"We hope recovery begins in the fourth quarter and accelerates in 2021. If we can manage COVID-19, recovery will begin the last quarter of this year," the finance minister said.

Bank Indonesia Governor Perry Warjiyo said the pace of Indonesian economic growth would be in line with the global economic situation. He added that developed economies would experience constructions in the second and third quarter of this year and would start the recovery in the fourth quarter.

“Based on COVID-19 pandemic patterns, global economic growth will start improving in the fourth quarter of 2020. And because of the base effects, the global economic growth will accelerate beginning the first quarter of 2021.

NGOs file petition against Perppu for giving legal immunity

Kontan, headline

A number of NGOs have filed a lawsuit against Government Regulation in lieu of law (Perppu) No. 1/2020 on state financing and financial system stability with the Constitutional Court, arguing that the Perppu gives legal impunity to public officials and therefore contravened the 1945 Constitution.

The NGOs include the Indonesian Anticorruption Society (MAKI), Yayasan Mega Bintang 1997, LP3HI, KEMAKI and PEKA legal aid institute. They emphasized Article 27 of the Perppu, which states that public officials who make decisions on good intent to implement the Perppu could not be prosecuted both in the civil and criminal courts.

They argue that Article 27 contravenes the first paragraph of Article 27 of the 1945 Constitution, which states that all citizens are equal before law and state rules and therefore all citizens must uphold law and state rules.

MAKI coordinator Boyamin Saima argued that the NGOs filed the petition because no one should have legal impunity. Even the President of this country could be impeached if he acts against the 1945 Constitution.

Boyamin also noted that mega-corruption scandals, such as the bank liquidity support case after the 1998 financial crisis should not recur, and therefore, no one should have immunity in the country.

BI drafts new policy to deal with COVID-19

Bisnis Indonesia, headline

Bank Indonesia (BI) will maintain its reference rate and seven-day (reverse) repo rate at 4.5 percent, with the deposit facility rate and lending facility rate maintained at 3.75 percent and 5.25 percent, respectively. BI is focusing on quantitative easing measures, which would result in the injection of Rp 300 trillion into the market beginning May 1.

The central bank looks to lower the reserve requirement by 200 basis points (bps) for commercial banks and by 50 bps for sharia banks or sharia business units. Additionally, BI will not require commercial banks to fulfill current account requirements of macroprudential intermediation ration (RIM) for a year. BI predicts the decision will add liquidity worth Rp 15.8 trillion.

Furthermore, the central bank has released its policy on credit cards, which will be in effect on May 1, which will include lowering maximum interest rates, decreasing minimum credit payment and the temporary lowering of late payment fines.

Center of Reforms on Economics (CORE) research director Piter Abdullah explained that with consumer spending on the decline, credit card usage would not be a priority since it was driven by leisure needs. Thus, there would not be progressive growth in the industry, although Piter thinks that credit card quality will be maintained since their holders had fixed incomes.

Bank Permata economist Josua Pardede stated that reserve requirement relaxation will directly affect banking liquidity more than altering the reference rate.

Virus crisis may derail capital relocation plan

The Jakarta Post, p. 2 (Headline page)

It is looking more and more likely the COVID-19 outbreak will derail President Joko "Jokowi" Widodo's ambitious plan to move the capital from densely-populated Jakarta, with most of the preparatory work delayed as the government shifts its focus to tackling the pandemic.

The disease has severely affected economies around the world and forced many countries to change their budget plans to avoid a recession. Public spending has shifted to crisis mitigation and high-cost infrastructure projects have been shelved as a result, with more likely to come.

Coordinating Maritime Affairs and Investment Minister Luhut Pandjaitan said on Tuesday that the government was currently not in the position to say whether or not it would go ahead with the capital relocation project, as it was busy handling the coronavirus outbreak in the country.

Deflecting previous criticism painting him as a money-hungry power broker, Luhut said President Jokowi did not even have any opportunity to evaluate the

project. "We haven't done anything on that front because the President is focused on the COVID-19 problem," Luhut told reporters in a virtual interview from Jakarta on Tuesday.

Last week, Public Works and Housing Minister Basuki Hadimuljono said that his office was not allocating part of its 2020 budget for preliminary construction work on the site of the new capital, adding that Jokowi would have the final say over the matter.

"The authority to cancel, delay or continue construction of the new capital rests in the hands of the President," Basuki said in a video conference last week, as quoted by *kompas.com*.

The government had initially planned early this year to fast-track construction of the new capital, with a "soft groundbreaking" event planned for July before the next phase of development would begin in 2021. It had also planned to finalize the city's master plan and pass a new law to consolidate the process following deliberations with House of Representatives lawmakers.

Help farmers prevent food crisis

Kompas, headline

Statistics Indonesia (BPS) said Indonesian farmers' exchange rate had continuously fallen in the past few months, from 104.16 in January to 103.35 in February and 102.09 in March due to the COVID-19 pandemic.

This falling exchange rate of farmers indicate that their prosperity has also fallen, and therefore, they are in danger of falling into poverty amid the economic slowdown due to the pandemic.

The Food and Agriculture Organization has called on governments around the world to maintain and improve the welfare of farmers to prevent food crisis during the pandemic. When farmers' prosperity is maintained, they will continue to produce foods.

In its report titled *Anticipating the impacts of COVID-19 in humanitarian and food crisis context*, the FAO warned that failure to maintain farmers' welfare could lead to disruption of food production and this would disrupt also the food supply chains. If that happens, the victims would be poor people and people living just above the poverty line.

The FAO recommended that the government provide cash assistance to farmers as food producers to maintain production and food supply chains.

President Joko “Jokowi” Widodo said after a Cabinet meeting on Tuesday that he had taken into account the warnings and suggestions from the FAO and had instructed relevant ministers to pay attention and make sure that food production would continue to increase and reduce the country’s dependence on imported food products.

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