

**Thursday, Apr. 16<sup>th</sup>, 2020**

## GENERAL NEWS AND HEADLINES

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### Jokowi calls for transparency in virus fight

*The Jakarta Post, p. 3*

President Joko "Jokowi" Widodo has called for greater transparency in how the nation is handling the coronavirus outbreak, ending his previous strategy of withholding some information regarding the outbreak to prevent mass hysteria.

The President ordered that all information regarding the pandemic be integrated in a single channel managed by the nation's COVID-19 task force. The integrated data, he said, should include information regarding patients under treatment (PDP), people under surveillance (ODP) in every region, positive cases, fatalities and recovered patients, and should be updated on a daily basis.

Following the President's order, Achmad Yurianto, the government's spokesperson for COVID-19 affairs, revealed for the first time on Tuesday the number of suspected COVID-19 patients in the country. As of Tuesday afternoon, Indonesia had 4,839 confirmed coronavirus cases, with 459 fatalities and 426 recoveries, he said, adding that the government had tested 31,628 people for the deadly virus and was monitoring 139,137 people with ODP status and 10,482 people with PDP status.

On the government's official website, covid19.go.id, the task force also now shows the data of both national and provincial cases, including confirmed cases, fatalities and recoveries, along with charts highlighting the national trends of additional cases, fatalities and recoveries.

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### KPU awaits Perppu to postpone regional elections

*Koran Tempo, Main Report; Republika, p. 3*

The General Elections Commission (KPU) is awaiting the issuance of a regulation in lieu of law (Perppu) to provide a legal basis for the postponement of regional elections.

KPU commissioner Ilham Saputra said the KPU would immediately begin preparations once the Perppu had been issued. Moreover, Ilham expressed hope that the government would not impose strict provisions in postponing the regional elections, such as Law No. 10/2016 concerning the elections in an issued Perppu. Ilham explained that the KPU

needed full discretion in determining the postponed voting date so that all preliminary stages for the elections could be organized accordingly.

According to Ilham, the preliminary stages included the inauguration of the voting committee (PPS) and the recruitment of the voter data committee. "Likewise, [we also need] to verify the supporters of individual candidates," Ilham stated.

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## **150,000 reagents for COVID-19 testing to arrive this weekend**

*Kompas, p. 1*

The government has obtained 150,000 reagents for polymerase chain reaction (PCR) tests to accelerate COVID-19 testing, as confirmed by the Health Ministry's public health improvement coordination undersecretary, Agus Suprpto. The reagents are to arrive this weekend.

"The reagents will be distributed according to the urgency of testing laboratories, taking into account the deficiencies and development needs of the laboratory," Agus explained.

Forty-four laboratories across Indonesia are equipped to carry out mass COVID-19 testing, all of which have contributed to Indonesia's capacity to examine only 3,200 samples per day.

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## **Bodebek PSBB effective but not maximized: West Java governor**

*Investor Daily, p. 12*

West Java Governor Ridwan Kamil has deemed the implementation of large-scale social restrictions (PSBB) in Bogor, Depok, Bekasi (Bodebek) to be effective, however not optimal.

"We have imposed PSBB in five regions in West Java, by implementing physical distancing on commuter lines and reducing vehicle flow to Jakarta," Ridwan explained on Wednesday. Ridwan revealed that state-owned toll operator PT Jasa Marga had reported a decrease in almost 50 percent of vehicles passing through the Jagorawi toll road to the capital.

However, Ridwan argued, vehicles were still moving back and forth between the capital as many companies in Jakarta had not yet, or were unable to, implement work from home (WFH) policies.

Committed to strictly imposing the PSBB, Ridwan reaffirmed that anyone found in violation of PSBB regulations would be sanctioned.

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## **Indonesian Military asks for Rp 3.2 trillion for COVID-19 relief**

*Media Indonesia, p. 4*

The Indonesian Military (TNI) has asked for a budget increase of Rp 3.2 trillion to accelerate the handling of the COVID-19 outbreak across the country, TNI commander Air Chief Marshal Hadi Tjahjanto explained in a virtual working meeting with the House of Representatives Commission I on Wednesday.

Hadi Tjahjanto explained that Rp 1.4 trillion of the budget would be used to finance the mobilization of as many as 90,000 TNI personnel to help contain the COVID-19 outbreak for 150 days. The TNI will be involved in contingency operations for 90 days, including the rehabilitation phase, and will require 60 more days for the reconstruction phase.

The remaining budget will then be used to meet the needs of medical equipment in 109 hospitals owned by the TNI, to treat any COVID-19 patients admitted.

Presently, the TNI has received a reallocated budget of Rp 196.8 billion to help handle the outbreak.

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

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## **Indonesia stands the test of crisis**

*Investor Daily, headline*

The Indonesian economy survived the last global financial crisis, and businesses then stood the test of the crisis. Therefore, there is no reason not to be optimistic over Indonesia again surviving the incoming crisis due to the COVID-19 pandemic, according to experts.

Experts invited to a discussion by Investor Daily include Indonesian Employers Association (Apindo) chairman for capital market Gunawan Tjokro, PT Bahana TCW Investment chief economist and director for investment strategy Budi Hikmat, President University lecturer Josef Ginting and Bank Permata economist Josua Pardede.

They argued that the current crisis reminded all stakeholders that Indonesia needed to develop the downstream sector of natural-based industries, increase domestic production that could substitute imports and therefore reduce the current account deficit, optimize the tourism sector to generate foreign exchange and focus on needs for the poor.

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Gunawan Djokro said that businesspeople now tried hard not to lay off workers because when the COVID-19 pandemic is over or begins declining, economic activities would return to normal. However, some sectors may have no other choice but to lay off workers. In that case, the government has to intervene to help the laid off workers.

Josef Ginting concurred, saying that Indonesian businesspeople had stood the test of past crises and they would survive the current crisis, which for many businesspeople also brings about new opportunities.

Budi Hikmat said that foreign investors appreciated the way the government handled the crisis by expanding budget deficits and providing various stimulus to the market. Also, Budi said the market also appreciated Bank Indonesia's quantitative easing policy that would result in injecting liquidity into the market, totaling Rp 417 trillion.

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## **Coronavirus health costs could swell beyond budget**

*Kontan, headline*

Hospital claims from treating people with the coronavirus could be bigger than what has been budgeted by the government and, in the end, the government has to find ways to allocate more funds to pay the claims. The government has allocated Rp 75 trillion to pay hospital claims in treating people with the coronavirus.

A document shows that the cost of treating one coronavirus patient who spends 14 days in the hospital is Rp 105.5 million. Assuming there are now 5,136 coronavirus patients, the total cost would be Rp 38.5 billion or Rp 539.28 billion for 14 days.

COVID-19 in Indonesia has not reached its peak, and the number of coronavirus patients would continue to increase. And if the current large-scale social restrictions (PSBB) in a number of areas are not implemented properly, the number of patients could spike.

Melki Laka Lena, deputy chairman of the House of Representatives Commission IX on health care, called on the government and law enforcers to take tougher measures for those who violate the PSBB. Otherwise, the policy would not be effective in containing the spread of COVID-19.

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## **Incentives for SMEs need faster execution**

*Bisnis Indonesia, headline*

The Indonesian government has so far announced a few incentives for small businesses, such as credit relaxation, with president Joko "Jokowi" Widodo ordering for additional incentives and social assistance.

Although they are necessary to mitigate the economic impact of the COVID-19 pandemic, since small businesses employ 100 million people and contribute to 60 percent of GDP, they badly need government help and, yet, some incentives such as tax incentives and debt relaxation have not been implemented.

Cooperatives and Small and Medium Enterprises Minister Teten Masduki stated that there were eight programs intended for mitigating the impact of COVID-19 on small businesses. The programs include purchasing power stimulus, microcredit interest rate subsidy and restructuring, direct cash assistance, and tax incentives.

On tax incentives, the government has decided to eliminate small business taxes for the next six months. Taxation Directorate General regulations director Yunirwansyah stated that the small businesses that will be the recipients of the incentives are those using the final scheme of income taxes stipulated in the revision of Government Regulation No. 23/2018.

Meanwhile, regarding credit relaxation, the banks have stated that they have implemented credit restructuring while keeping in mind the risk of moral hazard. Financial Services Authority (OJK) non-bank finance industry (IKNB) monitoring department head Bambang W. Budiawan said that financial institutions were still verifying data before deciding to implement a credit relaxation for customers affected by the pandemic.

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## **Indonesian manufacturing sector slows down**

*Koran Tempo, Business page*

Statistics Indonesia (BPS) said that Indonesia booked a trade surplus of US\$2.62 billion in the first quarter of this year, with exports totaling \$41.79 billion and imports \$39.17 billion. In the first quarter of last year, Indonesia suffered a trade deficit of \$62.8 million.

BPS chairman Suhariyanto, however, warned that imports of goods declined 13 percent in the first quarter of this year, indicating that the activities of

Indonesia's manufacturing sector are slowing down. He also said that imports of raw materials declined 2.82 percent, while imports of consumptive products increased 7.9 percent.

The Trade Ministry's Trade Study and Development Center chairman, Kasan Muhri, said that in March alone, imports of capital goods dropped significantly by 18 percent and imports of industrial raw materials dropped even deeper by 22 percent.

Kasan reasoned that the drop of capital goods imports in March was because many of the imported capital goods came from China. As China had imposed lockdowns in a number of cities, Indonesian importers could not import the capital goods.

Indonesian Chamber of Commerce and Industry deputy chairman Shinta W. Kamdani said that the trade surplus in the January-March period was not something to celebrate because it indicated a downturn in the global and Indonesian economy.

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## **Transportation industry seeks 'rescue package'**

*The Jakarta Post, p. 5 (Business page)*

Transportation companies are seeking government financial support to stay afloat following the imposition of social restriction policies across the nation, which has brought the industry to a virtual standstill.

The Indonesian Chamber of Commerce and Industry (Kadin) stated that almost all companies in the air, land and sea transportation and services sectors had been hard hit by the COVID-19 outbreak.

The epidemic and the government's delayed response have crippled almost all business activities in the country.

Kadin deputy chair Carmelita Hartoto said that the transportation industry, which had been declining since late February, had seen conditions worsen after the government imposed the social distancing policy in mid-March.

"After meeting with transportation companies, it must be said that the transportation sector as a whole has been affected by the COVID-19 pandemic," Carmelita said in a press release on Monday.

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She said that the stay-at-home social distancing policy, combined with the closure of tourist sites and shopping centers, had contributed to the sector's plummeting earnings.

Kadin data shows that sea transportation companies recorded a 15 percent decline in revenue in March. The declining trend is expected to continue as Jakarta and its satellite cities impose the large-scale social restrictions (PSBB), an expanded policy that carries harsh sanctions for violators.

In aviation, border closures and flight cancellations had caused losses of earnings of 20 to 50 percent for airline companies since January, Kadin said.

On March 26, Indonesian National Air Carriers Association (INACA) chairman Denon Prawiratmadja said that airlines had seen a drastic fall in passenger numbers since early March, which prompted all airlines to cut frequency and routes by 50 percent or more.

To offset the losses, several airlines temporarily suspended operations and laid off some employees, Denon said.

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