

Tuesday, Apr. 21th, 2020

GENERAL NEWS AND HEADLINES

PSBB implementation not yet optimal: COVID-19 task force

Kompas, headline; Republika, headline

During a virtual meeting with the COVID-19 task force on Monday, President Joko "Jokowi" Widodo called for an evaluation of the ongoing implementation of large-scale social restrictions (PSBB), which have been imposed gradually in a number of regions across Indonesia since April 10 to slow the spread of the coronavirus.

Following the meeting, COVID-19 task force head Doni Monardo said the PSBB implementation in Greater Jakarta had yet to be effective as several companies and factories were still operating. Consequently, the number of passengers on public transportation could not be significantly reduced yet.

Doni, however, marked some progress in this week's PSBB implementation as less people were seen crowding bus and train stations. Doni, who also serves as the head of the National Disaster Mitigation Agency (BNPB), has urged the public, particularly companies, to follow the government's COVID-19 policies.

Indonesian courts to go virtual during COVID-19

The Jakarta Post, p.1

As the COVID-19 epidemic in Indonesia shows no signs of easing, two of the country's highest courts, the Supreme Court and the Constitutional Court, have switched to virtual trials to keep the judicial system running.

The Supreme Court has determined in an unprecedented decision that all lower courts are to use the Zoom videoconferencing platform to conduct their trials fully online starting April 13. The court issued a joint agreement with the Attorney General's Office (AGO) and the Law and Human Rights Ministry late last month on conducting criminal trials by video conference.

However, the court had no plans to livestream the trials for public view, Supreme Court spokesperson Abdullah said, including trials that were usually open to the public.

The statement has fueled criticism on the transparency of the court, which is notorious for opposing external oversight. In its defense, the court said it wanted to protect the identities of all justices, prosecutors and witnesses, regardless of the nature of the court case.

Unlike the Supreme Court and all courts under its jurisdiction, the Constitutional Court has been using videoconferencing facilities for witnesses, forensic witnesses and petitioners to deliver statements and testimonies remotely, years before the pandemic emerged. It also livestreams all hearings on its website.

Inmate assimilation, integration program to be evaluated

Republika, p.2

The Law and Human Rights Ministry has asked all regional office heads (Kanwil) to evaluate the inmate assimilation and integration program, through which more than 38,000 prisoners have been granted an early release to prevent the further spread of COVID-19 in the country's overcrowded prisons.

Law and Human Rights Minister Yasonna Laoly conceded that a lot of the prisoners had recommitted crimes as soon as they were released. Yasonna thus requested the ministry's regional offices and the police to join hands in putting the released inmates under strict surveillance.

House invites experts to discuss omnibus bill

Koran Tempo

The House of Representatives' job creation omnibus bill working committee (Panja) held its first meeting on Monday, during which it decided to invite a number of experts in a public hearing on Wednesday.

House's Legislation Body (Baleg) deputy chairman Willy Aditya said Baleg had discussed and picked relevant experts that would be invited on Wednesday. Willy said several subjects, including the bill's general requirements, objectives and targets, would be discussed during tomorrow's hearing.

"We will invite experts in the field of legal and constitutional affairs and maybe economics," said Willy.

Baleg deputy chairman Supratman Andi Agtas said the hearing would also include a discussion on to the bill's juridical, sociological and philosophical aspects.

KPK drafts prosecuting guidelines

Koran Tempo, Nasional; Republika, p.2

The Corruption Eradication Commission (KPK) is currently drafting a guideline for the prosecution of people who have been found guilty of graft, according to KPK commissioner Nurul Ghufron. Nurul said the guideline was designed to prevent gaps and disparities in indictments and, therefore, would ensure justice for the people, the country and the convicts themselves.

Nurul explained that the guideline was based on previous indictments and court rulings. The antigraft body, Nurul said, would also invite a number of experts to offer their suggestions.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Investment expected to slow this year

Bisnis Indonesia, headline

The Investment Coordinating Board (BKPM) announced an 8 percent growth in investment realization in the first quarter this year to Rp 210.07 trillion (US\$13.66 billion) compared to the same period last year. However, the positive growth trend is unlikely to continue in the coming quarters due to the COVID-19 pandemic.

The BKPM estimates investment realization will total Rp 817 trillion this year, Rp 69.1 trillion short of the targeted Rp 886.1 trillion, with the assumption that the pandemic will end in June.

However, the chairman of the Indonesian Employers Association's (Apindo) advisory council, Sofjan Wanandi, said that even the revised target was still too optimistic. He argued that to expect investment realization to reach Rp 600 trillion was optimistic because business sectors were unlikely to stick with their investment expansion plans this year. Sofjan said businesses were now focusing on how to continue operations without laying off workers. He estimated investment realization would drop 20 percent this year.

Businesses in the automotive sector continue to expand investment while remaining alert to market conditions. Japan-based Honda has invested Rp 5.1 trillion this year to increase production capacity, while South Korea-based Hyundai is on track to build its \$1.55 billion factory by 2030.

Meanwhile, state-owned enterprises (SOEs) have started to cut their capital expenditure (capex). Construction company PT Adhi Karya has cut its capex from Rp 5.5 trillion to Rp 1.4 trillion, while PT Wijaya Karya also plans to cut its capex spending from its initial plan of Rp 11.5 trillion.

SOEs to revise targets due to pandemic

Kontan, headline

The State-Owned Enterprises (SOE) Ministry has requested SOEs to conduct stress tests to review their performance targets this year as the COVID-19 pandemic heavily impacts business operations. The companies are likely to revise their revenue, profit and capital expenditure (capex) targets.

Telecommunication company PT Telekomunikasi Indonesia (TLKM) plans to give aid to people amid the pandemic. As a consequence, this would impact its performance this year, so they are currently discussing new targets and strategies. Construction company PT Pembangunan Perumahan (PTPP) finance and risk management director Agus Purbianto said it might also revise its revenue, profit and capex targets this year. However, Agus said whether or not the stress test lead to target revisions would depend on each SOE.

Meanwhile, construction company PT Wijaya Karya (WIKA) is currently conducting stress tests and evaluations of its targets. The company's president director Tumiyana said a stress test was conducted based on three scenarios – minor revision of targets if the pandemic ends in three months, medium revision if it ends in six months and major revision if the pandemic lasts longer than six months.

Similarly, steel producer PT Krakatau Steel is also conducting financial stress tests based on several scenarios and is yet to revise its target. The company's president director Silmy Karim said it would review this year's targets after the second quarter as no one knew when the pandemic would end and what the situation would be post-corona.

COVID-19 pandemic sparks social solidarity

Investor Daily, headline

Entrepreneurs and companies are collecting funds to help fight COVID-19 pandemic. The funds collected have surpassed Rp 1 trillion (US\$65.01 million), most of which is used to purchase healthcare equipment, including protective gear (APD), to be distributed to health workers in hospitals.

In addition to donating funds and equipment, more than 25,000 people are registered as volunteers to help medical workers disseminating information and guidelines related to the novel coronavirus.

According to the Indonesian Employers Association's (Apindo) advisory council chairman Sofjan Wanandi, the aid is provided in the form of health equipment instead of cash because the equipment was more needed now. He also said the government had not asked businesses to provide funds and instead was giving them recommendations on which hospitals are most in need of the health equipment.

In addition, Sofjan also said businesses are not asking for incentives in return for their donations.

SKK Migas reviews contractors' work plans

Koran Tempo, headline

The Upstream Oil and Gas Special Regulatory Task Force (SKK Migas) has received work plan and budget (RKA) revision proposals submitted by a number of oil and gas contractors (KKKS) in the upstream sector impacted by the COVID-19 pandemic and falling crude oil prices.

SKK Migas operations deputy head Julius Wiratno said the COVID-19 pandemic had hampered upstream business operators from reaching their production

targets this year. SKK Migas has received evaluation requests from 14 contractors as of last week. In addition, the West Texas Intermediate (WTI) oil price also fell to US\$15 per barrel yesterday from \$30 last week.

SKK Migas head Dwi Soetjipto said he had proposed a number of incentives to maintain the economic feasibility of upstream oil and gas projects to the energy and mineral resources minister. One of the proposed incentives would be the postponement of the abandonment site restoration (ASR) fund for this year.

Dwi said the pandemic had impeded operations of oil fields and would affect oil and gas lifting. He estimated this year's oil and gas lifting to only reach 725,000 barrels of oil per day (BOPD) from the targeted 755,000 BOPD and 5,727 million standard cubic feet per day (mmscfd) of gas from the targeted 6,670 mmscfd.

Loan growth to slump 4% due to pandemic: Economist

The Jakarta Post, p.2

Indonesia's banking industry is expected to see a drop in loan growth to around 4 percent this year as the COVID-19 pandemic batters the economy, an economist has said.

Institute for Development of Economics and Finance (Indef) senior economist Aviliani said that Indonesian banks had become hesitant to provide loans to new debtors, as both the national and global economies had been disrupted by COVID-19.

"I think loan growth will be around 4 percent and new loan disbursement will begin to return to normal in March 2021. The banks are hesitant to channel loans, as demand will remain low until December," she said during an online discussion on Friday.

The Indonesian banking industry recorded 5.93 percent loan growth in February, the lowest since November 2009, according to the Financial Services Authority (OJK). The figure is also lower than the 6.1 percent booked in January 2020.

The nonperforming loans (NPLs) ratio jumped to nearly 2.8 percent, the highest since May last year.

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