

Monday, Apr. 27th, 2020

GENERAL NEWS AND HEADLINES

Fears of repression grow in virus-crippled Indonesia

The Jakarta Post, headline; Koran Tempo, Nasional

Activists have raised the alarm over a growing climate of fear in Indonesia following the arrests of a number of people critical of the government as it scrambles to weather the social and economic fallout of the COVID-19 pandemic.

In the past few days, human rights groups have rallied behind Rавio Patra, an independent researcher known for his critical tweets and op-ed on government policies who was arrested by the police after reporting that his WhatsApp account had been hacked and found to have broadcast provocative messages.

Aldo Kaligis of Amnesty International Indonesia called on the police to fully investigate the case. "Rавio's arrest is believed to be linked to his criticism of the government. If proven true, there should be an independent, in-depth investigation and legal action against the perpetrators of the hacking and his arrest," he said.

Coordinating Political, Legal and Security Affairs Minister Mahfud MD said that law enforcers in the country could learn from Rавio's case by refraining from hasty arrests and handling criticism better. "If there is no strong evidence [to arrest someone], we should just take it as criticism. But if [the statement] is dangerous, we can try to lure the perpetrators first," Mahfud said in a video statement published on Saturday.

The curious case of Rавio Patra should not be taken lightly. With a draconian cyberlaw and the absence of legislation on privacy, failing to resolve it will only make Indonesia's cyberspace look more and more like a dystopian nightmare.

Social restrictions deemed inadequate

Kompas, headline; Media Indonesia, p.2

The implementation of large-scale social restrictions (PSBB) and the blockade of road accesses to Jakarta, the epicenter of COVID-19 transmission in the country, have been deemed insufficient to significantly halt the spread of the SARS-CoV-2 virus. Other than the implementation of these two policies, mass testing and tracking should also be carried out given the considerable number of asymptomatic COVID-19 cases that have reportedly emerged in the country, according to University of Indonesia epidemiologist Pandu Riono.

“While the number of people staying home has increased, a nationwide strategy has yet to be implemented as well as an evaluation of the PSBB,” Pandu said on Sunday.

Meanwhile, people’s compliance with PSBB orders, which have been enforced in at least 20 regions across Indonesia, is still relatively low. In Jakarta, for example, the police took action against approximately 32,300 people between April 12 and 25 for leaving their houses using their private vehicles despite the government’s appeals to stay at home.

Bogor Regent Ade Yasin, for one, expressed regret that his region’s level of compliance with the PSBB policy was a mere 30 percent. Reportedly, similar incidents have also been seen in several regions of Greater Jakarta, such as Depok and South Tangerang.

Regions monitor travelers

Republika, p.1

Regional governments and police forces have been monitoring entry points to their respective regions since the Idul Fitri *mudik* (exodus) ban took effect on Friday April 24.

In East Java, for example, eight entry points have been closed. East Java Police spokesman Sr. Comb. Trunoyudo Wisnu Andiko said on Saturday that more than 1,700 vehicles attempting to enter East Java had been ordered to turn back. Exemptions, however, were granted for several types of vehicles, including trucks delivering supplies.

East Java Governor Khofifah Indar Parawansa said that stricter measures, as stipulated in Law No. 6/2018 on quarantine, would be imposed against violators of the *mudik* ban from May 7 onwards.

Other than East Java, travel restrictions have also been implemented in Purwakarta and Tasikmalaya, West Java, since the *mudik* ban took effect. The police, for one, have increased surveillance of vehicles entering and leaving toll roads in Purwakarta, which neighbors Greater Jakarta. Vehicles from outside Purwakarta have in particular been targeted for police inspection.

Meanwhile, in Tasikmalaya, a number of vehicles from outside the region are still allowed to enter after drivers and passengers have their temperature checked.

PDI-P, Jokowi at odds as pandemic hits

The Jakarta Post, headline

The Indonesian Democratic Party of Struggle (PDI-P), President Joko “Jokowi” Widodo’s party and the largest in the ruling coalition, has uncharacteristically been a political gadfly during the COVID-19 health crisis. The party, which controls the largest number of seats in the House of Representatives, has taken an opposing stance to the President on several issues from the controversial omnibus bill on job creation to the new COVID -19 relief bill.

The PDI-P’s Rieke Diah Pitaloka, who is on the House’s omnibus bill special committee, has floated the idea of removing a key section of the bill: the provisions on labor reform. Rieke said that the party was concerned about the impacts of COVID-19 on the economy and was calling on lawmakers not to rush the bill’s deliberation.

House Speaker Puan Maharani of the PDI-P has called on all parties to postpone deliberating the labor provisions in the bill. And on Friday, President Jokowi did exactly that. The decision has pleased labor groups, which had threatened to hold a mass protest in blatant violation of the COVID-19 social restrictions, saying that it was the only option left for them to be heard. On the other hand, the President’s decision upset employers, who called it mere “compromise”.

While Jokowi and the PDI-P seem to be on the same page on the bill’s deliberations, the two may again differ in their views on the COVID-19 stimulus package, issued through a regulation in lieu of law (Perppu).

PDI-P lawmaker Masinton Pasaribu, who is known for his brashness, has slammed the perppu, calling it “authoritarian” legislation for its provisions that practically prevented the lawmakers from scrutinizing how the funds are spent. He claimed that the Perppu gave impunity to the Financial System Stability Committee (KSSK) tasked with disbursing the stimulus package.

Opposition parties ask for postponement of omnibus bill's deliberation

Republika, p.2; Kompas, p.2

Responding to President Joko “Jokowi” Widodo’s decision to halt the deliberation of labor provisions in the contentious job creation omnibus bill, Prosperous Justice Party (PKS) lawmaker Ledia Hanifa Amaliah urged the government to postpone the bill’s deliberation.

“The overall deliberation of the omnibus bill should be postponed,” Ledia told *Republika* on Saturday. Ledia added that her party would stick to its initial stance and asked the government to focus on the implementation of COVID-19 responses instead.

Similarly, Democratic Party lawmaker Benny K Harman concurred that it would be difficult to deliberate the bill during this difficult time, particularly since the bill, according to Benny, had little relevance to the country’s COVID-19 management.

Meanwhile, following the PKS’ and the Democratic Party’s withdrawal from the omnibus bill’s working committee (Panja), National Mandate Party (PAN) deputy chairman Yandri Susanto has asked PAN lawmakers to consider withdrawal from the Panja as well. “PAN lawmakers should withdraw [from the Panja]. The bill will harm workers and create legal uncertainty,” said Yandri on Sunday.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Kadin: Govt needs Rp 2.65 quadrillion to fight COVID-19 pandemic

Bisnis Indonesia, headline

A recent projection by the Indonesian Chamber of Commerce and Industry (Kadin) estimates that the government will need Rp 2.65 quadrillion (US\$172.60 billion) in stimulus money to mitigate the impact of the COVID-19 pandemic on

the economy. The estimate is higher than the previous Rp 1.6 quadrillion estimate because it is now assumed that the pandemic will not be over until the end of the year.

It has been two months since President Joko "Jokowi" Widodo announced the first positive case in the country. However, the trend of infection has not shown any signs of slowing down. The latest data as of Sunday shows that there are 8,882 confirmed cases nationwide.

Kadin chairman Rosan P. Roeslani said that of the Rp 2.65 quadrillion in stimulus, Rp 1.65 quadrillion would be needed to strengthen and recover the real sector by giving subsidies on interest rates and principal payments.

Assuming a 10 percent interest rate of Rp 600 trillion per year and 50 percent companies affected, Rp 150 trillion in subsidies will be needed for interest and Rp 1.5 quadrillion for principal.

Kadin estimates that the needs for the health sector will be Rp 400 trillion and the social safety net will require Rp 600 trillion.

Previously, Fitch Solutions estimated that Indonesia may need up to \$28 billion in stimulus to fight the economic shock of the pandemic, as the country opted for less restrictive social-distancing measures, causing slower economic recovery than its Southeast Asian counterparts.

JCI to remain weak in May

Kontan, headline

For the last twenty years, the Jakarta Composite Index (JCI) has been generally positive in May, falling only nine times in the month. However, downward trends have dominated the index in May for the last five years. Analysts predict that the index will fall again this May with negative sentiment from the COVID-19 pandemic.

A great number of issuers have postponed dividend distributions this year, which usually happens in May, due to the pandemic. Therefore, market players are unable to rely on the dividend distributions to raise the stock index.

Furthermore, net foreign selling remained high last week. Binaartha Sekuritas analyst Muhammad Nafan Aji Gusta Utama said the net foreign selling reached Rp 2.67 trillion. Nafan predicts that the JCI support next month will reach 3,900 and

resistance will be 4,900.

CSA Institute president director Aria Santoso is slightly more optimistic, predicting the support will reach 4,255 and resistance will be 4,900 next month.

Panin Sekuritas analyst William Hartanto projects that the JCI will move between 4,363 and 4,811 next month. William said investors should wait and see because the downward trend might last until September or November.

Businesses want faster economic stimulus implementation

Investor Daily, headline

Business players appreciate the government's effort to expand fiscal stimulus for real-sector industries affected by the COVID-19 pandemic. However, they also want the government to speed up the implementation of the stimulus and to simplify the procedures to prevent industries from going bankrupt and laying off more workers.

The government plans to revise Finance Ministerial Regulation No. 23/2020 regarding tax incentives for taxpayers in 19 manufacturing subsectors. The tax relief given to business entities in paying income taxes in Article 21 (PPh 21), Article 22 (PPh 22) on imports, Article 25 (PPh 25) and the acceleration of value-added tax (VAT) refunds are now extended to 18 business sectors. The tax incentives require Rp 35.3 trillion (US\$ 2.3 billion) in total funds, which includes six months of tax relief for small and medium enterprises (SMEs).

Previously, the government issued three fiscal stimulus policies worth Rp 8.5 trillion, Rp 22.5 trillion and Rp 405.1 trillion, respectively. The Finance Ministry has cut the budget of ministries, institutions and regional governments by Rp 190 trillion and has reallocated Rp 55 trillion to fight the pandemic.

In addition to the government, the central bank (BI) has issued monetary and macroeconomic policies aimed at increasing banks' liquidity. Meanwhile, the Financial Services Authority (OJK) has relaxed credit requirements and credit restructuring for SMEs.

Ferry operators on the brink of collapse

Koran Tempo, economic headline

River, Lake and Water Transportation Operators Association (Gapasdap) chairman

Khoiri Soetomo said the ferry business had worsened since the government's ban on *mudik* (exodus) had been put in place on Apr. 24. The passenger occupancy rate has deteriorated since movement restrictions were put in place in March. The rate is currently 10 to 25 percent per trip.

According to Khoiri, ferry operators now rely exclusively on transporting goods. The operators are no longer able to transport vehicles since no private vehicles are allowed to leave the large-scale social restriction (PSBB) zones.

Before any social restriction measure was in place, ferries with capacities larger than 5,000 gross tons (GT) on the Merak Port, Banten, to Bakaheuni Port, Lampung, route used to carry 200 to 600 four-wheeled vehicles of the size of the Kijang Innova car.

President Joko "Jokowi" Widodo decided to ban *mudik* because a mass survey of more than 40,000 respondents by the Transportation Ministry showed that many people intended to return to their hometowns despite the pandemic.

COVID-19 has little impact on retail, office rent

The Jakarta Post, p.5

Rent for both retail and office space in Jakarta is expected to remain relatively stable despite the unfolding COVID-19 outbreak, according to real estate services firm Cushman & Wakefield.

A report released by the company on April 20 shows that the average monthly rent was Rp 299,000 (US\$19.17) per square meter for office space and Rp 188,700 per sq m for retail space between January and March.

Cushman & Wakefield, which operates in 70 countries with more 51,000 employees, projected rent in the retail real estate market would remain at the current level while rent in the office market would decline this year because tenants were facing financial hardship amid the country's economic downturn.

"So far, the retail market in Jakarta has stayed in a relatively positive situation with an 80.8 percent occupancy rate, so the COVID-19 outbreak is affecting negatively only in the short term," the firm's director of research and strategic consulting, Arief Rahardjo, told *The Jakarta Post* via text message on Wednesday.

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