

Tuesday, Apr. 28th, 2020

GENERAL NEWS AND HEADLINES

PSBB implementation begins seeing results

Kompas, headline; Republika, headline

The large-scale social restrictions (PSBB) that have been imposed in Jakarta – the country's epicenter of COVID-19 – since April 10 have started seeing results as the number of new confirmed cases in the capital has decreased.

On Monday, the capital city recorded 86 new positive COVID-19 cases, bringing the total tally to 3,832. While the number is more than that of the previous day, which was 65, it is significantly lower than that of April 16, which reached up to 223 cases.

"Particularly in Jakarta, the infection rate has started to slow down, the curve has shown potential to flatten," said national COVID-19 task force head Doni Monardo on Monday. Doni said the deceleration was the result of better implementation of the PSBB.

The government has targeted to drastically decrease the number of COVID-19 cases in June by conducting more intensive contact tracing and more rapid tests in April and May.

Greater Jakarta faces tighter restrictions

The Jakarta Post, p.1

The large-scale social restrictions (PSBB) imposed in Greater Jakarta are set to be extended and expanded, leaders of the capital city's satellite cities have said, as the lack of legal certainty and the continued spread of COVID-19 have underlined the policy's ineffectiveness in curbing the disease.

The PSBB measures in Greater Jakarta officially began in the capital on April 10, followed closely by West Java's Bogor, Bekasi and Depok administrations on April 15 and Banten's South Tangerang and Tangerang administrations on April 18.

However, the number of confirmed infections in Greater Jakarta continues to rise in spite of unprecedented social restrictions.

During the first term of large-scale social restrictions, authorities still found numerous instances of gatherings of more than five people and commuters still flocked to and filled up public transportation. In the case of commuters, many are still expected by their employers to go into the workplace on a regular basis, bypassing official orders to shelter in place. This is partly because the Industry Ministry has allowed hundreds of offices and factories — including those outside essential sectors — to continue with business-as-usual operations.

Such “contradictory” policies have become a major concern for leaders of Greater Jakarta’s satellite cities, in particular the five local administrations, abbreviated as “Bodebek”, in West Java, which are set to end their first run of PSBB measures on Tuesday.

The deputy mayor of Bogor city, Dedie Rachim, told The Jakarta Post on Monday that Bodebek leaders had agreed to propose an extension of PSBB for each of their regions.

COVID-19 aid distribution likely to miss target

Koran Tempo, Berita Utama

The distribution of social aid provided by the government for low-income families affected by the COVID-19 outbreak has the potential to miss its designated recipients as data inaccuracy haunts the administration.

In Bogor, West Java, for instance, there are still relatively well-off families that have received social aid packages, which comprise of staple food and Rp 150,000 in cash. “On the other hand, there are poor elderly nearby that did not receive the aid,” said Bogor resident named Endang.

West Java Social Agency head Dodo Suhendar said a number of proposed social aid recipient lists were not backed by valid data, such as an address and citizenship identity number (NIK). The government, therefore, had to reconfirm around 2 million data points, according to Dodo.

Social Affairs Minister Juliari Batubara has acknowledged that there might be some challenges in the distribution of the COVID-19 social aid. He has, therefore, asked regional governments to carefully verify the aid recipients.

Experts defend job creation omnibus bill, suggest name change

Media Indonesia, p.4; Republika, p.2

The House of Representatives Legislation Body (Baleg) held a hearing with a number of experts on Monday as part of its deliberation of the contentious job creation omnibus bill.

One of the experts invited to the hearing, Indonesian Indigenous Entrepreneurs Association (HIPPI) executives Sarman Simanjorang, expressed hope that the omnibus bill would simplify Indonesia's notoriously complicated bureaucracy and thus increase the country's ease of doing business and investment, particularly in the post COVID-19 pandemic period.

Sarman then suggested the government change the name of the bill. The bill's title, job creation, gives the impression that it only focuses on matters related to employment, Sarman added. However, out of 11 clusters included in the bill, only one cluster concerned employment.

Another expert invited to the hearing, Prasetya Mulya University rector Djisman Simanjuntak said the bill was also necessary to improve the country's economy.

Gibran's Surakarta mayoral candidacy likely to move ahead as contender withdraws

Koran Tempo, Nasional

Gibran Rakabuming Raka, eldest son of President Joko "Jokowi" Widodo, has likely become the Indonesian Democratic Party of Struggle's (PDI-P) sole candidate to receive the party's official support to join the Surakarta mayoral race, as Gibran's contender Achmad Purnomo decided to withdraw his candidacy to reportedly focusing on COVID-19 relief handling.

Achmad, who is the current Surakarta deputy mayor, said that his withdrawal from the mayoral race concerned ethical issues, claiming that he needed to focus on handling the spread of the coronavirus in his region. "It would be unethical if I also had to think about the regional election," said Achmad.

Achmad said he had conveyed his plan to the PDI-P. "Verbally, the party supports my decision," Achmad added.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

COVID-19 pandemic may slow down in June

Bisnis Indonesia, headline

The government has predicted that the COVID-19 pandemic will slow down in June as the number of infected cases on Monday reached the lowest daily increase in the past week. However, businesses are still concerned about the government's measures toward putting overcoming the pandemic.

According to Indonesian Employers Association (Apindo) chairman Hariyadi B. Sukamdani, if the pandemic is over in July, businesses will be able to go back to normal in seven to 12 months after that. In order to reach a faster recovery, the businesses will need access to capital lending to pick up operations.

Furthermore, Indonesian Chamber of Commerce and Industry (Kadin) vice chairman for industrial affairs Johnny Darmawan said his side had the same estimate as that of the government. He projected the economy would start to pick up in August to September and businesses would be able to expand the soonest in January.

However, Eijkman Institute for Molecular Biology director Amin Soebandrio said the people must remain alert over the possibility of a second wave of outbreak. Although most institutions predict that the pandemic will reach its peak in the third week of May, the government's strictness in implementing the movement restriction is paramount to ending it.

Banks to cut target profit this year

Kontan, headline

Banks, whether big or small, are likely to cut more than 20 percent of their target profit as the COVID-19 pandemic affects their performance.

According to Bank Central Asia (BCA) president director Jahja Setiaatmadja, although BCA still experienced profit growth of 13.69 percent year-on-year (yoy) to Rp 4.33 trillion (US\$282.68 million) in February, no banks will see their profits grow this year.

For example, recent research by BCA Sekuritas predicted that state-owned Bank Rakyat Indonesia (BRI) would gain Rp 26.66 trillion in profit this year, falling 22.5 percent from Rp 34.41 trillion last year, which was the biggest profit figure for a bank last year.

The research also predicted a fall in profit growth for other state-owned banks. Bank Mandiri is projected to gain Rp 21.68 trillion in profit this year, falling 21.09 percent from Rp 27.48 trillion profit last year. Meanwhile, Bank Nasional Indonesia (BNI) is predicted to gain Rp 11.34 trillion in profit, falling 26.26 percent from Rp 15.38 trillion last year.

According to the research, the fall in profit was caused by problems in loan collections in the corporate segment. The research estimated that the non-performing loan in this segment would reach 3.8 percent.

Preemployment card transparent, accountable: Govt

Investor Daily, headline

The Office of Coordinating Economic Minister held a virtual discussion on Monday to address the Preemployment Card partnership issue that recently had raised a polemic.

The government emphasized that the program was being implemented in a transparent and accountable way, particularly in introducing training for marketplace and digital payment platforms. The government also said that it was currently extending partnerships to have more parties participating in the program.

Furthermore, the government will also work together with business associations to reach individuals who need the program the most, such as recently laid off workers as well as informal workers and micro, small and medium business owners who are heavily affected by the COVID-19 pandemic.

Business associations will also help the Preemployment Card program to identify skill gaps so the program participants could be hired by their companies. For this, in addition to online training, the Preemployment Card would start the offline training when the pandemic is over.

The government hopes to see 5.6 million program participants this year with a total budget allocation of Rp 20 trillion (US\$1.31 billion). Each participant would get Rp 3.55 million in benefits that consist of Rp 1 million for the training program,

Rp 600,000 in incentives per month for four months and Rp 150,000 in incentives to take three surveys to give feedback for the program. Since the launch of the program, 168,111 participants have started online training.

Jakarta administration allocates Rp 7.6 trillion in social safety net

Koran Tempo, headline

The Jakarta administration has allocated Rp 10.78 trillion (US\$703.77 million), equal to 12.3 percent of its regional budget (APBD), to fight the COVID-19 pandemic. Home Ministry data shows that Rp 7.6 trillion, equal to 70 percent of the budget, will be distributed under a social safety net.

Home Minister Tito Karnavian said he appreciated Jakarta Governor Anies Baswedan's decision to reallocate the regional budget for COVID-19 mitigation. He said the Jakarta administration was among the most active and aggressive in reallocating the budget.

According to Tito, the Jakarta administration postponed the use of almost all capital expenditure this year to deal with the pandemic. However, the reallocated budget still prioritizes essential sectors, such as the health, economic and social sectors.

Anies said his administration had allocated Rp 3.03 trillion of the budget to fight the pandemic until May. The administration has distributed social aid in the form of staple food and masks worth Rp 600,000 per family to 1.2 million poor and vulnerable families per April 9.

According to Jakarta Financial Management Body (BPKD) head Edy Sumantri, the Rp 3.03 trillion was reallocated from the Formula E and land procurement budget.

Recession looms amid virus response uncertainty

The Jakarta Post, headline

The Indonesian economy may enter a recession and experience a much longer recovery than other countries in Southeast Asia if the government's management of the COVID-19 pandemic remains "slow" and "amateurish", economists have warned. A recession happens when a country sees its gross domestic product (GDP) decline for two consecutive quarters in conjunction with other monthly indicators, such as a rise in unemployment.

University of Indonesia senior economist Faisal Basri voiced concerns over the government's handling of the health crisis, adding that with the current containment measures, the country could see an economic contraction of up to 2.5 percent, or 0.5 percent growth in a best-case scenario.

Previously, Fitch Solutions downgraded Indonesia's economic growth projection to 2.8 percent, down from its initial projection of 4.2 percent, as spending and investment are expected to slow. That compares with the government's 2.3 percent GDP growth projection for this year, which would be the lowest rate in 21 years. Under a worst-case scenario, the government foresees an economic contraction of 0.4 percent.

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