

Friday, Apr. 3<sup>rd</sup>, 2020

## GENERAL NEWS AND HEADLINES

### 'Mudik' risks contagion across Java

*The Jakarta Post, Headline; Republika; Headline, Koran Tempo; Headline*

Sign of growing apprehension among regional leaders over a possible explosion of coronavirus cases in their respective areas as millions of people from Greater Jakarta — largely deprived of their livelihood due to large-scale physical distancing policies — are set to travel to their hometowns for Idul Fitri early have emerged.

The central government, however, still lacks a clear strategy on preventing that. President Joko "Jokowi" Widodo announced that he would not officially ban people from traveling for the Idul Fitri holidays, ignoring warnings from public health experts that the consequences of failing to prevent people from leaving Jakarta, the epicenter of the outbreak in the country, could be dire.

Annually, some 20 million people from Greater Jakarta travel to their hometowns to celebrate Idul Fitri in a tradition called mudik (exodus). The tradition, public health experts say, could lead to massive COVID-19 contagion on Java, an island of 141 million people, where many regions have far worse healthcare systems than Jakarta.

"[The President] underlines that there is no official ban on people going on the mudik during the 2020 Idul Fitri holiday period. The travelers, however, must self-isolate for 14 days, will be given 'people under observation' [ODP] status, as per the World Health Organization health protocol, and will be monitored by the respective local administration," presidential spokesman Fadjroel Rachman said in a statement on Thursday, shortly after a speech by the President on the matter.

## Health Ministry scrambles to draw up criteria for large-scale social restrictions

*Koran Tempo*

The Health Ministry's disease control and prevention director general, Achmad Yurianto, affirmed that his side was laying down criteria for regional areas to fulfill to acquire the required status for implementing large-scale social restrictions (PSBB). Achmad added that the ministry had also requested the government's COVID-19 task force to nominate regions that might fulfill the ministry's criteria.

Achmad, however, declined to give further details regarding the criteria. He also did not offer information on regions that had lodged requests to acquire the status for PSBB implementation.

Meanwhile, National Disaster Mitigation Agency (BNPB) spokesperson Agus Wibowo said the agency was screening regions to nominate for the PSBB status. According to Agus, the BNPB's nomination is based on a government regulation on PNBB, which stipulates that a region can acquire PSBB status if it has a large number of COVID-19 cases and a high death toll, among others.

Previously, an official at the Executive Office of the President, Juri Ardiantoro, asserted that not all regions could implement large-scale social restrictions. Regions must ask for a COVID-19 task force recommendation and the ministry's authorization.

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## House deemed insensitive

*Kompas, p. 2*

Amid the COVID-19 outbreak, the House of Representatives has decided to continue its deliberations on several contentious bills, which could potentially trigger widespread protests. The bills to be immediately deliberated include the controversial omnibus bill on job creation as well as the deliberation of several other bills that had been postponed in September 2019 after major demonstrations took place across the country.

The House's persistence to continue its deliberations of these bills has received criticism from many who deem the House's decision as insensitive considering the health and socioeconomic crisis. Amnesty International Indonesia executive director Usman Hamid said the House's decision proved its "disconnection" with the general public.

Previously, during the House's plenary meeting led by House deputy chairman Azis Syamsuddin on Thursday, the House read aloud a presidential letter (Supres) on the omnibus bill on job creation sent by President Joko "Jokowi" Widodo, officially starting its deliberation process on the contentious omnibus bill. The House also gave its authorization for further deliberations on the controversial Criminal Code (RKUHP) bill and the correctional procedures bill.

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## **Health minister acknowledges difficulties in acquiring protective gear**

*Republika, p. 2*

Health Minister Terawan Agus Putranto said the government had continuously attempted to expedite its responses to the COVID-19 outbreak in the country. Regardless, the minister admitted that in practice, several obstacles had emerged, particularly in obtaining protective gear for health workers.

"It's difficult to acquire medical supplies, especially protective gear and face masks, as they are being 'hunted down' by other countries as well," said Terawan during his meeting with House of Representatives' Commission IX.

Terawan asserted, however, that the National Disaster Mitigation Agency (BNPB), with the assistance of several other government institutions, had acted promptly to obtain protective gear in a relatively short period of time.

Other major obstacles, Terawan added, included the rapid increase of COVID-19 patients which had overwhelmed hospitals, complications in carrying out mobilization across health facilities, lack of isolation wards for COVID-19 patients and health workers treating the patients, as well as the absence of a vaccination for the disease.

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## **Regional heads admonished for closing borders**

*Media Indonesia, p. 2*

President Joko "Jokowi" Widodo has reportedly requested that Home Minister Tito Karnavian reprimand regional heads that had closed down their borders amid the skyrocketing number of COVID-19 patients in the country. Jokowi has allegedly received reports that two regional heads had closed access to their regions and thus impeded the government's distributions of staple foods.

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"I hope the home minister admonishes regional heads who barricade roads and access [to their regions]. Don't obstruct the distribution of logistics," Jokowi asserted yesterday.

On a different occasion, the Jakarta Police affirmed that they would not shut access to the capital city. Jakarta Police spokesperson Police Commissioner Yusri Yunus asserted that the police would not block access without the authorization of the National Police chief or the central government.

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## BUSINESS AND ECONOMICS NEWS AND HEADLINES

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### **Govt must be decisive in dealing with COVID-19 pandemic**

*Bisnis Indonesia, headline*

The government's efforts to contain the spread of COVID-19 must be consistent with its policy and accompanied by decisiveness in implementation so it does not confuse the public. However, indications show that the central government is not consistent in its policy and indecisive in implementation. The indications are as follows:

First, the government wants to curb the spread of the infectious respiratory disease through large-scale social distancing (PSPB), instead of implementing regional quarantines in affected areas. However, as noted by Indonesian Doctors Association (IDI) secretary-general Adib Khumaidi, the lack of a ban on travelers during the Idul Fitri exodus will complicate efforts to curb the spread of COVID-19 because of the unpreparedness of local health facilities to deal with COVID-19.

Second, there is miscoordination between the central government and local administrations. Central Java Governor Ganjar Pranowo, for example, banned the Idul Fitri *mudik* (exodus) to the province, but it is in contradiction to the lack of a ban from the central government. There was also the cancellation of the Jakarta Transportation Agency's Circular No. 1588/-1.819.611 on halting interprovincial transportation by the Transportation Ministry on the same day it was issued.

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Third, there is a lack of coordination between related agencies. For example, the Transportation Ministry's Greater Jakarta Transportation Agency (BPTJ) issued Circular No. 5/2020 to limit transportation in Greater Jakarta. But Coordinating Maritime Affairs and Investment Minister Luhut Pandjaitan, who is also acting transportation minister, treated the circular just as a recommendation, not a decision. Luhut said a region must declare PSBB and get approval from the Health Ministry to limit transportation.

Institute for Development of Economy and Finance (Indef) senior researcher Enny Sri Hartati said the central government's policies have been off the mark, adding that if the government chooses the herd immunity strategy rather than a prompt response to the COVID-19 outbreak, then the public health crisis and its economic repercussions will be prolonged and waste the huge economic stimulus.

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## **Investment in US dollars gives highest returns in Q1**

*Kontan, headline*

Cash is the king. This statement is not only a theory but many investors put it into practice by placing their investment in a number of currencies. In the first quarter of this year, investment in safe haven currencies gave the highest returns.

Investment in the US dollar gave a return of 17.62 percent in the first quarter of this year from last quarter of 2019. Investment in the Singapore dollar and the euro also yielded two-digit returns of 11.22 percent and 15.12 percent, respectively.

Investment in gold also resulted in a relatively high return. Investment in Aneka Tambang gold, for example, gave a 9.19 percent return. Meanwhile, gold prices in the spot market increased by 3.97 percent in the first quarter of this year from the last quarter of last year.

Investment in the Indonesian stock market, meanwhile, resulted in a big loss of 27.95 percent in the first quarter of this year from the last quarter of 2019. Investment in mutual fund and bonds also resulted in losses.

Monex Investindo Futures analyst Faisyal noted that the coronavirus pandemic had prompted many people to change their investment from equity to hard currencies, mostly the US dollar.

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## **Foreign investors still confident in Indonesian economy**

*Investor Daily, headline*

Bank Indonesia (BI) Governor Perry Warjiyo said foreign investors were still confident in the Indonesian economy, which was the reason why the government would issue more debt papers (SBN) to fight the coronavirus pandemic. The central bank projected that despite the pandemic, the Indonesian economy would still grow 2.3 percent this year and the rupiah should stabilize at Rp 15,000 against the US dollar by the end of this year.

"I have contacted a number of global investors, and they told me that they still have confidence in the Indonesian economy," Perry said during a tele press conference.

With support from global investors, Perry said, the government should increase the issuance of Indonesian global bonds from the current level of US\$8 billion. He also suggested that the government also raise the auction volume of government debt papers, from the current level of between Rp 15 trillion and Rp 20 trillion.

When the issuance of global bonds and the auction of government debt papers results in the required funds, Perry said, the government would not need to issue recovery bonds.

President Joko Widodo has issued Government Regulation in Lieu of Law (Perppu) No. 1/2020 on state finance and financial system stability, which would allow the government to increase the budget deficit cap beyond 3 percent of gross domestic product (GDP). The Perppu also allowed BI to buy government debt papers in the primary market.

Perry noted that the central bank would buy government debt papers from the secondary market. Only when the spreads of the yields are too wide, the central bank would buy the debt papers, including the recovery bonds, in the primary market.

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## **President: Ensure smooth logistics distribution**

*Kompas, p. 1*

President Joko "Jokowi" Widodo called on all governors, regents and mayors not to block any roads for logistic distribution to ensure the availability of basic commodities ahead of Ramadan and Idul Fitri, which fall in April and May.

During a teleconference from Bogor Palace, the President said he had instructed Home Minister Tito Karnavian to reprimand any heads of local governments who disrupted logistics distribution.

Coordinating Economic Minister Airlangga Hartarto ensured the availability of 11 basic commodities across Indonesia ahead of Ramadan and Idul Fitri. He explained that there was enough supply of rice in the market. Moreover, many areas in the country would have rice harvest seasons in April until June.

Airlangga also said the Trade Ministry had issued import licenses for garlic, the prices of which had risen in the past few months. Airlangga said 160,000 tons of imported garlic would enter Indonesia within a month or two, and therefore, garlic prices should fall to its normal level of between Rp 20,000 and Rp 30,000 a kilogram.

Airlangga also said the government, with support from state-owned logistic agency Bulog, would continue market operations for sugar, to bring down its price to Rp 12,500 per kg.

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## **Food supply safe, but masks, sanitizer gone from markets**

*The Jakarta Post, p. 1*

Amanda, a 33-year-old creative consultant, has bought a month's worth of groceries in advance so she can stay home, as advised by the government, without having to worry about her family's basic needs.

"I used to buy food supplies every one or two weeks. Now I buy one month's stock," said the mother of one.

Amanda's story mirrors the shift in Indonesian consumers' behavior as markets across Indonesia see an uptick in demand for hygiene products, although staple food availability remains safe as people purchase supplies to last a longer period to follow the universal health advise of staying home.

Indonesia declared a public health emergency over COVID-19 on Tuesday, imposing large-scale social restrictions, as COVID-19 cases soared within a month from zero to 1,790, with 170 dead, the largest death toll in Southeast Asia and among the highest death rates in the world.

Publicly listed retailer PT Sumber Alfaria Trijaya — which operates 14,310 Alfamart stores across Indonesia — and PT Mitra Adiperkasa (MAP) — the

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operator of FoodHall — said the companies were having difficulty stocking up on certain items such as masks and hand sanitizer. However, both assured they had enough stock of primary items such as staple foods.

“We think this will last for quite some time before getting back to normal as people are rushing to buy these items,” Sumber Alfaria director S. Peter Suryadi said in a company statement. Alfamart stores are prepared for a lockdown scenario that could limit its business operations, he added.

“We met with [staple needs] producers and suppliers a few days ago, and they are committed to producing their products at full speed for the market,” MAP spokesperson Ratih Gianda told *The Jakarta Post*.

Indonesia Retailers Association secretary-general Solihin told the *Post* that all of its members had enough supplies of staple food for the next few months leading up to the festive Ramadan fasting month and Idul Fitri.

In anticipation of increased demand for staple foods during the festive period, Aprindo members decided to delay shipment of seasonal products such as crackers and syrups, which normally see a spike in demand during Ramadan, and opted for staple foods instead.

“Shipments of festive products will be sent out gradually by our suppliers because we’re prioritizing our warehouses to store staple foods first,” said Solihin.

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