

Wednesday, Apr. 7th, 2020

GENERAL NEWS AND HEADLINES

Indonesia's COVID-19 death toll tops 200

The Jakarta Post, headline

Indonesia's death toll from COVID-19 topped 200 on Monday, with the government voicing particular concern about transmission from asymptomatic carriers as the number of positive cases continued to rise.

Health Ministry disease control and prevention director general Achmad Yurianto said 218 new cases had been confirmed on Monday, bringing the country's tally to 2,491 following the testing of 11,242 samples nationwide. Some 209 people have died of the contagious disease while 192 have recovered so far.

"We now believe the increasing number of cases comes from sources [of infection] that are difficult to detect. We have noted that some sources are people who do not show symptoms," Yurianto said on Monday.

He said asymptomatic carriers spread the virus through droplets when they talked, sneezed or coughed, but that they themselves did not notice they had contracted the disease.

PSBB requires action plan

Republika, headline; Media Indonesia, headline

No region has yet to obtain a permit from the Health Ministry to impose large-scale social restrictions (PSBB).

Chief of the National Disaster Mitigation Agency (BNPB) and COVID-19 task force, Doni Monardo, said on Monday there were several regions that had requested a

permit from the Health Ministry to enforce PSBB in their respective areas. However, Doni said the requests had yet to be approved as a result of the failure regional administrations to present an action plan for their PSBB implementation along with their request for the permit.

“Regions have to prepare an action plan so that everything goes well once they start implementing PSBB,” said Doni.

Doni also asserted that regions had to synchronize their action plan with the central government’s national policy.

Govt urged to reallocate new capital city budget for COVID-19 response

Media Indonesia, p.3

The House of Representatives Commission II asked the government to reallocate funds for its capital city relocation plan to tackle COVID-19 instead. House Commission II member Guspardi Gaus deemed the reallocation necessary for assisting the government in ensuring facilities as well as compensation for health workers.

“The government has agreed to move the capital city to East Kalimantan. However, considering the current situation concerning the COVID-19 outbreak in the country, which has become a serious threat to all of us, the plan to relocate the capital city should be postponed,” said Guspardi in a press release on Monday.

On a separate occasion, Coordinating Maritime Affairs and Investment Minister spokesman Jodi Mahardi asserted that the government was coordinating with investors helping to develop the new capital city. Jodi said it was possible for the capital city relocation project to be temporarily halted until such time as it was more suitable to continue.

Jakarta’s new No. 2: Boon or bane for Anies?

The Jakarta Post, p.1; Republika, p.1; Media Indonesia, p.5

The long drawn out search for a figure to fill the Jakarta deputy governor position came to an end on Monday after city councilors voted Gerindra Party politician Ahmad Riza Patria into the post.

Riza grabbed a resounding victory in Monday's election, securing a total of 81 votes. Nurmansyah Lubis, a contender from the Prosperous Justice Party (PKS), gained 17 votes, with two votes thrown out from a total of 100 votes.

Riza's triumph has shown that the majority of political parties in the City Council — with the PKS as an exception — agreed to support the 50-year-old former lawmaker.

Centre for Strategic and International Studies (CSIS) political researcher Arya Fernandes said the parties on the council that voted in Riza stood to gain from the fact that Gerindra now sided with the central government.

Political analyst Adi Prayitno from Syarif Hidayatullah State Islamic University (UIN) Jakarta said the city administration could be heading toward a scenario where there were "twin suns" in one sky, with the possibility of future friction between the governor and his newly elected deputy.

KPU, Bawaslu asked to draft regional elections postponement Perppu

Republika, p.3

National Commission on Human Rights (Komnas HAM) commissioner Amiruddin Al Rahab urged the General Elections Commission (KPU) and the Elections Supervisory Agency (Bawaslu) to establish a team responsible for drafting the government regulation in lieu of law (Perppu) as a legal basis for the postponement of the 2020 regional elections amid the COVID-19 outbreak in the country.

"In times like this, [the KPU and Bawaslu] can work online. The draft then can be proposed to State Secretary Pratikno, who then will immediately process the draft further," said Amiruddin on Monday.

Amiruddin reasserted that the KPU did not have to wait for the government to issue a Perppu.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Bureaucracy impedes PSBB implementation

Bisnis Indonesia, headline

The Jakarta provincial government on Apr. 1 had requested the Health Ministry's approval to implement large-scale social restrictions (PSBB) in the area before the government issued Government Regulation No. 9/2020 regarding PSBB guidelines on Apr. 3. The Health Ministry gave the green light by sending back a letter asking the provincial government to complete the data requirement for the request.

According to the regulation, local governments requesting approval for PSBB must submit data consisting of confirmed case increase number along with the epidemiological curve, map of infection spread in time order, proof of local transmission as well as information on the local government's readiness to meet the people's basic needs and provide health facilities, social safety net and security.

However, University of Indonesia (UI) epidemiology expert Pandu Riono said the Health Ministry requested too much data from the local governments. According to Pandu, the local governments do not have to submit data as the Health Ministry should already have the data.

Meanwhile, the Jakarta provincial government has prepared Rp 3 trillion (US\$183.27 million) worth of social assistance until May to provide Rp 1 million assistance per month to 1.1 million poor residents. Jakarta also has 2.6 million residents who are vulnerable to poverty that will be the responsibility of the central government.

Govt allocates Rp 852.9 trillion deficit in new state budget

Kontan, headline

The government has adjusted the 2020 state budget structure to take into account incentives and funds allocated to mitigate the impact of COVID-19 on the economy. The budget deficit percentage has jumped to 5.07 percent of the state budget, equal to Rp 852.9 trillion (US\$52.11 billion), from only 1.76 percent.

The budget deficit has increased because of falling state revenue and a new expenditure allocated to COVID-19 mitigation. State revenue has fallen 26.8 percent from Rp 2.2 quadrillion to Rp 1.8 quadrillion in the new budget. Meanwhile, the government allocated Rp 255.1 trillion for health care, social safety net and domestic economic recovery in relation to the pandemic.

Finance Minister Sri Mulyani admitted that the state budget may change depending on how the COVID-19 situation develops. The pandemic has yet to reach its peak in the country, so the budget was formulated according to the current social and economic dynamics.

Furthermore, Golkar legislator Mukhamad Misbakhun at the House's Commission XI overseeing financial affairs, urged the government to implement fiscal stimulus that has been introduced. He reminded the government not to underestimate the possibility of a crisis and cautioned against the time lag between policy making and its implementation.

BI improves quantitative easing

Investor Daily, headline

Bank Indonesia government Perry Warjiyo conveyed his commitment to improve quantitative easing during a teleconference with the House's Commission XI overseeing financial affairs and the Financial System Stability Committee (KSSK) on Monday.

Although the market liquidity is more than enough, Perry said increased liquidity combined with fiscal stimulus from the government and the Financial Services Authority (OJK) was needed to accelerate recovery in the real sector, especially for small and medium enterprises (UMKM).

The central bank implemented quantitative easing by injecting Rp 300 trillion (US\$18.33 billion) at the beginning of the year. The liquidity injection was done through intervention in the spot market, intervention in the Domestic Non-Delivery Forward (DNDF) and buying government bonds sold by foreign investors in the secondary market.

Bank Indonesia also lowered the foreign reserve requirement by 50 basis points, which resulted in a Rp 22 trillion liquidity injection and relaxed the rupiah reserve requirement that resulted in Rp 50 trillion liquidity. Lastly, the central bank indicated that they would again cut the benchmark interest rate, which is currently at 4.5 percent.

Govt to give subsidies to informal workers

Bisnis Indonesia, p.1

The government plans to give assistance to informal workers who are the most affected by the COVID-19 pandemic, especially those who reside in Jakarta. Finance Minister Sri Mulyani said the informal workers included the small and medium enterprises (SME) sector and app-based ride-hailing (ojol) drivers.

The minister said the subsidy was related to the government's advice not to travel for the Idul Fitri exodus. According to the minister, the itinerant informal workers should be able to stay and live properly in Jakarta.

The Jakarta provincial government reported that there were 3.7 million people that needed assistance in Jakarta, while the province could only provide assistance for 1.1 million people who are not residents of Jakarta. In addition, the province also plans to implement large-scale social restriction (PSBB) that would prohibit ojol drivers from taking passengers.

Two-Wheel Action Movement (Garda) Indonesia leader Igun Wicaksono said the prohibition from accepting passengers would lower their income. Therefore, he recommended the government give assistance of Rp 50,000 (US\$3.04) per day, which is equal to 50 percent of their normal income per day. He also recommended that technology companies deactivate the passenger ride feature and that the application only be used for food and package delivery. Lastly, he recommended that companies only take 10 percent of their revenue as opposed to 20 percent normally.

The Transportation Ministry is currently in talks with the technology companies to coordinate the PSBB implementation. Grab Indonesia head of public affairs, Tri Sukma Anreianto, said the company had not decided to deactivate the passenger ride service from their platform.

Rating agencies downgrade Indonesian firms on debt repayment

The Jakarta Post, p.1

International rating agencies are questioning Indonesian companies' ability to repay their debts and have consequently downgraded their ratings and outlooks amid the COVID-19 pandemic.

Moody's Investor Service has lowered the ratings of property developers PT Agung Podomoro Land and PT Alam Sutera Realty, tire producer PT Gajah Tunggal and coal miner PT Bumi Resources. Fitch Ratings has downgraded private lender PT Bank Central Asia (BCA) and Standard & Poor's (S&P) has put Alam Sutera on credit watch negative.

Credit rating outlooks on several companies have also been revised to negative, from stable previously. This includes oil and gas firm PT Medco Energi Internasional and textile company PT Pan Brothers by Moody's and property developers Alam Sutera and PT Lippo Karawaci by Fitch Ratings. S&P has also assigned a negative outlook for poultry firm PT Japfa Comfeed and Medco Energi.

The rationale behind the ratings decisions varies for each company but revolves around liquidity risks, concerns over debt repayment ability, a sharp rupiah depreciation, low commodity prices and overall weak demand.

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