



YOUR GUIDE TO INDONESIA'S MOST IMPORTANT NEWS OF THE DAY

Friday, Aug. 14th, 2020

GENERAL NEWS AND HEADLINES

Patients occupy over 50% of Jakarta hospital beds

The Jakarta Post, p. 1

Jakarta is reaching a critical point in its fight against COVID-19 as it sees rising hospitalization of COVID-19 patients, prompting concerns that it would have to increase its healthcare capacity and reimpose stricter curbs.

Jakarta Governor Anies Baswedan said in a press release on Thursday that 65 percent of 4,456 isolation beds and 67 percent of 483 intensive care unit (ICU) beds designated for COVID-19 patients were now occupied.

Anies previously said in July that the administration had prepared 4,556 isolation beds and 659 ICU beds for COVID-19 patients, higher than the figures mentioned in the release.

As of Wednesday, the city recorded 27,863 confirmed cases, with 9,044 active cases and 981 deaths. Among the active cases, 2,714 patients are currently hospitalized. The hospitalized patients also include 1,221 suspected cases of COVID-19 and two probable cases.

Jakarta Health Agency head Widyastuti said during a webinar on Aug. 6 that the capital was, at the moment, in a "very critical condition", as more than half of the bed capacity was used on a daily basis.

"We have to be alert. If we don't improve our bed capacity – daily testing capacity can reach 5,000 specimens from the ones we conduct free of charge, in addition to the ones carried out by private labs – then [hospitals] can collapse, because there simply is not enough capacity," she said.

To Subscribe: info@tenggara.id

COVID-19 clusters continue to rise in offices

Koran Tempo

The number of workers who have been infected by COVID-19 has increased. Jakarta Deputy Governor Ahmad Riza Patria said the increasing number of infected workers was largely due to greater mobility in the capital city following the issuance of operational permits for office buildings.

Two weeks ago, the Jakarta Health Agency recorded as many as 90 COVID-19 clusters in office buildings, with the number of patients from these clusters reaching 459. However, as per Aug. 9, the number of COVID-19 clusters in office buildings had swelled to 166 and the total number of COVID-19 patients from office clusters had doubled as well to 1,081.

Riza said the Jakarta administration would tighten its regulation on granting office buildings operational permits. According to Riza, the administration would urge companies to impose a work from home policy for workers who could carry out their jobs from their homes. The administration would also request companies to limit staff numbers to 50 percent of office capacity.

Students vulnerable to COVID-19 infections

Kompas, Headline

As the number of COVID-19 cases in Jakarta continues to rise, Jakarta administration's data suggests that a considerable portion of those who have been infected by the virus are students. An analysis on 6,416 COVID-19 cases in Jakarta, or approximately 29 percent of the total cases in the capital, found that 1,302 of them had been found among students.

Epidemiologist Iwan Ariawan from the University of Indonesia said the high risk of COVID-19 transmissions among students indicated that young people had been negligent in following health protocols.

Meanwhile, epidemiologist Dicky Budiman from Griffith University said children and students might have caught COVID-19 from their parents, who in turn got infected at their workplaces, which recently reopened. "This must serve as a warning [to the government]. Should schools reopen, the risk of rapid COVID-19 transmissions will be much higher," said Dicky.

Military, police to get more involved in COVID-19 committee Republika, p. 1

The national economic and COVID-19 recovery committee will involve the Indonesian Military (TNI) and National Police in its fight against the virus. The TNI and the police will be involved not only in enforcing health protocols but also in carrying out mass vaccinations, as affirmed by State-Owned Enterprises (SOEs) Minister Erick Thohir, who also chairs the national economic and COVID-19 recovery committee.

The military and the police's role on the team was cemented by the appointment of Army chief of staff (KSAD) Gen. Andika Perkasa and National Police deputy chief Comr. Gen. Gatot Eddy Pramono as the committee's deputy heads.

"As mandated by the President [Joko "Jokowi" Widodo], the military and the police will oversee the mass COVID-19 vaccinations and coordinate with the Health Ministry, the Education and Culture Ministry, as well as the Indonesian Red Cross [PMI]," said Erick.

Erick further added that the TNI and the police's medical personnel and human resources were adequate to carry out the vaccinations. "The military and the police have as many as 53 hospitals and 6,700 beds available, equipped with hundreds of thousands of medical personnel. This could greatly help us to ensure the success of our mass vaccination," said Erick.

AGO annuls decree on investigating prosecutors

The Jakarta Post, p. 2

Attorney General ST Burhanuddin has revoked his newly issued guideline, which had required authorities to seek his permission to investigate prosecutors suspected of wrongdoing, less than a week after it was issued.

Burhanuddin issued Guideline No. 7/2020 on Aug. 6, stipulating that summoning, examining, searching, arresting and detaining prosecutors suspected of being involved in a criminal act could only be conducted with the permission of the attorney general.

"Given that it has created disharmony between those tasked with doing their duty, its implementation is considered inappropriate, therefore the guideline is revoked," Attorney General's Office (AGO) spokesman Hari Setiyono said on Tuesday, as quoted by kompas.com.

The revocation is stipulated in Attorney General Decree No. 163/2020 issued on Tuesday.

Hari said the now-revoked guideline had been issued by referring to Article 8 of Law No. 16/2004 on the AGO, which stipulates the same provision. In the now-revoked guideline, the attorney general also regulated the procedures for obtaining his permission, whereby any agency seeking to summon, examine, search, arrest or detain a prosecutor had to submit an application to his office.

The application could be rejected if it lacked urgency or if the required documents were incomplete. However, the AGO's permission would not be needed if prosecutors had already been caught in the act of committing a crime, the guideline said.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Omnibus bill deliberation to enter sensitive areas

Kontan, headline

Deliberations on the controversial labor provision of the omnibus bill on job creation will begin next week. The bill is targeted to be finished by the end of September 2020 or at the latest before the end of the House of Representatives' upcoming recess on Oct. 9.

According to House of Representatives Legislation Body (Baleg) member Hendrawan Soepratikno, the bill's working committee (Panja) has finished deliberating 6,300 out of 8,000 issues on the inventory problem list (DIM). The remaining 1,700 issues are the provisions related to labor issues, the government's center of investment and public administration.

The Manpower Ministry previously created a tripartite forum to discuss the labor provisions and has passed on the result to the House. The ministry hopes that the forum's result could help reduce the controversies surrounding the labor issues.

However, the forum along with the omnibus bill on job creation itself continues to gain strong opposition from prominent labor unions. Issues that are being opposed by these unions include the elimination of city or regency level minimum wages, the inflation component in minimum wage calculation and pensions. Moreover, they are also against the rules that enable more sectors to use outsourcing and extensions of work contract limits.

OJK targets millennials to improve financial literacy

Investor Daily, headline

The Financial Services Authority (OJK) is targeting millennials to develop their financial literacy and nurture investment culture among them as they will replace the older generation to determine the future of the nation.

OJK consumer protection and education commissioner Tirta Segara explained that millennials, which accounts for between 30 percent and 40 percent of the total population, are the critical economic players to acquire a better understanding of financial literacy so that Indonesia can achieve prosperity.

"The financial literacy index in Indonesia only reaches 38.03 percent. Therefore, the improvement should be undertaken particularly with millennials. Apart from being a capacity for financial planning, the financial literacy is also important as the character education," Tirta said.

He added that the majority of millennials did not understand the compounding interest concept and have not prepared emergency funds. They tend to consider that they only live once and spend their money on leisure.

Meanwhile, BRI Insurance president director M. Fankar Umran noted that financial literary index of 38.03 percent is low, considering the relatively high financial inclusion, with 76.19 percent financial inclusion index. It means that many people do not really understand the financial product. He cited that insurance penetration was remarkably much lower at 2.77 percent of the gross domestic product (PDB) or 1.7 percent of total Indonesian population. While the penetration of the general insurance was even lower with 0.41 percent.

Wage subsidy program expanded to cover 15.7 million workers

The Jakarta Post, Business page

A week after it launched the COVID -19 wage subsidy program, the government announced on Monday that it had increased the scheme to cover a total of 15.7 million workers to spur household spending and prevent the economy from slipping further.

From its initial target of 13 million workers, the government increased the number of targeted recipients by an additional 2.7 million workers to help boost their purchasing power. The government also increased the budget for the program by 13.9 percent to Rp 37.7 trillion (US\$2.55 billion) to cover the expansion in targeted recipients.

Those people eligible for the wage subsidy are workers who earn less than Rp 5 million per month and are active members of the Workers Social Security Agency (BPJS Ketenagakerjaan) as of June 30.

Eligible recipients will receive a total wage subsidy of Rp 2.4 million starting in September, disbursed in installments of Rp 1.2 million every two months to cover a total period of four months.

The wage subsidy program was initially launched on Aug. 4 after Indonesia recorded an economic contraction of 5.32 percent yearon-year in the second quarter as household spending and investment shrank.

The government has allocated Rp 695.2 trillion in stimulus funding to minimize the economic impacts of the health crisis. But it has spent only 21.7 percent of the budget as of Aug. 6, at a time when accelerated spending was needed most.

Indonesia needs to speed up digitalization of economy

Kompas, p. 1

Most major economies of the world suffered from economic contraction, some even economic crisis. Indonesia's economy contracted by 5.3 percent in the second quarter of this year after growing positive by 2.3 percent. Despite the contraction, some economic sectors booked positive growth.

In the first half of this year, three sectors booked positive growth. They were information and communications (10.35 percent), health and social services (7 percent) and financial and insurance services (5.87 percent). The data confirms an assumption that the COVID-19 speed up the process of digitalization of the economy, including Indonesian economy, according to economists attending a *Kompas* discussion on economy to celebrate Indonesia's 75th anniversary.

As the process of digitalization is on the way, Indonesia needs to prepare its human resources so they can add value to the process by increasing their competence, critical thinking and acquire soft skills such as communications, social interactions emotional intelligence and optimism.

The COVID-19 pandemic has also transformed the economy, with people to become more inclusive, fair and sustainable. Therefore, Indonesia needs to actively pursue the 17 Sustainable Development Goals (SDG) to achieve an inclusive, fair and sustainable economy.

Counting on online-offline synergy

Koran Tempo

Retailers are excited to increase their sales through Indonesia Shopping Sales Day (HBD), held from today until Aug. 30. Unlike previous years when the program was only participated in by members of the Indonesian Shopping Centers Tenants Association

(Hippindo), the program is now open to all interested retailers or associations and utilizes both online and offline platforms for sales.

Adding an online shopping option is to target more consumers amid the slump in consumer demand during the COVID-19 pandemic as it allows more flexibility in terms of traffic and number of customers, said HBD Indonesia 2020 committee chairperson Fetty Kwartati.

Customers who are not comfortable shopping directly at shops could choose to shop online with equally attractive promotions. Online marketplaces such as Tokopedia, Lazada, BliBli, and Gojek have confirmed their participation in this program. Fashion products are expected to be leading the sales.

Meanwhile, Tokopedia external communications head Ekhel Chandra Wijaya stated that Tokopedia's participation in the program was to give an added value to the public by increasing access to local products. "This is also an opportunity to accelerate digital adoption for as many local businesses as possible, including from the retail industry, to adapt during the pandemic," said Ekhel.

Disclaimer:

Tenggara Strategics always aims to use reliable sources in providing our best analysis to our clients, and is not responsible for any errors, inaccuracies and/or viewpoints in the original source material upon which we have based our analysis. The analysis contained in this document is intended exclusively for our clients who have subscribed to this service, and is not for public consumption or dissemination.

Nothing contained herein shall to any extent substitute for the independent investigations and the sound technical and business judgment of the reader. In no event will Tenggara Strategics, including its employees, be liable for any decisions made or actions taken in reference to the information contained in these documents, or for any incidental, consequential, indirect, special or exemplary damages, including damages from loss of profits or opportunities, even if advised of the possibility of such damages.