

Tuesday, Aug. 18th, 2020

GENERAL NEWS AND HEADLINES

Muted celebrations mark Indonesia's independence day

The Jakarta Post, headline; *Kompas*, p.2

Indonesia celebrated 75 years of independence in a somber mood on Monday, with many deciding to pull back from the usual ritual of flag-hoisting ceremonies and pole-climbing competitions as COVID-19 continues to spread, a crisis that one historian has deemed one of the worse the country has faced in its modern history.

Indonesia reported 1,821 new COVID-19 cases on Monday, bringing its official infection total to 141,370, data from the government's coronavirus task force show. While the country celebrated its independence day on Monday, it added 57 new deaths, taking its fatalities to 6,207, the highest COVID-19 death toll in Southeast Asia.

Due to the coronavirus, the Merdeka Palace imposed health protocols to prevent COVID-19 transmission, resulting in only a handful of officials and dignitaries being able to attend a flag-hoisting ceremony, a radical departure from the usual hustle and bustle of the annual celebration. Social distancing measures also prompted a reduction in the number of members of the flag bearer team, which was cut to only eight from the usual 68.

The Presidential Palace said the number of attendees at the ceremony had been cut to only 34, including 14 dignitaries invited to join the occasion.

Former president Susilo Bambang Yudhoyono has expressed optimism that despite the current pandemic, Indonesians should take pride in the fact that the country had become the largest economy in Southeast Asia and had risen to become a member of the Group of 20.

Indonesia aims high for 2045

Media Indonesia, headline; *Kompas*, headline

Despite the country's unusual commemoration of its independence day as COVID-19 health crisis is still ongoing, Indonesia will not stop pursuing its aim to be a developed country by 2045.

“The COVID-19 pandemic has resulted in a number of significant reforms in several sectors necessary to boost Indonesia’s development,” said National Development Planning Agency (Bappenas) economic deputy Bambang Prijambodo, who also serves as the head of Indonesia’s 2045 vision team.

Yose Rizal Damuri, the head of the department of economics at the Centre for Strategic and International Studies (CSIS), however, said that Indonesia must overcome three main problems to achieve the target, namely those related to capital accumulation, human resources and productivity.

RI’s COVID-19 test number way below WHO standard

Koran Tempo, Berita Utama

The number of COVID-19 swab tests, or also known as polymerase chain reaction (PCR) tests, conducted by Indonesia throughout August has yet to reach half of the standard set by the World Health Organization (WHO). The country recorded this month’s highest daily swab test on Aug. 7, during which 15,599 people were tested and 2,473 were declared infected with the disease.

On one hand, according to WHO, at least 1,000 per 1 million people should be tested each week. This means that Indonesia, whose population reaches 269,6 million, must test at least 38,5 thousand citizens per day.

On the other hand, however, *Tempo* discovered that the government had reportedly held back the number of swab tests, despite the pandemic showing no signs of abating. Based on a documents detailing COVID-19 management in eight provinces acquired by *Tempo*, the government said that it was not necessary to increase the country’s testing capacity to more than 30 thousand per day.

COVID-19 task force spokesperson Wiku Adisasmito did not deny nor confirm when asked about the report. Wiku said that the government was making an effort to increase the country’s testing capacity according to the WHO standard.

Indonesians volunteer for COVID-19 vaccine trials

The Jakarta Post, p.2

In the past several months since the COVID-19 pandemic hit Indonesia, people have come together to help each other amid what many see as an insufficient government response. Now, with the country pinning its hopes on developing a vaccine, public participation appears to be once again playing a vital role.

At least 1,620 Indonesians are scheduled to take part in the final stage of clinical testing, phase III trials, of a COVID-19 candidate vaccine developed by China’s Sinovac Biotech.

The six centers that are hosting the gradual trials are Unpad's university health center and its teaching hospital, as well as Sukapakir, Garuda, Ciumbuleuit and Dago community health centers (Puskesmas).

Herlina is scheduled to begin her participation in the trials on Aug. 25 at the Dago community health center.

The trials, aimed at assessing the efficacy and safety of the candidate vaccine, will be a doubleblind, placebo-controlled trial. This means the clinical trial team will inject half of the volunteers with the candidate vaccine and the other half with a placebo. Neither the participants nor the trial team will know who receives what.

West Java Governor Ridwan Kamil has also signed up as a volunteer for the trials to show his support and trust toward the researchers. National COVID-19 task force chief Doni Monardo has also registered as a volunteer for the trials, according to task force spokesperson Wiku Adisasmito, who said it was "part of the government's commitment to provide the maximum protection for citizens against the danger of COVID-19".

Police look into involvement of immigration officials in Djoko Tjandra's escape

Republika, p.4

The National Police's Criminal Investigation Department (Bareskrim) is currently looking into the involvement of officials from the Law and Human Rights Ministry's Immigration Office in facilitating graft convict Djoko Tjandra to make an escape.

National Police spokesperson Insp. Gen. Argo Yuwono said that the police would investigate the Immigration Office's higher-ups who were allegedly involved in making Djoko's escape possible as well as removing Djoko from Interpol's red notice.

Graft watchdog Indonesia Corruption Watch (ICW) has urged the police to probe deeper into the involvement of Immigration Officials in Djoko's red notice status removal. "In this context, it is important to note that the Immigration Office Director General, Jhony Ginting, is formerly a prosecutor, who must have been aware about Djoko's status as a fugitive," said ICW researcher Kurnia Ramadhana.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Deliberation on job creation bill to finish in early October

Investor Daily, headline

The government and the House of Representatives are optimistic that deliberations on the job creation bill will be completed in early October. To date, lawmakers have reached 75 percent of the bill deliberation progress, leaving only 1,700 items out of 8,000 listed in the bill's problem inventory list (DIM).

Coordinating Economic Minister Airlangga Hartarto said the government was optimistic that the job creation bill would be completed during this session as the government, businesses and labor unions have agreed on crucial points.

Furthermore, businesses are also optimistic that the job creation bill can be implemented in October. Indonesian Chamber of Commerce and Industry (Kadin) vice chairman for industry Johnny Darmawan said that out of all clusters, only one cluster has yet to reach agreement, which is the labor cluster. Johnny added that businesses and the labor union have yet to agree on several points in the cluster, that is the why the issue is being discussed by the House.

Johnny said the job creation bill could address bureaucratic and investment regulation problems.

"So far, we have plenty of government regulations for investment, including regional regulations [from local governments]. All of these constraints will be addressed by the job creation law and [the regulation] will be centralized to the state," he explained.

Details of 2021 draft state budget: What we know so far

The Jakarta Post, p.1

President Joko "Jokowi" Widodo has revealed Indonesia's 2021 state budget proposal after delivering his state of the nation address before the People's Consultative Assembly on Friday.

Next year, Indonesia looks to raise Rp 1.78 quadrillion (US\$120.42 billion) in state income to fund bigger spending on infrastructure and health care, among other things, as the government proposes Rp 2.74 quadrillion in expenditure to fuel the virus-battered economy.

The projected state income is 4.5 percent higher than that of this year's revised state budget, Finance Ministry data shows, while expenditure is set to grow by only 0.3 percent.

On that basis, next year's state budget deficit would reach Rp 971.2 trillion or 5.5 percent of gross domestic product (GDP), lower than the estimated 6.34 percent of GDP this year, as the government looks to continue its stimulus spending into next year to support the recovery.

Seizing opportunity for growth

Bisnis Indonesia, headline

The government has been maximizing its efforts to recover the economy amid a slowdown due to the COVID-19 pandemic. The 2021 state budget also shows a very optimistic target of 4.5 to 5 percent economic growth as the domestic market shows great potential in terms of volume and spending.

However, maintaining the rate of domestic spending during the pandemic and keeping the momentum of economic recovery will be the biggest challenge in achieving that target. In 2021, the government will focus on structural reform to improve productivity through revitalizing and empowering tourism, the manufacturing sector, as well as small and medium enterprises (SME). In addition, improvements in the energy, food and infrastructure sectors will create an enabling environment for economic growth.

Furthermore, the government will be focusing on priority development to speed up economic recovery and increase operational costs efficiency. The use of information technology to improve the quality of public services and redesign the budgeting system using the better-spending approach will also be done in 2021. Despite the challenges, Indonesia's economy still has the potential to grow as long as all stakeholders work together in maximizing the country's resources.

The journey to freedom of investing

Kontan, headline

The movement in Indonesia's capital market is almost always in line with the country's economic growth. For the last 10 years, the rate of economic growth usually sends the signal of a positive trend in the Jakarta Composite Index (JCI). The stock market is a macroeconomic indicator that reflects issuers' source of funding.

For instance, despite the JCI being slightly corrected by 0.98 percent in 2013, the economic growth of 5.58 percent that year led to JCI's 22.29 percent increase in 2014. Similarly, as the economy contracted by 5.32 percent year-on-year this year, the JCI also recorded a 16.70 percent decline.

Issuers' decision to put their business expansions on hold is reflected in the decline of fund seeking in the stock market this year as initial public offerings (IPO) up to July only amounted to Rp 3.33 trillion (US\$225.91 million) from 29 issuers, in contrast to the Rp 85 trillion from 29 issuers last year. However, this could also be positive as it shows that smaller companies have started using the stock market as an alternative source of funding.

Retail investors have also been on the rise as the public looks to the stock market for an additional source of income amid the pandemic. The number of investors and frequency of retail transactions in the last three months almost doubled from last year.

However, Indonesia's stock market is not fully safe for retail investors. The Financial Services Authority (OJK) needs to take a more active role to prevent fraud in the stock market and increase investors' protection in the case of fraud, said Samuel Sekuritas Indonesia vice president Muhammad Alfatih.

RI issues new rupiah banknote in Rp 75,000 denomination

Kompas, p.1

To celebrate the 75th anniversary of Indonesia's Independence Day, the Finance Ministry and Bank Indonesia (BI) issued a new rupiah banknote in the denomination of Rp 75,000 (US\$5.09), printing 75 million bills. The new banknote design symbolizes nationalism, development and diversity to achieve the country's Golden Indonesia 2045 goal.

"We must grow the momentum of 75 years of Indonesian independence to build optimism and enthusiasm in achieving our independence dreams, even though we know that in our nation and state journey we will always be faced with various obstacles and challenges in life," said Finance Minister Sri Mulyani during the banknote virtual launch on Monday.

As a reminder of the country's independence, the front of the banknote has a picture of the Indonesian flag being raised on Aug. 17, 1945. It also shows several of the country's developmental achievements, such as the Youtefa Bridge in Papua, the MRT in Jakarta and the trans-Java toll road.

The banknote's front side also has a picture of former president Sukarno and former vice president Mohammad Hatta at the center. Its watermark also shows a picture of the founding fathers along with the number 75 as an ornament as well as the central bank's logo and moon orchid, which change color when seen from a different angle.

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