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GENERAL NEWS AND HEADLINES

Politically wired millennials to contest December polls

The Jakarta Post, p. 1

The 2020 simultaneous regional elections are shaping up to be unpredictable competitions that will feature several young, high-profile and politically wired candidates who are just entering politics and will seek to woo voters at the ballot, underscoring concerns over the lack of an established political party system to nominate candidates based on merit.

President Joko "Jokowi" Widodo's eldest son Gibran Rakabuming Raka has finally obtained the blessing of the ruling Indonesian Democratic Party of Struggle (PDI-P) to run for the upcoming mayoral race in Surakarta, Central Java, this December alongside the PDI-P's Surakarta branch secretary Teguh Prakosa.

Jokowi's son-in-law Bobby Afif Nasution has also been nominated by the PDI-P to compete in the mayoral race in Medan, North Sumatra, alongside Gerindra Party politician Aulia Rahman.

Meanwhile, the upcoming mayoral race in South Tangerang, Banten, will see Rayahu "Saras" Saraswati Djojohadikusumo, niece of the current Defense Minister Prabowo Subianto, face off against the daughter of Vice President Ma'ruf Amin, Siti Nur Azizah.

Many of these politically wired candidates will be going into politics for the first time, while others have held various roles in the local bureaucracy or as legislators. But they will be eyeing powerful positions in the upcoming regional elections that are to be held on Dec. 9.

One thing is certain: political analysts say that the current crop of election candidates reflects the continued relevance of political dynasties in Indonesia's democracy, with some suggesting that the situation also reflects the lack of a meritocracy in the political party system, particularly as it relates to regeneration and the candidate-selection process.

Workers to still hold protests

Koran Tempo

Several labor groups have asserted that they will continue to stage large-scale demonstrations on Aug. 25 to protest the omnibus bill on job creation, despite the fact that some of their representatives are in talks with the House of Representatives.

Confederation of Indonesian Trade Unions (KSPI) chairman Said Iqbal said the protests would still be held as it is their constitutional right. In spite of that, the labor groups will still be open to engage with the House, adhering to a concept-lobby-action plan. "We have submitted our concept to the House. The lobbying is ongoing. We are still going to take action," Said asserted after a meeting with the House's Legislation Body (Baleg) on Tuesday.

Said conveyed that the unions would demonstrate in front of the House complex and the Office of the Coordinating Economic Affairs Minister, claiming that tens of thousands of workers would be participating in the protest.

On Tuesday, 18 representatives of labor groups were invited by House Deputy Speaker Sufmi Dasco Ahmad to discuss the job creation omnibus bill with Baleg. This meeting resumed discussions that were held on Aug. 11.

Said, however, said that labor groups still maintained their stance on the bill, which is to reject all articles that harm the interests of the public. "For this stage, we are primarily focusing on the bill's labor provisions cluster."

Antigraft body's performance deemed non-optimal

Kompas, p. 3

The Corruption Eradication Commission's (KPK) performance has been deemed non-optimal in the first half of 2020. Despite having carried out many investigations this year, a majority of the cases have yet to be solved as there have been minimal arrests made by the antigraft body.

KPK deputy chairman Nawawi Pomolango said the KPK had a total of 160 investigations this year, 43 of which were new cases and 117 being incomplete cases from before 2020. Of the 43 new cases, a total of 38 suspects have been detained.

Moreover, the KPK claims to have saved potential losses of Rp 10.4 trillion at the regional level, which have come from an increase in local revenue (PAD), control of assets and land certification.

Despite these strides in progress, Gadjah Mada University (UGM) anti-corruption studies center director Oce Madril still considered that the KPK had not maximized its potential.

According to him, the KPK should have targeted more strategic cases, either in terms of actors and economic impacts, which concern the interests of the public.

From a prevention aspect, Oce said that the KPK's work had been largely sporadic and casuistic. "We do not know which sectors are being prioritized and there is no visible direction that they're heading towards," he said.

Ensuring COVID-19 drugs are safe

Media Indonesia, headline

Given that a cure for COVID-19 has not yet been found, the government must guarantee that drugs being used for various types of treatment are safe for public use. In this regard, the Food and Drug Monitoring Agency (BPOM) will ensure that all COVID-19 drugs have gone through clinical trials and remain under the agency's radar.

"As regulators, we will ensure that a given drug goes through clinical trials to ensure that it is safe for consumption and to protect the public," said BPOM expert Anwar Santoso, adding that the BPOM is implementing standardized practices based on reputable American and European drug regulators.

Anwar emphasized that until Tuesday, all drugs for COVID-19 were undergoing clinical trials and that no single drug has been officially declared safe and effective in treating COVID-19.

The World Health Organization (WHO) has also yet to specify an effective and safe COVID-19 cure.

Airlangga University boasts of world's 'first COVID-19 cure', but experts urge caution

The Jakarta Post, p. 4

Airlangga University rector M. Nasih has touted the potential coronavirus remedies the university is developing in collaboration with several state departments as "the first COVID-19 cure" in the world.

Nasih said that the ongoing research and development – which is being conducted in partnership with the State Intelligence Agency (BIN) and the Indonesian Army – aimed to produce new, effective combinations of existing medicines to ameliorate the symptoms of COVID-19.

He said three combinations of medications – lopinavir/ritonavir and azithromycin, lopinavir/ritonavir and doxycycline and hydroxychloroquine and azithromycin – had already undergone clinical trials.

"After we combined [different medicines], the rate of recovery [among test subjects] increased sharply. Certain combinations even reached 98 percent efficacy," Nasih said.

But Maksum Radji, a clinical microbiologist at the University of Indonesia's (UI) School of Pharmacy, has urged the public to contain their optimism until an official report on the remedies' efficacy is released.

"The result of the clinical trials has yet to be published in any scientific journals, so it's difficult to assess the efficacy and risks inherent in the use of the three combinations of medicines," he told *The Jakarta Post* on Sunday.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

RI logs biggest trade surplus in nine years

The Jakarta Post, headline

Indonesia recorded the biggest trade surplus in nine years in July as exports rose for a third consecutive month while demand for imports remained weak amid the pandemic.

Exports jumped 14.33 percent month-on-month (mom) in July to US\$13.73 billion, continuing the upward trend since May, thanks to rising shipments of agriculture and manufactured goods despite the figure being 9.9 percent lower than in the same month last year, Statistics Indonesia (BPS) announced on Tuesday.

Imports stood at \$10.47 billion in July, 32.55 percent lower annually and 2.73 percent lower than June, as domestic demand for consumption and raw materials remain subdued amid the pandemic.

The rise in exports and fall in imports led to a \$3.26 billion trade surplus, the highest since August 2011, according to BPS.

The coronavirus outbreak has hit international trade amid movement restrictions implemented in various countries around the world, including in Indonesia. The World Trade Organization (WTO) projects global trade volumes will contract by between 13 percent at best and 32 percent at worst this year.

Indonesia, however, has managed to book a strong trade surplus as imports fall deeper than exports. The country had recorded a trade surplus of \$8.75 billion as of July compared to a \$2.15 billion deficit logged in the same period last year.

Net exports were also the anchor of Indonesia's gross domestic product (GDP) in the second quarter as the only positive contributor to the economy amid shrinking household spending, investment and government spending.

Rupiah exchange rate under pressure

Kontan, headline

The rupiah spot exchange rate decreased 0.34 percent to Rp 14,845 per US dollar on Tuesday, adding to its eight-day slump streak and also becoming the worst-performing currency in Asia.

This is in contrast to the positive trend in economic indicators data. Indonesia has just reported a trade surplus of US\$3.26 billion and a record high in foreign reserves. Despite that, market players remain cautious as the surplus is due to the steep decline in imports of 32.55 percent in July. This might indicate that economic recovery is going slower than projected, especially for manufacturing and consumption sectors.

The decline in the exchange rate could be attributed to the increasing demand for the US dollar as some non-delivery forward contracts are due. Besides, the market is also anticipating the results of Bank Indonesia's Board of Governors meeting. The market is against the rumored interest cut as it might slow down the flow of capital and make domestic investment less appealing, said Global Kapital Investama analyst Alwi Assegaf.

According to BCA chief economist David Summual, the rupiah seems to be moving toward its equilibrium and reflects the fundamentals. The equilibrium for the rupiah is between Rp 14,000 and 15,000 per US dollar. It is predicted that the exchange rate will not surpass the April record of Rp 16,000 per US dollar as the weakening in April was caused by Bank Indonesia's decision to focus more on economic growth instead of stabilizing the exchange rate.

Turning point for domestic industry

Bisnis Indonesia, headline

Recovery of the manufacturing sector is being seen in the second half of this year along with the increase in flow of capital goods imports. While overall imports dropped 2.73 percent in July from June, the import of capital goods rose 10.82 percent, continuing the trend from the 27.35 percent increase in the previous month.

The increase in the import of capital goods signaled an increase in the production rate for manufacturing sectors, showing a positive sign that businesses were more confident in resuming production.

Although Indonesia's manufacturing index is still under contraction, the domestic industry may expand in the short term. The presence of capital goods is hoped to boost the value of local raw materials as well as opening up employment opportunities.

According to Statistics Indonesia (BPS), imports for July decreased by 2.73 percent to US\$ 10.47 billion, from US\$ 10.76 billion in June. The import of consumer goods nosedived by 21.01 percent in July. The import for raw materials, which contributed to 70.58 percent of total imports in July, also decreased by 2.5 percent.

State-owned banks to save textile and garment industry

Investor Daily, headline

The textile industry is among sectors most affected by the pandemic, having asked for the government's help to salvage the industry. Should the government have a specific policy for the industry, state-owned banks are ready to save the textile and garment industry from bankruptcy.

Indonesian textile association (API) chairman Jemmy Kartiwa Sastraatmadja explained that the textile industry had been relying on exports but exports had dropped significantly. Textile exports in March 2020, for example, dropped 60 percent, affecting 2.1 million workers.

The association urged the government to help the industry by limiting the import of finished goods, especially garments, reducing electricity costs, as well as providing capital loans and subsidies for interest payment.

State-Owned Bank Association (Himbara) chairman Sunarso, who is also Bank Rakyat Indonesia (BRI) president director, said the main problem the textile industry faced was the sudden drop in demand and low-profit margin due to expensive raw materials. As exports slowed, the only available avenue for recovery would be boosting domestic demand by limiting the import of garments.

Sunarso explained that there was no specific policy from the government for the textile and garment industry yet. When there was one, Himbara was ready to help the industry to prevent bankruptcy.

70 potential industrial estates along Java's north coast

Koran Tempo, Economy and Business page

The Industry Ministry has identified 70 potential industrial estates over 36,214 hectares, to be built along the trans-Java toll road on the northern coast of Java to attract investment, especially foreign investment.

The ministry's industrial estate director, Ignatius Warsito, said of the 70 potential industrial estates, 39 would be located in West Java, 12 in Banten, 11 in East Java, six in Central Java and two in Jakarta.

"All these potential industrial estates are located along the trans-Java toll road, but they need additional infrastructure, such as natural gas and a raw material water network, as well as ports," Ignatius said.

According to ministry data, Indonesia has 118 industrial estates, 81 of which are located in Java and the remaining spread in other islands, specifically Sumatra, Kalimantan and Sulawesi.

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