

Tuesday, Aug. 25th, 2020

GENERAL NEWS AND HEADLINES

Listyo ahead in race for police chief job

The Jakarta Post, headline

National Police chief Gen. Idham Aziz, before all police personnel, made it clear on July 1 that every one of them hold the same chances of being the next police chief. Therefore, he expects the police force to remain focused on serving the country. The former chief detective, who will retire in January next year, also warned them not to fall for any false information that suggests otherwise.

Idham's speech on his replacement was deemed necessary to minimize the heated tension that usually comes from the rivalry between high-ranking officials ahead of a national police chief's retirement.

A month after Idham's encouraging speech, chief detective Comr. Gen. Listyo Sigit Prabowo announced that the police had brought home one of the country's most wanted men, Djoko Soegiarto Tjandra, who had avoided a two-year prison sentence for graft and a Rp 546 billion (US\$54 million) fine for 11 years.

Even though Listyo insisted that he had not earned the spotlight as he had just followed Idham's orders, the public saw him as the hero of the day. Many also viewed this as a sign that Listyo was being prepared for the National Police chief job.

Even though all high-ranking police officials have the same opportunity to be National Police chief, at least two other names stand out: National Police deputy chief Comr. Gen. Gatot Eddy Pramono and Jakarta Police chief Insp. Gen. Nana Sudjana.

Gatot's name, a source who often works with the police said, was raised by those who opposed Listyo, while Nana was widely considered the more proper candidate as he could bridge both the President's interests and those of high-ranking police officials who saw him as more capable of the job. A powerful

name with huge influence within the police and a big political party have reportedly thrown in their support for Gatot as well.

Former KPU commissioner Wahyu Setiawan gets six years in prison

Kompas, p.2; Republika, p.2; Media Indonesia, p.4

The Jakarta Corruption Court sentenced former General Elections Commission (KPU) commissioner Wahyu Setiawan to six years in prison on Monday after finding him guilty of accepting bribes in connection with an election dispute. Wahyu was also ordered to pay a fine of Rp 150 million. The sentence was lighter than eight years' imprisonment demanded by Corruption Eradication Commission (KPK) prosecutors.

The judges decided not to strip Wahyu of his political rights. However, they denied his request to be a justice collaborator in the case.

Besides Wahyu, the court also handed down a four-year prison sentence to former Elections Supervisory Agency (Bawaslu) member Agustiani Tio Fridelina and ordered him to pay a fine of Rp 150 million.

President promises 290 million doses of COVID-19 vaccine

Republika, headline; Media Indonesia, p.1; The Jakarta Post, p.2

Indonesia has reportedly secured 290 million doses of a potential COVID-19 vaccine until the end of next year, President Joko "Jokowi" Widodo said following Foreign Minister Retno LP Marsudi and State-Owned Enterprises (SOE) Minister Erick Thohir's visit to China and the United Arab Emirates (UAE) last week.

Jokowi added that the country had secured a commitment to be sent 20 million to 30 million doses of the potential vaccine by the end of this year, some 80 million to 130 million doses in first quarter of next year and 210 million doses for the remainder of 2021.

The President said that the vaccine supply was more than sufficient, even more so considering that the country was also developing its own vaccine, named the Merah Putih (Red and White) vaccine. Jokowi also reportedly planned to sell the home-developed COVID-19 vaccine to other countries.

Swab test rates deemed too expensive

Koran Tempo, Nasional

The Indonesian Ombudsman deems the reverse transcription-polymerase chain reaction (RT-PCR) test rates as too expensive. The highest price for the test reaches up to Rp 5 million per test, Ombudsman commissioner Alvin Lie said. Alvin added that the lowest rate for the test stood at Rp 1 million per test.

“The price should be lower as the industry has boosted research and development for a machine to detect the virus,” said Alvin. According to Alvin’s calculation, the PCR test rates can be reduced to Rp 500,000 per test.

COVID-19 task force spokesperson Wiku Adisasmito has acknowledged that the expensive rates prevented people from getting tested. The government, according to Wiku, plans to adjust the PCR test price accordingly.

Economist, epidemiologist slam COVID-19 response

The Jakarta Post, p.1

The government’s handling of the COVID-19 pandemic on the economic front is not timely and lacks focus compared with other countries that have fared better, such as South Korea and Vietnam, an economist has said.

Hendri Saparini, founder of the Center of Reform on Economics (CORE) Indonesia, said recently that both South Korea and Vietnam had been focused on flattening the curve prior to the peak of the pandemic, including by enforcing a lockdown or strict physical distancing and focused on economic policies only after checking the virus spread.

On Monday, the government reported 1,912 new confirmed cases, bringing the total to more than 155,412. Some 6,759 people have died because of the virus, while 111,060 people have recovered.

President Joko “Jokowi” Widodo’s administration has formed a national committee to handle both the pandemic and its economic impact. The government has allocated more than Rp 695 trillion (US\$46.8 billion) in stimulus funds to handle the pandemic and shore up the economy.

Separately, an epidemiologist from Gadjah Mada University (UGM) in Yogyakarta, Bayu Satria Wiratama, said on Sunday that Indonesia’s response to the COVID-19 outbreak had not been successful. He cited two main factors for this conclusion:

A lack of discipline in following health protocols and a failure to improve testing capacity.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

PEN program has yet to lift economy up

Kontan, headline

The budget realization for the national economic recovery program (PEN) remains low at 25.1 percent or Rp 174.79 trillion (US\$11.88 billion) per August 19, 2020, raising concerns as the national economy is on the brink of recession.

The budget absorption is even lower in the healthcare sector at only 8.4 percent while corporate financing has recorded zero progress. Social aid and MSMEs incentives fare better with 45.6 percent and 36.1 percent respectively.

Consequently, President Joko “Jokowi” Widodo ordered his ministers to speed up aid distribution directly to the public to boost the economy. The President set a target for the lack of available and accountable data, including bank account data issues, to be solved by mid-September 2020.

Finance Minister Sri Mulyani mentioned that several issues led to low budget absorption. Since there are many new programs, not all of the required data is available. The distribution mechanism and supporting regulations are often not ready and take time to prepare.

Although the government remains optimistic that the PEN program will help with economic recovery in the second half of 2020, businesses remain skeptical. The efforts to prevent recession depend on the government’s ability to distribute the PEN stimulus and state budget, as well as increasing efficiency and business competitiveness.

Supporting MSMEs for economic recovery

Bisnis Indonesia, headline

Distribution and absorption of the national economic recovery program (PEN) are crucial to prevent the national economy from falling into recession in the third quarter of 2020 and to create positive economic growth by the end of the year. Budget absorption for MSMEs’ incentives is currently one of the highest, with a total of Rp 44.63 trillion (US\$3.03 billion).

The government has appointed state-owned PT Bank Rakyat (BRI) to distribute funds in a program called presidential aid for productive micro entrepreneurs (BPUM) in Indonesia. In the first stage, BRI has distributed Rp 1.64 trillion to more than 683,000 micro businesses.

Aside from the economy, managing the healthcare aspect of the COVID-19 pandemic should remain a priority. Until now, there has seemed to be a lack of significant progress in slowing down the virus transmission as the number of confirmed positive cases keeps on increasing. Unless the healthcare issues can be solved, the optimism felt from the relaxation of large-scale social restrictions (PSBB) and progress in vaccine research might fade away.

12 million micro businesses to receive Rp 28.8 trillion grant fund

Investor Daily, headline

The government has prepared Rp 28.8 trillion (US\$1.96 billion) in grant funds to be distributed for 12 million micro businesses in a program called presidential aid for productive micro entrepreneurs (BPUM). The fund will be disbursed starting August 17, 2020 until the end of the year through state-owned banks PT Bank Rakyat Indonesia (BRI) and PT Bank Nasional Indonesia (BNI).

In the first stage, the government will directly transfer the fund, worth Rp 2.4 million for each business, to 4.5 million businesses. The government will increase the recipient target to 9.1 million business by the end of September, and finally to 12 million business by the end of 2020.

President Joko “Jokowi” Widodo explained that in the last four months, the government had consistently launched several incentives that targeted micro, small and medium enterprises (MSMEs) such as tax incentives, working capital loans, and fund placement in banks to support MSMEs.

Cooperatives and Small and Medium Enterprises (SMEs) Minister Teten Masduki said that the aid was a part of the national economic recovery (PEN) program scheme, which targeted micro entrepreneurs who have not taken out loans. As of Aug. 19, Teten said the BPUM had been disbursed to 34 provinces amounting to Rp 2.4 trillion for 1 million beneficiaries.

Finance Minister Sri Mulyani explained that the beneficiary candidates must meet the criteria; businesses must have no loan history in a bank or financial institution, be categorized as a micro or ultra-micro business, have registered with a bank with savings of no more than Rp 2 million and have a personal identification card (KTP) and citizenship identification number (NIK).

Govt prepares to buy MSMEs' products

Koran Tempo, headline

The government is preparing a regulation and facility to support the procurement of micro, small and medium enterprises' (MSMEs) products by government institutions and state-owned enterprises (SOEs).

SOEs Ministry expert staffer for finance and MSME development Loto Srinaita Ginting said the facility being prepared was a digital platform called Pasar Digital (PaDi), the Indonesian phrase for digital market. MSMEs will be able to offer their products to SOEs through PaDi. In the trial period, nine SOEs will buy MSME products through the digital platform.

From the regulation side, Loto said SOEs were prohibited from participating in procurement bidding worth between Rp 250 million (US\$16,986.59) and Rp 14 billion on the platform because the program targeted MSMEs. The online platform would also help the government in supervising SOE expenditure realization, she added. Out of the Rp 779 trillion in capital expenditure that SOEs spent last year, only Rp 32.5 billion was spent on MSME products.

12 million recipients sign up for wage subsidy program

The Jakarta Post, p.4

The government has registered 12 million bank accounts of eligible recipients in its COVID-19 wage subsidy program, aimed at boosting household spending amid the economic impact of the pandemic, according to a top official of the Fiscal Policy Agency (BKF).

The head of the BKF at the Finance Ministry, Febrio Kacaribu, said the government targeted 15.7 million workers in total and that it was waiting for around 3 million more eligible recipients of the wage subsidy to report their bank accounts to the Workers Social Security Agency (BPJS Ketenagakerjaan), whose data are the basis for the government's assistance program.

The additional recipients are those who are registered individually at the agency, instead of through a company.

The program provides wage subsidy of Rp 2.4 million (US\$162.32) to workers who earn less than Rp 5 million per month and are currently furloughed or have had their pay cut due to the pandemic. Recipients must also have been an active member of BPJS Ketenagakerjaan since June 30.

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