

Friday, Aug. 28th, 2020

GENERAL NEWS AND HEADLINES

AGO refuses transfer of investigation to KPK

Koran Tempo

Corruption Eradication Commission (KPK) deputy chairman Nawawi Pomolango said the investigation into a bribery case implicating Bank Bali corruption convict Djoko Tjandra and prosecutor Pinangki Sirna Malasari should be transferred to the KPK from the Attorney General's Office (AGO). It is feared that the investigation could face difficulties if it is carried out by the AGO due to potential conflicts of interest.

However, AGO spokesperson Hari Setiyono asserted that each law enforcement body in the country had the right to conduct an investigation. "Each investigator has an authority [to carry out an investigation]. We, law enforcement bodies, support each other in the form of coordination and supervision," said Hari.

Hari further added that the AGO also had its own investigators specifically responsible for handling corruption cases. "We [the AGO] do investigations. Public prosecutors are also based here in the AGO. There is no need for a transfer of investigation [from the AGO to the KPK]," said Hari.

Previously, it was revealed that Djoko, who fled the country a day before his conviction and remained at large for more than a decade, had bribed Pinangki to stop the latter from requesting a non-legal binding opinion from the Supreme Court. The AGO has arrested Pinangki and named her as a suspect for accepting a bribe of US\$10 million from Djoko.

Pinangki's arrest, however, has sparked speculation over the complicity of AGO higher-ups in Djoko's case considering that Pinangki should not have had the authority to intervene in the issuance of a Supreme Court non-legal binding opinion.

Cluster raises fear of zoonotic transmission

The Jakarta Post, p. 2

The recent discovery of a COVID-19 cluster in the Agriculture Ministry has added to a growing list of such office outbreaks and raised concerns about possible transmission between animals and humans in Indonesia.

About 350 employees of the ministry's Livestock and Animal Health Directorate General have been tested for the virus, and at least 17 have been found positive, according to department spokesperson Aryani Gumelar.

Aryani said all Agriculture Ministry employees had been instructed to work from home from Monday to Wednesday and that authorities had sealed off part of a building in the ministry's complex in Jakarta for disinfection. The infection was traced to floors six through nine of Building C in Ragunan, South Jakarta.

The Agriculture Ministry cluster has raised concerns in scientific circles because the people who were infected likely had recent contact with animals. Diseases that can be transmitted from animals to humans and vice versa are "zoonoses". This category includes some of the world's most common diseases, such as tuberculosis, rabies, toxoplasmosis and malaria.

However, Aryani did not believe the ministry's cluster was the result of zoonotic transmission. "For the spread of the virus itself, we confirmed that it did not originate from animals and that it was most likely caused by human transmission," Aryani told *The Jakarta Post* on Monday.

Vaccination expected to start at end of year

Republika, Headline

Indonesia will receive 30 million doses of COVID-19 vaccines from the country's collaboration in vaccine development with Chinese and United Arab Emirates-based companies. If the clinical trials of the vaccine prove successful, the vaccines could be given to as many as 15 million people.

"We will acquire 30 million doses of COVID-19 vaccines. If two doses are required per person, then as many as 15 million people could be vaccinated at the end of the year, provided that the vaccines pass their clinical trials," said State-Owned Enterprises (SOEs) Minister Erick Thohir, who also serves as executive chairperson for the national economic recovery and COVID-19 response team.

According to Erick, the government is preparing two potential scenarios for mass vaccination in Indonesia. In the first scenario, all vaccinations will be given through government assistance funded by the state budget. In the second scenario, the government will give free vaccinations only for the poor, while those who are financially able must pay for their vaccination.

Govt to distribute rice assistance soon

Media Indonesia, Headline

The government continues its efforts to cushion the economic impacts of the COVID-19 pandemic through numerous social assistance programs. After distributing cash assistance to workers and contract teachers earning less than Rp 5 million per month (US\$341), poor families registered in the government's Family Hope Program (PKH) will also receive social aid in the form of rice assistance. As many as 10 million of poor families will receive rice assistance from the government in the near future.

Social Affairs Minister Juliari Batubara said the distribution of rice assistance would be carried out in three months, starting from August until October 2020. Each poor family enrolled in the aid program will receive 15 kg of rice per month. To support the rice assistance program, the government will allocate a budget of Rp 5.41 trillion. Poor and vulnerable families that are recorded in the Social Affairs Ministry's Integrated Data of Social Welfare (DTKS) will be set as the aid recipients.

RI crew on Chinese vessel beg for help in viral video

The Jakarta Post, p. 3

Videos apparently showing four Indonesian crew members begging to be rescued from abuse aboard a Chinese fishing vessel have gone viral on social media, the latest in a series of alleged abuses aboard such vessels.

"Please get us off this ship immediately. We are being physically abused here. We were kicked, beaten and they even threatened to stab us," one crew member said in the video. Another said that the crew was being punched and kicked every day. "We are only given four to five hours to rest, and we work for more than 20 hours every day. If we don't work, they will not give us any food. We are starving," the man said.

The sailors said they had worked on the ship for 10 months and had yet to receive any payment. The video, first posted by Instagram account *@infogeh*, has been

shared numerous times and has garnered hundreds of comments, mostly condemning the apparent abuse and similar incidents aboard other Chinese fishing vessels.

The Foreign Ministry said it had received a report and was looking into the matter. "[We] have coordinated with the Transportation Ministry and the Manpower Ministry, which issues permits for Indonesians to work as crew members on ships abroad," Foreign Ministry director for the protection of citizens and legal entities overseas Judha Nugraha said in a statement on Wednesday.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Moving closer to mass production of COVID-19 vaccine

Kontan, headline

Some COVID-19 vaccine trials have entered their final stage and appear to show positive results. A vaccine made by US pharmaceutical company Moderna just got approval and will be ready for mass production by November.

Indonesia has prepared a Rp 3.8 trillion budget to secure its share of COVID-19 vaccines to inoculate 15 million people this year should the vaccine development go as planned. The budget will be allocated for the Global Alliance for Vaccine and Immunization (GAVI) membership fee and as a down payment for procuring the vaccines.

State-owned Bio Farma, cooperating with Chinese vaccine producer Sinovac, has been conducting stage-3 clinical tests with 1,620 volunteers in Bandung. The stage 3 tests have not shown negative results so far, but 3 to 6 months are needed to get the final results. Indonesia will also purchase ready-made vaccines from UAE's G42.

"Not only buying ready-made products, [but there is also] transfer of [knowledge]. We also want to learn to make the vaccines," said SOE Minister Erick Tohir. Bio Farma is also cooperating with the Eijkman Institute and the Health Ministry to develop its own vaccine.

With a production capacity of 2 billion vaccines per year, Bio Farma is currently procuring raw materials for making 20 million vaccines (two dosages per person) this year. The quota and production capacity will be increased by 250 million in 2021 with the total vaccination cost projected to be around US\$25 – \$30 per person.

Bright prospects for local start-ups

Bisnis Indonesia, headline

Investment in start-up companies has shown significant growth in the first half of 2020 despite the COVID-19 pandemic. According to venture capital company Vento, the total amount of investment into start-ups in Southeast Asia was US\$5.63 billion, with \$2.8 billion going to Indonesian start-ups.

The investment flowing to Indonesia is dominated by pre-A and series-A funding for early-stage start-ups. Of the total investment to Indonesian start-ups in the first half of this year, 68 percent was directed toward the multi-vertical sector, followed by 13 percent for digital payments and 9 percent for retail.

Meanwhile, Series-B funding to build companies in the domestic and regional level has yet to attract the same level of investment. Investors need to increase their amount of investment to qualify for Series B funding, along with the increase in the start-up's operational expenses.

Small-scale start-ups that have just received pre-A and Series-A funding have to implement good business management to maintain stability and avoid collapsing midway. With good financial management, start-ups can level up and attract jumbo investments.

Number of equity investors soars amid pandemic

Investor Daily, headline

The Financial Services Authority (OJK) revealed that the number of investors in the stock market soared by 22 percent to 3.02 million investors amid the COVID-19 pandemic as of July, boosted mainly by millennials.

OJK stock market supervision department head Luthfi Zain Fuady explained that equity investors accounted for the biggest number of investors, with 1.28 million or 42.4 percent of total investors, while the remaining were mutual fund and bond investors.

A similar trend was seen in the frequency and amount of transactions, indicated by an increase from 429 billion stock transactions in the first quarter of 2020 to 493 billion stock transactions in the second quarter.

Indonesia Stock Exchange (IDX) information technology and risk management director Fithri Hadi said that the growing number of retail investors was mainly made up of millennials. Accordingly, Fithri said, the government needed to target more millennials with more education campaigns to improve their financial literacy.

Financial Institution Pension Fund (DPLK) Association chairman Syarifudin Yunus recommended that public education aim to make millennials understand their financial goals, so that they could choose the investment products prudently based on their goals and risk profiles.

House refuses to give Freeport more time to build smelter

Kompas, Economy and Business page

PT Freeport Indonesia has requested a relaxation in the deadline for the company to build a precious metal refinery in Gresik, East Java, from 2023 to 2024 due to the COVID-19 pandemic. The House of Representatives, however, has refused to grant the request.

Speaking at a hearing with House Commission VII on energy on Thursday, Freeport Indonesia vice president director Jenpino Ngabdi said the pandemic had delayed the engineering, procurement and construction (EPC) process, as the main contractor could not bring the required foreign workers to Indonesia.

The Gresik plant is expected to cost the company around US\$3 billion. As of last July, the construction process reached 5.8 percent, below the target of 10.5 percent. Total budget spending as of July reached \$160 million.

Some legislators speaking at the hearing, such as Andi Yuliani Paris from the National Mandate Party and Kardaya Warnika of the Gerindra Party, refused to give Freeport the extension. The energy commission would invite Freeport Indonesia president director Clayton Allen Wenas for a hearing next week.

Indonesia 2045 hinges on skilled workers

The Jakarta Post, headline

Multiple stakeholders have agreed that collaboration to provide reliable vocational training to produce a skilled workforce is needed more than ever if Indonesia wants to reach its goal of becoming a developed country with an annual income of Rp 320 million (US\$21,813) per capita in 2045.

As the unemployment rate for graduates of vocational high schools is most alarming, at 8.63 percent according to Statistics Indonesia last year, sociologist from Gadjah Mada University Tadjuddin Noer Effendi cited Germany's dual vocational education and training (DVET) system as a prime example that Indonesia should follow.

Tadjuddin also stressed the importance of systematic reform in vocational training so that people with a low level of education or those who work in the informal sector could also develop skills.

Indonesian Chamber of Commerce and Industry (Kadin) vice chairman Anton J. Supit said that there was still reluctance or little awareness among businesspeople in the country about taking part in vocational programs.

Presidential Chief of Staff Moeldoko told the Post in an interview broadcast on Thursday that he believed Indonesia's demographic dividend could become a strength if managed properly.

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