

Monday, Aug. 31th, 2020

GENERAL NEWS AND HEADLINES

Hospitals overcrowded as cases continue to surge

Koran Tempo, Berita Utama; Kompas, p.1; The Jakarta Post, p.2

Indonesia is reaching a critical point in its COVID-19 fight as its hospital bed occupancy rates increase. City-owned Koja Hospital (RSUD) director Ida Bagus Nyoman Banjar said the recent surge in COVID-19 cases followed two long weekends for Independence Day on Aug. 17 and Islamic New Year on Aug. 20, during which people's mobility was high.

Likewise, epidemiologist Syahrizal Syarif from the University of Indonesia said COVID-19 was spreading faster than ever. Syahrizal added that the country's healthcare system was handling around 40,000 active cases nationwide. If the number of new cases continues to rise, it could put a burden on hospitals.

Meanwhile, data from the Jakarta Health Agency, as quoted by *tempo.co*, shows that around 71 percent of the 483 intensive care unit beds for COVID-19 patients across the capital were occupied as of Aug. 23.

The country recorded its biggest one-day rise in three consecutive days, from Thursday to Friday. According to the Health Ministry, 9,030 COVID-19 cases were recorded on those days. In total, Indonesia had recorded 172,053 confirmed cases as of Sunday, with 7,343 fatalities and 124,185 recoveries.

For some, COVID-19 stigma worse than disease

The Jakarta Post, headline

COVID-19 has not only strained the health of many survivors but also their relationships with friends and neighbors.

A 24-year-old survivor of the illness in Surabaya, East Java, who asked to be identified as Ayu said some of her colleagues greeted her coldly when she returned to work from a month of self-isolation and a hospital stay in late July.

Ayu's experience is not unique. A recent survey by the LaporCOVID-19 (Report COVID-19) community, in collaboration with researchers from the University of Indonesia's (UI) School of Psychology, found that stigma surrounding COVID-19 patients and survivors had persisted six months into the outbreak.

The study found that 55.25 percent of respondents had become the target of gossip, 33.15 percent had been shunned and 24.86 percent had been treated as virus spreaders or carriers.

Some experts have said that the stigma of COVID-19 in Indonesia is as bad as that of HIV/AIDS. The opprobrium has exacerbated the country's persistent struggles with containment, testing and tracing of the virus as many people are reluctant to ascertain their true statuses. A significant share of the country's cases is believed to remain undetected.

Constitutional Court Law's swift revision scrutinized

Kompas, p.2

Public concern mounts over the revision of the Constitutional Court Law, the deliberation of which has been conducted in such a swift manner. Furthermore, the revision, which mainly centers on the minimum age of court justices, as well as the terms of office for chief justice, deputy chief justice and justices, has been deliberated between the government and the House of Representatives behind closed doors.

House Commission III overseeing legal affairs started the bill's deliberation on Monday. The government then submitted the problem inventory list (DIM) of the bill and formed a working committee with the House on Tuesday. On Wednesday and Thursday, the government and the House discussed the bill in closed-door hearings.

Constitutional law expert Bivitri Susanti said there was no urgency in expediting the revision process. Policymakers, according to Bivitri, must instead ensure the public that the revision would not be used as a tool supporting practices of transactional politics. Many have speculated that the revision was intended to guard certain groups' or individuals' interests, especially since a number of controversial laws are being challenged at the court such, as the Corruption Eradication Commission (KPK) Law and the omnibus bill on job creation.

House mulls revoking civil servants' voting rights

Media Indonesia, p.5

Difficulty in maintaining the political neutrality of state institutions, especially nearing the simultaneous 2020 regional elections, has prompted the House of Representatives to mull over the possibility of revoking civil servants' voting rights, House Commission II deputy chairman Saan Mustopa said.

"We have discussed that in the context of the regional elections, we [the House] want to put the ASN in the same position as that of the military and the police force, so civil servants will not have [the right to vote] to preserve partiality," Saan said.

BNPT wary of military's proposed counterterrorism role

The Jakarta Post, p.2

The National Counterterrorism Agency (BNPT) has said it welcomes the government's plan to allow the Indonesian Military (TNI) to involve itself in the country's fight against terrorism but has warned that the military must abide by the Terrorism Law, which requires the agency to maintain a "coordinating role" in such efforts.

BNPT law enforcement deputy head Eddy Hartono said the TNI should engage in counterterrorism in a way that aligned with its functions and duties according to the 2004 TNI Law. The law gives the military the authority to ward off threats to the country's sovereignty and restore security after a security disturbance.

Eddy expressed his hope that the TNI would not challenge the BNPT's authority as the sole body responsible for the coordination of law enforcement agencies in counterterrorism efforts, as stipulated in the 2018 Terrorism Law.

Eddy said he had no knowledge of the contents of the new draft, including whether the controversial provisions had been altered. Despite the BNPT's lack of involvement in discussions of the draft Perpres, Eddy said the agency hoped that the new regulation would focus on the military's involvement in mapping out the activities of terrorist organizations in the country.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Govt to boost spending on MSMEs

Bisnis Indonesia, headline

Only Rp 56.5 trillion (US\$3.87 billion), or 45.76 percent of the Rp 123.47 trillion budgeted for micro, small and medium enterprises (MSMEs) within the national economic recovery program (PEN), has been spent so far. Most of the funds have gone into interest rate subsidies (Rp 335.29 trillion) and debt restructuring (Rp 78.78 trillion), while the funds allocated for fee guarantees and working capital guarantees have yet to be disbursed.

In response to the low PEN budget realization, the government is increasing spending by the state and state-owned enterprises (SOEs) in 20 priority sectors that are contributing to around 60 percent of GDP, such as online transportation, retail and agriculture.

Market players are hoping for innovation in MSME product absorption to optimize their role in the national economic recovery. They expect an explanation as to which products the government will include in its planned spending commitments. Some products, such as furniture, construction services and agricultural tools, need to be absorbed immediately.

MSMEs are also hoping for product subsidies, so that the public can buy MSME products at discounted prices.

Govt to boost MSME revitalization and digitalization

Investor Daily, headline

Bank Indonesia (BI), the Financial Services Authority (OJK) and ministries are synergizing to revitalize micro, small and medium enterprises (MSMEs) by prioritizing MSME products in government and state-owned enterprise (SOE) projects worth almost Rp 14 billion (US\$958.48). The policy is expected to help MSMEs recover from the impact of the COVID-19 pandemic.

In addition, the government has plans for 2 million MSMEs to start selling their goods online this year, joining 8 million MSMEs already actively trading on digital platforms. Most MSMEs were engaged in the industries of fashion and food,

Coordinating Maritime Affairs and Investment Minister Luhut Pandjaitan said, adding there was a need for MSMEs to expand into the technology industry, so that Indonesia would not fall behind other countries.

BI Governor Perry Warjiyo said the central bank had issued the Indonesian Standard QR Code (QRIS) payment system to help MSMEs with digitalization. QRIS has integrated 4.3 billion MSMEs within the system so far. Meanwhile, OJK chairman Wimboh Santoso said the OJK would help MSMEs by providing better access to loans.

Govt to accelerate aid distribution to MSMEs

Koran Tempo, headline

The absorption rate of aid for micro, small and medium enterprises (MSMEs) has only reached 45.75 percent, or Rp 56.4 trillion (US\$3.86 billion) of the allocated Rp 123.4 trillion in the national economic recovery (PEN) program for MSMEs.

Cooperatives and Small and Medium Enterprises (SME) Minister Teten Masduki said the government would accelerate aid absorption with the aim of reaching 100 percent aid absorption by cooperatives by mid-September.

The government has also launched several other programs, such as the presidential aid for productive microentrepreneurs (BPUM), which has reached 50 percent realization of the Rp 22 trillion allocation.

Currently, the Cooperatives and SME Ministry is preparing stimulus funds to bring more MSMEs to online marketplaces. Furthermore, the ministry will soon launch a supermicro credit program with 0 percent interest for 6 months.

Companies halt expansion to maintain cashflow

Kontan, headline

Issuers are preferring to secure their cash flow this year rather than conduct large-scale expansions, implementing the “cash is the king” principle amid the global economic slowdown.

PT Adaro Energy (ADRO), for instance, has cut its capital expenditure (capex) almost in half to US\$250 million from the previously planned \$400 million. “Essential production maintenance and long-term capex are still carried out,” said ADRO CFO Lie Luckman.

Similarly, other private and state-owned companies have also slashed their capex to maintain cashflow. PT Astra Otoparts (AUTO), the auto parts manufacturing and distribution arm of conglomerate PT Astra International, cut its capex in half to Rp 500 billion.

Meanwhile, state-owned gas distributor PT Perusahaan Gas Negara (PGAS) estimates that this year's capex absorption will be only 40 percent to 44 percent of the US\$823 million allocated. "We are prioritizing capex that can yield short-term revenue," said PGAS finance director Arie Nobelta Kaban.

Maintaining debt and liquidity ratio is one of the reasons why issuers are holding back on capex. State-owned construction firm PT PP (PTPP), for example, has been facing an increase in gearing ratio due to a deficit in its operational cashflow. Analysts predict that companies will have to be careful in rolling out capex until next year.

Jasa Marga plans to issue commercial paper

The Jakarta Post, business and economic headlines

State-owned toll road operator Jasa Marga plans to issue up to Rp 1 trillion (US\$68 million) of commercial paper (SBK) with one-year maturity to provide additional capital, executives say.

Jasa Marga's corporate finance head Eka Setia Adrianto said on Wednesday that the company was looking for alternative ways to fund its running projects and toll road maintenance, including with the issuance of bonds and commercial paper.

"We're not aiming for size, because [commercial paper] is a new product for us. [We plan to raise] between Rp 500 billion and Rp 1 trillion from the paper's issuance," he said during an online press conference.

Besides the issuance of commercial paper, Eka said, the company was preparing to issue Rp 1 trillion worth of bonds to inject fresh capital into the company.

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