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GENERAL NEWS AND HEADLINES

Consistency, honesty critical in new COVID-19 protocols: Expert

The Jakarta Post, p. 2

The Health Ministry recently issued a set of new protocols on COVID-19 management and mitigation based on the recommendations of the World Health Organization (WHO), but experts have questioned whether the government would translate them into better containment policies.

The fifth version of COVID-19 health protocols notably scraps the local terms "person under observation" (ODP) and "patient under surveillance" (PDP) in favor of the international designations "suspect" and "probable". It also expands the definition of COVID-19 deaths to include deaths among probable cases for the purpose of epidemiological surveillance.

Indonesian Epidemiologists Association (PAEI) chairman Hariadi Wibisono believes, however, that simply updating the jargon will not automatically lead to an improvement in surveillance. "The principle is to do as many tests as possible, because we don't want suspect and probable cases swinging between yes and no. We want immediate certainty and that means improving our testing [capacity]," he said.

On Thursday, Indonesia recorded 81,668 confirmed cases, of which 41,323 are currently active. The official COVID-19 dashboard now lists 47,859 suspect cases. The country reported 76 deaths, bringing the total to 3,873 fatalities – which still only accounts for deaths among confirmed cases, in accordance with older guidelines.

Biostatistician Iwan Ariawan of the University of Indonesia public health school urged the government to revise its previous data for recorded deaths to include the toll among probable cases. The data compiled by volunteer group KawalCOVID-19 showed that more than 8,000 deaths in the country were attributable to the former government classifications ODP and PDP. Iwan said

that comparing the two datasets would help calculate the disparity between current and past data on recorded deaths, as the government's updated definition was expected to result in a higher figure for COVID-19 deaths.

The trial was planned to fail: Novel

Koran Tempo

Corruption Eradication Commission (KPK) senior investigator Novel Baswedan claimed that he was unsurprised with the North Jakarta District Court's decision to only sentence two police officers, Brig. Rahmat Kadir Mahulet and Chief Brig. Ronny Bugis, to two years and 18 months' imprisonment respectively, despite the fact that the two officers were responsible for attacking Novel with acid and permanently blinding the investigator in his left eye.

The sentence was heavier than the one year initially demanded by prosecutors. Both Ronny and Rahmat said they accepted the ruling while the prosecutors said they were considering an appeal.

Novel said that he was contacted by a number of his friends shortly after the court pronounced its sentences to Rahmat and Ronny. According to Novel, there were many anomalies throughout the legal proceedings. Novel also said that since the beginning of the trial, he had been informed that the judges would not impose more than a two-year sentence on Rahmat and Ronny. This, Novel said, made the legal proceedings a mere "theatrical display" as it had been planned from the beginning to fail.

Meanwhile, a member of Novel's advocacy team, Kurnia Ramadhana, expressed his disappointment at the court's ruling, particularly since the panel of judges failed to unveil the suspected organized crime behind Novel's attack. "We strongly condemn these legal proceedings for their many anomalies," said Kurnia.

Joko feels comfortable in Malaysia

Kompas, Headline

Graft fugitive Joko Soegiarto Tjandra asserted that he had become comfortable living in Malaysia. Joko, who is involved in the high-profile Bank Bali corruption case, said that whatever the result of his case review, he had no intention of returning to Indonesia.

While living in Malaysia, Joko has reportedly owned several businesses and properties there, including the Exchange 106 building in the elite financial district Tun Razak Exchange. Joko's attorney, Anita Kolopaking, said the fugitive acquired the businesses through his corporate group.

"Pak Joko is already comfortable in Malaysia. He does not want to live in Indonesia. His recent return to Indonesia was only to stand up for his rights," said Anita. His attorney further explained that Joko, who believed that he was not guilty, opted to come back to Indonesia on June 8 to "seek justice" by filing a case review with the South Jakarta District Court.

According to Anita, Joko is currently in Malaysia. Anita, however, claimed that she did not know how Joko was able to enter and leave the country without being detected by the immigration office.

6 ministers submit new bill on state ideology agency

Republika, Headline

President Joko "Jokowi" Widodo delegated six of his ministers to the House of Representatives building in Senayan, Central Jakarta, to convey his stance on the much-criticized Pancasila ideology guidelines (HIP) bill. The ministers were Coordinating Political, Legal and Security Affairs Minister Mahfud MD, Defense Minister Prabowo Subianto, Law and Human Rights Minister Yasonna Laoly, Administrative and Bureaucratic Reform Minister Tjahjo Kumolo, Home Minister Tito Karnavian and State Secretary Pratikno.

Mahfud said the group of ministers delivered the documents from President Jokowi to the House, namely an official letter from the President to House speaker Puan Maharani, the draft of a newly proposed bill on the Agency for Pancasila Ideology Education (BPIP) and the bill's problem inventory list (DIM).

According to Mahfud, the new BPIP bill is the government's response to widespread criticism against the HIP bill. The BPIP bill, for instance, includes a 1966 Provisional People's Consultative Assembly (MPRS) decree that bans communism as a legal foundation. The HIP bill failed to refer to the decree and has been consequently subjected to allegations about the bill's covert support for the revival of communism in the country. Furthermore, the BPIP bill also reasserts the five principles of Pancasila, unlike the HIP bill, which allegedly seeks to crystalize all of the principles into an *ekasila* (one principle).

Peatland agency dissolution plan raises concerns

The Jakarta Post, p. 1

Despite persistent peatland degradation and forest fires, the government is considering dissolving the Peatland Restoration Agency (BRG), among other agencies in the crosshairs. Established in January 2016 by presidential regulation, the BRG will have its tenure expired on Dec. 31, if the government does not renew the mandate.

Presidential Chief of Staff Moeldoko said on Tuesday that the Administrative and Bureaucratic Reform Ministry was reviewing 18 institutions established under government and presidential regulations with tasks and responsibilities that could be taken over by other ministries. The move follows President Joko "Jokowi" Widodo's recent instruction to simplify the bureaucracy.

"The BRG's performance in restoring peatland has been good enough, but we are still reviewing whether [the tasks] of the BRG could not be handled by the National Disaster Mitigation Agency for fire mitigation and the Agriculture Ministry for the optimization of peatland for agriculture," he said.

BRG's undersecretary for campaigns, participation and partnership, Myrna Syafitri, said on Wednesday that it was the prerogative of the President to extend BRG's tenure or not.

"Regardless of what will happen, we set up our tasks with a five-year [timeframe, in line with the tenure stated in the presidential regulation]," she told The Jakarta Post, adding that the agency had designed its restoration projects with a flexibility that allowed for them to be carried over to ministries and village administrations.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Companies racing to collect funds

Bisnis Indonesia, headline

Companies have been actively raising funds in the capital market despite the COVID-19 pandemic. A surprising number of 32 issues went public with initial public offerings (IPOs) from the beginning of the year until July 15, collecting a total of Rp 3.82 trillion (US\$262.46 million) in funds. Furthermore, the Indonesia

Stock Exchange (IDX) noted that 19 more companies planned to have IPOs this year.

The value for transactions for bonds and rights issues is lower compared to the same period last year. The IDX recorded 33 companies had issued corporate bonds with a total value of Rp 35.6 trillion. Meanwhile, rights issue and private placement reached Rp 4.6 billion and Rp 1.7 billion, respectively, in the first half. Considering the current economic situation, the transaction values can be considered aggressive.

Companies are likely to raise funds by offering corporate bonds in the second half since Bank Indonesia has cut its benchmark interest rate to 4 percent, lowering the cost of funds. However, companies planning to sell bonds should keep in mind bond ratings that could fall because of the pandemic and competition with relatively safer sovereign debt papers (SBN).

According to Anugerah Sekuritas fixed income associate director Ramadhan Ario Maruto, underwriters have been having difficulties selling corporate bonds due to the competition with government bonds. However, companies can still consider taking loans from banks as a funding alternative amid the low-interest regime.

Salim's acquisition plan lies in small investors' hands

Kontan, headline

Processed food giant PT Indofood CBP Sukses Makmur (ICBP) plans to acquire instant noodle manufacturer Pinehill Company Limited at US\$2.99 billion. ICBP is currently waiting for the approval of its parent company's majority shareholder in Hong Kong to go ahead with the plan.

Investment management company First Pacific, the majority shareholder of food manufacturing giant PT Indofood Sukses Makmur (INDF), that owns 80.53 percent of ICBP's stake, will hold a general meeting of shareholders (RUPS) on July 17 to discuss the acquisition plan.

Reuters reported that three First Pacific investors criticized the Pinehill acquisition as too expensive. Furthermore, under Hong Kong regulation, billionaire Anthoni Salim and his partners are not considered independent investors. Therefore, they do not have voting rights in today's meeting. Should the acquisition plan fail to gain shareholders' approval, it will meet a stumbling block.

Market players predict that Salim Group will have difficulties in securing approval from the investors in Hong Kong. However, according to the current regulation on affiliate transaction by Indonesian Capital Market and Nonbank Financial Institutions Supervisory Agency (Bapepam-LK), now the Financial Services Authority (OJK), the acquisition only requires an approval during an extraordinary RUPS without giving special rights to independent shareholders.

The OJK issued Regulation No. 42/POJK.04/2020 stipulating that affiliate transactions require approval from independent shareholders in the RUPS. However, this rule will only enter into force starting Oct. 21, 2020.

BI: Bank liquidity shows improvement

Investor Daily, headline

Bank liquidity has shown improvement with Bank Indonesia (BI) continuously taking on quantitative easing measures to stimulate the economy. As of July 14, BI has injected Rp 633.24 trillion (US\$43.51 billion) of liquidity and cut down its benchmark interest rate four times this year to its lowest level in the last four years at 4 percent.

BI Governor Perry Warjiyo said that BI had reduced the reserve requirement (GWM) to Rp 155 trillion and expanded the money supply by Rp 462.4 trillion. In addition, the interbank money market (PUAB) interest rate was only 4 percent in June, while the liquidity to third-party fund ratio (AL/DPK) remained high at 24.33 percent.

Furthermore, in line with the PUAB interest rate decrease, the weighted average of deposit and working capital loan interest rates fell from 5.85 percent and 9.60 percent respectively in May 2020 to 5.74 percent and 9.48 percent in June 2020.

Perry said the synergy between BI monetary expansion and the government's fiscal stimulus acceleration, which included BI's role in financing this year's budget through government bonds (SBN) purchased from the primary market, would step up the economic recovery program (PEN), as well as guard macroeconomic stability.

RI's economic growth at a crossroads

Koran Tempo, headline

The World Bank projects Indonesia's economic growth to fall drastically to zero percent. The zero-percent economic growth is a positive scenario provided that

can only be achieved if economic activities.

Finance Minister Sri Mulyani Indrawati said the economy was projected to contract by 5.1 percent to 3.5 percent, with a median of 4.3 percent in the second quarter. The median is lower than in the previous projection of a 3.8 percent contraction. The sectors most impacted are manufacturing, trade, mining and transportation.

The third quarter will be detrimental in setting the economic growth performance for the rest of the year. If the economy keeps contracting in the third quarter, it will be hard for the economy to pick up in the fourth quarter and maintain positive yearly growth. Furthermore, the country would technically enter a recession if its economy contracts for two quarters in a row.

However, the government is trying to reverse the situation by accelerating fiscal stimulus disbursement. Based on the data that the government has received, Sri said the economy had started to show signs of improvement. "We want to accelerate this tipping point," Sri added.

Businesses urge speedy deliberation of jobs bill

The Jakarta Post, headline

Businesspeople are pushing the government and the House of Representatives to accelerate deliberation of the omnibus bill on job creation, saying the bill – if passed into law – would help businesses to stay afloat during the coronavirus-induced economic downturn.

Indonesian Chamber of Commerce and Industry (Kadin) deputy chairwoman Shinta Kamdani said the bill would be able to boost the country's competitiveness, adding that it would create much-needed jobs after around 6.4 million workers were laid off or furloughed during the coronavirus pandemic.

The omnibus bill seeks to revise 79 prevailing laws and more than 1,200 articles from labor and mining regulations to business license and environmental laws to cut red tape and attract investment to the country.

President Joko "Jokowi" Widodo's administration is expecting the bill's deliberation to finish by early September to swiftly improve ease of doing business in Indonesia and attract investment, thereby boosting job opportunities and economic growth in Southeast Asia's largest economy.

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