

Thursday, Jul. 30th, 2020

GENERAL NEWS AND HEADLINES

Jakarta collects Rp 1.1b in fines as end of PSBB transition looms

The Jakarta Post, p. 2

The Jakarta administration is amassing a significant amount of money from city residents who seem not to care about flouting COVID-19 health protocols, as the capital approaches the end of the extended transition from large-scale social restrictions (PSBB) on Thursday.

The number of violations of the protocols in the capital has shot up since the city started relaxing curbs and allowing businesses to reopen on June 5.

The Jakarta Public Order Agency (Satpol PP) said it had collected fines amounting to Rp 1.1 billion (US\$78,571) from businesses and individuals that ignored health protocols during the transition up until July 24.

Of that figure, around 60 percent, some Rp 664 million, was collected from the 4,094 individuals caught without masks in public, while the remainder was sourced from businesses and arts and cultural performances that failed to follow the necessary protocols for operations.

Bobby begins rallying support

Koran Tempo

President Joko "Jokowi" Widodo's son-in-law, Bobby Afif Nasution, has begun rallying support for his mayoral bid in Medan. Bobby has already approached various community groups. "We have gone to both social organizations and creative communities," Bobby told *Tempo* on Wednesday.

Bobby claimed to have been in touch with several religious organizations, including Muhammadiyah and Al Washliyah. "Rather than approaching, we came

to clarify commitments to collaborate with each other in improving the conditions of the region and the people in it," he said.

In addition to garnering support, Bobby is looking to build a coalition of supporting parties, which include the Gerindra Party, the Golkar Party, the NasDem Party, the National Mandate Party (PAN) and the United Development Party (PPP).

Govt limits establishment of new institutions, agencies

Kompas, p. 3

The government is limiting the formation of new institutions and agencies so that the recent downsizing, where President Joko "Jokowi" Widodo disbanded 18 government agencies to simplify bureaucracy and alleviate budget restraints, will not have been done in vain. Moreover, even if new institutions have to be born, their main tasks and functions must only be to accelerate the achievement of state targets.

Based on data from the Administrative and Bureaucratic Reform Ministry, Indonesia currently has 97 nonstructural institutions (LNS). These LNS are then divided into three, namely institutions formed by law (71), institutions formed through government regulations (6) and institutions formed through presidential regulations or decrees (17 institutions).

Administrative and Bureaucratic Reform Minister Tjahjo Kumolo said on Tuesday that there were still too many institutions. Therefore, the ministry must reevaluate each of these institutions and see which ones must be merged so that the bureaucracy is maximized.

Workplaces urged to implement WFH as office clusters spike

The Jakarta Post, p. 3

The COVID-19 task force has called on workplaces to implement WFH policies, following reports of increasing numbers of coronavirus clusters in offices.

An epidemiologist in the COVID-19 task force's team of experts, Dewi Nur Aisyah, said workplaces should implement a full or partial WFH policy to prevent further infections among workers.

"If we look at the current conditions, all workplaces that are able to apply a WFH policy should start doing so," Dewi said during a webinar on Wednesday, as quoted by *kompas.com*.

"Even if workers must come in for work, the capacity must be limited to only 50 percent, so it is easy to maintain distance," she continued.

Another strategy workplaces could implement, Dewi said, was to divide workers into different work shifts to prevent crowding during office hours. The provision requiring workplaces to limit staff numbers to 50 percent of office capacity is already stipulated in Gubernatorial Regulation No. 51/2020 on the "transitional" period to the "new normal".

The regulation also requires businesses to develop systems to regulate the distribution of working days, working hours and work shifts.

2020 regional elections see rise in oligarchy

Media Indonesia, p. 3

Oligarchy can harm democratic societies. For example, in the regional heads elections, those who hold power and large capital are often sought out to sponsor candidates. As a result, candidates who are elected in the contestation tend to lean toward policies that benefit the elite and overlook human rights.

"The political process that is influenced by oligarchic practices will produce leaders who only work for the elite. As a result, there will be a disregard for human rights," said National Commission on Human Rights (Komnas HAM) external deputy chairman Amiruddin on Wednesday, in a webinar titled Oligarchy in the 2020 elections.

The head of the 2020 regional elections monitoring team, Hairansyah, said that Komnas HAM had received many reports of human rights violations involving local administrations, such as agrarian conflicts, control of natural resources and the environment as well as the neglect of indigenous peoples' rights.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Govt provides Rp 100 trillion loan guarantee for corporations

Bisnis Indonesia, headline; Investor Daily, headline

The government has officially announced a working capital loan guarantee totaling Rp 100 trillion (US\$6.6 billion) until next year for corporations in labor-intensive industries that do not qualify as state-owned enterprises and small and medium enterprises to accelerate industrial recovery.

The government has appointed Indonesia Eximbank as the guarantor and PT Penjaminan Infrastruktur Indonesia (PII) to provide loss limit support for the working capital loans that will be provided by 15 commercial banks, amounting to between Rp 10 billion to Rp 1 trillion.

Furthermore, Indonesia Eximbank and PII will guarantee 60 percent of the working capital loans for non-priority sectors, while priority sectors will be guaranteed 80 percent of working capital loans. The priority sectors include tourism, automotive, textile, footwear, electronic, processed wood, furniture and other sectors that meet the criteria of being affected by COVID-19 or have a high multiplier effect on the economy.

Although they appreciate the initiative, industry actors are still worried about banks' commitment to distribute the loans as the manufacturing sector has a high bad debt ratio. Similarly, banks have echoed the same concern and will likely take precautions in distributing the loans despite the government's guarantee.

Coordinating Economic Minister Airlangga Hartarto said of the program, "If corporations bounce back quickly, then the national economy will recover soon."

Businesses worry about possible reimposition of PSBB

Kontan, headline

The sharp increase in confirmed COVID-19 cases has made businesses worried about the prospect that large-scale social restrictions (PSBB) will be reimposed, particularly in Jakarta.

The relaxation of measures has resulted in new transmission clusters, including 90 clusters found in office areas. The COVID-19 task force also designated Jakarta

as a red zone on July 26. Only two days later, Jakarta broke a new record of 577 new confirmed positive cases.

Although the transition phase for Jakarta's PSBB is due to end today, the average positivity rate remains above 5 percent. Jakarta Deputy Governor Ahmad Riza Patria said the Jakarta administration had been taking measures in response to the increasing number of COVID-19 cases.

Three possible scenarios have also been considered for the future of PSBB, including reimposing PSBB and extending the transition phase. "If the cases continue to rise, there is a possibility to return to full-scale PSBB," he added.

Meanwhile, businesses are afraid that the reimposition of PSBB measures could hurt the economy. Economic activities are necessary to prevent further recession and having to lay off more workers. "What's needed is consistency in implementing health protocols," said Indonesian Employers Association vice head Shita Widjaja Kamdani.

According to National Economic Recovery Task Force head Budi Gunadi Sadikin, managing public health is currently the priority for the government. Should it succeed, business activities will return and the economy will grow again.

Gold price surge benefits RI miners

The Jakarta Post, headline

The recent surge in gold prices could be a boon for Indonesia, despite the economic risks that loom behind the spike in demand for the safe-haven commodity.

The price of bullion touched its highest level ever on Tuesday, with investors rushing to park their money in safe-haven assets, as concerns grow about a second wave of the coronavirus pandemic and its impact on the global economy.

Gold futures have soared nearly 30 percent this year to US\$1,941 per ounce, beating the previous record of \$1,921 in 2011, with the bullish rally kicking off earlier this month, Reuters data show. Several analysts project the price of bullion to top \$2,100 this year because of the continued uncertainty around the pandemic.

Indonesia exported \$4.36 billion in precious metals, gems and jewelry during this year's first six months, a 36.3 percent increase year-on-year (yoy), while total

exports during the same period fell 5.5 percent yoy, Statistics Indonesia (BPS) data show.

"The positive sentiment for gold is driven by the public's demand for safe-haven assets during the COVID-19 pandemic," state-owned metal miner PT Aneka Tambang (Antam) senior vice president corporate secretary Kunto Hendraprawoko told the *Post*.

The price of gold sold by Antam jumped 2.5 percent to Rp 1.02 million (\$70.1) per gram on Tuesday from a day earlier. The stocks of the company, traded on the Indonesia Stock Exchange (IDX) under the code ANTM, have also risen more than 19 percent in the past month on the back of the gold price rally. However, the company's stock price slipped 0.69 percent to Rp 720 apiece on Tuesday session, with the price dropping 14.3 percent so far this year.

The stocks of mining company PT Merdeka Copper Gold, traded under the code MDKA, have also jumped 32.6 percent in the past month.

Jakarta's Bundaran HI-Kota MRT line to be finished in 2025

Investor Daily, p. 1

PT MRT Jakarta started the construction of the Rp 22.5 trillion (US\$1.5 billion) Bundaran HI-Kota segment of the Jakarta MRT line on July 24 with the project expected to be finished in 2025 and could be ready to launch in April 2025.

The 5.8-kilometer Bundaran HI-Kota segment will connect to the existing segment of Lebak Bulus to Bundaran HI, that spans 16 kilometers. The construction of the Bundaran HI-Kota segment will be funded fully by loans from the Japan International Cooperation Agency (JICA). The contractor for the segment is Shimizu-Adhi Karya Joint Venture.

According to PT MRT Jakarta president director Wiliam Sabandar, the HI-Kota segment will have seven underground stations: Thamrin, Monas, Harmoni, Sawah Besar, Mangga Besar, Glodok and Kota.

The construction of the HI-Kota segment would take longer than the first segment because the entire segment will be built underground and the land is not stable, and even subsiding. "So, this second phase of development is more difficult than the first phase," Wiliam said.

27 new industrial estates to be built by 2024

Koran Tempo, Economy and Business page

The government has set a target to build 27 new industrial estates by 2024 to facilitate foreign investment with 29 foreign investors planning to invest in Indonesia in the first half of this year.

The Industry Ministry's director for industrial estates Ignatius Warsito explained that the 27 industrial estates would need a total of 53,743 hectares of land, 49 percent of which had been acquired. Of the 27 industrial estates, 13 are still in the process of licensing, six in the process of land acquisition and eight has already acquired the land.

Meanwhile, Industrial Estate Association chairman Sanny Hidayat revealed that in the first half of this year, Indonesia's industrial estates received investment commitments from 50 investors, 29 of whom are foreign investors. They include 10 investors from South Korea, seven from Japan and three from China. The others come from different countries.

Sanny said Indonesia's industrial estates remained attractive for foreign investors, considering the facilities they offered. Land prices are also relatively competitive.

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