

Wednesday, March 18th, 2020

GENERAL NEWS AND HEADLINES

Govt considers modified quarantines

Koran Tempo, headline

To reduce the spread of the novel coronavirus disease 2019 (COVID-19), the government continues to consider new strategies, including imposing “modified” quarantines that are regulated based on regional conditions. This option, which is an alternative to a nation-wide lockdown, was proposed during a virtual meeting held by the State Palace with a number of chairpersons of doctor associations and public health experts.

In a document titled “Recommended COVID-19 Handling Strategies in Indonesia”, experts suggested that social interactions could be limited through a modified quarantine in Jakarta and West Java, as both regions have been named the epicenter of the outbreak in the country. The experts added that this type of quarantine would adhere to each region’s specific conditions and needs. In this way, not all community activities must be halted.

Presidential Special Staff Andi Taufan Garuda Putra, who attended the meeting, supported the recommendation. Andi claimed that the meeting was held as a follow-up to President Joko “Jokowi” Widodo’s order for the government’s COVID-19 rapid-response team to collaborate closely with health experts and obtain their input.

Jakarta hospitals could soon be packed

The Jakarta Post, p. 1

Reports have surfaced about patients in Greater Jakarta having to wait for a long time to get tests or treatment for possible cases of the coronavirus disease (COVID-19) as referral hospitals face increasing strain.

Jakarta Governor Anies Baswedan has acknowledged that a significant increase in patients seeking COVID-19 treatment has been observed over the past two months.

"Medical officers involved in COVID-19 handling are facing a heavy workload because the [number of] people coming to seek medical services has significantly increased. The focus and energy they [medical officers] give is immense," Anies said during a press briefing on Monday.

Experts have warned that the number of COVID-19 cases will continue to increase in the coming weeks and that Indonesian hospitals are not ready for the significant number of patients that will come.

Court halts hearings until end of March

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

The Constitutional Court (MK) will not be holding any hearings or trials starting from Tuesday until March 30. According to MK spokesman Fajar Laksono, the decision was made to prevent and minimize the spread of the new coronavirus disease 2019 (COVID-19).

The decision is stipulated in MK secretary-general circular letter No. 11/2020 on efforts to prevent the spread of COVID-19, issued on Monday.

"It has been arranged so that court justices can continue carrying out their activities, while at the same time we are also taking several measures to protect the health and safety of all MK staff members and the general public," Fajar said in a press release on Monday.

Meanwhile, the Supreme Court has not yet decided to stop all judicial activities, especially in regard to certain cases dealing with human rights issues. Instead, as a preventive measure, the court will control crowds attending the trials.

Dukcapil officers on standby

Kompas, p. 2

Although electronic identification card (e-KTP) services have been delayed by two to three weeks to reduce the risk of COVID-19 transmissions, officers of the Home Affairs Ministry's Population and Civil Registration Directorate General (Dukcapil) will remain on standby at their offices to carry on with recording population data.

Dukcapil Director General Zudan Arif Fakrulloh said there was an urgent need to record ID cards that might be required by those who want to enroll in schools, be admitted to hospitals, enlist in the Indonesian Military (TNI) or the police force or submit an application to the Health Care and Social Security Agency (BPJS).

Terawan must go, civil groups say

The Jakarta Post, p. 3

A coalition of civil society organizations has urged President Joko “Jokowi” Widodo to dismiss Health Minister Terawan Agus Putranto from his position due to an “absence of sensitive, responsive and effective leadership” in handling the COVID-19 outbreak in the country.

Among the coalition’s members are human rights watchdogs Commission for Missing Persons and Victims of Violence (Kontras), the Lokataru Foundation, the Foundation of the Indonesian Legal Aid Institute (YLBHI), Amnesty International Indonesia, the Indonesian Consumers Foundation (YLKI), labor rights advocacy group Migrant Care and the Indonesian Planned Parenthood Association (PKBI).

“Terawan has shown an arrogant and anti-science attitude by playing down the issue since the beginning of the coronavirus outbreak. This has resulted in a lack of vigilance among the public,” the coalition wrote in a statement released on Tuesday.

“We urge President Jokowi to replace the health minister with a figure who understands public health, has sensitivity to crises and will guide us through the worst health crisis,” the coalition said.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Time to lockdown Jakarta, West Java

Bisnis Indonesia, headline

Some health experts and representatives of the COVID-19 special task force have advised the government to lockdown Jakarta and West Java, as both provinces are centers of the COVID-19 outbreak.

University of Indonesia’s Medical School dean Ari Fahrial Syam confirmed the recommendation, stating that it was necessary to limit the movement of people and minimize the risk of the pandemic spreading further, as social distancing has not been very effective so far.

The government has declared a national emergency for COVID-19, which extends to May 29. President Joko “Jokowi” Widodo said he would not impose a lockdown but encouraged people to limit face-to-face interactions by working, studying and worshiping from home.

Meanwhile, Center of Reform on Economics (CORE) economist Yusuf Rendy Manilet recommended the government lay out detailed plans for a possible lockdown to reduce the impact on the economy.

Indonesian Chamber of Commerce and Industry (Kadin) deputy chairman Shinta W. Kamdani said that Kadin would let the government decide whether it would adopt the lockdown policy but advised the government consider possible worse case scenarios for the economy.

Indonesian Red Cross head Jusuf Kalla highlighted the fact that only 1,300 people have been tested so far, and already Indonesia has 172 confirmed COVID-19 cases. If 10,000 to 20,000 people are tested, the positive cases would be most likely increase. Therefore, Indonesia needs additional health facilities, supplies and personnel to handle testing and take care of the positive cases. So far, the Health Ministry has prepared only 12 labs to test for coronavirus.

Time to buy SOE stocks

Investor Daily, headline

Market capitalizations of publicly listed state-owned enterprises, their subsidiaries and affiliates have dropped by Rp 982.25 trillion or more than 50 percent year to date from Rp 1,808.5 trillion to Rp 826.25 trillion.

Therefore, it is time now to buy their shares as they are now all undervalued. Their price to earning ratio (PER) is now below five times and their price to book value (PBV) is only 0.5 times. If investors invest now, they would enjoy big profits when the market is bullish.

Publicly listed SOEs have good business prospects and strong fundamentals, with increasing profitability. Moreover, they are now buying back their shares, which will eventually drive up their prices as less shares will be available in the market.

Moreover, the PBV of publicly listed companies have fallen by 50.6 percent year to date due to the global coronavirus pandemic, the same level of decline recorded during the 2008 global financial crisis.

Binaartha Sekuritas analyst Nafan Aji Gusta said long-term investors should now consider of investing in SOEs, especially those whose PER is already very low. "SOEs' fundamentals are actually good. Now, the fall in their stock prices is already too deep. So, when the market rebounds, their prices will increase significantly. So, it's time to collect their shares."

Market questions government's handling of COVID-19

Kontan, headline

The Indonesian stock market continues to suffer from the coronavirus pandemic, with the Jakarta Composite Index falling again to 4,456.75 points after trading was halted on Tuesday. Year to date, the index has fallen by 29.25 percent, and market capitalization has dropped by more than Rp 2,000 trillion.

The rupiah has also been under attack, falling by 8.61 percent year to date, the worst in Asia, to close at Rp 15,173 per US dollar on Tuesday.

Market players appear to be questioning the government's handling of the coronavirus outbreak as the number of confirmed COVID-19 cases increased to 172 on Tuesday. Infovesta Utama head of investment research Wawan Hendrayana said that although the government had issued a number of incentives, the market saw the government's handling of the coronavirus as lacking.

"The monetary and fiscal policy is necessary. But the current market selling panic is due to the health issue," Wawan said.

Meanwhile, Anugerah Mega Investama director Hans Kwee concurred and said that the government should take more drastic measures to contain the spread of the coronavirus. However, he did not agree with a proposed lockdown, arguing it was not suitable for Jakarta, which is the center of Indonesia's economy.

Businesses split over lockdown

The Jakarta Post, p. 1

Major business players are split over the idea of a lockdown to slow the spread of the highly contagious coronavirus disease (COVID-19). However, they seem to support President Joko "Jokowi" Widodo's push to limit face-to-face interactions by having people work, study and worship from home.

Indonesian Chamber of Commerce and Industry (Kadin) chairman Rosan Roeslani said Tuesday that businesses would support the government's recommendation for social distancing to contain the COVID-19 pandemic, but cautioned that, if a lockdown was in place, businesses and low-income workers would need a cushion.

The cushion, Rosan said, could come in the form of more and wider tax relaxations from the government's first and second stimulus packages, which waived manufacturing workers' income tax payments and deferred corporate income and import duty taxes for the tourism and manufacturing industries. The Financial Services Authority (OJK) also needed to relax rules on debt restructuring at times of crisis, especially for small and medium enterprises (SMEs), he added.

The President said he would not impose a lockdown even though two of Indonesia's neighbors — Malaysia and the Philippines — and several European countries have decided to take the drastic measure to slow the transmission of the disease.

As officials scrambled to contain COVID-19, which has spread to at least eight provinces, infecting more than 130 and killing five, Jokowi stressed the government was "not leaning toward issuing a lockdown policy".

Indonesian Employers Association (Apindo) executive director Danang Girindrawardana, who opposed a lockdown scenario, said the measure would require a thorough assessment as around 70 percent of the country's economic activities needed to be done outside the home. He cited the supermarket, manufacturing, hotel and restaurant businesses as those that would be greatly affected.

Aside from causing an economic shutdown, he also feared that a lockdown could impact businesses' ability to repay their debts to banks.

Finance Ministry allows for state funds to be reallocated to fight coronavirus

Koran Tempo, headline report

Finance Minister Sri Mulyani Indrawati issued Circular Letter no. SE.6.MK.02.2020, dated March 15, that allows ministries and state institutions to "refocus and reallocate" their existing funds to fight the spread of coronavirus.

"Funding for accelerated efforts to contain the spread of COVID-19 could come from budget revision," Sri Mulyani said in the letter, adding that the budget revision must be conducted in a "quick, simple and accountable" manner.

In addition, Sri Mulyani also issued Finance Minister Regulation PMK No. 19/PMK.07/2020 that governs the usage of shared funds, general allocation funds and regional incentive funds for the fight against the coronavirus.

In the regulation, the finance minister said that local administrations could use a portion of shared funds from the cigarette excise tax, mineral mining and oil and gas businesses as well as general allocation funds and incentives funds in the 2020 budget to fight the coronavirus.

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