

Friday, Mar. 20th, 2020

GENERAL NEWS AND HEADLINES

Jokowi: No lockdown, more testing

The Jakarta Post, headline; Republika, p. 2; Investor Daily, p. 12; Media Indonesia, p. 4

President Joko "Jokowi" Widodo has ruled out the possibility of imposing a lockdown on the virus-stricken capital and has instead ordered mass testing to contain the spread of the novel coronavirus disease (COVID-19), which has claimed thousands of lives worldwide.

Up until Thursday, Indonesia recorded 309 cases with 25 deaths, the highest toll in Southeast Asia. Nearly 70 percent of COVID-19 deaths in the country have been recorded in Jakarta, according to the Jakarta administration.

"I demand rapid tests be carried out across the country for early detection of infection," Jokowi said during a limited meeting at the State Palace on Thursday. "I also want more tests kits to be distributed to medical laboratories and more laboratories to conduct the tests."

Rapid tests are easier to perform than regular polymerase chain reaction (PCR) tests. They require only blood serum as a sample, meaning the tests could be performed at all health laboratories across the country. Everyone, whether they have shown COVID-19 symptoms or not, could be tested.

Agriculture minister ensures staple food supply sufficient until Idul Fitri

Media Indonesia, p. 2

Agriculture Minister Syahrul Yasin Limpo conducted sudden inspections at markets in 10 different locations across Jakarta to ensure that stocks of staple food would remain sufficient until Idul Fitri.

"In accordance with the calculations we have made, God willing, stocks of 11 staple foods will be sufficient as long as the public does not engage in panic buying," Syahrul said at the Indonesia Center Tani Market (TTIC) yesterday.

Syahrul assured that the government would cooperate with several partners to ensure there was sufficient food stocks in the market. Syahrul has also invited businesses to intervene and maintain price stability in the market as well.

Depok declares emergency status amid rising COVID-19 cases

Koran Tempo

The Depok administration has declared a state of emergency as part of its effort to curtail the rapid spread of the coronavirus disease 2019 (COVID-19) in the region. As stipulated in Depok Mayoral Decree No. 360/137/Kpts/DPKP/Huk/2020, the emergency period started on Mar. 18 and will end on May. 29, 2020.

"It is expected that all citizens remain calm. Pay close attention to the directions of the government and we will work optimally, tactically and in an integrated manner," said Depok Mayor Mohammad Idris in a written statement on Thursday.

Depok COVID-19 Handling Taskforce deputy head Dadang Wihana said that COVID-19 cases in Depok had increased and thus strategic prevention measures must be taken to minimize the spread of the virus. Declaring the state of emergency will expedite the allocation of the extra budget needed to handle COVID-19.

Evi Novida challenges DKPP's decision

Kompas, p. 2; Republika, p. 3; Media Indonesia, p. 4

Evi Novida Ginting Malik, who has been dismissed from her position as General Elections Commission (KPU) commissioner by the Election Organization Ethics Council (DKPP) for allegedly manipulating vote results, will take the matter to the State Administrative Court. Evi reportedly reduced the number of votes for Gerindra Party member Hendri Makaluasc and transferred them to Cok Hendri Ramapon in West Kalimantan electorate district 6.

In a press conference broadcast online via the official KPU Facebook account on Thursday, Evi argued that the DKPP's decision was legally flawed. Evi expressed suspicion over the DKPP's decision to process Makalausc's complaint even though it was withdrawn on Nov. 13, 2019. Moreover, the DKPP plenary meeting that decided Evi's dismissal was only followed by four DKPP assemblies when the minimum requirement is five.

Head of the Indonesian Institute of Sciences (LIPI) Political Research Center, Firman Noor, claimed that Evi's dismissal may cause the public to lose even more trust in the KPU, subsequent to the high-profile bribery case involving former KPU commissioner Wahyu Setiawan.

Dengue outbreak declines, Sikka regency revokes Extraordinary Occurrence status

Republika, p. 3

The Sikka regency administration of East Nusa Tenggara (NTT) has finally revoked the Extraordinary Occurrence (KLB) status in the region due to a dengue outbreak in January. The status was revoked after dengue cases in the region continued to decline.

"As of Wednesday, the KLB status of Sikka regency was revoked as dengue cases have been continuously decreasing, according to our observations," said Sikka Health Agency acting head Petrus Herlemus. Petrus explained that over the course of five weeks, the number of patients treated at three hospitals and 25 community health centers (Puskesmas) had decreased.

Although Sikka regency has revoked their KLB status, the number of dengue cases in other regions across Indonesia is still rising. According to the Health Ministry's data, there has been an increase in fatalities at the national level due to dengue. As of Wednesday, the ministry has recorded a death toll of 170.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Rapid testing for COVID-19

Bisnis Indonesia, headline

President Joko "Jokowi" Widodo announced a plan to conduct mass rapid testing of COVID-19 beginning on Thursday in order to provide early detection of COVID-19 positive cases.

The process will be swifter than the more thorough and complex method used previously called Polymerase Chain Reaction (PCR). The President also called for an increase in testing sites through collaboration between public and private hospitals,

state-owned enterprises, private businesses, the armed forces, the police and research institutes and universities.

In response to the order from the President, the State-Owned Enterprises Ministry confirmed an order of 500,000 testing kits that had been approved by the Health Ministry. State-owned pharmacy and trading company PT Rajawali Nusantara Indonesia (RNI) will distribute the test kits to referral hospitals.

State-owned pharmaceutical company Indofarma CEO Arief Pramuhanto said that his firm would import 100,000 COVID-19 test kits to Indonesia, through cooperation with Chinese and South Korean businesses starting next week. They will also attempt to produce the test kits after one and a half months of research.

The government, however, has not revealed the mechanism of the rapid testing process. Health Minister Terawan Agus Putranto said that the COVID-19 Task Force would provide detailed protocols of the rapid testing. Terawan added that the rapid testing would be done in hospitals all over Indonesia for free, funded by both donations and the state budget.

BI prepares seven policies to contain impacts of coronavirus

Investor Daily, headline, p. 8

Bank Indonesia (BI) has prepared seven more policies to safeguard the financial market and boost economic growth amid the global coronavirus pandemic.

The central banks decided on Thursday to cut its reference rate – the BI seven day reverse repo rate (7DRRR) – by 25 basis point (bps) to 4.5 percent, its deposit facility by 25 bps to 3.75 percent, and lending facility by 25 bps to 5.25 percent.

The central bank's other policies include: Continuing market intervention to help support the rupiah so that its exchange rate would reflect its fundamentals; extending repo tenor for government debt instruments (SBN) to 12 months; conducting daily foreign exchange swaps; and strengthening terms and conditions for foreign exchange deposits.

The other two policies include: Allowing foreigners to open rupiah-denominated accounts; relaxing the average primary reserves requirements (GWM) by 50 basis points to allow banks to extend loans to small and medium enterprises and corporations in priority industries; and strengthening payment system policy.

BI Governor Perry Warjiyo said that BI would coordinate with the government to implement the new policies so it would be effective in containing the impacts of the coronavirus pandemic on the Indonesian economy.

BI cuts rate, growth may dip to 15-year low on COVID-19

The Jakarta Post, p. 2

Bank Indonesia (BI) cut on Thursday the nation's policy rate to prop up the economy, which is likely to grow at the lowest rate in 15 years, battered by a slump in economic activities amid the COVID-19 pandemic.

The central bank slashed its benchmark interest rate, the BI seven-day reverse repo rate, by 25 basis points to 4.5 percent after a cut of the same size last month. BI also lowered its deposit facility rate to 3.75 percent and lending facility rate to 5.25 percent.

The lower rates are expected to transmit into lower interest rates, affecting consumer loans, corporate loans and mortgage interest rates, as well as bond yields, among other instruments.

BI also revised down on Thursday Indonesia's economic growth projection to between 4.2 and 4.6 percent this year, which would be the lowest level since 2005. That compares with last month's projection of between 5 and 5.4 percent.

"With the developing situation, we see that [the coronavirus] will continue to have a severe impact in April and May before we see a recovery in public health and the economy," BI Governor Perry Warjiyo told a teleconferenced press briefing.

Finance Minister Sri Mulyani Indrawati said Wednesday that the economy had grown at a rate of 4.9 percent until the second week of March, a level unseen since 2016, further lowering from 4.97 percent in the fourth quarter. The last two weeks of March could further drag down GDP growth as people limit mobility and travel to slow the spread of COVID-19, she added.

"The COVID-19 impact on the economy is significant so we will not underestimate this situation," Sri Mulyani told reporters via a video conference. "Meanwhile, growth in the second quarter will be pressured significantly by COVID-19."

Cash is king

Kontan, headline

With the capital market falling to one of its deepest territories, corporations are advised to take a conservative approach in managing their investments by increasing their cash reserves to face continuing uncertainties.

The market continues to be volatile, making investment riskier as stock prices have fallen by 34.83 percent year to date and yields of 10-year government bonds (SUN) also weakened to 8 percent.

OneSchildt financial planner Budi Rahardjo suggested that corporations increase their portion of emergency funds to five to 10 times of their monthly spending, compared to the normal emergency fund of three to six times of monthly spending.

Anugerah Sekuritas Indonesia fixed income associate director Ramadhan Ario Maruto said that investors needed to restrain their investments and resort to cash, saying, "In the current situation, cash is king."

Ramadhan argued that no one could predict when the spread of the coronavirus in Indonesia would subside, and therefore, no one could calculate the damage the coronavirus would inflict on Indonesia. He also claimed the series of government stimuli would likely be ineffective in containing the impacts of the pandemic.

Economy disrupted, govt told to help informal workers

Kompas, p. 1

The government's call for people to work from home to contain the spread of the coronavirus has negatively impacted workers in the informal sectors. Therefore, the government should direct its incentives to those in the informal sector.

Institute for Development of Economic and Finance (Indef) analyst Ahmad Heri Firdaus said that the incentives for workers in the informal sector should be enough for them to meet their daily needs as well as to keep them productive.

According to Statistics Indonesia (BPS), the number of people working in the informal sector totaled 70.49 million per last August, or 55 percent of Indonesia's total workforce.

Finance Minister Sri Mulyani said on Thursday that the government would provide cash incentives for workers in the informal sector through the existing system of the Hope Family program, special card to access basic goods, preemployment card and ultra-micro credits.

Meanwhile, middle-class informal sector workers would get tax incentives in the form of income tax cuts.

Indonesian Workers Organization (OPSI) secretary-general Timboel Siregar said that workers in the informal sector had no protection at all. Once they do not work – because of the coronavirus outbreak – they have no money for the day.

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