

Monday, Mar. 30th, 2020

GENERAL NEWS AND HEADLINES

Jakarta braces for quarantine

The Jakarta Post, headline; Kompas, headline; Republika, p.1; Media Indonesia, p.5; Koran Tempo, headline

While local administrations have begun to block road access into their areas in an effort to curb the spread of COVID-19, the government has prepared to quarantine the country's capital, which has been most affected by the disease.

The Transportation Ministry is preparing a scenario for a local quarantine in Greater Jakarta to slow the spread of COVID-19, depending on a decision expected to be made at a Cabinet meeting scheduled for Monday, a ministry official said.

The Transportation Ministry's land transportation director general, Budi Setyadi, said the ministry, in coordination with the National Police's traffic corps, had developed a plan that included placing "stopping posts" at toll gates and other major roads to and from Greater Jakarta.

As cases passed 1,200 on Sunday with 114 deaths, including medical workers and more discovered outside Jakarta, local administrations have started to take their own initiatives to protect their residents from the outbreak, especially those traveling from Greater Jakarta.

The government has already issued a warning discouraging people living in Greater Jakarta from leaving the city for their hometowns for the Idul Fitri *mudik* (exodus). However, many have ignored the warning. Central Java, for example, has reported thousands of *mudik* travelers arriving in the province, including in Jepara with 1,776 arrivals, Purwokerto with 2,323 and Wonogiri with 2,625 as of Tuesday.

Postponing regional elections deemed inevitable

Kompas, p.2; Republika, p.3

The rapid spread of the novel coronavirus disease 2019 (COVID-19) in the country and the uncertainty on when the pandemic will end have made the postponement of the 2020 regional elections slated for Sept. 23 inevitable. The General Elections Commission (KPU) has prepared some alternative options in postponing the regional elections, including, in the worst scenario, rescheduling the voting day for one year to September next year, as stated by KPU chairman Arief Budiman.

Another option is to reschedule the voting to day to December this year, which is likely to be arduous in preparation considering the ongoing development of the COVID-19 pandemic.

Rescheduling the voting day to March 2021, thus, is also being considered, based on an assumption that the pandemic will be over by September 2020. Some, however, have predicted that the pandemic will end only by October this year.

This leaves the KPU with the option of rescheduling the voting day to September 2021, which, according to Arief, would affect many preparation stages of the regional elections, including in updating voter lists.

Responding to the possibility of the regional elections' postponement, law expert Feri Amsari of Andalas University in West Sumatra said that should President Joko "Jokowi" Widodo decide to issue a government regulation in lieu of law (Perppu) to provide a legal basis for the postponement, the exact date of the of the rescheduled voting day must not be stipulated in detail in the regulation.

Special protocols prepared for House plenary meeting

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

The House of Representatives has affirmed that it will not extend its recess. As confirmed by House deputy speaker Azis Syamsuddin , the House will hold a plenary meeting Monday.

Regardless, House secretary-general Indra Iskandar explained in an official letter that there would be a number of protocols that must be followed by House

members attending the meeting, which will reportedly be conducted both virtually and in-person in accordance with the social and physical distancing directive.

Lawmakers that attend the meeting must undergo body temperature checks, go through a disinfectant chamber and have their bodies and apparel sanitized.

National University political science lecturer Alfian Alfian deemed the House's decision as appropriate, given that the country direly needs the House to carry out its role to oversee legislative processes in this critical time.

Indonesia marshals support UN resolution on COVID-19

The Jakarta Post, p.1

Amid global calls for a multilateral presence and response to the COVID-19 pandemic, Indonesia and a handful of other countries drafted a United Nations General Assembly (UNGA) resolution on Friday calling for global solidarity in the fight against the outbreak.

Indonesian representative to the UN Dian Triansyah Djani said the draft resolution by Indonesia, Ghana, Liechtenstein, Norway, Singapore and Switzerland had gained support from almost 150 UN countries.

Stressing the importance of multilateralism and international cooperation amid the coronavirus outbreak, the six countries, in the draft resolution, called for "intensified international cooperation to contain, mitigate and defeat the pandemic, including by exchanging information, scientific knowledge and best practices and by applying the relevant WHO [World Health Organization] recommended guidelines."

Unlike those of the UN Security Council (UNSC), none of the resolutions adopted by the UNGA's 193 members are binding, but they can carry strong political messages if enough countries sign on.

Foreign Minister LP Retno Marsudi, in an op-ed published in *The Jakarta Post* on Wednesday, called for global solidarity and coordinated action against COVID-19 pandemic took place on Thursday, when the leaders of the Group of 20 countries pledged to inject more than US\$5 trillion into the global economy to limit job and income losses from the coronavirus in a virtual summit hosted by Saudi Arabia.

Sandiaga's electability surpasses Anies: Survey

Republika, p.3; Media Indonesia, p.3

A survey commissioned by Jakarta-based pollster Charta Politika found that the electability of 2019 vice presidential candidate and Gerindra Party politician Sandiaga Uno for the 2024 presidential election had surpassed that of Jakarta Governor Anies Baswedan and East Java Governor Ganjar Pranowo.

Sandiaga formerly served as Anies' deputy before he resigned and joined the 2019 presidential election as losing candidate Prabowo Subianto's running mate.

"Sandiaga leads with [an electability rate of] 29.2 percent, followed by Anies at 27.3 percent and Ganjar at 21.9 percent," said Charta Politika research director Muslimin in a written statement on Sunday.

The survey's respondents said they picked Sandiaga as they believed he would be able to stabilize the price of household staples, which, according to Muslimin, had become a major consideration affecting people's electoral preference.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Logistics must stay open during local quarantine

Kontan, headline

The Transportation Ministry, in coordination with the National Police, have prepared to quarantine Greater Jakarta while the country waits for a decision to be made at a Cabinet meeting on Monday. Businesses that have suffered losses since the novel coronavirus pandemic started requested logistics distribution channels to remain open should the government decide to enact the local quarantine.

Indonesian Logistics Association (ALI) chairman Zaldy Ilham Masita said the logistics sector had lost 50 percent profit in 28 days since President Joko Widodo announced the first COVID-19 positive case in Indonesia. Zaldy requested logistics distribution channels from seaports, airports, land transportation, warehouses, to customers' houses to remain open for goods.

Furthermore, Indonesian Employers Association (Apindo) deputy chairman Shinta Widjaja Kamdani said business sectors that provide basic services such as primary and secondary needs producers, commerce, logistics, energy, banking and finance services must stay open during the quarantine.

Meanwhile, Organization of Land Transportation Owners (Organda) predicted that its turnover would fall 75 percent to 80 percent during the quarantine. Therefore, Organda central executive board (DPP) secretary-general Ateng Haryono requested relaxations, such as exemption from taxes and various levies for the next six months.

In the tourist sector, one of the sectors hardest hit by the pandemic, Indonesia Hotel and Restaurant Association (PHRI) chairman Hariyadi Sukamdani, said the quarantine would not make any difference from the last few weeks.

Similarly, in the retail sector, Indonesian Shopping Center Tenants Association (Hippindo) advisory board member Tutum Rahanta said his side supported the government's decision for a quarantine despite having suffered losses.

Transportation services temporarily suspend operation

Bisnis Indonesia, headline

President Joko Widodo will hold a Cabinet meeting on Monday to decide whether the government should put local quarantine in place to curb the spread of COVID-19. Regardless of the decision, local governments and residents plan their own local quarantine scenarios, while transportation services plan to temporarily suspend operation.

The Greater Jakarta-based intercity and interprovincial (AKAP) buses would temporarily suspend services in all terminals starting on Monday at 6 p.m., state-owned railway operator PT KAI would suspend 28 trains per day that depart from Gambir, Pasar Senen and Jakarta Kota stations in operation region I in Jakarta from April 1 to May 1, AirAsia Indonesia has suspended all flights from April 1 and Soekarno-Hatta International Airport will limit operational activities in Terminal 1 and Terminal 2 from April 1 to May 29.

Several regional governments also propose to temporarily close down airports, namely Frans Seda Airport in Flores, East Nusa Tenggara, Minangkabau Airport in Padang, West Sumatera, Depati Amir Airport in Pankalpinang, Bangka Belitung, as well as Ayawasi Airport and Kambuya Airport in West Papua.

Meanwhile, the Jakarta provincial government has extended the COVID-19 emergency status to April 19. Tegal will start a local lockdown on March 30 to July 30 and Tasikmalaya from March 31, while several other cities and provinces are reviewing and planning local lockdowns.

Experts estimate 2.4 quadrillion needed for economic stimulus

Investor Daily, headline

A group of volunteers affiliated with KawalCOVID19 have estimated that Rp 2.4 quadrillion (US\$150.34 million) will be needed to stimulate the economy that has been affected by the COVID-19 pandemic. The estimate is equal to 15 percent of Indonesia's gross domestic product (GDP), about the same percentage of GDP that other countries have been using to disburse their fiscal stimulus.

The United States, for example, will provide economic stimulus worth \$2 trillion or 10 percent of GDP, Singapore with \$52 billion or 13.6 percent of GDP and Malaysia with RM 250 billion or 15 percent of GDP, the United Kingdom with 15 percent of GDP and Denmark with 13 percent of GDP.

To disburse such large funds, the volunteer group mentioned the government would have to issue a regulation in lieu of law (Perppu) so that the state budget deficit could be over 3 percent of GDP and the central bank could buy government debt papers (SUN) in the primary market.

Institute for Development of Economics and Finance (Indef) senior economist Fadhil Hasan, a volunteer member in the group, said the stimulus must be more than 5 percent of GDP, or around Rp 600 trillion to 1 quadrillion, to induce a significant impact. Therefore, the state budget deficit would definitely surpass 3 percent.

Local quarantine likely to accelerate economic recovery

Kompas, economic headline

Learning from the Chinese government, which imposed a lockdown early on during the novel coronavirus outbreak, its economy started to recover in less than three months since the virus started to spread. Center of Reform on Economics (CORE) Indonesia executive director Mohammad Faisal sees that this would apply in Indonesia as long as the government was able to meet the people's demand for food and other basic needs.

According to Faisal, the government could work together with retail, traditional market sellers and logistics services in order to provide people with their needs. In addition, good communication is also needed to prevent people from panic buying.

Faisal also recommends that the government give direct cash assistance to workers in the informal sector because the group was more likely to lose their jobs due to the quarantine and were most vulnerable to fall below the poverty line.

In addition, CORE Indonesia research director Piter Abddullah Redjalam said if government implemented strict measures, the economic pressure would reach its peak in the second quarter and recover in the third and fourth quarter. Piter's optimistic scenario projects economic growth to range from minus 2 percent to 2 percent this year.

Textile firms struggle to make medical gear

The Jakarta Post, p.1

Indonesian textile factories are making changes to their production line by producing protective gear for medical personnel and a local start-up is producing test kits to support the nation's battle against the COVID-19 pandemic. However, producing medical-grade supplies comes with major challenges.

Textile companies have been racing to mass-produce masks and protective suits for medical workers, said PT Pan Brothers deputy chief executive officer Anne Patricia Sutanto. The company agreed to produce 20 million washable masks and 100,000 suits by April, as ordered by the government and retailers to meet the skyrocketing demand for personal protective equipment (PPE).

Textile company PT Sri Rejeki Isman (Sritex) has been producing protective suits for medical workers since late January and began to deliver the products in the first week of February, said spokesperson Joy Citra Dewi.

Both Sritex and Pan Brothers are facing shortages for medical-grade raw materials, as local producers have been overwhelmed by demand. A limited number of companies can produce medical-grade materials as they require strict standards and certification, Joy said.

Indonesian Chamber of Commerce and Industry (Kadin) deputy chairwoman Shinta Kamdani said a lack of technological capability became a major hurdle for factories looking to shift their production line. She said factories across Indonesia faced a decline in production capacity by an average of 30 percent due to disruptions to their supply chains as a result of the COVID-19 pandemic.

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