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GENERAL NEWS AND HEADLINES

Lack of laboratory integration hampers COVID-19 handling: Task Force chief Doni Monardo

Investor Daily, p. 12

National Disaster Management Agency (BNPB) head Doni Monardo, who is also the chief of the COVID-19 task force, said that one of the obstacles in handling the COVID-19 epidemic was the fact that laboratories across the country were not yet integrated. Although dozens of laboratories are operational not all them have been integrated with the task force.

Doni explained that laboratories in Indonesia were owned by eight different institutions and agencies, namely the Agriculture Ministry, regional/provincial cities, state-owned enterprises (SOEs), the Food and Drug Monitoring Agency (BPOM), the Research and Technology Ministry, the Health Ministry, universities and private entities.

According to Doni, there is no one institution or agency that can coordinate all the results produced by the laboratories, even though it has been more than a month since President Joko "Jokowi" Widodo requested thorough testing, tracing, isolation and treatment to curb the spread of the coronavirus.

"We can only hope that the laboratories are reporting directly to the task force. Later on, it is in our interest to distribute the daily reports submitted by the government's COVID-19 spokesman Achmad "Yuri" Yurianto," Doni explained in a virtual discussion.

Additionally, Doni said another obstacle in COVID-19 handling was the availability of reagents used in polymerase chain reaction (PCR) tests. He said that in mid-April, the number of reagents began to thin out. However, through cooperation between ministries and embassies in other countries, the availability of reagents was restored.

Too many social assistance distribution channels: West Java governor

Koran Tempo

A number of regional heads have asked the central government to simplify the distribution of social assistance for residents affected by the COVID-19 outbreak by unifying the eight different aid channels.

West Java Governor Ridwan Kamil said there were too many distribution channels. According to Ridwan, the central government could collect the allocated funds for aid from various sources but that distribution would be more efficient if it only came from one source, thereby also minimizing overlapping data. "Right now, we have to divide 9.3 million people into eight different distribution channels. It is not simple," Ridwan said.

Due to discrepancies in how and when the aid is distributed, Ridwan explained that it had caused many issues to arise within communities whenever social aid assistance was distributed. In one instance, residents who were recorded to have received aid from the Social Affairs Ministry on April 20 expressed jealousy toward residents who had received assistance from the West Java provincial government the previous week. According to Ridwan, this difference in distribution time had caused social unrest within the community.

Social Affairs Minister Juliari Batubara, however, explained that social aid distribution through various channels was a decision made by President Joko "Jokowi" Widodo, in order to accommodate budget constraints faced by each ministry and region.

Social aid distribution channels for people affected by the COVID-19 outbreak in West Java come from the Family Hope Program (PKH), food packages, the Manpower Ministry's employment card, village funds, presidential assistance, social assistance for Greater Jakarta migrants, the Social Ministry's cash assistance, district/city assistance and the governor's assistance. When and how the aid is distributed varies depending on the respective ministry and region.

Chief justice Syarifuddin to focus on supervision at Supreme Court

Media Indonesia, p. 3

M. Syarifuddin delivered his inaugural address as the new Supreme Court chief justice for the 2020-2025 period, online yesterday. The event was broadcast live through YouTube and was attended by Supreme Court leaders.

In his address, Syarifuddin presented the policy development and supervision policy package, claiming that judiciary authorities did not need to be afraid of supervision. "Judiciary authorities who are 'allergic' to supervision should be considered suspect. We must build and foster our principles, not destroy them," Syarifuddin said.

He also asked the supervisory body (Bawas) not to weaken its supervision over 20,000 court officials, emphasizing Bawas' role at the forefront of internal supervision of the judiciary.

Moreover, Syarifuddin added that the Supreme Court needed to revive the position of regional supervisor chief justice under the non-judicial chief justice. The revival of this position is important to strengthen supervision within the judiciary because based on the records of the Judicial Commission, 130 judges were subject to sanctions last year. In 2018, 63 judges were sanctioned.

Syarifuddin, who took the oath on April 30 and replaced Hatta Ali, is expected to spearhead more thorough and strict supervision to restore the public's faith in the country's judicial system.

Idul Fitri prayers can be done at home: MUI

Kompas, p. 1; Republika, p. 1

The Indonesian Ulema Council (MUI) has issued a fatwa allowing Muslims to perform Idul Fitri prayers at home. The decision was made through a MUI Fatwa Commission virtual meeting on Wednesday, in line with what Religious Affairs Minister Fachrul Razi previously said.

MUI Fatwa Commission secretary Asrorun Ni'am Sholeh explained that the MUI would allow Eid prayers to be done at home as the coronavirus was not yet under control. This is to ensure the safety and health of Muslims across the country and to prevent further transmission of the virus within communities.

In the fatwa, however, the MUI did not rule out the possibility of performing Eid prayers in congregation in a field or mosque. This can only be done, Asrorun explained, if a number of conditions were met.

First, COVID-19 transmission rates must have declined significantly by Idul Fitri, marked by the relaxing of large-scale social restrictions (PSBB) policies based on the opinions of experts and relevant parties.

Second, the area where the prayers are held must be controlled and believed to have had no virus transmission. "Any congregational prayers held must follow health protocols," Asrorun reasserted.

New marine debris action plan focuses on waste processing

The Jakarta Post, p. 1

As an effort to eradicate marine waste once and for all, the government has rolled out its latest action plan for authorities, businesses and communities to prevent plastic waste from ending up in the ocean by 2025.

The joint action plan, unveiled by Coordinating Maritime Affairs and Investment Minister Luhut Pandjaitan on April 22, will become a guideline for all stakeholders to prevent plastic pollution from leaking into rivers, lakes and seas.

The stakeholders came together under the Indonesia National Plastic Action Partnership (Indonesia NPAP), part of a global partnership aiming to fast-track development of the circular economy. Indonesia is the first country to introduce its national-level partnership.

President Joko "Jokowi" Widodo pledged to reduce marine plastic waste by 70 percent by 2025 following a study by researcher Jenna Jambeck in 2015 that declared the country was the world's second-worst marine plastic polluter for dumping about 1.29 million tons of plastic waste into the ocean in 2010.

Improper waste management and an ineffective recycling industry have been blamed for allowing such waste to escape into the sea.

The action plan was expected to solve such problems, with its five key steps focusing on improving the country's waste management, reducing or substituting plastic usage to prevent the consumption of 1 million tons annually, redesigning plastic products and packaging for reuse and recycling, doubling plastic waste collection rates, as well as expanding waste disposal facilities.

If the plan is implemented well, Indonesia NPAP projected it could reduce the amount of plastic going into the country's oceans by 70 percent by 2025 and reach near zero by 2040, as up to 16 million tons of plastics would be prevented from leaking into the sea until 2040.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Govt increases BPJS Kesehatan premiums, again

Bisnis Indonesia, headline

The government's decision to raise Health Care and Social Security Agency (BPJS Kesehatan) premiums once again after an earlier increase was annulled by the Supreme Court is likely to prolong economic recovery following the COVID-19 outbreak.

The higher rates are stipulated in Presidential Regulation (Perpres) No. 64/2020 on health insurance signed by President Joko "Jokowi" Widodo on May 5. The Perpres is the second amendment of the previous regulation, Perpres No. 82/2018, on the same matter.

The new regulation raises the premium for first-class service to Rp 150,000 (US\$10.11) per month per person from Rp 80,000, from Rp 51,000 to Rp 100,000 for second-class services, and third class from Rp 25,500 to Rp 42,000. The new rates will be applied on July 1.

BPJS Kesehatan spokesman M. Iqbal Anas Ma'ruf said the government and local governments would subsidize third-class premiums this year due to COVID-19 and also next year. This year, the government will provide a subsidy of Rp 16,500 for each third-class participant. Next year, the subsidy will be reduced to Rp 7,000.

Coordinating Economic Minister Airlangga Hartarto explained that the subsidy for third-class participants would be included in the third stage of the fiscal stimulus. Meanwhile, Indonesian Regency Administration Association (Apkasi) chairman Abdullah Azwar Anas said local governments would abide by the new Perpres to share the burden of the subsidy.

New mining law gets mixed reception

The Jakarta Post, p. 1

The House of Representatives passed a revision of the 2009 Coal and Mineral Mining Law on Tuesday in a move criticized by some experts and NGOs over a lack of transparency and alignment with business interests.

The law seeks to develop the downstream mining industry, grow the economy and create jobs but is deemed to be side-lining the environment, local communities and regional administrations in the process.

The revised law guarantees continued operations for six giant coal miners, whose mining contracts (PKP2B) will expire between 2020 and 2025.

The revised law says the giants, which have been paying higher royalty rates than regular miners, may continue operations for 20 more years based on special mining permits (Article 169).

Experts have criticized the rule. They said the expiring contracts were the key driver to expediting the legislative process, especially as the coal industry has taken a beating from collapsing coal demand amid the coronavirus pandemic.

The authority to issue mining permits is now centralized under the energy ministry (Article 35) instead of under governors and regents. In compensation, lawmakers increased the share of mining profits to provinces from 1 percent to 1.5 percent.

The law introduces incentives for metal ore and coal miners to develop downstream facilities, such as metal smelters and coal-fired power plants, to extract more bang for the buck from Indonesia's underground wealth.

Govt to start economic recovery program in Q2

Kontan, p. 1

The government will immediately implement the Rp 318.1 trillion (US\$21.28 billion) national economic recovery (PEN) program in this second quarter to jumpstart the weakening economy.

The Finance Ministry's Fiscal Study Center head, Febrio Nathan Kacaribu, said economic growth would likely go into negative territory due the adoption of large-scale social restrictions (PSBB) in many areas in the country, which had dampened

household spending.

“The data will be worse in the second quarter. We expect economic growth in the second quarter to be at negative,” he said.

Finance Minister Sri Mulyani Indrawati had projected that economic growth for the second quarter would range between 0.3 percent and minus 2.6 percent. Therefore, the government is implementing its PEN program in the second quarter to cushion the economic shocks.

The PEN program, totaling Rp 318.1 trillion, includes massive social assistance for poor people to drive up household spending, which accounts for more than 50 percent of the calculation of Indonesia’s economic growth, interest rate subsidies for small and medium enterprises, capital injections for state-owned enterprises and government fund placement in anchor banks.

Febrio Nathan said the PEN program was expected to help resume economic activity and economic growth would improve in the third and fourth quarters of this year.

More SOEs to tap funding from international sources

Kompas, p. 11 (Economic & Business page)

At least four state-owned enterprises (SOEs) are issuing global bonds to raise around US\$5.5 billion (Rp 83 trillion) after many foreign investors left the country for safe havens.

In the last three weeks, three SOEs have floated global bonds. They are mining holding company Inalum (MIND ID), which raised \$2.5 billion, lender Bank Mandiri with \$500 million, and infrastructure builder Hutama Karya with \$600 billion. In addition, lender BNI also plans to issue global bonds to raise \$2 billion.

These SOEs will use the fresh funds to refinance maturing debts, as well as to increase liquidity. Inalum, for example, will use \$1 billion to refinance its maturing debt and the remaining to finance its planned acquisition of nickel miner Vale Indonesia through mandatory divestment.

SOE Minister Erick Thohir said the ministry would encourage more performing SOEs to tap funding from the international market to benefit from investors’ confidence in Indonesia.

Through the PEN program, the government also plans to inject Rp 118 trillion into a number of financially problematic SOEs, including Garuda Indonesia and Krakatau Steel, to help them survive the health crisis.

Govt, BI to share burden of business rescue program

The Jakarta Post, p. 2

The government and Bank Indonesia (BI) will “share the burden” on debt to finance rescue packages for businesses severely hit by the COVID-19 pandemic, a top official has said.

The Finance Ministry’s Fiscal Policy Agency head, Febrio Kacaribu, said that the government was looking for the cheapest financing option to support economic recovery. Therefore, the government is currently working on financing details with the central bank.

“The principle of this economic recovery program is sharing the burden and risks,” Febrio told reporters during a press briefing on Wednesday. “BI should be concerned with financing needs. If the government had to bear all the debt interest, this would be hard for us.”

The government has allocated Rp 318 trillion (US\$21.28 billion) for the so-called economic recovery program, according to a Finance Ministry document presented in a meeting with lawmakers recently, a copy of which was obtained by *The Jakarta Post*. The rescue program will include capital injections into state-owned enterprises (SOEs) and loan subsidies for micro, small and medium businesses.

To finance the budget needs, the government will issue debt papers that can be bought directly by BI with coupon rates and other technical mechanisms to be decided later. The BI governor and finance minister will be in charge of the “special account” for the program funds, according to Government Regulation (PP) No. 23/2020 on the economic recovery program.

BI expects to cover an estimated Rp 150 trillion to finance the program via private placement of government bonds, the central bank’s head of monetary management, Nanang Hendarsah, said. The bonds would have lower yields than the market rate but higher than the central bank pays for its monetary operations, Nanang added.

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