

Monday, May 18th, 2020

GENERAL NEWS AND HEADLINES

Coronavirus kills elderly, haunts young

The Jakarta Post, headline

As Indonesia continues to report hundreds of new COVID-19 cases daily, the government appears to be preparing for the “new normal” by allowing people aged 44 years and below to work outside their homes despite mobility restrictions to contain the epidemic.

COVID-19 task force head Doni Monardo triggered criticism after he said last week that the age group in question had a lower fatality rate at 15 percent and was less vulnerable than the elderly.

Data updated daily by the task force show that people aged 60 and above account for 44.2 percent of the deaths as of Sunday, followed by people aged between 46 and 59 years old at 39.8 percent, while those aged 45 and below make up the remaining 16 percent.

This is despite data on the distribution of cases showing that the 60 and above age group only accounts for 16.2 percent of total infections, while the 46 to 59 group accounts for 28.7 percent and those aged 45 and below contribute the majority at 55.1 percent.

Soedarsono, the senior pulmonologist and the head of emerging and re-emerging infectious diseases at the COVID-19 referral hospital Dr. Soetomo in Surabaya, East Java, said fatalities were indeed more common among the elderly with comorbidity factors, but there had also been cases of young adults with such factors succumbing to the disease.

Govt reinforces ‘mudik’ ban

Kompas, p.2; Koran Tempo, Headline

The Home Ministry has asserted that both the central and the regional governments’ stance on the Idul Fitri *mudik* (exodus) ban would remain in place.

Home Ministry spokesperson Bahtiar said on Sunday that while the *mudik* ban was primarily regulated by the central government, its technical implementation was to be regulated by regional governments.

Meanwhile, in enforcing the *mudik* ban, the National Police Traffic Corps (Korlantas) has been deploying its officers to patrol streets, including a number of entry points to Jakarta. Motorists have been asked to make a U-turn if their passengers are suspected of attempting to leave the city for *mudik*.

Jakarta Governor Anies Baswedan issued on May 14, or 10 days before the Idul Fitri celebration, Governmental Regulation No.47/2020, which essentially keeps residents within the capital city as well as in Depok, Tangerang and Bekasi. The regulation also prohibits people outside Jakarta, Depok, Tangerang and Bekasi from entering the regions.

Furthermore, while the regulation does not restrict people's mobility within the regions, Anies has also urged people to spend Idul Fitri at their own homes and not to visit their relatives' homes. "There must be no 'local *mudik*'. What is allowed is a 'virtual *mudik*,'" said Anies, referring to virtual gatherings.

West Java administration to ease social restrictions

Republika, p.1

The West Java administration is planning to ease the implementation of large-scale social restrictions (PSBB), which have been imposed in the province since May 6 and are set to end on May 19. The policy will then be replaced by "partial PSBB", the implementation of which is to be regulated by respective city and regency administrations within West Java based on the severity level of COVID-19 transmission in each area, as affirmed by West Java Governor Ridwan Kamil.

Ridwan said that not all 27 regencies and municipalities in West Java would continue implementing the PSBB. For example, in regions identified as "blue zones", in which COVID-19 cases were found only sporadically, the local government can only implement physical distancing measures.

Previously, West Java recorded 22 new confirmed COVID-19 cases on Sunday, bringing the total number of infections to 1,618.

PSBB's effectiveness questioned

Koran Tempo

The large-scale social restrictions (PSBB) policy imposed to slow the spread of COVID-19 has successfully restricted people's movements at the beginning of its implementation. Its effectiveness, however, did not last long, as a number of studies have shown a surge in people's movements in the past two weeks.

Based on cellular data activities monitored by epidemiologist Pandu Riono, 60 percent of Android users had stayed at home or done their activities within a 200 meter radius until the end of April. However, in May, the percentage declined to 50 percent. "During the fasting month, a lot of people have gone outside, especially in the afternoon nearing the breakfasting time," said Pandu.

The government, according to Pandu, does not effectively control people's movements on the street, which consequently leads people to ignore the policy.

Meanwhile, the Health Ministry's disease control and prevention director general, Achmad Yurianto, has affirmed that government would ensure the effectivity of the PSBB in practice while continuing to conduct mass-scale testing, contact tracing and isolating COVID-19 patients.

'We must coexist with COVID-19': Jokowi calls on residents to adapt to 'new normal'

The Jakarta Post, p.1; Media Indonesia, headline

President Joko "Jokowi" Widodo has said he will not yet ease largescale social restrictions (PSBB) and that the government is aiming to keep residents productive and safe in a "new normal" amid the COVID-19 outbreak.

He said residents needed to make peace with the virus, citing information from the World Health Organization that suggested that, although the transmission curve had started to flatten, the virus would not disappear.

"Living in peace with it does not mean we are giving up but that we are adapting. We are fighting the virus by prioritizing and requiring strict health protocols."

The government would make arrangements to help residents' lives return to normal by paying attention to the facts in the field and prioritizing public health, the President said.

While the PSBB policy remains in place, the government will gradually allow more businesses to open with added health precautions to prevent further transmission.

Experts, however, have warned that reopening the economy prematurely could trigger a second wave of COVID-19 infections.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Businesses to see negative profits in second quarter

Bisnis Indonesia, headline

An analysis on financial reports by *Bisnis* indicates that 84 out of 109 businesses in the real sector and 13 out of 14 businesses in the banking sector had booked a profit in the first quarter. However, second-quarter financial reports were likely to show negative performance, as the COVID-19 pandemic did not start to impact the economy until March.

Several businesses would still show growth in the second quarter because of continuing high demand. Businesses in the telecommunications, tobacco and cigarette, consumer goods, pharmaceutical and plantation sectors were likely to withstand the economic impacts of the pandemic.

Praus Capital research head Alfred Nainggolan said that most businesses had capital in the second quarter from existing contracts, but that performance would be tested the third quarter. Furthermore, the large-scale social restrictions (PSBB) were likely to affect the retail and construction sectors more.

CSA Institute director Aria Santoso said that businesses were likely to see a sharp contraction their second-quarter profit margins. However, the banking, consumer goods, health and telecommunications sectors, as well as manufacturers using imported raw materials, were likely to record positive performance in the second quarter.

Cooperatives apply for debt restructuring

Kontan, p.1

More and more savings and loans cooperatives (KSP) are defaulting on their loans and filing for debt service deferrals (PKPU) at district courts.

According to Central Jakarta District Court legal proceedings No. 97/Pdt.Sus-PKPU/2020/PN Niaga Jkt Pst, KSP Alsto has filed for debt restructuring, along with PT Wahana Bersama Nusantara and PT Tiara Global Propertindo of the Fikasa Group.

KSP Alsto is a new addition to the list of cooperatives that have applied for debt restructuring. Earlier, KSP Indosurya Cipta, KSP Hanson Mintra Mandiri, KSP Syariah Berkah Bersama and KSP Tass Indonesia Nusantara had applied for debt restructuring with the Central Jakarta District Court.

According to Eko Listiyanto of the Institute for Development of Economics and Finance (Indef), customers of KSPs needed fund protection through institutions such as the Deposit Insurance Corporation (LPS), because if the PKPU proceedings ended in bankruptcy, the customers would lose their money.

Worst is over for capital market

Investor Daily, headline

Although the heaviest economic impacts of COVID-19 is expected in the second quarter, the capital market has begun to stabilize because investors have factored in possible future costs in their portfolios.

The capital market saw its sharpest drop on Mar. 24, when the Jakarta Composite Index (JCI) fell by 51.88 points to 3,937.63. The index has since rallied to its fundamental level, closing at 4,507.60 on Friday.

Phillip Sekuritas equity analyst Anugerah Zamzami said that even when the JCI fell to below 4,000, stocks in consumer goods retailers saw positive movement. Earnings-per-share was stable for companies in the staple goods and infrastructure sectors, particularly telecommunications.

Danareksa Investment Management CEO Marsangap P. Tamba said that it was difficult to project JCI growth for the new normal that was developing from the pandemic. He said that the fall in the second quarter might be surprising, but that bottoming out was essential to bouncing back toward recovery. However, he still maintained that the JCI would reach 5,000-5,254 by the end of the year.

Low demand for land transportation

Koran Tempo, economic headline

The government has allowed passenger transportation to resume restricted operations since May 7 under COVID-19 task force circular No. 4/2020. However, after a week of operation, transportation companies had seen much lower passenger loads than their maximum seating capacity.

State-owned railway operator PT Kereta Api Indonesia (KAI) transported less than 10 percent of its passenger load in the first two days since the transportation restriction was eased. As a result, it reduced its train capacity from eight compartments per train per trip to just 2 compartments per train per trip. It also reduced its service frequency.

According to KAI vice president for public relations Joni Martinus, the low passenger load was caused by the strict requirements for passenger travel. He said that 214 potential passengers had failed in their ticket purchase application to the COVID-19 task force, because they did not meet the requirements.

RI businesses need US\$40b in govt aid: Kadin

The Jakarta Post, p.1

The government should increase its economic support and recovery budget to Rp 600 trillion (US\$40.17 billion) to help businesses cope with the economic impacts of the COVID-19 crisis, as many businesses only had enough cash flow to sustain operations for the next two months, a lobbying group has said.

Indonesian Chamber of Commerce and Industry (Kadin) deputy chair Shinta Kamdani said the current economic recovery budget was insufficient to support businesses, and that many would run out of money by June.

“The government’s stimulus budget is much too small and will not be enough for businesses to survive,” Shinta said during an online discussion on Thursday. “Businesses have a very limited ability to cope with the crisis, as their cash flow will last only until June.”

The government said it would allocate Rp 150 trillion for economic recovery. However, recently leaked Finance Ministry documents showed a budget of Rp 318 trillion, more than double the originally plan, as part of the government’s bailout funds for state-owned enterprises (SOEs).

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