

Tuesday, May 26th, 2020

GENERAL NEWS AND HEADLINES

RI celebrates solemn Idul Fitri

The Jakarta Post, headline, Kompas, p.1

Millions of Indonesians have celebrated the most festive time of the year under partial lockdown. Those who prayed and celebrated at home said they found solace in solemn and modest virtual festivities, but others infringed physical distancing orders.

Food galore, big family gatherings and mass prayers used to be the norm for Idul Fitri celebrations in Indonesia, a two-day national holiday that succeeds a monthlong fasting period for Muslims in the Muslim-majority nation.

This year, however, the Indonesian Ulema Council and major Islamic group Muhammadiyah have advised Muslims in the country to avoid Idul Fitri prayers in large congregations at mosques to steer clear of infections. More than 22,000 people have tested positive for COVID-19 in Indonesia, with 1,391 dead, as of Monday.

President Joko "Jokowi" Widodo performed Idul Fitri prayers on Sunday with his family and a few aides in front of the Bayurini Pavilion of Bogor Palace in West Java. Meanwhile, the Religious Affairs Ministry and the Istiqlal Mosque held a virtual takbiran (chanting of Allahu Akbar) on the eve of Idul Fitri, instead of the usual way of conducting the event at mosques and on the streets involving crowds.

Indonesian Ulema Council (MUI) deputy chairman Muhyiddin Junaidi told The Jakarta Post on Monday that the pandemic should compel people to be more independent in praying at home, led by the head of the family as the imam of the household.

Govt to prohibit travelers from returning

Kompas, headline

The government is prohibiting people who took part in the Idul Fitri *mudik* (exodus) and traveled to their hometowns from returning to big cities, as affirmed by Transportation Ministry spokesperson Adita Irawati in a written statement on Monday.

Likewise, National Development Planning Minister Suharso Monoarfa has also asked travelers to remain in their respective hometowns, adding that the government has prepared several types of assistance for people staying in their hometowns until the end of this year.

In line with the government's *mudik* ban, the police, particularly the Traffic Directorate of Metro Jaya Regional Police (Polda Metro Jaya) is tightening its monitoring of people's mobility toward the capital city. Those who do not hold official permits will be asked to turn back.

Regardless, transportation expert Djoko Setijowarno said limiting the number of people who entered the capital city would be ineffective as long as the regional administrations of areas near Jakarta did not enforce the same requirement for travelers to be in possession of official permits in order to enter Jakarta. In this regard, those who are banned from entering Jakarta, Djoko added, would simply stay in regions nearby such as Bogor, Depok, Bekasi and Tangerang. "The policy has to be integrated across Greater Jakarta," Djoko said.

West Java to relax PSBB despite new cases

The Jakarta Post, p.1

West Java, being a close neighbor of Jakarta, has been among the provinces hardest hit by COVID-19, but it is looking into easing restrictions in "low-risk" areas after claiming that large-scale social restrictions (PSBB) have yielded desirable results.

The province recorded 40 new cases on Friday, bringing its total confirmed cases to 2,002 with 125 fatalities and 432 recoveries, according to the central government's tally. This has led West Java to become the third hardest-hit province after Jakarta and East Java.

"I believe the pandemic is related to density, it's a density disease. The more dense the area is, the more cases are likely to be found," West Java Governor

Ridwan Kamil said during a recent online discussion with foreign ambassadors. “The majority of cases [...] occurred in Greater Jakarta.”

PSBB measures have been in place in West Java since May 6, and they are expected to last until May 29, although Bogor, Depok and Bekasi — satellite regions of Jakarta — put restrictions in place much earlier on April 15. Greater Bandung also first imposed PSBB measures on April 22.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Economic activities limited during Idul Fitri

Bisnis Indonesia, headline

Nearing Idul Fitri, traditional markets became the epicenter of crowds. People went to the markets to buy Idul Fitri needs, ranging from food to clothing, both in Greater Jakarta and outside of Jakarta. However, the level of economic activity is lower than in previous years because of the COVID-19 pandemic. Furthermore, the products purchased are of middle-lower value, therefore does not contribute much.

According to Indonesian Employers Association (Apindo) chairman Hariyadi B. Sukamdani, sales in the retail industry fell by more than 50 percent from last year. Meanwhile, sales in the food and beverage sector fell by up to 70 percent.

Institute for the Development of Economics and Finance (Indef) executive director Tauhid Ahmad said that although spending during Idul Fitri did occur, the volume was limited because people were still reserving cash in anticipation of uncertainties amid the outbreak.

Furthermore, Tauhid added that spending was due to seasonal factors and done by people who received social aid and had accumulated savings from putting their spending on hold since March.

Businesses prepare to reopen with “new normal” rules

Kontan, headline

Businesses are welcoming Health Ministerial Decree No. 328/2020 regarding

guidelines to prevent and mitigate the spread of COVID-19 in workplaces issued last week. The guideline will implement a new normal situation at workplaces.

Health Minister Terawan Agus Putranto on May 20 said the economy had to keep running while prioritizing preventive measures, since businesses and workers had a big role in stopping the virus spread.

Among the points emphasized in the decree are work hours that should not be too long, requiring workers to wear masks and keeping a distance of 1-meter from one another for all business activities.

According to Indonesian Shopping Center Association (APPBI) chairwoman Ellen Hidayat, there are 60 malls preparing to reopen while implementing the new normal rules in Jakarta, the nation's epicenter of the outbreak.

Furthermore, Indonesian Employers Association (Apindo) vice chairwoman Shinta Kamdani emphasized several things that had to also be considered, such as the change in health facility capacity and transition factor in the large-scale social restrictions (PSBB) easing to prevent a second wave.

Corporate sector needs stimulus

Investor Daily, p.1

Business players see that the private corporate sector has been overlooked in the national economic program (PEN) stipulated in Government Regulation No. 23/2020, as it prioritizes state-owned enterprises (SOEs) and small and medium enterprises (SMEs). The private corporate sector also needs stimulus from the government not only to survive the COVID-19 pandemic, but also to maintain their competitiveness.

Indonesian Chamber of Commerce and Industry's (Kadin) advisory council vice chairman, Gita Wirjawan, said the private corporate sector had contributed 87 percent to gross domestic product and increased tax revenue 15 times in the last 20 years but the government had mistakenly perceived that it would increase without the government's help.

According to Kadin chairman Rosan Roeslani, the COVID-19 mitigation fund should be increased by fourfold to Rp 1.6 quadrillion (US\$108.75 billion), Rp 400 trillion to handle health aspects, Rp 600 trillion for social safety net and Rp 600 trillion for stimulus to the financial and real sectors.

Finance Ministry expert staff Yustinus Prastowo said the government was prioritizing SMEs because of its large number and also because it was the sector most vulnerable to the pandemic. However, he said the government also planned to give stimulus to other sectors but it would be given in stages in the next PEN program.

“New normal” lacks rules for implementation in public spaces

Kompas, economic headline

Indonesian Employers Association (Apindo) chairman Hariyadi B. Sukamdani said companies were ready to implement the “new normal” guideline stipulated in Health Ministerial Decree No. 328/2020 to contain the COVID-19 virus spread in workplaces. However, he said the problem was not in the workplace but in the public space.

According to Hariyadi, it will be easy to implement the new normal rules in workplaces because there are government rules and internal control. However, the rules will be difficult to implement in public spaces, such as for customers in shopping centers or public transportation.

Institute for the Development of Economics and Finance (Indef) senior researcher Enny Sri Hartati said it was not enough to only implement health protocols in the workplace but during commutes.

Indonesian Transportation Society (MTI) secretary-general Harya Setyaka S. Dillon said according to a survey, some people who own vehicles would prefer riding or driving themselves to work. Meanwhile, there are some who do not mind or have no option but to take public transportation. However, Harya said some companies had optimized work-from-home practices, so physical presence at the office was not required as much anymore.

Health workers left waiting for stimulus

The Jakarta Post, p.1

Medical workers treating COVID-19 patients in Jakarta have reported that they have yet to receive the financial incentives announced by the central government and provincial administration in March.

“I haven’t received any government incentives or information about it from hospital management. I’ve only obtained an additional safety risk payment from

my hospital amounting to between Rp 300,000 [US\$20.16] and Rp 500,000," A Jakarta-based general practitioner Arif, who asked to use a pseudonym, told The Jakarta Post on Friday.

President Joko "Jokowi" Widodo said previously that the government had allocated Rp 5.9 trillion to be given as incentives to medical workers treating confirmed patients. The government said it would provide each medical specialist an incentive of Rp 15 million, physicians and dentists Rp 10 million, nurses Rp 7.5 million and other medical staff members Rp 5 million.

Jakarta Governor Anies Baswedan previously announced an additional Rp 215,000 daily incentive for medical workers in the capital city.

Since the two leaders announced the programs in March, neither has given any updates on the progress of payments. Meanwhile, medical workers in many hospitals have seen a cut in their salaries and Idul Fitri holiday bonuses.

Disclaimer:

Tenggara Strategics always aims to use reliable sources in providing our best analysis to our clients, and is not responsible for any errors, inaccuracies and/or viewpoints in the original source material upon which we have based our analysis. The analysis contained in this document is intended exclusively for our clients who have subscribed to this service, and is not for public consumption or dissemination.

Nothing contained herein shall to any extent substitute for the independent investigations and the sound technical and business judgment of the reader. In no event will Tenggara Strategics, including its employees, be liable for any decisions made or actions taken in reference to the information contained in these documents, or for any incidental, consequential, indirect, special or exemplary damages, including damages from loss of profits or opportunities, even if advised of the possibility of such damages.