

Thursday, Oct. 1st, 2020

GENERAL NEWS AND HEADLINES

Experts advise caution with antigen tests for screening

The Jakarta Post, p. 2

Amid persistent COVID-19 testing constraints, the government appears to be looking into using rapid antigen tests, which are cheaper and faster although less accurate than the gold-standard polymerase chain reaction (PCR) tests. Experts are on board but urge caution.

National COVID-19 task force spokesperson Wiku Adisasmito said the government was searching for better and more accurate alternatives to its current screening method of rapid antibody tests, whose inaccuracy experts have highlighted, and that it was considering antigen tests.

Wiku said on Tuesday that the government was aware of the World Health Organization's recommended list of rapid antigen test kits, which could provide results in less than 30 minutes.

PCR tests can take hours or even days to process in labs as testing backlogs remain common in the country.

"Certainly, antigen tests can be used in Indonesia as recommended by the WHO in order to replace rapid antibody tests, and screening with [antigen] tests can be more effective and won't be a burden on PCR tests as the gold standard in diagnostic tests," he said.

Antigen tests use nasal or throat swab samples to detect certain proteins on the surface of the coronavirus. These tests do not require advanced lab equipment and come in the form of paper strips resembling home pregnancy tests.

Govt prepares Rp 3.8 trillion for vaccine advances

Koran Tempo

The government has prepared a budget of Rp 3.8 trillion as a down payment for vaccines from Chinese companies Sinovac and Sinopharm. Coordinating Economic Affairs Minister Airlangga Hartarto said the advanced payments were made to ensure Indonesia would receive its share of the vaccine.

In the initial stage, Airlangga said the vaccines obtained from the two companies would amount to a total of 30 million doses. However, he added that the government would not only be procuring vaccines from only one or two producers because Indonesia needed up to 360 million doses of the vaccine for at least 100 million people.

Vaccine procurement, thus, will be carried out in several stages until the end of 2021.

The government is also preparing a vaccine distribution scheme. According to Airlangga, 11,000 community health centers (Puskesmas) will distribute and administer the vaccinations.

"With 11,000 Puskesmas, we are targeting 1 million injections per day. This means that one Puskesmas will have to administer 100 injections per day," he said.

COVID-19 drug Covifor approved by BPOM

Media Indonesia, p. 1

Covifor, a COVID-19 drug from India and produced by PT Kalbe Farma, is ready for distribution as the Food and Drug Monitoring Agency (BPOM) recently gave the green light.

"Yes, it is true [that the drug] can be distributed. PT Kalbe Farma is cooperating with the marketing with its importer PT Amaro Pharma Global," said BPOM head Penny Lukito on Wednesday.

PT Kalbe Farma will be launching Covifor today as the drug had received approval in the form of an emergency use authorization (EUA). There are a number of specifications in the use of the drug, including use in COVID-19 patients aged 12 years and older, has a body weight of 40 kg and over and those with severe symptoms and hospitalized.

Health protocol violations amid campaigns rise

Kompas, headline

Violations of health protocols amid the regional head elections campaign period has increased. Government regulations in lieu of law (Perppu) are needed to strengthen sanctions for violators of health protocols as it threatens public safety.

Based on data from the Elections Supervisory Agency (Bawaslu), between Sept. 28 and 30, campaign events took place across 177 regions, with health protocol violations reported in 34 regions. These violations, among others, were related to face-to-face meetings with participants of more than 50 people, not wearing masks and failing to maintain distance. This figure is up from the number of health protocol violations found between Sept. 26 and 27, which were reported in 19 regions.

Currently, imposing sanctions on health protocol violators is detailed in General Elections Commission Regulation No. 13/2020. Article 88A of the regulation states that if anyone violates health protocols, Bawaslu can give a written warning. Once a written warning has been issued but health protocols are still being violated, Bawaslu can then submit a recommendation to the police. Recommendations, thus, contain requests for violators to be sanctioned according to the law.

TNI, police disperse Papuan student protest against special autonomy plan

The Jakarta Post, p. 3

A joint Indonesian Military (TNI) and National Police team dispersed a group of Papuan students protesting the government's plan to extend Papua's special autonomy status on Monday.

The protesters, who were students of Cenderawasih University, were demonstrating at the main gate of their campus in Abepura district, Jayapura, Papua. The joint force reportedly seized the demonstrators' banners and fired tear gas and warning shots into the air.

Papuan human rights lawyer Gustaf Kaver said the efforts to quash the demonstration had violated the right to express opinions in public, in accordance with Law No. 9/1998 on freedom of expression.

He also urged the National Police and TNI to change their approach to law enforcement and security in Papua. He asked the National Police chief to evaluate the performance of local police chiefs in Papua.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Managing corona key to economic recovery

Kontan, headline

Businesses are showing some optimism amid the efforts to search for COVID-19 vaccines. According to Kontan's CEO Confidence Index (KCCI) survey, CEOs are becoming more optimistic in the fourth quarter, with a score of 3.27. This is higher than the score for the second and third quarters, which scored 2.84 and 2.97 respectively.

An index score above 3.5 signals optimism while below 3 signals pessimism. The business expansion category records the highest score among all categories with 3.79 points, followed by national politics with 3.61 points.

Despite that, CEOs are still pessimistic about purchasing power and global economy, showing a 3 percent decrease for this year. Since the pandemic, the Indonesian government has allocated Rp 695 trillion to mitigate the negative effects of the pandemic. The government's success in handling the pandemic will be the key to national economic recovery.

PT Kalbe Farma president director Vidjongtius hopes the government speeds up budget absorption so that the public could benefit from it in the short-term. "Purchasing power recovery is really dependent on the realization of allocated stimulus budget," he said. Besides, businesses agreed that economic recovery will depend on how fast the government can manage the pandemic, including finding the vaccines for COVID-19.

Liquidity and loan disbursement grow despite looming recession

Investor Daily, headline

Although the recession looms for Indonesia, the country's economic liquidity still grew by 13.3 percent year-on-year (yoy) in August, higher than the previous

month, which grew by 10.5 percent yoy. On the other hand, banking loan disbursement still improved by 0.6 percent in August, or slightly lower than 1.0 percent growth in July.

According to Bank Indonesia's (BI) money supply analysis report in August 2020, the economic liquidity or broad money (M2) improved from Rp 6.57 quadrillion (US\$ 441.87 billion) in July to Rp 6.73 quadrillion in August, in line with the growth of narrow money (M1).

BI executive director of communication Onny Widjanarko explained that the growth of money supply was triggered by BI's monetary expansion as indicated by an improvement of BI's net claims on the central government from 40.8 percent yoy in July 20 to 65.1 percent in Aug. 20 and a declining net foreign assets from 13.8 percent yoy in Aug. 20 from 17.6 percent yoy in the previous month.

On the other hand, Onny said loans were still growing although they had decelerated. As of Aug. 20, loan disbursement had grown by 0.6 yoy to Rp 5.52 quadrillion, but lower than Rp 5.54 quadrillion booked in the previous month.

JCI defensive amid recession

Bisnis Indonesia, headline

The Jakarta Composite Index (JCI) has managed to grow despite the projected recession due to the COVID-19 pandemic. Since falling to its lowest point on March 24 with a monthly drop of 16.73 percent, JCI has continued to book positive growth until August. In total, the JCI managed to grow by 7.29 percent in the last six months.

This positive result is supported by the growth in almost all sectors during the second and third quarters. Only infrastructure, utility, and transportation showed a minus 2.42 percent. Besides, it also brings a positive impact on the bond and mutual fund market.

The contribution of local investors has been the key to growth amid the growing capital outflow. Until September, local investors own 50.05 percent of the share ownership in the stock market.

Despite the optimism that the market could be closed at above 5,200 level this year, the pandemic and the slow economic growth are still threatening the index.

Government, House pass 2021 state budget

The Jakarta Post, headline

The government and the House of Representatives passed the 2021 state budget bill into law on Tuesday, aiming at accelerating economic recovery amid the coronavirus pandemic and pushing for structural reforms to boost competitiveness.

The 2021 State Budget Law targeted Indonesia's economic growth to rebound to 5 percent next year, Finance Minister Sri Mulyani Indrawati said on Tuesday. This will follow an expected economic contraction of 0.6 to 1.7 percent this year, the first since the 1998 Asian financial crisis.

The government will prepare Rp 2.75 quadrillion (US\$185.19 billion) in state expenditure to fuel the virus-battered economy next year.

It will continue its development programs as it looks to raise Rp 1.74 quadrillion in state income to fund spending on infrastructure, health care and stimulus, among other things. On that basis, the state budget deficit is expected to reach Rp 1 quadrillion, or 5.7 percent of GDP, lower than the estimated 6.34 percent of GDP this year as the government will slightly cut its spending while at the same time slightly increasing revenue from taxes.

Uncertainty lingers The government and the House have agreed that the economic growth target will be set at 5 percent, which revises the initial estimate of 4.5 to 5.5 percent, as they expect economic activity to normalize next year despite the uncertainty surrounding the pandemic.

Fintech firms finance consumptive spending

Kompas, Economy and Business page

The Financial Services Authority (OJK) reveals that fintech companies had disbursed Rp 116.97 trillion in loans as of July, the majority of which went to finance consumptive spending, which totaled Rp 77.2 trillion or 66 percent. The remaining Rp 39.76 trillion went to productive spending.

OJK analyst for fintech licensing and supervision Tomi Joko Irianto said the OJK would require fintech companies to allocate at least 60 percent of its funding for productive spending so that it would help the economy growing healthily.

Tomi said fintech companies should target micro, small and medium enterprises (MSME) that could not access financing from traditional financial institutions. This way, fintech companies would be able to help OJK to increase financial inclusion among MSMEs.

Indonesian Fintech Funding Association (AFPI) chairman Adrian Gunadi said that the association would cooperate with authorities so that fintech companies would be able to comply with the regulations, especially in the allocation of its funding resources to productive activities.

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