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GENERAL NEWS AND HEADLINES

Omnibus bill on job creation passed into law despite opposition

The Jakarta Post, headline; *Kompas*, headline; *Republika*, headline; *Koran Tempo*, Berita Utama; *Media Indonesia*, headline

The House of Representatives passed on Monday the controversial omnibus bill on job creation into law, which is expected to bring about radical change in the country's labor system and natural resources management.

The government has pushed the law, which is one of President Joko "Jokowi" Widodo's key priorities in his second and final term, to make significant adjustments to labor rules and business licensing processes, all of which have been criticized, as they are regarded as infringing on labor rights and putting the environment at risk.

Until its passage, the law met mounting resistance from labor unions and environmentalists, as well as opposition from the House factions of the Democratic Party and the Prosperous Justice Party (PKS).

Ahead of Monday's plenary session, social media users expressed their frustrations over the bill by publishing posts with the hashtags *#DPRRIKhanatiRakyat* (HouseBetraysThePeople), *#BatalanOmnibusLaw* (CancelTheOmnibusLaw) and *#MosiTidakPercaya* (VoteOfNoConfidence).

Civil society organizations, grouped in a coalition calling itself the Indonesian People's Faction (FRI), have also voiced their disappointment, saying the state has turned a blind eye to popular opposition to the controversial bill, which the FRI believes only accommodates business interests.

Police issues telegram to ward off street rallies

Koran Tempo, Berita Utama

The National Police chief's operational assistant, Insp. Gen. Imam Sugianto, issued a telegram urging local police chiefs not to issue permits for any street protests for labor groups. The telegram was issued under the name of National Police chief Gen. Idham

Azis last week, one day after labor groups had said they would return to the streets to hold protests against the job creation omnibus bill.

National Police spokesperson Argo Yuwono said the telegram was issued to maintain public safety given the inherent health risks of the ongoing coronavirus pandemic. "As chief Idham has said, public safety constitutes the highest law amid the COVID-19 pandemic."

Although the right to publicly voice one's aspirations is guaranteed under the 1998 law on freedom of speech, Argo said public activities such as mass protests would most likely attract large crowds and increase the risk of virus transmissions among the public. "Therefore, the National Police prohibit demonstrations or any activities that could attract crowds, in order to curb the spread of COVID-19," Argo said.

Jokowi calls for military transformation

Republika, p.1; *The Jakarta Post*, p.3

President Joko "Jokowi" Widodo has called on the Indonesian Military (TNI) to become more modern and professional, urging the armed forces to adapt to new potential threats and technological advances.

During a ceremony to commemorate the 75th anniversary of the TNI on Monday, Jokowi said the military transformation should be directed toward enabling the armed forces to respond to nonconventional and transnational threats, while keeping the pace with state-of-the-art armaments.

Vice President Ma'ruf Amin, TNI commander Air Chief Marshal Hadi Tjahjanto and a few high-ranking officials attended the ceremony on Monday, which was held with limited attendance and with health protocols enforced due to the pandemic.

During the event, the President also had a virtual engagement with military personnel stationed in various locations, including those deployed at the COVID-19 hospital on Galang Island in Riau, those on guard at the outer border of North Natuna waters and those in the peacekeeping forces in the Republic of the Congo in Central Africa.

In his speech, Jokowi further asserted that advanced military technology was needed to equip the armed forces with strategies and tactics to anticipate wars that may erupt at any time in the future.

Govt expedites COVID-19 vaccine development

Koran Tempo, Nasional

The government insists on expediting its COVID-19 vaccination plan despite not a single candidate having passed the clinical trials yet. The Office of the Coordinating Maritime Affairs and Investment Minister has reportedly targeted to vaccinate up to 105 million people starting the end of this year until March next year.

A document obtained by *Tempo* said the government relied on two potential COVID-19 vaccine candidates, namely the Sinovac-Bio Farma vaccine and the Sinopharm vaccine developed by G42 countries.

A source said the document was Coordinating Maritime Affairs and Investment Minister Luhut Pandjaitan's presentation material. "Luhut presented this document during a coordination meeting with governors around two weeks ago," the source said.

The coordinating minister's spokesperson, Jodi Mahardi, confirmed the authenticity of the document. Jodi, however, did not provide details about the vaccination plan.

PKS remains a strong opposition: Newly appointed chairman

Kompas, p.2; *Republika*, p.1

The Prosperous Justice Party (PKS) appointed on Monday Ahmad Syaikhul as its new chairman for the next five years, replacing outgoing M. Sohibul Iman.

The newly appointed chairman affirmed that the PKS would remain a strong opposition party to oversee President Joko "Jokowi" Widodo's administration.

Syaikhul, a lawmaker, also asserted that despite being part of the opposition, the PKS was committed to step in to solve people's problem. "PKS will be part of the solution, not part of the problem," Syaikhul said.

Besides Syaikhul, the PKS also assigned Aboe Bakar Alhabsyi to the party's secretary-general post to replace Mustafa Kamal. Salim Segaf al-Jufri was reappointed to chair the party's highest law-making body, the *majelis syuro* (religious council). Sohibul, who now fills the *majelis syuro* deputy chairman seat, told Syaikhul to continue improving the party's performance. According to Sohibul, it was the party's tradition to appoint a chairman for only one period to ensure regeneration.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Omnibus law on job creation is passed

Bisnis Indonesia, headline; *Kontan*, headline

A new chapter for Indonesia's labor market has begun as the omnibus bill on job creation was passed into law on Monday. The bill contains 15 chapters and 185 articles on the investment ecosystem, the empowerment of micro, small and medium enterprises (MSMEs), labor, research and innovation, ease of doing business, land acquisition, special economic zones, central government investment and national strategic projects, and sanctions. The omnibus law excludes seven articles that were in the draft on the press and education but includes four additional articles on taxation.

The new law is hoped to become a catalyst for the national economic recovery and increase Indonesia's competitiveness. Coordinating Economic Affairs Minister Airlangga Hartanto said the spirit of this omnibus law was to simplify synchronization and reduce barriers to job creation.

However, the omnibus law has also been facing much opposition from laborers and legislators alike. It is feared that the omnibus law will be counterproductive amid the COVID-19-induced economic uncertainty, particularly as the deliberation was rushed and has not accommodated the aspirations of many stakeholders.

"We will be reading the omnibus law as it has been passed into law. We will be conducting a judicial review on the substance to see if there is anything against the 1945 Constitution," said National Federation of Trade Unions (KSPN) chairman Ristadi.

A group of foreign investors with portfolios totaling US\$4.1 trillion, meanwhile, has sent an open letter stating their concerns about the omnibus law's potential adverse effects on the environment.

Tax provisions 'smuggled' into omnibus law

Koran Tempo, headline

There was confusion in the committee working on the job creation omnibus bill on Sept. 22, as most of the legislators were surprised about a suggestion to include tax provisions that were supposed to be part of the omnibus bill on taxation.

Indonesian Democratic Party of Struggle (PDI-P) fraction member Hendrawan Supratikno told *Tempo* on Monday that the Golkar Party faction had suggested some tax provisions from the omnibus bill on taxation to be included in the problem inventory list (DIM). Another source added that other factions had not been prepared to discuss the provisions but agreed to the suggestion on the next day regardless.

Golkar Party fraction member Melchias Marcus Mekeng said Golkar had not initiated the suggestion. He said it had all come from the government. The party agreed to include the tax provisions to make the discussion on the omnibus bill fast and efficient.

Four tax laws are revised by the omnibus law on job creation, namely the 2008 Income Tax (PPh) Law, the 2009 Value-Added Tax (PPN) and Luxury Tax (PPNBM) Law, the General Taxation System (KUP) Law and the Regional Tax and Fees Law.

Omnibus law on job creation to boost economy

Investor Daily, headline

The House of Representatives passed the omnibus bill on job creation into law in a plenary session on Monday. The regulation is expected to boost the economic recovery and transformation necessitated by the Covid-19 pandemic.

Coordinating Economic Minister Airlangga Hartarto said the regulation was an instrument to simplify and improve the bureaucracy. He argued that the biggest challenge for Indonesia in escaping the middle-income trap was to provide job opportunities to utilize the demographic bonus.

Airlangga explained that the job creation bill would also protect workers through the social security schemes for laid-off workers (JKP) without reducing existing benefits, such as accident benefits (JKK), old-age benefits (JHT) and death benefits (JKm). Furthermore, the JKP scheme would provide labor with cash benefits, skill upgrading or reskilling and better job market access.

Meanwhile, businesses expressed appreciation for the move by the government and House to pass the job creation bill into law. Indonesian Chamber of Commerce and Industry (Kadin) chairman Rosan P. Roeslani said he hoped the law would simplify regulations and improve the ease of doing business for micro, small and medium enterprises amid the COVID-19 pandemic.

Govt injects \$1.5b to save Jiwasraya

The Jakarta Post, headline

The government and the House of Representatives have agreed to a Rp 22 trillion (US\$1.49 billion) state capital injection to rescue ailing state-owned insurance company PT Asuransi Jiwasraya.

State-owned insurance holding company PT Bahana Pembangunan Usaha Indonesia (BPUI) president director Robertus Biliteus said on Sunday that the funds would be injected into BPUI in two tranches.

"The government will inject Rp 12 trillion in 2021 and the remaining Rp 10 trillion in 2022, with the funds to be used to form a new state-owned life insurer, namely IFG Life," he said during a virtual press briefing.

All of Jiwasraya's restructured policies would then be transferred to and settled and managed by IFG Life. The policies included Jiwasraya's traditional and JS Saving Plan products, he said.

Big customers to park their funds in banks

Kontan, p. 1

The COVID-19 pandemic has made people more reluctant about spending. Instead, they have been saving their money in banks. According to the Indonesian Deposit Insurance Corporation (LPS) data, savings have reached Rp 6.56 quadrillion (US\$446.60 billion) in August 2020, up 8 percent year-to-date (ytd) and 11.3 percent year-on-year (yoy).

Savings accounts of more than Rp 5 billion have recorded the highest growth at 13.5 percent ytd and 15.2 percent yoy, with the number of accounts increasing by 4.02 percent ytd to 107,020 accounts.

In August alone, total savings from accounts with more than Rp 5 billion were up Rp 143 trillion since July. Whereas in July, they only rose by Rp 31 trillion compared to the month before. This trend might signal the upper class's concerns that the economy will not recover in the short term.

According to Bank BNI consumer director Corina Leyla Karnalies, the upward trend is caused by a change in public behavior amid the uncertainties. The public tends to save more and reduce household spending. Both corporate and individual customers alike have to prepare liquid assets to be used as emergency funds during this uncertain time.

Interestingly, the LPS data also show a 13 percent increase in the number of accounts with a value under Rp 100 million in August 2020. This could mean that some customers are downgraded due to decreasing funds, or there are more new customers due to the distributed financial stimulus.

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