

Monday, Sep. 21th, 2020

GENERAL NEWS AND HEADLINES

Govt works to redefine COVID-19 mortality

Koran Tempo, Berita Utama

The government has been trying to curtail the number of COVID-19 fatalities by narrowing the definition of mortality. Those who die from comorbidity factors instead of purely from COVID-19 infections will not be included in the COVID-19 death tally, according to the Health Ministry's explanation on its official website <https://www.kemkes.go.id/> last Thursday.

"We have to intervene to decrease COVID-19 mortality rate by defining patients' cause of death, whether they die from COVID-19 or other comorbidity factors," the Health Ministry's expert staff member on health economics, Muhammad Subuh, said following his meeting with East Java governor Khofifah Indar Parawansa in Surabaya last Thursday.

National COVID-19 task force spokesperson Wiku Adisasmito said the government had yet to discuss the plan to redefine COVID-19 mortality.

The plan reportedly emerged during a coordination meeting between Coordinating Maritime Affairs and Investment Minister Luhut Binsar Pandjaitan, who has recently been ordered by President Joko "Jokowi" Widodo to curb the number of COVID-19 cases in the nine provinces hit hardest by the outbreak, and regional leaders of the nine provinces, including Khofifah.

Military deployed in coronavirus fight

The Jakarta Post, headline

The government has increased the deployment of police and military personnel in an effort to improve compliance with health protocols as the nation struggles to control the rising number of COVID-19 cases and deaths.

Coordinating Maritime Affairs and Investment Minister Luhut Pandjaitan said the Indonesian Military and the National Police were joining forces to "get people to wear

masks and maintain their distance”, saying that more widespread compliance with health protocols would curb virus transmission.

Luhut is one of a group of officials whom President Joko “Jokowi” Widodo has assigned to bring down the infection rate in nine of the country’s hardest-hit provinces. The other officials include Health Minister Terawan Agus Putranto and National Disaster Mitigation Agency (BNPB) head Doni Monardo, who, like Luhut, are active or retired military personnel.

The military’s expanded role in the government’s COVID-19 response began in August when the President issued Presidential Instruction (Inpres) No. 6/2020, ordering the military to provide support to local leaders by monitoring public compliance with health protocols along with the police.

Jokowi appointed Army chief of staff Gen. Andika Perkasa and National Police deputy chief Comr. Gen. Gatot Eddy Pramono the deputy heads of the COVID-19 handling and national economic recovery committee.

Call to postpone year-end polls mounts

Kompas, headline; *Republika*, headline

Public demand to postpone the 2020 simultaneous regional elections amid the COVID-19 pandemic is mounting again. One of the groups calling for a postponement is Nahdhalatul Ulama (NU), Indonesia’s largest mass Muslim organization.

In a written statement on Sunday, the NU central board (PBNU) urged the General Elections Commission (KPU), the government and the House of Representatives to delay the year-end elections until the health crisis passed.

Likewise, Indonesian Red Cross (PMI) chairman and former vice president Jusuf Kalla said the elections should be postponed at least until a COVID-19 vaccine was discovered, arguing that public health should be the government’s main priority.

KPU, experts seek criminal sanctions for campaign health violations

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

Pressure is mounting for the government to revise the Regional Elections Law through a regulation in lieu of law (Perppu) to enforce strict health protocols during the upcoming simultaneous regional elections.

The General Elections Commission (KPU) and experts have said that candidates should be held criminally liable under the proposed Perppu if they violate health protocols at any stage of the electoral process.

Candidates are currently permitted to hold public campaign events from Sept. 26 to Dec. 5, before voting day on Dec. 9. But epidemiologists and election experts warn that such events may become catalysts for COVID-19 contagion, particularly after prospective candidates were found to have violated health protocols earlier this month.

The KPU has recently been in the spotlight for revising a KPU regulation without making significant changes to measures to prevent virus transmission during elections. The new regulation allows candidates to host physical campaign events that could attract crowds, including concerts, art performances, festivals, competitions, bazaars, blood donation drives and commemorations of party anniversaries.

Following public backlash, KPU commissioner Dewa Raka Sandi said the KPU had no choice but to allow public events, in compliance with the Regional Elections Law.

Djoko Tjandra allegedly prepared \$10m to bribe Supreme Court, AGO officials

Kompas, p.3; *The Jakarta Post*, p.3

Djoko Soegiharto Tjandra, a graft convict and former fugitive in the high-profile Bank Bali corruption case, allegedly planned to bribe officials at the Supreme Court and the Attorney General's Office (AGO) to help him secure an acquittal in the case.

AGO spokesperson Hari Setiyono said the figure was estimated to be around US\$10 million.

"Djoko, along with prosecutor Pinangki Sirna Malasari and NasDem politician Andi Irfan Jaya, agreed to provide \$10 million to be handed to some officials at the Supreme Court and the AGO for securing the acquittal," Hari said on Thursday as quoted by *kompas.com*.

The AGO had previously accused Pinangki of accepting a \$500,000 bribe from Djoko to lobby the Supreme Court to overturn a 2009 verdict that found him guilty of involvement in the 1998 Bank Bali corruption case.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

US, RI sign infrastructure financing deal

The Jakarta Post, p.2

United States Treasury Secretary Steven T. Mnuchin and Indonesian Finance Minister Sri Mulyani Indrawati have signed an agreement to bolster the two countries' cooperation on infrastructure development.

The Cooperation Framework to Strengthen Infrastructure Finance and Market Building, signed by the ministers remotely on Friday, is designed to support infrastructure development through market-oriented, private-sector investment.

Under the new framework, both countries will address regulatory, market and legal barriers to private-sector investment by focusing on the development of financial instruments, project financing, the local debt market and capital markets.

Financial system vulnerable to money laundering

Koran Tempo, business and economic headline

In collaboration with the International Consortium of Investigative Journalists, *Tempo* reveals 496 suspicious financial transactions recorded by the Financial Crimes Enforcement Network (FinCEN), a financial intelligence institution under the United States' Department of the Treasury, from Dec. 22, 2018 to July 3, 2017. The transactions are worth US\$504.6 million (Rp 14,800 per US dollar exchange rate assumption) in total and involved at least 20 banks in Indonesia.

In the record known as the FinCEN files, 111 transactions were done by state-owned Bank Mandiri in a total of \$250.39 million funds sent and \$42.34 million received. State-owned Bank Nasional Indonesia (BNI) also makes the list for sending \$10.2 million to Singapore-based DBS Bank Ltd and receiving \$428,000 from Malaysia-based CIMB Bank Berhad. There were also 19 transactions belong to private lender Bank Central Asia (BCA).

One of the conglomerate entities made this list was Sujito Ng's PT Trimarga Rekatama, a company known as the local representation of Russia's military product exporter Rosoboronexport that sold Sukhoi jets to Indonesia. The company was found to have 14 suspicious transactions worth \$10 million from July 3, 2011 to Jan. 3, 2012.

China finds COVID-19 on package surface from Indonesia, temporarily halts imports

Kompas, business and economy

The General Administration of Customs of the People of Republic of China (GACC) reports that on Sept. 18, they found a COVID-19 contamination on package surfaces that contained fisheries product from PT PI, an exporter from North Sumatera.

The Fish Quarantine and Fishery Quality Control Agency (BKIPM) head Widodo Sumiyanto said that his agency is currently investigating the root cause and the COVID-19 measures implemented by PT PI.

"The Indonesian government will convey the result to the Chinese authority and guarantee that the problem will be solved [as well as ordering] PT PI to take corrective actions," Widodo said.

Wage dilemma in pandemic era

Bisnis Indonesia, headline

The discussion about next year's minimum wage has started to rise as some sectors and household consumption are badly hit by the COVID-19 pandemic. The deliberation process has been started by calculating the basic cost of living (KHL) using the Manpower Ministry Regulation No. 13/2012 on KHL. For the 2021 minimum wage, the government will increase the number of KHL components from 60 to 64.

Workers have demanded to increase the minimum wage for 2021 and deemed that the low economic growth due to the COVID-19 pandemic should not be used as an excuse to not increase the minimum wage. Increasing the minimum wage by at least 8 percent will help them to maintain the household purchasing power that has been affected by the pandemic.

On the other hand, employees are taking the opposite stance and hope that the minimum wage for next year will not be increased. They believe that the decision to increase the minimum wage will be contra-productive with the efforts have been taken for industrial recovery.

Conglomerates' wealth shrinks because of pandemic

Kontan, headline

The COVID-19 pandemic has caused the Jakarta Composite Index (JCI) to lose Rp 1.4 quadrillion in market capitalization. The market cap has declined by 19 percent year-to-date to Rp 5.9 quadrillion on Friday. This trend has also affected conglomerate companies' performance and lead to a decrease in their overall wealth.

Barito Group has recorded the biggest decrease in market cap with 28.16 percent decline. PT Barito Pacific's (BRPT) subsidiary Star Energy saw its quarterly revenue fall by 1.6

percent to US\$ 130 million in the second quarter, while its other subsidiary PT Chandra Asri Petrochemical (TPIA) saw its production fell 5.7 due to the large-scale social restriction (PSBB) and suffered loss due to exchange rate conversion. Investors have been selling their shares on the two companies.

Furthermore, Djarum Group's Bank Central Asia (BBCA) also saw 13.63 percent decrease in its market cap, which brought down the group's overall market cap by 11.18 percent. NH Korindo Sekuritas analyst Arief Machrus said that BBCA is predicted to restructure up to 30 percent of its total loan portfolio which would result in a lower net interest margin.

Developing ecosystem digital transformation in agribusiness

Investor Daily, headline

The government needs to develop a collaborative ecosystem with several stakeholders to boost productivity in agribusiness, which includes crops, plantation, husbandry, forestry, and fisheries. Overall, the agricultural sector recorded 2.19 percent growth year-on-year (yoy) in the second quarter of 2020, when the economy contracted by 5.32 percent.

The agriculture sector gross domestic product (GDP) contribution, which was the second largest contributor sector, reached 15.46 percent or Rp 570 trillion (US\$38.71 billion) of the total GDP of Rp 3.69 quadrillion. The sector also brings the most job in Indonesia, amounting 29.04 percent from the employed population of 131.03 million people as of February 2020.

State-owned agriculture-focused lender BRI Agro president director, Ebeneser Girsang, said that the bank endorsed the digital transformation in agricultural sector to reach more customers and improve ease of access. Ebeneser said that the company had cooperated with fintech company Investree and Fabelio as a loan distribution channel to create a higher multiplier effect for both parties.

Meanwhile, Indonesian Chamber of Commerce and Industry (Kadin) deputy chairman for forestry Imron Zuhri advised a data consolidation in a decentralized practical block chain so data could be kept at each institution while stay interconnected. Imron also reminded the urgency of internet coverage expansion so digitalization could cover more areas and the importance of regulation and payment infrastructure.

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