

**Wednesday, Sep. 23<sup>th</sup>, 2020**

## GENERAL NEWS AND HEADLINES

### Security personnel to tightly control election campaigns

*The Jakarta Post*, p. 1

With rising concerns that political campaigning in the lead-up to the regional elections could become super-spreader events for COVID-19, a senior government official has said that security authorities will crack down on campaign activities found to be in violation of social-distancing rules.

Coordinating Maritime Affairs and Investment Minister Luhut Pandjaitan, who is leading the government's efforts to curb infection rates in nine provinces hardest-hit by COVID-19, said that the National Police, with the help of the Indonesian Military (TNI), could take measures to break up political campaigning and arrest participants who failed to maintain social distancing.

"I have told the National Police chief and head of regional police forces to crack down on [mass gatherings]. I don't want to see an event like the one in Magelang [Central Java] initiated by Gatot and KAMI. That could have an impact [...] that could kill people," Luhut said in an interview shortly before chairing a coordination meeting with the governors of the nine provinces hardest-hit by COVID-19 on Tuesday. Luhut was referring to an event attended by former TNI chief Gatot Nurmantyo, organized by a group of President Joko "Jokowi" Widodo's critics, which took place over the weekend.

The National Police chief Gen. Idham Azis issued a circular on Monday calling for candidates running in the December regional elections to practice social distancing.

### COVID-19 infections may spike amid rainy season

*Koran Tempo*

COVID-19 infections may spike amid the rainy season, especially if floods force people to evacuate from their homes, said Airlangga University epidemiologist Windhu Purnomo. He said it would be difficult to implement health protocols, such as maintaining physical distance, in shelters and evacuation sites.

Windhu also explained that the rainy season may be conducive to the virus' spread as the virus could survive longer when attached to wet and damp objects. Thus, he reminded the public to be more vigilant when touching surfaces.

Moreover, the rainy season is marked by a lack of sunlight – which has been said to increase the body's immunity, causing various groups to recommend sunbathing for 30 minutes in the morning. In spite of that, Windu added that the World Health Organization (WHO) had already clarified that the coronavirus was not affected by the weather.

"During the rainy season, sunlight is covered by the clouds and lowers the possibility of sunbathing. The risks [of contracting the virus] may be higher than in the dry season," he said.

As of Tuesday, Indonesia recorded 4,071 new COVID-19 cases, bringing the country's total tally to 252,923 cases.

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## **KPU regulation revision hastened to ensure health protocols followed during elections**

*Media Indonesia, headline; Republika, p. 3*

Election organizers are committed to ensuring that the 2020 regional head elections, slated for Dec. 9, will be conducted with discipline and high compliance with health protocols. In this regard, the General Elections Commission (KPU) is hastening a revision of the KPU Regulation (PKPU) No. 10/2020.

KPU I Commissioner Dewa Kade Wiarsa Raka Sandi said the PKPU needed to be revised to include sanctions for violators of health protocols.

"Currently, we are still in the drafting process. We have been coordinating since last night to follow up on the results of the meeting at the House of Representatives Commission II," Raka said on Tuesday.

Raka assured that the PKPU would be completed before the campaign period begins, namely Sept. 26.

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## **Family resilience bill deliberations must stop: Komnas HAM**

*Kompas, p. 2*

National Commission on Human Rights (Komnas HAM) member Choirul Anam has called for deliberations of the family resilience bill to be discontinued. The controversial bill was recently submitted by the House of Representatives to the House's Legislative Body (Baleg) on Monday.

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Choirul argued that the state should not be so involved in the private affairs of citizens and that pushing for uniformity would only lead Indonesia to controlled centralism. "Indonesia is strong because each family has been built with their own distinctive features and according to their respective cultures and customs. It is better that we focus on bills related to the public's interests," said Choirul on Tuesday.

National Commission on Violence against Women (Komnas Perempuan) member Dewi Kanti echoed similar sentiments, saying that there were ethical and moral orders that must not be administered in the form of a law. Thus, Dewi encouraged the House to deliberate the sexual violence eradication bill instead.

The family resilience bill was widely debated earlier this year after it was included in the House's 2020 National Legislation Program (Prolegnas) priority list, along with several other problematic bills.

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## **BMKG warns of floods as rainy season arrives**

*The Jakarta Post*, p. 2

The Meteorology, Climatology and Geophysics Agency (BMKG) predicts that the rainy season – which often brings floods – will begin in late October or early November this year, but several regions have already reported torrential rain during the current transition from the dry to the wet season.

The BMKG has warned of possible extreme weather during the transitional period from September and October in some parts of Indonesia, particularly in West Java. It predicts that heavy rain, lightning and thunderstorms are likely in 24 provinces from Sept. 22 to 24 and in 26 provinces from Sept. 26 to 28.

The agency has asked the public to be on alert for possible flooding, flash floods, landslides and whirlwinds that may follow heavy rainfall in the coming days.

On Monday, several parts of Jakarta were inundated following heavy rainfall in the capital and its upstream regions, which saw the Katulampa sluice gate in Bogor, West Java, issue its highest warning level.

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## BUSINESS AND ECONOMICS NEWS AND HEADLINES

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### Govt bonds in high demand as recession looms

*Kontan*, headline

Assets that provide a stable yield have become the target of investors as a recession looms. Government bond SR013 is one of the hot items in the market right now with a total demand nearing Rp 25 trillion, far higher than the government's initial Rp 5 trillion target. This demand also far exceeded the total demand for ORI017 that was launched in July and gathered Rp 18.334 trillion.

According to Finance Minister Sri Mulyani, Indonesia's economy is predicted to see a 2.8 to 1 percent contraction in the third quarter. For 2020, it is predicted that the economy will contract 0.6 percent to 1.7 percent. Moreover, due to the projected low inflation rate, investors might gain a higher real interest of up to 5 percent as the SR013 offers a 6.05 percent return.

Banks are also optimistic that sales of SR013 will skyrocket as it reaches the last offering day today. Maybank Indonesia and Bank Negara Indonesia (BNI) have increased their target for SR013. "We are optimistic [that we] can reach Rp 1 trillion in sales by the closing time," said Maybank Indonesia global market and corporate treasury head I Made Budhi Purnama Artha.

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### Boosting the engine of the economy

*Bisnis Indonesia*, headline

The government has been challenged to optimize the implementation of its economic recovery policies. Taking steps to evaluate the effectiveness of fiscal stimulus, widening the scope of social aid, capturing investment opportunities and managing exports are crucial to support the slowing engine of the economy. In addition, swift management of the COVID-19 pandemic remains crucial.

The growth projection for 2020 has been reduced to minus 1.7 percent to 0.6 percent, lower than the previous minus 1.1 percent to 0.2 percent projection. Thus, the government will need a huge jump to achieve the 4.5 to 5.5 percent economic growth target in 2021.

Currently, the government is still relying on public spending to accelerate economic recovery through the national economic recovery (PEN) program. Unfortunately, the budget absorption for this program has not been optimal. From the Rp 695.2 trillion budget, the budget realization has only reached Rp 254.4 trillion or 36.59 percent. The

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government aims for the budget to be 100 percent absorbed by the end of the year and to spur better economic performance next year.

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## **OJK asks insurance companies to fix management**

*Investor Daily*, headline

The Financial Services Authority (OJK) has asked insurance companies to mend their management so they can make a greater contribution to the national economy. Insurance businesses are currently under OJK supervision and scrutiny, including their investment management which has received special attention so companies can achieve better results and fulfil their liabilities.

OJK director of supervision for insurance and healthcare and social security agency BPJS Kesehatan Supriyono explained that as of July 2020, the insurance industry had continued to book a drop in performance, with commercial insurance assets falling Rp 17.2 trillion (US\$1.165 billion), or minus 2.2 percent year on year (yoy). Meanwhile, investment dropped 3.9 percent to Rp 21.9 trillion, commercial insurance premiums decreased 4.5 percent, or Rp 7.3 trillion, but insurance claims grew instead by 3.8 percent or Rp 4.3 trillion.

OJK has relaxed some regulations for insurance companies, including allowing them to sell investment-related insurance products online and relaxing their government bond assets valuation to help boost their asset evaluation.

Meanwhile, Financial Planning Standards Boards Indonesia (FPSBI) chairman Tri Joko advised insurance companies to be more prudent in mitigating their default risks. He suggested that insurance companies take a more conservative approach toward their investments by reducing the stocks and mutual funds in their portfolio and switching to safer instruments like government bonds, deposits and other conservative instruments.

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## **GDP to contract for first time since 1998**

*The Jakarta Post*, headline

Indonesia's annual gross domestic product (GDP) is set to contract for the first time since the 1998 Asian financial crisis as the government struggles to control the COVID-19 pandemic and contain its economic fallout.

Finance Minister Sri Mulyani Indrawati said the government had revised its gross domestic product (GDP) outlook down to an annual contraction of between 0.6 percent and 1.7 percent as the uncertainty surrounding the pandemic had taken a significant toll on consumption and business investment. The country's economy shrank by 13.13 percent in 1998 before rebounding to 0.79 percent growth the next year.

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“Several indicators of economic activity show that the economic recovery is still at a very early stage and remains very fragile,” Sri Mulyani told reporters during a virtual press conference on Tuesday. “We will continue to use the state budget to minimize the fallout of the pandemic, but it must be coupled with recovery in consumption and investment for the economy to fully recover.”

The government expects consumption, which accounts for more than half of the nation’s GDP, to remain weak and to contract by between 1 percent and 2.1 percent. It expects investment to contract by between 4.4 percent and 5.6 percent as demand and economic activity remain cool. Indonesia’s exports are expected to contract by between 5.5 percent and 9 percent and imports by between 11.7 percent and 17.2 percent amid slowing global trade.

Government spending will be the only component of GDP to grow this year – between 0.6 percent and 4.8 percent – as the government ramps up spending to provide economic relief, Sri Mulyani added.

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## **Govt to revoke licenses of 14 lobster seed exporters**

*Kompas*, Economy and Business page

The Maritime Affairs and Fisheries Ministry will revoke the export licenses of 14 lobster seed exporters for falsifying data of their exports, following random checks by the customs office at Soekarno-Hatta International Airport.

The customs office found that the 14 companies planned to export 2.7 million lobster seeds, while in their documents, they only declared 1.5 million lobster seeds.

Following the finding, House of Representatives Commission IV on agriculture, environment, forestry and maritime affairs recommended the government revoke their licenses. Responding to the recommendation, the ministry’s acting director general for capture fishery Muhammad Zaini said his office would follow the recommendation and revoke their licenses.

Legislators from the National Mandate Party (PAN) and the National Awakening Party (PKB) called on the government to review the lifting of the lobster seed export ban, which has put local breeders on the losing end.

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