

Tuesday, Sep. 29th, 2020

GENERAL NEWS AND HEADLINES

Govt to draft COVID-19 vaccination plan

Kompas, headline; Republika, headline; Media Indonesia, p.2; The Jakarta Post, p.3

President Joko "Jokowi" Widodo has ordered the national COVID-19 and economic recovery committee to come up with a final plan for nationwide coronavirus vaccination within the next two weeks. The plan, according to the President, should comprise vaccination commencement date and location as well as who will perform the vaccinations and who will be vaccinated.

Jokowi also asserted the importance of creating a comprehensive plan as soon as possible. "So that whenever a vaccine is ready, we can directly carry out [vaccination] on the field," he said.

Indonesia is in the process of clinical trials for a potential coronavirus vaccine developed by Chinese biopharmaceutical company Sinovac Biotech in partnership with its Indonesian state-owned peer Bio Farma.

Foreign Minister Retno LP Marsudi said Monday that the Food and Drug Monitoring Agency (BPOM) was set to visit the facility of Sinovac in Beijing to assure the quality of the vaccine.

Jokowi demands standardized virus treatment

The Jakarta Post, p.3

As the country races against time in its fight against the COVID-19 pandemic, President Joko "Jokowi" Widodo has asked hospitals assigned to treat patients infected with the virus to apply standardized procedures to ensure an optimal recovery rate.

“I received a report last night from the deputy head [of the national COVID-19 recovery committee] and the health minister [Terawan Agus Putranto] mandating that the treatment meet the ministry’s standards,” Jokowi said in a virtual meeting with members of the national COVID -19 and economic recovery committee on Monday.

He said that uniform treatment of COVID-19 patients would be mandatory in intensive care units, isolation wards and quarantine facilities.

The President said the move would help turn the tables in the country’s favor as it fought mounting COVID-19 cases.

Indonesia’s COVID-19 mortality rate had declined to 3.77 percent as of last month, Jokowi said. However, he noted that it still hovered above the global fatality rate of 3.01 percent.

As of Monday, Indonesia had recorded 278,722 total COVID-19 cases, with 10,473 fatalities.

Labor provisions included in jobs bill

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

The government and the House of Representatives Legislation Body (Baleg) have agreed to a number of points in the labor cluster of the jobs creation omnibus bill. “We have concluded [the deliberation on] severance pay, minimum wages and job losses,” Baleg member Firman Soebagyo said on Monday.

Firman admitted that all factions within Baleg had agreed to all of the said points in accordance to input from related stakeholders, including labor groups and businesspeople.

Previously, four political party factions at the House, namely the Democratic Party, the NasDem Party, the Prosperous Justice Party (PKS) and the National Mandate Party (PAN), called for the removal of the labor provision from the jobs bill amid mounting outcry.

KPK’s collective, collegial leadership principle diminished

Koran Tempo, Berita Utama

The dominance of Corruption Eradication Commission (KPK) chairman Firli Bahuri in the antigraft body's policy-making process has reportedly undermined the collective collegial principle upheld by the commission, as evident in the arrest of Dwi Achmad Noor, the head of staffing at Jakarta National University (UNJ), for his alleged involvement in a bribery case.

KPK law enforcement deputy team arrested Dwi on May 20, as instructed by Firli. A source from the law enforcement team, however, said Firli's decision to arrest Dwi was made without first consulting the other four KPK leaders.

KPK deputy chairman Alexander Marwatta denied the statement. Alexander said he was informed about the plan to arrest Dwi on the KPK leaders' WhatsApp group. Alexander, however, did not answer when asked if the other four KPK leaders approved Firli's decision.

Based on the KPK Law, all decisions made by the commission's leaders must be based on the collective and collegial principle. Former KPK advisor Budi Santoso said that dominance of one particular party/individual in the antigraft body's decision-making indicated the absence of collective and collegial principle. "It will be prone to abuse of power," Budi told *Tempo* on Monday.

Indonesia hits back at Vanuatu at UNGA

The Jakarta Post, p.2

Indonesia has again sent a junior diplomat to defend its national interests in protecting its easternmost provinces at the United Nations General Assembly, where the small island nation of Vanuatu has renewed its call to investigate alleged human rights violations in Papua.

In a prerecorded statement at the General Assembly over the weekend, Vanuatu Prime Minister Bob Loughman said there was a "selective approach" in addressing human rights violations in the region, claiming that the people of West Papua continued to suffer from human rights abuses.

In exercising Indonesia's first right of reply to Loughman's speech on Saturday, second secretary at the Indonesian mission to the UN, Silvany Austin Pasaribu, accused Vanuatu of having an "excessive and unhealthy obsession" about how Indonesia should govern itself.

Citing the UN Charter, Silwany said that countries must respect the principles of noninterference in the domestic affairs of other countries and respect their sovereignty and territorial integrity.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

COVID-19 hits already struggling power firm

The Jakarta Post, headline

The COVID-19 pandemic has hit state-owned electricity giant PLN like a brick, adding to its problems over the past five years that have eroded the company's finances.

PLN saw key debts and expenses swell between 2015 and 2019 due to President Joko "Jokowi" Widodo's massive 35 gigawatts (GW) power plant construction plan. As a result, the company has become dependent on government support, including from the state budget, to keep going.

PLN's bank and bond debts doubled during 2015 to 2019 to nearly Rp 400 trillion (US\$26.75 billion) in developing the new plants, the company's financial reports show.

The COVID-19 pandemic adds to PLN's financial woes. The electricity company saw its first half profit nosedive 96 percent year-on-year (yoy), yet it has been ordered to fork out \$1 billion in electricity relief schemes, especially for Indonesia's poorest homes.

Meanwhile, the government, cash-strapped itself, has promised to compensate PLN but disbursement has been snail paced. In June 2020, the government still owed PLN \$3 billion for electricity subsidies incurred between 2018 and 2019.

BI quantitative easing may continue to 2021

Investor Daily, headline

Bank Indonesia (BI) has disbursed Rp 662.1 trillion (US\$44.48 billion) of quantitative easing (QE) year to date and the policy may continue to 2021. The injection to the bank and money market aims to boost the national economic recovery impacted by the COVID-19 pandemic.

BI governor Perry Warjiyo said that the central bank has injected liquidity to banks and the money market since the beginning of 2020 by purchasing the government bond (SBN) purchasing from the secondary market and term repurchase agreement (repo) mechanism, as well as by decreasing banks' reserve requirements.

Perry explained that BI has disbursed Rp 419.9 trillion of stimulus from January to April 2020 and Rp 242.2 trillion from May to mid-September 2020 for the quantitative easing which includes SBN purchasing from the secondary market, FX swap, and reserve requirement decrease.

To date, the reserve requirement has dropped to 3.5 percent from 6.5 percent in the normal condition, not to mention that BI has relaxed the loan to value ratio (LTV) regulation as well to boost the economic growth.

Furthermore, Perry said that the central bank's role to purchase the government bond through private placement to finance the public goods may continue until next year, carrying over the mechanism stipulated in the joint ministerial decree (SKB) that has only regulated the mechanism only for this year. In addition, BI also agrees to finance non-public goods from micro, small, and medium enterprises (MSME) financing worth Rp 177.03 trillion, of which Rp 44.38 trillion have been realized as of September 17.

Big hopes for vaccines

Bisnis Indonesia, headline

President Joko "Jokowi" Widodo has given an instruction to finish the roadmap for mass vaccination in the next two weeks. The roadmap will detail the timeline for vaccination, area mapping, coordinator, and also who will first receive the vaccines.

As a part of the roadmap, ministries are currently forming a Dashboard Tracing Vaccine (DTV) program which will manage the data from the Health Care and Social Security Agency (BPJS Kesehatan) and identity numbers to improve tracing on who should be prioritized.

Besides, some companies including state-owned pharmaceutical company PT Bio Farma as well as publicly listed PT Kimia Farma and PT Kalbe Farma are collaborating with global companies to finish the clinical trial before entering the production phase.

According to Bio Farma, 340 million doses of vaccines will be needed to achieve herd immunity. Bio Farma's partner, China-based Sinovac Biotech Ltd, will supply 20 million doses of bulk vaccines from November to December 2020. The supply will be increased until it reaches 210 million doses by the end of next year. It is hoped that this supply could meet the mass vaccination target to start in the first quarter of 2021.

Optimism on the COVID-19 vaccines brings a breath of fresh air for businesses. A successful vaccine distribution is hoped to bring back the market's confidence and boost national economic recovery.

Half-hearted promise of omnibus bill

Kontan, headline

The omnibus bill on job creation is targeted to be done by next month. Despite that, some important provisions on de-bureaucratization, licensing, and labor are still under reconsideration and could potentially be dropped.

The plan to centralize all investment licensing and regulations, for instance, has yet to be incorporated in the draft. Similarly, the labor provision also ends up looking a lot like Labor Law No. 13/2003.

It seems that the bill has been rushed and could not solve the barriers in investment. Indef economist Bhima Yudhistira is concerned that the half-hearted bill may not be able to boost foreign direct investment.

However, the government is still optimistic that the omnibus bill will provide ease of investments and has targeted that the supporting regulations will be released a month after the bill is finalized. The optimism is resonated by the Indonesian Employers Association (Apindo) deputy Bob Azam, who hopes that the omnibus bill could improve the investment climate in Indonesia.

Airports waiting for umrah protocols

Koran Tempo, business and economic headline

Airports are ready to resume umrah (minor haj) embarkment, now waiting for health protocols from Saudi Arabia. State-owned airport operator PT Angkasa Pura II (AP II) corporate secretary Yado Yarismano said the airport facilities are ready to resume operation to accommodate flights once the current health

protocols have been adjusted with the guideline issued by the Middle Eastern country.

However, Haj and Umrah Organizer Union chairman Syam Resfiadi said his members have not opened registration for umrah despite news about Saudi Arabia's pilgrimage reopening. The union doubts that Indonesia would be one of the countries allowed to send pilgrims considering the COVID-19 infection rate in the country is still high.

Based on the information he received, Syam said Indonesia would not be allowed to send pilgrims at least until January 2021. Saudi Arabia would give announcement 30 days sooner should they finally be allowed to send pilgrimages.

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