

Tuesday, Sep. 8th, 2020

GENERAL NEWS AND HEADLINES

Focus on mitigating the pandemic: President Jokowi

Republika, p.1

President Joko "Jokowi" Widodo has instructed his aides to focus on and prioritize COVID-19 mitigation as the number of cases continues to soar. The President has also asserted that COVID-19 mitigation is a key in recovering the economy, which has been battered by the pandemic.

"Our number one focus is [public] health and COVID-19 mitigation," he said during a meeting with his Cabinet members on Monday. "Good health will lead to a good economy," he added.

Furthermore, President Jokowi specifically called on Health Minister Terawan Agus Putranto to formulate a comprehensive COVID-19 testing plan so that every region across the country could gain equal access to testing.

Nation mourns lost medical workers

The Jakarta Post, headline

The COVID-19 pandemic has forced death to the forefront of the country's consciousness. Virus statistics creep ever upward on screens, stoking debate and a blame game for some and causing stigma for others. But it is grief — including for the bereaved families and friends of medical workers — that stings the most.

According to the Indonesian Medical Association (IDI), 107 doctors had died of COVID-19 as of Monday, alongside eight dentists and 70 nurses as of early September. Thousands more are thought to have caught the virus. The disease is not just hitting older doctors but also ones who were just beginning their careers with a lifetime of dreams.

Medical specialists, too, have died of the virus, raising concerns that the country is losing not only precious lives but decades of valuable medical knowledge, which could impede the training of Indonesia's future doctors. Even doctors in their residencies have had to face the risks of the disease. At least two final-year residents have died of the virus.

Indonesia, with some 271 million people, has 0.13 specialist doctors per 1,000 people, fewer than half the government's target of 0.28 per 1,000 people as part of its health reform program, according to National Development Planning Agency (Bappenas) data cited by the IDI. The figure for general practitioners is 0.52 per 1,000 people, fewer than half the ideal target of 1.12.

RI to only use effective, clinically proven vaccine

Media Indonesia, p.2

Indonesia will only use clinically tested and effective COVID-19 vaccines, National COVID-19 task force spokesman Wiku Adisasmito asserted on Monday. The assertion came after the World Health Organization (WHO) stated that it would not promote COVID-19 vaccines that had yet to be proven safe.

Likewise, Research and Technology Minister Bambang Brodjonegoro said he concurred with the WHO's statement, stressing that a vaccine must pass all phase of clinical trials before widespread use.

Indonesia, led by Eijkman Institute for Molecular Biology, is currently developing its own potential COVID-19 vaccine. Besides the home-grown vaccine, Indonesia, through the partnership between state pharmaceutical holding company PT Bio Farma and China's Sinovac Biotech, is also conducting the phase 3 clinical trials of a potential COVID-19 vaccine, which is predicted to be mass produced in early 2021.

On a separate occasion, National Economic Recovery and COVID-19 Response Team chairperson and Coordinating Economic Minister Airlangga Hartarto said the government had prepared a budget of Rp 3.8 trillion for vaccine procurement.

Home Ministry threatens to postpone new regional leaders' inauguration

Republika, headline; Media Indonesia, headline; Kompas, headline

As health protocol violations are getting more rampant nearing the year-end regional elections, the Home Ministry is mulling over the option to postpone the inauguration of elected regional heads who violate health protocols, the Ministry's regional autonomy director general, Akmal Malik, said.

"They [regional heads who violate health protocols] would be schooled for three to six months," Akmal added, referring to the ministry's Human Resources Development and Education Department (BPSDM).

Akmal further said that his party had been coordinating with the General Elections Committee (KPU) and the Elections Supervisory Agency (Bawaslu) in regard to the

implementation of COVID-19 health protocols during the preparatory stages of regional elections.

Home Minister Tito Karnavian has so far reprimanded 51 incumbent candidates who violated health protocols by gathering their supporters in large numbers.

The KPU reported on Monday that there were 46 regional electoral candidates in 17 provinces who had been tested positive for COVID-19. Furthermore, a number of poll officials stationed across the country have also been infected by the disease. For example, as many as 96 ad hoc poll officials in 18 subdistricts in Boyolali, Central Java, have been tested positive for the disease.

One political dynasty makes way for another as Kediri prepares to vote

The Jakarta Post, p.1

The road to the top administrator's seat in Kediri regency, East Java, looks to be clear for Hanindhito Himawan Pramana, the son of Indonesian Democratic Party of Struggle (PDI-P) politician and Cabinet Secretary Pramono Anung.

He has managed to secure a key vote from local figure Sutrisno, who, as husband of the incumbent Kediri Regent Haryanti and a former regent himself, vowed to end his opposition to the 28-yearold in the upcoming regional elections scheduled for December.

Hanindhito, whose father is a Kediri native, previously bagged a recommendation from the PDIP's central executive board to run for regent there, before going on to secure the support of eight other political parties that won legislative seats in the 2019 election.

As the sole contestants, all of the parties have thrown their support behind the Hanindhito-Dewi ticket. And if the General Elections Commission's (KPU) extension of the registration period sees no independent candidate sign up to challenge them, they may well run against a blank box on the ballot paper.

Taufiq Chavifudin, head of the United Development Party's (PPP) Kediri branch, expressed disappointment over the process that has allowed Hanindhito Dewi to run uncontested in the upcoming Kediri election.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

PEN leading programs to continue in 2021

Investor Daily, headline

The government ensures the continuation of several national economic recovery plan (PEN) priority programs in 2021. The programs, such as the wage subsidy and cash transfer aid, help maintain the people's purchasing power during the COVID-19 pandemic. Businesses welcome the decision positively.

Coordinating Economic Minister Airlangga Hartarto, in a press conference after the plenary Cabinet Meeting on Sept. 7, said the presidential aid (Banpres) for productive micro business (BPUM) and wage subsidy would continue until the first quarter of 2021. The Family Hope Program (PKH) and staple food (sembako) aid program will also continue next year. Furthermore, the COVID-19 vaccine procurement will be prioritized next year.

Finance Minister Sri Mulyani said the government would prepare a flexible budget allocation depending on the situation next year. In the meantime, the 2021 draft state budget (RAPBN) allocates a 5.5 percent budget deficit at Rp 971.2 trillion (US\$65.72 billion). Rp 356.5 trillion is allocated for PEN programs, lower than the 2020 PEN program budget of Rp 695.2 trillion.

The Indonesian Chamber of Commerce and Industry (Kadin) deputy chairwoman Shinta W. Kamdani welcomes the government's decision to continue the PEN programs positively. She projected the national economy to recover from the COVID-19 impacts gradually in the next one to two years.

Govt half-heartedly relaxes BP Jamsostek

Kontan, headline

President Joko "Jokowi" Widodo has issued a new Government Regulation (PP) No. 49/2020 on Fee Adjustment for Workers Social Security Agency (BP Jamsostek) during the COVID-19 pandemic. The new regulation will enter into force from September 1, 2020 to January 2021 and includes two kinds of payment relaxation.

First, the regulation gives deadline leniency for working accident protection (JKK), death protection (JKM), old age protection (JHT), and pension protection (JP) premium payments. Second, it also postpones the payment for 99 percent of JKK, JKM, and JP premiums for six months.

This relaxation is expected to increase public spending as companies will have more cash flow available and workers will have more allowance to spend. However, the new regulation is shrouded in controversy as the remaining balance would have to be paid after the relaxation period is over.

The Indonesian Chamber of Commerce and Industry deputy chairwoman Shinta W. Kamdani said that the new regulation is welcomed as it could relieve some costs for employers amid the pandemic. Businesses can also have some rooms for expansion as expenses decrease.

However, the Indonesian Hotels and Restaurants Association (PHRI) chairman Hariyadi Sukamdani thinks that the new regulation will not bring significant changes as employers are not relieved from the monthly payment obligation.

Big banks heading for low interest rate

Bisnis Indonesia, headline

The trend for low-interest rate is becoming apparent in some large banks as Bank Indonesia's benchmark interest rate and the Deposit Insurance Agency (LPS) deposit insurance rate are being lowered. Lowering the interest rate is hoped to decrease the cost of fund for banks that have been under pressure due to the low loan quality and low margin during the COVID-19 pandemic.

Some banks in the BUKU IV category, those with core capital of over Rp 30 trillion (US\$2.03 billion), such as state-owned PT Bank Mandiri and PT Bank Negara Indonesia as well as private lender PT Bank Central Asia, are slashing their interest rate to 3.5 percent.

However, the banks need to be cautious as the low-interest rate might lead investors to shift their portfolio to other investment alternatives that could yield higher returns. Gold and government bonds, for instance, offer around 5 percent investment return.

Nevertheless, banks remain confident as there has been a steady growth in third-party funds (DPK) amid the low loan distribution. This means that banks will have enough liquidity to sustain for a long time amid the low interest rate.

Foreign investor sell-off likely to continue to year-end

The Jakarta Post, p.1

The Indonesian stock market is likely to endure a selling spree by foreign investors until year-end as the global economic and political situations remain unfavorable for the country's assets amid the prolonged COVID-19 pandemic, analysts have said.

Foreign investors at the Indonesia Stock Exchange (IDX) sold almost Rp 32 trillion (US\$2.16 billion) of stocks more than they bought as of Monday. In comparison, the local bourse managed to book foreign net buys of Rp 49.19 trillion last year and Rp 50.75 trillion in net selling in 2018, IDX data shows.

Fears over the coronavirus outbreak's economic impact rattled global stock markets, including that of Indonesia, in March and April as investors dumped risky assets and turned to safe-haven assets, such as gold and the United States dollar. The capital outflows weakened the rupiah's value against the greenback.

The Jakarta Composite Index (JCI), the IDX main gauge, has lost almost 17 percent of its value so far this year as it slipped 0.18 percent to 5,230 on Monday. It fell to its lowest point on March 24 to 3,937.63 due to the virus fear and since then, the index has gained around 32 percent, rally analysts say was backed by domestic retail investors.

KPK requests evidence of improvement in preemployment card program

Kompas, business and economic headline

After evaluating the program for one month, the Corruption Eradication Commission (KPK) requests evidence of improvement in the preemployment card program. The government has improved the program on paper by revising regulations that serve as its legal basis. However, the program still needs improvements in its implementation.

KPK has recommended 7 points to improve in the preemployment card program, which include participant registration and selection process, partnership with digital platform and learning institutions and online learning management that is free from conflict of interest.

Several points have been accommodated by revisions to the Presidential Regulation (PerPres) No. 76/2020 and Coordinating Economic Ministerial Regulation (Permenko) No. 11/2020. The program was in hiatus for two months while waiting for the legal revision.

However, there are more things to be done. KPK has requested the government to curate the learning programs offered by their partners by involving competent parties and writing down technical guideline (juknis).

According to KPK, there are around 250 learning programs provided by digital platforms that are indicated with conflict of interest for having double role as learning program provider. Furthermore, 89 percent of the learning program samples that have been reviewed can be found in the internet for free. There are also programs that charge much higher price compared to its quality.

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