

Tuesday, Sept. 1st, 2020

GENERAL NEWS AND HEADLINES

Health care in critical condition, govt asked to pull 'emergency brake'

Kompas, headline; Republika, headline; Koran Tempo, Berita Utama; The Jakarta Post, p.2

At least 102 doctors have died from COVID-19 as the number of cases and fatalities in the country continues to mount, the Indonesian Medical Association (IDI) announced on Monday in a written statement.

IDI's COVID-19 task force chairman, Zubairi, said amid the continued increase of new cases, referral hospitals and medical workers were overwhelmed and in critical condition.

"The situation is getting worse. We are asking the government to pull the emergency brake. It is time to tighten social restrictions," Zubairi said.

The Health Ministry announced 2,743 new confirmed COVID-19 cases on Monday, bringing the total number of infections nationwide to 174,796. According to data released by the ministry on Monday, 74 more people died from the disease, bringing the death toll to 7,417.

The country, however, saw a decrease in the number of new confirmed cases. But with around 2.2 million specimens, Indonesia's testing rate is still relatively low. Furthermore, based on the number of people tested, Indonesia's positivity rate is considered high at 13 percent.

Poll body urged to apply strict COVID-19 health protocols

Kompas, p.2; Republika, p.3

General Elections Commission (KPU) offices in 270 regions slated to hold elections on Dec. 9 are urged to implement stringent COVID-19 health protocols during the preliminary stages of the elections. The poll body is scheduled to open registration for regional head candidates from Sept. 4 to 6.

Elections Supervisory Agency (Bawaslu) member M. Afifuddin said on Monday that the registration would possibly gather a lot of supporters of candidates. Afifuddin, therefore, urged the KPU to implement strict health protocols.

The Indonesian Medical Association (IDI) has also conveyed a number of recommendations in regard to holding elections amid the pandemic. The IDI, for example, has recommended that the poll body limit the working hours of poll officials to ensure their health and immunity, especially considering that the 2019 elections had seen at least 500 poll officials die from exhaustion.

KPU drafts online campaign rules for December polls

The Jakarta Post, p.1

The General Elections Commission (KPU) is working on a set of provisions to regulate how candidates are permitted to campaign online ahead of the December regional elections.

The concurrent elections, which will elect 270 regional heads, are scheduled for Dec. 9, despite an earlier plan to delay them because of the COVID-19 pandemic.

The poll body previously urged candidates to stage online campaigns on social media and through video conferences instead of hosting rallies to avoid creating crowds that could potentially become a source of virus transmissions.

KPU commissioner I Dewa Kade Wiarsa Raka Sandi said the commission was in the process of arranging the guidelines, which will be laid out in an upcoming KPU regulation (PKPU). The campaign period is slated to run for 71 days starting on Sept. 26.

Dewa said the sticking points currently under discussion included the types of social media posts and content that could be classified as campaign material. The KPU is also working to determine a list of situations in which candidates will be obliged to hold teleconferencing events instead of campaign rallies.

House, govt agree on Constitutional Court Law revision amid outcry

Kompas, p.2; Media Indonesia, p.4

The House of Representatives and the government are pressing ahead with a plan to revise the Constitutional Court Law despite mounting concerns over alleged conflict of interests in the draft revision as well as its hasty deliberation.

The draft revision stipulates that court justices will have their tenure extended by 15 years and thus will keep their position until they are 70 years old.

Furthermore, the draft bill also revises the terms of office for chief justice, deputy chief justice and justices to five years from the previous 2.5 years.

BPS starts door-to-door census despite pandemic

The Jakarta Post, headline

Statistics Indonesia (BPS) will carry out the 10-year national population census in person in September, despite the ongoing COVID-19 crisis.

The BPS is scheduled to commence its door-to-door efforts on Tuesday, when census takers will visit homes to conduct interviews or provide questionnaires, according to the agency's head Suhariyanto during the kick-off ceremony on Monday.

The effort will complement the online census that the BPS held earlier between February and May this year.

The census takers will follow strict healthcare guidelines including wearing face masks and face shields when interviewing households, Suhariyanto went on to say.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Law revision to curb BI's independency

Kontan, headline

The planned revision of Law No. 6/2009 on Bank Indonesia (BI) is feared to undermine BI's independence. The House of Representative's Legislation Body (Baleg) is formulating the draft for this revision. If it goes through, this will be the third time this law has been revised since 1999.

Generally, there are two main points in this planned revision. First, BI's function will be shifted to that of a banking authority, exercising the regulatory and monitoring functions currently held by the Financial Services Authority (OJK) from December 31, 2023.

Second, BI's independence in managing monetary policy will be curbed and handed over to the monetary council in a fashion similar to the pre-1997-1998 monetary crisis. The finance minister will lead the council and the OJK's head will also join the council alongside BI.

The revision of BI Law is initiated by the House and is a part of the 2020 National Legislation Program. The deliberation of the revision coincides with the government's plan to issue a new regulation lieu of law (Perppu) on financial sector stability, which has been controversial within Baleg.

The revision could disharmonize the monetary and financial system monitoring that has been built by the OJK, argued a Baleg member from the National Mandate Party (PAN), Ali Tahir. "I am surprised. The OJK has flown high and suddenly it is being shut down," Ali said. Meanwhile, another Baleg member from the Prosperous Justice Party (PKS), Anies Byarwati, suggests the formation of a working committee to discuss crucial points in this revision.

Regional bank loans keep growing amid pandemic

Bisnis Indonesia, headline

Regional development banks (BPD) have recorded good performance despite the slump faced by the banking industry. The BPD loan growth was recorded at 8.23 percent year-on-year (yoy) per July, far above the banking industry loan growth of 1.53 percent. This gap has widened as loan growth in the banking industry plummeted since the COVID-19 pandemic started to affect Indonesia's economy in April.

The growth of BPD loan signals that the circulation of money at the regional level is still high. Government spending in several regions also showed positive growth in the first half despite corrections in the second half. The BPD portfolio is dominated by low-risk employee loans, which helps maintain performance.

The opportunity to boost loan distribution also increases as the government allocates Rp 11.2 trillion (US\$772.6 million) to seven BPDs. Sluggish spending loans due to the pandemic is predicted to recover by the third quarter of 2020, as long as there is a swift budget distribution by both local and central governments.

Development projects to boost infrastructure, construction stock performance

Investor Daily, headline

A number of positive sentiments from the acceleration of infrastructure project development are predicted to improve construction and infrastructure company stock performance.

The government has decided to accelerate some strategic infrastructure projects worth Rp 975 trillion (US\$67.26 billion) to dampen the deeper contraction in the third quarter of 2020.

Bina Marga director general Hedy Rahadian said economic growth in the third quarter of 2020 had been estimated at 0 percent to minus 2 percent. Therefore, the government needs to offset the contraction by creating a multiplier effect from infrastructure projects.

The infrastructure projects include the trans-Java toll road network, such as the 172.9 kilometer Probolinggo-Banyuwangi (Probowangi) section worth Rp 23.39 trillion and the Cileunyi-Sumedang-Dawuan (Cisumdawu) section worth Rp 8.41 trillion.

Furthermore, the Public Work and Housing Ministry has opened bidding on 12 new toll road sections totaling 668.6 km, is continuing five dam developments, supports industrial area developments in Batang and Subang, as well as supports food estate development in Central Kalimantan and North Sumatra.

Semen Indonesia expects higher decline in cement demand

The Jakarta Post, p.5

State-owned cement producer PT Semen Indonesia expects domestic cement demand to contract by 13 to 15 percent this year.

The company's marketing and supply chain director, Adi Munandir, said on Wednesday that the projection was based on the delay in private construction projects and the government's infrastructure development as a result of the COVID-19 crisis.

"This has caused cement demand to contract by 8.8 percent in July, and we expect this slump will continue until the end of the year," he said during a virtual press briefing.

Indonesia Cement Association (ASI) data show that nationwide cement demand fell to 12.52 million tons in the period of April to June, down from 13.75 million tons in the same period last year.

Cement sales in the first half of the year have dipped 7.72 percent year-on-year (yoy) nationwide to 27.1 million tons, according to the association's data.

BP Jamsostek extends subsidy recipient registration period

Kompas, business and economic headline

BP Jamsostek, previously known as the Workers Social Security Agency (BPJS Ketenagakerjaan), has extended the registration period for wage subsidy recipient program until Sept. 15. Companies are expected to register their workers who meet the program's criteria.

BP Jamsostek on Monday has collected 14 million account holders whose wages were below Rp 5 million (US\$344.94) to receive a wage subsidy from the targeted 15.7 million accounts. The registration period is extended so more workers are able to claim the subsidy.

BP Jamsostek spokesperson Irvansyah Utoh Banja said 11.3 million of the registered account holders had been validated, while the rest were under review. The wage subsidy program realization on Aug. 28 had reached 7.9 percent out of the total Rp 37.9 trillion budget. The subsidy program that targets employed workers registered in BP Jamsostek has its budget allocated from the additional buffer funds for ministries and institutions in the national economic recovery (PEN) program.

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