

Friday, Sept. 11th, 2020

GENERAL NEWS AND HEADLINES

Jakarta aims to prevent health care collapse

The Jakarta Post, Headline

The healthcare system in Jakarta is on the brink of collapse as medical workers are dying and hospitals have reported "alarming" shortages of beds needed to treat COVID-19 patients, prompting Jakarta to once again partially close down the city.

With the worsening COVID-19 situation particularly observed after the gradual easing of large-scale social restrictions (PSBB) in June, bed occupancy rates -- the share of occupied beds reserved for people hospitalized with confirmed or suspected cases of COVID-19 -- in the city's hospitals have been increasing.

The city's isolation bed occupancy rate stood at 77 percent and that of intensive care unit (ICU) beds at 83 percent on Wednesday. The city currently has 4,053 beds in isolation rooms and 528 beds in ICU rooms.

"If we don't pull the brake [by reimposing the PSBB] or allocate additional beds, our projection shows that we will run out of isolation beds by Sept. 17 and ICU beds by Sept. 15," Anies said on Wednesday evening while announcing his decision, which will take effect on Monday. "We have no choice," he said. "Without strict restrictions, [a collapsed healthcare system] is a disaster waiting to happen." The city administration plans to increase the number of isolation beds and ICU beds to 4,807 and 636, respectively, by allocating more beds in 13 city-owned hospitals for COVID-19 patients, adding beds in 67 referral hospitals as well as cooperating with private hospitals for additional referral capacity.

Even with these additional facilities, however, all isolation beds would be occupied by COVID-19 patients in mid-October and ICU beds on Sept. 25 unless the city returned to stricter PSBB, the Jakarta administration projects.

Poor communication between central government, Jakarta administration prevails

Koran Tempo

The central government and Jakarta administration failed yet again to reach a consensus in mitigating COVID-19 transmission in the capital city. During a virtual meeting yesterday, a number of ministers reportedly criticized the Jakarta administration's plan to reimpose large-scale social restrictions (PSBB) in the city starting on Sept. 14.

A source said several ministers argued that the re-imposition of full PSBB harmed the economy. The critics mostly referred to the Indonesian Composite Index (IHSG), which took a nosedive by 5.01 percent following Anies' announcement on the reimposition of the PSBB in the capital. Among the critics were Coordinating Maritime Affairs and Investment Minister Luhut Binsar Pandjaitan and Coordinating Economic Minister Airlangga Hartarto, both of whom claimed that Anies' announcement had triggered panic in the public.

Despite the criticisms, Jakarta Governor Anies Baswedan has shown no indication of changing his mind, claiming that he had previously reported his plan to the central government. According to Anies, he had consulted Coordinating Economic Minister Airlangga Hartarto and national COVID-19 task force chief Doni Monardo about the reimposition of the full PSBB in the capital city.

Anies added that the decision to reimpose the PSBB was made following his meeting with the national COVID-19 task force. The meeting participants reportedly concurred that the situation in Jakarta had deteriorated and thus required a full implementation of the PSBB, without which it was feared hospitals in the capital city would soon no longer be able to admit COVID-19 patients.

Violators of health protocol to receive severe sanction

Kompas, p. 2

House of Representatives Commission II, the Home Ministry and election organizers have agreed to formulate strict sanctions for those who violate health protocol in the process of the 2020 regional elections. Severe sanctions are deemed necessary to prevent the emergence of new COVID-19 clusters as the regional elections take place.

The decision follows reports that numerous candidates reportedly violated health protocol during the candidate registration process last week by mobilizing their supporters and holding mass gatherings.

The government and poll organizers aim to conclude the formulation of sanctions and the mechanism of their enforcement before the campaign period starts on Sept. 26. Home Minister Tito Karnavian proposed that the sanction mechanism should be included in an “integrity pact” that regional candidates must sign. “[The pact may stipulate that], for instance, candidates found to have violated health protocol by the Elections Supervisory Agency (Bawaslu) must agree to be disqualified,” said Tito.

56 TNI personnel named suspects over attacks on Ciracas Police Station

The Jakarta Post, p. 3

Fifty-six personnel of the Indonesian Military (TNI) have been named suspects for alleged involvement in an attack on the Ciracas Police Station in East Jakarta on Aug. 29. “Fifty are from the Army, while six of them are from the Navy,” TNI Military Police chief Maj. Gen. Eddy Rate Muis said during a press conference as reported by *kompas.com* on Wednesday.

Investigators are still looking into the possible involvement of 15 air force personnel. The incident occurred when Second Pvt. MI was allegedly driving under the influence early on Aug. 29 and was involved in a car accident at the Arundina fork in Ciracas, East Jakarta.

According to Army Military Police chief Lt. Gen. Dodik Widjonarko, MI and two other soldiers, identified as Chief Sgt. ZBH and Second Pvt. AM, had drunk two glasses of alcoholic drink prior to the accident.

However, MI allegedly told his fellow soldiers that his injuries had been caused by an attack by a group of people. Encouraged by esprit de corps, they allegedly attacked the Ciracas Police station.

MI was charged under Article 14 section 1 of the criminal code on spreading false information, which carries a maximum sentence of 10 years’ imprisonment, in conjunction with section 2 of the same article, which carries a maximum of three years’ imprisonment. The other soldiers involved in the attack were charged under Article 170 of the Criminal Code on mob violence, which carries a maximum sentence of five years’ imprisonment.

Amien Rais to form new political party

Republika, p. 2

National Mandate Party (PAN) patron Amien Rais announced yesterday that he would establish a new political party amid a “worrying” situation in the country. An official announcement on the new party’s establishment would be made soon, Amien said.

While details of the new party have yet to be revealed, Amien affirmed that it would be founded upon Islamic principles. “Our motto is to fight injustice and guarantee fairness,” said Amien.

Amien added that the decision to form a new party separate from the PAN was founded upon his belief that Indonesia was at a “critical juncture”. The political and social crisis that the country currently faces, according to Amien, is the main reason for Indonesia being on the brink of recession.

Previously, Amien’s son, Ahmad Mumtaz Raiz, expressed his confidence that Amien would not establish a new party. Mumtaz, who also helms the PAN Central Executive Board (DPP), predicted that the new party would fail to garner support, especially from PAN cadres.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Jakarta’s second PSBB shocks market players

Kontan, headline

The announcement that Jakarta will reimpose large-scale social restrictions (PSBB) prompted a negative reaction on the stock market with the IDX Composite Index dropping by 5.01 percent on Thursday. Indonesia Stock Exchange (IDX) temporarily halted trading due to the significant drop, marking the first trading halt since March.

Despite being necessary to control the rate of COVID-19 transmission, market players believed that the PSBB will once again hit their business’ performance, as happened in the second quarter, said IDX trading director Laksono Widodo.

The shares of financial sector companies were hit hardest with a drop of 5.94 percent, followed by various industries with 5.90 percent and basic industries with 5.62 percent. This follows an increase of 21.84 percent in the share prices of financial sector firms in the period of April to August, while the basic necessity industry segment recorded a higher increase of 31.83 percent.

Nevertheless, the effect of the second PSBB is projected to be less severe than the first one. So far, Jakarta is the only one to reimpose full PSBB, and the government has also distributed some stimulus for businesses. Several sectors, such as telecommunications, health care, and commodities, could also rebound thanks to high demand and export prospects.

Central govt demands Jakarta be flexible about PSBB

Investor Daily, headline

The stock market, which crashed on Thursday on Jakarta's announcement of the re-imposition of large-scale social restrictions (PSBB), shall rebound in near future when the Jakarta administration listens to the central government's request for a more flexible implementation of the PSBB.

Coordinating Economic Minister Airlangga Hartarto said his office had been in talks with Jakarta Governor Anies Baswedan to handle working hours flexibly by splitting them half-half into office work and working from home. Airlangga also asked the Jakarta administration to evaluate the odd-even license plate policy to mitigate the spread of COVID-19 in the transportation sector, as 62 percent of the infected people used public transportation.

Under the new PSBB policy, Jakarta only allows 11 economic sectors to operate beginning on Monday, including health care, food, energy, communication and information technology, finance and logistics, hotels and accommodation, construction, strategic industries and basic needs industries.

Indonesian Chamber of Commerce and Industry (Kadin) chairman Rosan Roeslani said the reimplementation of the PSBB in Jakarta would be a challenge for businesses to adapt to. Rosan appreciated the government's policies to slow down and stop the spread of COVID-19 and come up with efforts to revive the economy.

The PSBB dilemma

Bisnis Indonesia, headline

Uncalculated COVID-19 measures might become a boomerang amid the effort to reduce the number of positive cases and revive the national economy. Jakarta recorded the worst economic growth in the second quarter among four provinces of Java with an 8.32 percent contraction.

The Jakarta administration's policy has drawn a mixed response. Coordinating Economic Affairs Minister Airlangga Hartanto said the renewed PSBB had led to market uncertainty, as the economy was not only about the fundamentals but also depended on market sentiment. There is also fear that the so-called emergency brake will lead to another wave of lay-offs.

However, the policy also elicited some positive responses, as the number of cases in Jakarta continues to soar. The tally of confirmed cases in Jakarta is currently the highest in Indonesia with 51,287 cases, almost 25 percent of all cases nationwide. "We have no choice but to pull the emergency brake as soon as possible," said Jakarta Governor Anies Baswedan.

There have also been some calls to reimpose the PSBB at the national level despite the possible negative impact on the economy. President Joko "Jokowi" Widodo has called for micro-scale PSBB along with strict monitoring. He believes that micro-scale PSBB are more effective in reducing the number of positive cases.

Long road to full economic recovery as Jakarta PSBB returns

The Jakarta Post, p. 1

Indonesia expects a long road to full economic recovery after Jakarta brought back strict social restrictions measures amid a continued rise in the number of coronavirus cases. A full economic recovery would take at least two to three years, Coordinating Economic Minister Airlangga Hartanto said on Thursday following the Jakarta administration's decision to reimpose large-scale social restrictions (PSBB) relaxed in early June.

"If virus cases rise, then the economy will take a hit. The government expects that it will take until 2022 or even 2023 [for the economy] to return to pre-COVI-19 levels," he told a virtual business forum held by Indonesian Chamber of Commerce and Industry (Kadin).

The government will ramp up spending to increase the number of hospital beds and make vaccines available in the first quarter next year, Airlangga said.

Kadin deputy chairwoman Shinta Kamdani called on the government to pay more attention to small businesses and large corporations. Shinta added that ensuring activity in sectors that were allowed to operate during the PSBB policy would be key to prevent further job losses, and the government should ensure the continuity of export-oriented manufacturing industry operations as global demand for Indonesian goods had risen gradually.

The association, Shinta added, would seek permission from the Industry Ministry and regional administrations, including Jakarta, to continue operations for companies that implemented strict health protocols.

South Korean investors to flood the financial sector

Kontan, p.1

South Korean investors have been actively investing in Indonesia's financial sector, from banks and multi-finance firms to insurance companies. The relatively high net interest margin in Indonesia, along with the big population, are the main selling points for foreign investors.

The latest one to enter the market is Korea Development Bank (KDB), which announced the acquisition of PT Tifa Finance Indonesia Tbk (TIFA) on Sept. 8. Tan Chong International, the owner of Tifa Finance, sold 80.65 percent of its shares to KDB for Rp 452.79 billion (US\$69 million).

The expansion of Korea's financial institutions to Indonesia started in 2007 with the acquisition of PT Bank Bintang Manunggal by Hana Bank. Recently, KB Kookmin Bank acquired additional shares in PT Bank Bukopin Tbk (BBKP) and has become the majority shareholder.

Usually, South Korean investors will choose to acquire small financial service companies in Indonesia to be merged with its subsidiaries in Indonesia or merged with several small companies.

Samuel Sekuritas head of research Suria Dharma stated that that method was more efficient than building a new bank or acquiring a bigger entity due to the fierce market competition. "Even big banks that enter Indonesia usually can only become second-tier players," said Suria.

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