

**Friday, Sept. 4<sup>th</sup>, 2020**

## GENERAL NEWS AND HEADLINES

### Government urged not to put vaccine on pedestal

*The Jakarta Post, p. 1*

The government appears to be pinning its hopes on vaccine development, as new cases and deaths continue to soar in what experts have deemed as a never-ending first wave. In a statement on Wednesday to express President Joko "Jokowi" Widodo's condolences on the deaths of 100 doctors from COVID-19, presidential spokesperson Fadjoel Rachman ended it by pointing to the government strategy of securing potential vaccines. That includes, Fadjoel said, "looking for vaccines produced by any parties in the world; research and production collaboration between [state company] Biofarma, universities and local and foreign institutions; and the Merah-Putih vaccine research by Eijkman Institute for Molecular Biology."

The government says it has so far secured 30 million doses of potential COVID-19 vaccines by the end of this year, in addition to between 290 million and 340 million doses by next year, following state-owned companies' agreements with China's Sinovac Biotech, and the United Arab Emirates' Group 42 (G42) Healthcare.

But experts have expressed caution about this estimate, wondering where it came from given that the two potential vaccines are still in phase III clinical human trials, which would determine the vaccines' efficacy and safety. Experts have urged the government not to put potential vaccines on a pedestal, saying that whether it can truly rely on the vaccines will depend on their eventual efficacy and safety to be shown in the results of the trials that are still underway, and the government should rather prepare for the "worst-case scenario".

The efficacy threshold would be 50 percent, though ideally it should be around 70 percent, said independent molecular biologist Ahmad Utomo, adding that past vaccine development had shown that failures were not uncommon. Lower than 50 percent, then vaccines would be out of the question, he said. If it hovered just above it then the government should reconsider whether putting in so much

money into the vaccination program would be as effective as if the money was to be used on improving public health. This means scaling up tests, enhancing contact tracing, providing financial assistance to those in isolation and improving treatment, he said.

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## **Jakarta administration urged to ban self-isolation**

*Media Indonesia, Headline*

The Jakarta administration has been urged to obligate all COVID-19 patients, including those who are asymptomatic or only have mild symptoms, to undergo isolation in hospitals. Previously, patients with mild COVID-19 could self-isolate at their respective homes, yet self-isolation has reportedly contributed to the spread of COVID-19 infections in neighborhoods and communities.

Jakarta Governor Anies Baswedan has been urged to immediately impose the prohibition of self-isolation to curb COVID-19 transmissions in places of residence. However, concerns are mounting that such a strategy could overwhelm hospitals.

Anies said that the Jakarta administration was still formulating the required regulations concerning the isolation of COVID-19 patients. "Follow-up actions will be announced after the formulation of regulations concludes," said Anies.

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## **Additional medical workers readied amid spike in new cases**

*Koran Tempo*

In its fight against COVID-19, the Jakarta administration is concluding its selection process of additional health workers who will be exclusively tasked with managing COVID-19 cases in the capital city. Out of 4,853 applicants, as many as 1,190 new health workers have been accepted and will start working from this month until December.

Jakarta Employment Agency head Chaidir said additional health workers would be necessary to support the government's plan to oblige all COVID-19 patients, even those with only minor or no symptoms, to undergo isolation in communal quarantine zones.

Chaidir added that by employing additional health workers, current health workers who had been infected by the virus could take much-needed rest. According to Chaidir, the new health workers will be stationed in a number of

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hospitals, community health centers (Puskesmas), regional health laboratories (Labkesda) and other health facilities.

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## **Regional election registration process starts today, public urged to avoid mass gatherings**

*Kompas, Headline*

The registration of candidates competing in the upcoming regional elections will start today and conclude on Aug. 6. As the number of COVID-19 cases continues to increase, regional candidates are urged to follow health protocol and avoid holding mass gatherings in mobilizing their supporters.

“I reassert now that there must not be any sort of processions that attract large crowds during candidate registration as it could potentially create new COVID-19 clusters,” said Home Minister Tito Karnavian during a coordination meeting.

Previously, Tito reprimanded West Muna Regent Laode Muhammad Rajiun Tumada and Muna Regent Rusman Emba for disregarding health protocol. On Aug. 9, thousands of people gathered in Nusantara Raha Port in Muna, Southeast Sulawesi, to welcome Rajiun, who would take part in the West Muna regency election. Four days later, thousands of people gathered again at the same place to welcome Rusman, who would be competing in the Muna regency election.

The General Elections Commission (KPU) has issued several regulations concerning the implementation of health protocol during candidate registration. The regulations stipulate that the maximum number of people who can attend the registration process will be limited and obligate regional candidates to submit rapid or swab test results.

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## **Inclusivity key concern as One Map nears completion**

*The Jakarta Post, p. 2*

Indonesia’s highly-anticipated One Map Policy is inching toward completion with most datasets successfully compiled by the government, but observers are wary of the project’s lack of transparency and inclusiveness and whether the rights of indigenous communities are honored.

The integrated data map is expected to address overlapping land disputes that have emerged out of the previously disparate mapping methods of various state institutions. The policy aims to produce a map with a geoportal database of 85

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thematic maps of the 34 provinces that are provided by 19 ministries and government agencies.

Dodi Slamet Riyadi, the undersecretary for spatial planning and strategic economic zones at the Office of the Coordinating Economic Minister, said the project was close to completion as all thematic maps had been compiled and the integration and synchronization processes were underway across the nation.

However, despite its large and ambitious scope of work, the One Map Policy process has been largely closed off from the public, with datasets mainly provided by government institutions. Critics say this has led to the exclusion of indigenous communities, who otherwise exist beyond the boundaries of government-led spatial planning. The One Map Policy geoportal (<http://portal.ina-sdi.or.id/>) is also only fully accessible to the President and Vice President, the coordinating economic minister, the agrarian and spatial planning minister and the head of the Geospatial Information Agency (BIG), as well as select ministers and representatives of government institutions, governors, mayors and regents.

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## BUSINESS AND ECONOMICS NEWS AND HEADLINES

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### More companies go to capital market to raise funds

*Bisnis Indonesia, headline*

Companies have started to come back to the capital market to raise public funds through initial public offerings (IPOs) of shares and issuing bonds and sukuk (Islamic bonds), indicating a rebound in the capital market.

According to the Indonesia Stock Exchange, as of Aug. 31, 11 companies have been on the list for IPOs, while 20 others are planning to issue 23 bonds and sukuk. This trend will help boost the performance of securities companies acting as underwriters for the second half of this year.

In the first half of this year, securities companies suffered from lower profits and some even recorded losses. In the underwriting business, only two of 11 securities houses booked positive growth. The others recorded negative growth by up to 88 percent. Of the 11 securities companies, two recorded positive growth of profits – Maybank Kim Eng Sekuritas and MNC Sekuritas – and three of them even recorded losses.

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## **Bill could push Bank Indonesia into 'dark age'**

*The Jakarta Post, headline*

Experts and rating agencies have voiced their concerns over the recent draft revision of Bank Indonesia (BI) laws, which is feared will undermine the central bank's independence and prudence amid the economic risks the country faces during the COVID-19 pandemic.

The bill, which was proposed by the House of Representatives' legislation body, states that the central bank's mandate will be to manage the rupiah exchange rate and inflation as well as boosting economic growth and helping to ensure sustainable job creation. The prevailing laws mandate BI to manage inflation and the rupiah exchange rate.

The draft revision also scraps all existing articles stipulating BI's independence in monetary policy making, which it was granted in the wake of the Asian financial crisis to help ensure the country had a prudent central bank.

Instead, the draft revision requires the formation of a "monetary council" that will help the government and BI with planning and determining monetary policy. The council members will be the finance minister, who will also be the leader, another economic minister, the Financial Services Authority (OJK) chairperson and the BI governor and senior deputy governor.

"The monetary council will lead, coordinate and direct monetary policies to be in line with the government's economic policies," the bill reads. "The government may add other ministers as advisers to the monetary council."

"The proposed amendments are something of a departure from the normal construct of a monetary board," Moody's Investors Service vice president Anushka Shah wrote in an email correspondence with *The Jakarta Post* on Wednesday.

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## **The reasons behind BNI change of leadership**

*Koran Tempo, headline*

Internal infighting inside state-owned Bank Negara Indonesia (BNI) has prompted the State-Owned Enterprises (SOEs) Ministry to revamp its management.

In a shareholders meeting on Wednesday, the ministry appointed Royke Tumilaar, president director of state-owned Bank Mandiri, to lead the bank, replacing Herry Sidharta, who served as BNI's president director for only seven months from

February.

A source at the shareholders meeting told *Koran Tempo* that the change of leadership at BNI was prompted by a conflict between Herry Sidharta and his deputy Anggoro Eko Cahyo. Their conflict had caused the bank's board of directors to split into two camps.

The SOEs Ministry found the opportunity to shake up BNI management after the Financial Services Authority announced the results of its confirmation hearings against Herry and Anggoro, in which Herry passed while Anggoro failed.

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## **Blanja.com closes as certain e-commerce segments slow down**

*Kontan, headline*

The list of fallen e-commerce platforms in Indonesia keeps on growing with the closure of PT Telkom's Blanja.com on Sept. 1. The retail sector, which supports the e-commerce business, has been impacted by the pandemic, with a contraction of around 9.6 percent globally or US\$2.1 trillion.

PT Telkom vice president for corporate communications Arif Prabowo explained that Blanja.com's operation was being cut off because it wanted to focus on developing corporate and MSMEs e-commerce, which were deemed more profitable.

According to Bank Indonesia data, the average transaction in Indonesia's four biggest marketplaces for January-July 2020 saw a monthly rise of Rp 470 billion. This is lower than last year's average increase of Rp 1.04 trillion per month due to the impact of the COVID-19 pandemic, especially for travel marketplace segmentation.

Despite that, there is still a sizeable share and growth for Indonesia's e-commerce business in the last few years along with an increase in smartphone users. E-commerce has become one of the solutions for increasing economic activities during the pandemic.

Tokopedia, for instance, has recorded a surge of more than 1.8 million sellers since January, 94 percent of which are ultra-micro businesses. Shopee has also recorded a 130 percent increase in transaction volume with an average of 2.8 million daily transactions.

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## Sharia banking books higher performance

*Investor Daily, headline*

The sharia banking industry recorded a relatively higher performance in the first half compared to the whole banking industry. Nevertheless, sharia banking might undertake an inorganic strategy to boost its performance amid the COVID-19 pandemic.

Indonesian Sharia Banking Association (Asbisindo) chairman Toni EB Subari said that until the end of June 2020, sharia banking assets had grown 9.22 percent year-on-year (yoy), higher than the 5.19 percent assets growth of national banking.

Similarly, the sharia banking also showed a better performance in funding services and collecting third-parties funds (DPK) in the first half. Sharia banks recorded double-digit growth in funding at 10.13 percent yoy, compared to 1.58 percent recorded by the national banking industry. Sharia banks also booked 8.99 percent yoy growth in third-party funds, compared to national banking's 7.91 percent growth yoy.

Toni, who is also PT Bank Syariah Mandiri (Mandiri Syariah) president director, acknowledged that the highest growth was recorded in Aceh, which required all banks in Aceh to operate as sharia banks.

Meanwhile, Bank BNI Syariah president director Abdullah Firman Wibowo said sharia banks had so far focused on organic growth of their businesses, and advised them to pursue an inorganic strategy to pursue further growth. Inorganic strategies that could be used are mergers, strategic partnerships, capital strengthening, digitalization, as well as commercial and social integration.

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