

Wednesday, Sept. 9th, 2020

GENERAL NEWS AND HEADLINES

Coronavirus a threat to year-end polls

The Jakarta Post, headline

Democracy and public health are under threat as the 2020 simultaneous regional elections in 270 regions across Indonesia may emerge as new sources of COVID-19 infections in the country, experts and lawmaker have warned.

The Election Supervisory Agency (Bawaslu) has found that 243 prospective candidates ignored health protocols when they brought along large entourages to register their candidacies with the local offices of the General Elections Commission (KPU) from Sept. 4 to Sept. 6.

These prospective candidates and their supporters violated a KPU regulation that prohibits mass gatherings during all stages of the elections, from the preparations starting from June 15 to the final vote count a week after the Dec. 9 polling day. The regulation says the KPU can only issue a warning to the candidates and campaign teams.

Epidemiologist Tri Yunis Miko Wahyono said such a lack of discipline in social distancing during elections would definitely increase the risk of COVID-19 transmissions in the country, attributing it to the failure of the KPU to impose stricter sanctions on offenders.

He warned that the transmissions would further escalate if people kept neglecting protocols in the coming campaign season, which will run from Sep. 26 to Dec. 5.

"Therefore, the sanctions must be firm. If they repeatedly violate the rules, the KPU should drop their candidacy," Tri said on Tuesday.

COVID-19 'red zones' spread across Indonesia

Republika, headline

The government has recorded a significant increase of COVID-19 "red zones" over the last three weeks, as the total number of COVID-19 cases in the country exceeded 200,000 on Tuesday. Indonesia is now seeing a daily increase of around 3,000 infections.

National COVID-19 handling spokesman Wiku Adisasmito said the number of medium-risk regions, or "orange zones" have also increased. Accordingly, there has also been a decrease in low transmission risk regions, or "yellow zones."

The COVID-19 handling task force reported that 70 regencies/cities had become "red zones" between Aug. 30 and Sep. 6. During the previous week, however, only 65 regions were recorded to be "red zones."

Moreover, there are now 267 regencies/cities recorded as "orange zones" over the last week. This has also increased from the 230 "orange zones" reported in the previous week.

Regions that have become "red zones" include Pati regency, Central Java, Probolinggo regency, East Java, Padang Panjang city, West Sumatra and Makassar city, South Sulawesi.

"Orange zones" now also include Thousand Islands regency, Tasikmalaya regency, Cirebon and Subang, West Java.

"We ask that the governors of 22 provinces as well as the 55 regents and mayors to closely monitor and control [COVID-19 transmissions] in their respective regions," said Wiku.

Govt urged to redirect focus from vaccine development to testing, tracing

Koran Tempo

The government has drawn criticism once again for its COVID-19 response, as epidemiologists question policies that focus on the development of a vaccine as opposed to prevention and control strategies of COVID-19 transmissions. Previously, the government was called out for prioritizing the economy over public health.

Griffith University infectious diseases expert Dicky Budiman said that although vaccine development and mass vaccinations were necessary, they only served to complement other strategies to contain a pandemic, namely testing, contact tracing and isolating the infected.

“Vaccines are a not a fast track,” Dicky said when contacted on Tuesday.

On many occasions, President Joko “Jokowi” Widodo often talked about accelerating the development of a vaccine as a solution to overcoming the pandemic. The President also previously asked for mass vaccinations to begin no later than January 2021, despite the fact that clinical human trials of the vaccine developed by Chinese company Sinovac, only began last month. The clinical trial team from Padjadjaran University have reiterated that the third phase of the vaccine trial will take approximately 6 to 7 months.

Moreover, the effectiveness of vaccines is also an issue. Padjadjaran University epidemiologist Panji Hadisoemarto estimated that the vaccine’s effectiveness, or efficacy rate, through rushed trials will only be about 50 percent. This figure is far lower than the efficacy rates of vaccines that have undergone standard testing, which stands at around 80-85 percent.

Thus, World Health Organization (WHO) advisor Diah Saminarsih has advised the government to strengthen the national healthcare system, by improving its testing capacity, tracing and health services.

House commends postponement of capital relocation

Media Indonesia, p. 3

House of Representatives Commission XI overseeing financial affairs supports the government’s decision to postpone the relocation of the country’s capital to East Kalimantan.

According to House Commission XI member Melchias Marcus Mekeng, it was the right decision to make. “I think this is a very rational and sensible decision,” he said.

Melchias added that the government must focus on dealing with the COVID-19 outbreak, as the number of cases still continue to rise. Melchias said that if the government is able to reduce the transmission rates of the virus, the capital relocation program may be resumed.

House Commission XI chairman Dito Ganinduto also welcomed the government's decision. "We support [the decision] because we need to focus on handling COVID-19 and restoring the economy," he said.

Govt in hot water for using 'buzzers' to promote policies

The Jakarta Post, p. 2

Activists and political experts have raised concerns over the growing prominence of so-called social media buzzers hired to engage in campaigning government policies.

The issue drew public attention after a number of influencers with large social media followings began posting content supporting the controversial job creation bill by using the hashtag *#IndonesiaButuhKerja* (*#IndonesiaNeedsJobs*). Three of them — radio host Gofar Hilman and musicians Ardhito Pramono and Aditya Fadillah — later apologized for endorsing the bill.

Indonesian Anti-Slander Society (Mafindo) committee member Anita Wahid said the heavy use of influencers to sway public opinion on controversial government policies while also drowning out dissenting opinions was among the latest methods in silencing criticism against the government.

Other strategies include the use of automated accounts, also known as bots, to promote certain political issues, as well cyberattacks on anyone vocally critical of the government, she said.

Recent cases of cyberattacks include the hacking of University of Indonesia (UI) epidemiologist Pandu Riono, who was known for his criticism of the government's handling of COVID-19, as well as attacks on news websites *tempo.co* and *tirto.id*.

"At times, these bots keep promoting specific opinions on social media, creating the illusion that the public fully supports them," Anita said during a webinar on Friday.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

New costs for coal and mining companies

Kontan, headline

The government is finalizing supporting regulations for the Coal and Mineral Mining (Minerba) Law No. 3/2020. The discussion is still within the government level and businesses are yet to be involved in the deliberations.

According to the draft, this government regulation will charge additional reserve sustainability costs for coal and mining companies. The fund will be used to ensure the sustainability of mining area exploration and will be included in these companies' annual work and budget plan. Besides, companies that received a contract extension will also be obliged to conduct post-mining reclamation.

Indonesian Coal Mining Association (APBI) executive director Hendra Sinadia said the government regulation should incorporate special taxation rules for coal miners, which will become the base for extending mining permits and contracts.

Consumers' pseudo-rising confidence

Bisnis Indonesia, headline

The increase in the consumer confidence index (CCI) for the last two months might not last long due to ineffective COVID-19 response. Managing the pandemic is the key to rebuild consumers' trust in the economy.

After reaching 113.8 in March, the CCI fell to 84.8 in April. The index continued to fall until June when it reached 83.8, the lowest level this year. Some signs of recovery have started to show since then, with a level of 86.9 in August. Scores above 100 mean that consumers are optimistic while below 100 shows pessimism.

Nevertheless, the increase in CCI was only visible in respondents with Rp 2.1 million to Rp 4 million monthly expenses. Consumers from the upper-middle class are still showing their hesitance as reflected in the declining index score. The data from Statistics Indonesia has also shown weakening public purchasing power with deflation in July and August.

Indonesia has recorded 200,035 COVID-19 cases per Tuesday and received a level 3 warning from the US Centers for Disease Control and Prevention. The warning was issued on Aug. 6 due to the high level of local transmissions and the limited capacity of healthcare facilities.

Job creation law drives investment in 2021 to soar

Investor Daily, headline

The job creation omnibus bill will likely be passed into law in October. Simultaneously, the government has prepared derivative regulations to support the law implementation to boost investment significantly and create badly needed jobs in 2021.

Investment Coordinating Board (BKPM) head Bahlil Lahadalia explained that the job creation bill would be a futuristic law that would consolidate 79 laws into one and solve overlapping regulations between those at the central government and those at the local level.

According to Bahlil, Indonesia would enjoy the fruits of the law in the form of new investment as soon as next year. He projected that the law could boost next year's investment realization to between Rp 825.7 trillion (US\$55.6 billion) and Rp 833.8 trillion, or 2 to 3 percent higher than pre-COVID-19 conditions in 2019, which was Rp 809.6 trillion.

Bahlil also ensured that the omnibus law would replace 16.5 million job losses that occurred during the pandemic.

Meanwhile, Indonesian Chamber of Commerce and Industry (Kadin) chairman Rosan Roeslani welcomes the planned passage of the job creation omnibus bill and hopes the law solves problems associated with doing business in Indonesia and improves the investment climate.

Govt to abolish 14 out of 20 industries from negative list

Koran Tempo, Economy and Business page

The government plans to abolish 14 out of 20 industrial sectors from the negative investment list in a bid to attract investment, according to Investment Coordinating Board (BKPM) head Bahlil Lahadalia.

Bahlil said the government would revise Presidential Regulation no. 44/2016 that governs the existing negative list. After the revision, there will only be six industrial sectors closed for foreign investment. In 2016, the government abolished 86 sectors from the negative list.

Bahlil said investment realization in the first half of the year had reached Rp 402.6 trillion, or 49 percent of this year's total investment target of Rp 817.2 trillion. Bahlil is optimistic that this year's investment target would be achievable.

Late last year, Coordinating Economic Minister Airlangga Hartarto said the government would abolish the negative list and introduce a positive list, which would be open to foreign and domestic investors. With the positive list, the government could encourage investment in certain sectors.

Import rules tightened on sought-after bicycles, shoes

The Jakarta Post, p. 1

The government has tightened import rules on consumer goods that are in high demand during the pandemic, while experts warn about the readiness of local manufacturers to provide sufficient supply.

Newly issued Trade Ministerial Regulation 68/2020, which took effect on Aug. 28, requires businesses to obtain import approval (PI) for the imports of bicycles, footwear and ACs. As there was no previous trade regulation on bicycles import, importers of footwear and AC only had to provide a surveyor's report (LS).

The new rule came as the demand for bicycles surged during the pandemic, as people use bicycles to commute and for exercise amid the loosening of social restrictions. The import value for bicycles rose by 24.8 percent year-on-year (yoy) in the first half of 2020 to US\$39 million, according to the Indonesian Association of Bicycle Companies (Apsindo), citing Statistics Indonesia (BPS) data.

So far, Indonesian bicycle importers mostly source their products from China, trailed by Taiwan, the United Kingdom, Singapore and the United States, Apsindo data shows.

On Aug. 30, Trade Minister Agus Suparmanto cited the increase in imports of consumer goods by 50.64 percent in May and June as the reason behind the stricter import regulation, even though from January to July, consumer goods imports were down by 7.15 percent yoy to \$8.29 billion, BPS data shows.

Overall, Indonesian imports were down by 17.17 percent yoy to \$81.37 billion in January-July from the same period last year, amid slowing manufacturing activities and the disruption on global trade due to the pandemic. A majority of the country's imports are raw materials or intermediate goods.

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