

GENERAL NEWS AND HEADLINES

I am product of direct election: Jokowi (Koran Tempo)	President Joko “Jokowi” Widodo has expressed disapproval of a recently circulated plan to amend the 1945 Constitution with the aim to reinstate the presidential election by the People’s Consultative Assembly (MPR) as the highest state institution. “I am the product of direct election,” Jokowi told a group of chief editors on Wednesday. The original version of the Constitution, furthermore, did not regulate presidential terms either; hence, former president Soeharto was allowed to rule for 32 years. The original version also required the president to enforce State Policy Guidelines (GBHN) to outline the country’s long-term development. Several parties have recently proposed a reinstatement of the GBHN, including Jokowi’s Indonesian Democratic Party of Struggle (PDI-P). However, Jokowi said the GBHN were no longer needed in today’s fast-paced world.
Cabinet formation finalized (Headline in Kompas)	President Joko “Jokowi” Widodo says he is finalizing the formation of his Cabinet for the 2019-2024 term. The Cabinet will be announced before the inauguration of the president and vice president on Oct. 20. “The [Cabinet] formation [has been] finalized. The announcement [on the new Cabinet] can be brought forward, as I have heard the market is waiting for

	certainty,” said Jokowi before chief editors of mass media yesterday. While the number of ministries is expected to remain at 34, there may be some new ministries as some will be merged and others assigned new responsibilities. Meanwhile, the attorney general post reportedly will not go to a party cadre. According to Jokowi, 55 percent of the new Cabinet members will be independent and professional figures, while the remaining will be party cadres. Jokowi added that he expected the new ministers to work fast in the current dynamic world and make use of information and digital technology to increase their efficiency.
Conflict escalates as Papuan plead for safety of civilians (In <i>The Jakarta Post</i>, p.1)	The latest death of a police brigadier in Puncak regency, Papua, blamed on armed Papuan rebels, has prompted Vice President Jusuf Kalla to suggest a “counterattack” against the armed group, while a joint team verifying the victims in Nduga claimed they had confirmed the death of 182 people in the regency, mostly women and children. On Tuesday at the palace, Kalla said the counterattack should not be considered a human rights violation. “This won’t be a human rights violation, because we have to see who violated human rights first. Sometimes people, especially [those in] foreign countries, consider all of these to be human rights violations,” Kalla said on Wednesday. “What if the dead ones were from the Indonesian Military [TNI] and the National Police?” Meanwhile, the joint team, called the Nduga Solidarity Civil Society Coalition, presented on Wednesday a report from on-the-ground verification on the number of deaths

	due to prolonged conflicts between the TNI and armed rebels in the region. On Wednesday, they claimed they had verified 182 deaths among civilians, a number the government called “a hoax”. The team consists of — among others — officials from the Nduga regency administration, members of the local legislative council, church leaders, human rights activists and students.
Two Golkar politicians convicted (In <i>Republika</i>, p.2)	The Jakarta Corruption Court sentenced two politicians of the Golkar Party, Bowo Sidik Pangarso and Markus Nari, in separate corruption cases on Wednesday. Bowo, who is a nonactive member of the House of Representatives' Commission VI, was convicted of bribery and graft. Bowo was found to have accepted a bribe of US\$163,000 and Rp 311 million from director and marketing manager of private transportation company PT Humpuss Transportasi Kimia (HTK), Taufik Agustono and Asty Winasty. The bribe was given in exchange for Bowo's assistance for the company to acquire a shipping project. Bowo also accepted a bribe of Rp 300 million from PT Ardila Insan Sejahtera (AIS) president director Lamidi Jimat for helping PT AIS collect a debt of Rp 2 billion from PT Djakarta Lloyd. Meanwhile, Markus, a former member of House Commission II, was sentenced for his involvement in a corruption case pertaining to the e-ID card procurement. Markus accepted a bribe of US\$1.4 million, causing Rp 2.3 trillion in state losses, while overseeing the procurement of e-ID cards.

**Air in Tangerang,
Bekasi even worse
than in Jakarta**

(In *The Jakarta Post*,
p.6)

Air pollution is worsening not only in Jakarta itself but also in the capital's satellite cities. Data recorded by air quality monitor AirVisual on Tuesday show that South Tangerang and Bekasi had higher concentrations of pollutants than Jakarta, even as the capital topped the list of cities with the worst pollution in the world for the umpteenth time.

Jakarta's Air Quality Index (AQI) was recorded at 160, with a fine particulate matter (PM2.5) concentration of 73.9 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$), which is categorized as "unhealthy".

However, the AQI reading for South Tangerang was 213 with a PM2.5 concentration of 162.9 $\mu\text{g}/\text{m}^3$, almost twice that of Jakarta.

The previous day, AirVisual showed that air pollution in Bekasi, West Java, was worse than in Jakarta. At 8:30 a.m., Bekasi's air pollution level was at 182 with a PM2.5 concentration of 115 $\mu\text{g}/\text{m}^3$.

Those figures signify air pollution at a multiple of the World Health Organization's standard of a PM2.5 concentration of 25 $\mu\text{g}/\text{m}^3$.

Constant exposure to PM2.5, alongside other pollutants like PM10, carbon monoxide, sulfur dioxide and nitrogen dioxide, can lead to various respiratory problems. Air Quality Life Index (AQLI) says air pollution can reduce a person's life expectancy by 2.3 years.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

New Cabinet to focus on economy (Headline in <i>The Jakarta Post</i> and <i>Kontan</i>; also in <i>Investor Daily</i>, p.13)	With Indonesia's economy softening and facing pressure from around the world, President Joko "Jokowi" Widodo plans to overhaul the Cabinet to address economic issues and boost exports, investment and the digital economy. The President, who is to take up his second five-year term in October, said the upcoming line-up had been finalized and was to be announced in the near future. While the number of ministries would remain the same at 34, several ministries would be given new economy-related tasks, with an aim to improve exports and address the current account deficit, which the President said was the country's biggest economic problem at present. For example, the Foreign Ministry will have an additional task of improving exports through economic diplomacy, while the Trade Ministry is to be merged with the Industry Ministry to focus on domestic trade. A new investment ministry tasked with bringing in foreign investment is also in the works, with the Investment Coordinating Board (BKPM) slated to be positioned under it. Another new ministry would be tasked with overseeing the digital and creative economy, as the country is poised to be Southeast Asia's largest digital economy.
PGE to get \$2.68 billion from Pertamina for geothermal power plants	PT Pertamina Geothermal Energy (PGE), a subsidiary of state-owned oil and gas company Pertamina, plans to increase its installed geothermal power generation

(In <i>Bisnis Indonesia</i>, p.24; <i>Kompas</i>, p.14)	capacity to 1,112 megawatts by 2026 from 617 MW at present. PGE president director Ali Mundakir said the company would receive US\$2.68 billion in a fund injection from its parent company Pertamina to realize the target. He added that the installed capacity of its geothermal power plants was 617 MW but would increase to 672 MW when the PLTP Lumut Balai Unit 1 with a capacity of 55 MW begins operations in September. The geothermal power plants operated by PGE at present include PLTP Kamojang (235 MW), PLTP Ulubelu (220 MW), PLTP Lahendong (120 MW), PLTP Karaha (30 MW) and PLTP Sibayak (12 MW). "By 2026, Pertamina is expected to inject \$2.6 billion to increase PGE's installed capacity to 1,112 MW," Ali said on Wednesday The company aims to start commercial operations at the PLTP Hululais plant in stages beginning in 2022.
Stimulus packages fail to impress European investors (In <i>The Jakarta Post</i>, p.12)	European investors are still unimpressed by a number of fiscal incentives included in a series of economic packages issued by the government last year, though in general, they remain confident about the prospects of doing business in Indonesia. According to the Joint European Chambers' 2019 Business Confidence Index (BCI), 60 percent of respondents are still upbeat about Indonesia's business momentum. The figure was slightly lower than 62 percent last year. However, despite the positive sentiment reflected in the survey, investors were not impressed by the economic

	stimulus provided under a series of economic policy packages implemented by the administration since early last year. The regulatory environment, bureaucratic inefficiency and protectionist tendencies against foreign investors remained the top three investment challenges, just like last year, leaving respondents hesitant about committing to large investment in Indonesia.
BRI to launch a new satellite (Headline in <i>Kontan</i>)	After launching BRIsat in 2016, state-owned lender Bank Rakyat Indonesia (BRI) plans to launch a second satellite to expand its coverage for online transactions in remote regions. BRI digital banking and information technology director Indra Utoyo said BRIsat, the first bank-owned satellite, which was currently located over Papua, mainly covered eastern Indonesia. Therefore, the new satellite would complement BRIsat by covering western Indonesia. The new satellite is projected to orbit at longitude 103, the vacant orbital slot currently owned by BRI. The new satellite is a high throughput satellite (HTS) with a high capacity to operate in the L Band spectrum, between 1 GHz and 2 GHz. The launch of this new satellite is BRI's effort to mitigate network and communication risks, primarily to anticipate possible disruption of BRIsat's signal.
Pertamina's green refinery projects to absorb 1 million tons of CPO a year	State oil and gas company Pertamina has the potential to absorb 1 million tons of crude palm oil (CPO) per year or 3,000 tons per day once green refinery projects to produce

(In *Bisnis Indonesia*,
p.24)

green fuels in the Dumai and Plaju refineries begin commercial operation.

Green fuels are produced through the co-processing technology, a method to produce green fuels by processing biofuels with fossil-based fuels simultaneously to convert them into green hydrocarbon (green gasoline, green diesel or bioavtur).

Pertamina refinery director Budi Santoso Syarif said the project could absorb 20,000 barrels of CPO or 3,000 tons per day and could cut Pertamina's crude oil import by as much as 160,000 barrels per day.

The green refinery project is implemented in collaboration between Pertamina and Italian oil and gas company Eni, based on an agreement signed in January.

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