

GENERAL NEWS AND HEADLINES

RI opens up to foreign aid in Central Sulawesi

Koran Tempo,
 Headline; *The Jakarta Post*, p. 1

Indonesia has reluctantly decided to accept help from foreign donors to the island of Sulawesi, where the government has been embroiled in the arduous task of providing relief since a series of natural disasters destroyed the region. On Oct. 1, the Foreign Ministry briefed a number of foreign ambassadors and representatives of international organizations on details of the types of assistance needed to support the government's relief efforts in Central Sulawesi, after the region was declared open to foreign aid by President Joko "Jokowi" Widodo. Almost 20 countries, including Australia, Japan, the United States and South Korea, met with Deputy Foreign Minister AM Fachir, who said the country had identified priorities for foreign assistance, particularly in transportation, heavy equipment, supplies and expertise

Government Regulation No. 23/2008 stipulates that in emergency situations, foreign governments and non-government institutions can take part in relief efforts as long as they submit a list of activities, personnel, equipment and other logistics to the Indonesian government with the approval from the National Disaster Mitigation Agency (BPNB)

Chaos looms as relief stalls

The Jakarta Post,
 Headline

Three days after a 7.4-magnitude earthquake and the subsequent tsunami occurred in Central Sulawesi, survivors of the natural disasters have foraged for food and other items from the rubble of grocery stores and other shops while suffering from thirst and hunger. Although the central government has begun to send disaster relief aid, the logistical and food supplies have yet to reach all survivors, rising fear of chaos if assistance does not reach the area soon. It is reported as well that many survivors have attempted to take fuel from gas stations.

A survivor said that he and his fellow villagers had to build their own shelter and look for food and water on their own as aid had yet to arrive. Meanwhile, thousands of survivors crowded Mutiara Sis Al Jufri Airport to leave the devastated city of Palu, one of the most affected areas, to go to the nearby city of Makassar, which is not affected by the disaster.

Military and police to escort relief distribution <i>Koran Tempo</i>	Officers from the police and the army have been assigned to safeguard the process of relief distribution for the survivors of earthquakes and tsunami in Central Sulawesi. Such assignment aims to prevent the survivors from looting. Indeed, it is reported that a number of shops and trucks delivering aid in Palu were raided by the survivors. On Oct. 1, relief from West Sulawesi Social Service, for instance, was plundered by the survivors; the truck, which was delivering instant foods, biscuits and tents, was raided on its way to Donggala. Due to this, the police requested volunteers who brought aid to report so that they would be escorted by officers from the police or the army. The phenomenon of raids has concerned the public. Previously, Home Minister Tjahjo Kumolo announced that in case of emergency, survivors of the quakes and the tsunami were allowed to take basic needs from shops or minimarkets while escorted by the police. He added that later, the government would pay for the loss suffered by the shops. Nevertheless, plundering becomes more uncontrollable. More than 40 minimarkets and three gas stations have been reportedly looted by the survivors.
Campaign in Central Sulawesi postponed <i>Kompas, p. 8</i>	Presidential and vice-presidential candidates, President Joko "Jokowi" Widodo-Ma'ruf Amin and Prabowo Subianto-Sandiaga Uno, have agreed to postpone their campaign activities in Central Sulawesi following the natural disasters which hit the region. This major decision was taken as the candidates wanted all resources to focus on helping the victims of the disasters. The postponement will be imposed until the infrastructures and the locals in Central Sulawesi have recovered.
Photos of candidates or parties not to brand reliefs <i>Republika, p. 3</i>	The General Elections Commission (KPU) reminded that reliefs for victims of earthquakes and tsunami in Central Sulawesi should not bear pictures of presidential candidates or logos of political parties. KPU Commissioner Wahyu Setiawan further explained that relief distribution was not part of campaign activities as stipulated by Law on Election No. 7/2018 and KPU Regulation No. 23/2018. Regardless, according to KPU, if parties send ambulances which bear the logo of the parties, it is still allowed.
49 percent legislative candidates reluctant to disclose track record <i>Media Indonesia, p. 4</i>	According to Network for Democracy and Electoral Integrity (Netgrit), 49 percent of legislative candidates are unwilling to enclose their track records on the General Elections Commission's (KPU) website. Among those who are reluctant to reveal their trajectory, there are at least seven parties, including Garuda Party, Berkarya Party, the United Indonesia Party (Perindo),

Hanura Party, Democratic Party and the Indonesian Justice and Unity Party (PKPI), whose all candidates are unwilling reveal their records.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

Producers help maintain inflation <i>Investor Daily, headline; Bisnis Indonesia, p.1</i>	The decision of producers not to raise sale prices despite rising production costs has helped maintain the consumer price index (CPI) at a manageable level. Indonesian Food and Beverage Producers Association (Gapmmi) chairman Adhi S. Lukman explained that producers were afraid of losing sales if they raised product prices. Some producers have chosen to bear the increasing production costs by themselves by implementing efficiency measures to cushion against decreasing net margins. Bank Indonesia (BI) deputy governor Dody Budi Waluyo said demand was increasing at above 5 percent due to rising domestic consumption and investment, higher than the initial expectation. Meanwhile, Statistics Indonesia (BPS) recorded core inflation in September 2018 at 0.28 percent year-on-year, a decrease from 0.30 percent in August 2018. Year-to-date inflation was recorded at 1.94 percent and the national inflation rate reached 2.88 percent year-on-year or 0.18 percent deflation. BPS head Suhariyanto said unchanged or even decreasing food prices had led to the achievement.
Tax incentive to investment low <i>Kontan, p.2</i>	The Tax Office has released its first tax expenditure report, which is crucial for identifying and measuring the impact of the government's tax incentive policy for businesses. The report revealed that despite the improving tax expenditure level, tax spending to boost investments and economic stimulus remains low. In 2017, only 13.68 percent, or Rp 21.17 trillion from the total Rp 154.7 trillion in tax expenditure, was used to enhance investment and economic stimuluses. According to the report, most tax spending was for public welfare improvement (Rp 59.481 trillion) and small and medium-sized enterprise support (Rp 32.403 trillion).
RI to initiate disaster risk payments <i>Bisnis Indonesia, p.4</i>	The government is planning to develop a funding instrument for local governments to anticipate natural disasters such as the one that recently struck Palu and Donggala. Finance Minister Sri Mulyani Indrawati said the government was working on building the mechanism and aimed to raise the issue at the International Monetary Fund – World Bank Annual Meeting in Bali next week. Sri Mulyani explained that the mechanism would replicate an

	insurance system where funds could be liquefied once disaster strikes. Learning from the recent catastrophe in Sulawesi, Sri Mulyani also said the government was considering strengthening the National Disaster Mitigation Agency (BNPB), Indonesian Military and National Police's disaster support budgets.
Crude palm oil export increase <i>Investor Daily, p.7</i>	The Indonesian Palm Oil Producers Association (GAPKI) has released data on crude palm oil (CPO) exports for August, revealing an increase in volume. The total export of CPO, palm kernel oil (PKO) and its derivatives reached 3.30 million tons in August, a 2.48 percent increase from July. The total export from January to August, however, is lower than that in the same period in 2017. GAPKI executive director Mukti Sardjono said India was the biggest importer with 823,000 tons in August. Exports to the United States, African countries and Pakistan also recorded an increase of 64 percent, 19 percent and 7 percent, respectively. Unfortunately, the achievement was followed a 26 percent decline in exports to China, Indonesia's second biggest buyer after India.
Gas deficit lurking in 2025 <i>Investor Daily, p.9;</i> <i>Kontan, p. 14</i>	The government is projecting a gas deficit to occur from 2025 to 2027 based on Indonesia's gas account from 2018 to 2027. Deputy Energy and Mineral Resources Minister Arcandra Tahar said that two of the three scenarios the government was modelling indicated that Indonesia would face a gas shortage in 2025. The result is similar to Moody's Investor Service's earlier projection that Indonesia would become a gas importer by 2022, as growing demand was not met by equal supply. Nevertheless, the ministry's Oil and Gas Director General Djoko Siswanto was confident that the gas deficit would not occur on a national scale, in particular because the Masela Block and the second stage of the Indonesian Deep Water Development would re-supply the stocks.
Hospitality sector helps maintain credit disbursement in August <i>Kontan, p.12</i>	Despite fears of a slowing economy, credit disbursement remains high with the hospitality sector becoming a well-favored credit destination. Bank Indonesia's (BI) credit disbursement report in August showed that credits to hotels and restaurants made up to 20.74 percent of the total disbursed credits. Credit disbursement to the sector has also increased by 9.69 percent year-on-year.

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