

Wednesday, Oct. 8th, 2020

GENERAL NEWS AND HEADLINES

Constitutional Court vows neutrality in jobs law review

Kompas (<https://tinyurl.com/y35v3ah3>); *Suara* (<https://tinyurl.com/y4rnmwm6>)

Constitutional Court spokesman Fajar Laksono has insisted that the court will remain neutral in the case of a judicial review of the recently passed Job Creation Law, which is expected to be submitted by labor unions.

Even though President Joko “Jokowi” Widodo had submitted a request for the court to support the jobs law, Fajar gave an assurance that the court’s stance would not be affected.

“[Jokowi’s request] is a political statement, yes, it cannot be avoided. But the Constitutional Court will not support a law on behalf of its authority. And, I am sure, the Constitutional Court has never expressed an opinion or statement in support of the [Job Creation Law],” said Fajar on Thursday.

The court will process the petition for a judicial review, ensuring transparency with the public. The public was also asked to actively participate and monitor progress in the case.

Jokowi appoints VP to lead steering committee for welfare development in Papua, West Papua

Detik (<https://tinyurl.com/y64kghqf>); *Tempo* (<https://tinyurl.com/yybz9o54>); *Medcom.id* (<https://tinyurl.com/y69ths4b>)

President Joko “Jokowi” Widodo has appointed Vice President Ma’ruf Amin as chairman of the steering committee for the integrated coordination team for welfare development acceleration in Papua and West Papua.

The committee was formed through Presidential Decree (Keppres) No. 20/2020 and is tasked with coordinating the implementation of policies to accelerate welfare development in both provinces.

The steering committee also consists of the Coordinating Political, Legal and Security Affairs Minister, the Coordinating Economic Affairs Minister, the Coordinating Human Development and Culture Minister, the Coordinating Maritime Affairs and Investment Minister, the Finance Minister, the Home Affairs Minister and the Presidential Chief of Staff.

Prabowo invited by US defense secretary to strengthen defense cooperation

Kompas (<https://tinyurl.com/yxvbarpx>)

Defense Minister Prabowo Subianto has been invited by United States Defense Secretary Mark Esper to visit the US from Oct. 15 to 19.

“This invitation is intended to discuss bilateral cooperation in the defense sector” said Defense Ministry spokesman Dahnil Anzar Simanjuntak in a written statement on Thursday.

Dahnil said that Prabowo’s planned visit to the US had nothing to do with military alliances but sought only to maintain diplomatic relationships.

BUSINESS AND ECONOMICS NEWS AND HEADLINES

BI: August’s retail sales shrink by 9.2 percent

Kontan (<https://tinyurl.com/y6elxn8w>); *Antara News* (<https://tinyurl.com/y2gkmlrs>); *CNN Indonesia* (<https://tinyurl.com/y6etkyoa>)

Bank Indonesia (BI) has reported a contraction in its retail sales index of 9.2 percent year-on-year (yoy) in August to 196.6 points. Nevertheless, the contraction in August was smaller than in July at 12.3 percent yoy, BI spokesperson Onny Widjanarko said. The central bank predicts that the retail sales index in September will contract at a smaller rate, 7.3 percent yoy.

MIND ID completes acquisition of 20 percent stake in Vale

CNBC Indonesia (<https://tinyurl.com/y53yd9bu>); CNN Indonesia (<https://tinyurl.com/y6o5f6c4>); The Jakarta Post (<https://tinyurl.com/yx8je95h>)

Indonesia's state miner Mining Industry Indonesia (MIND ID), formerly known as PT Inalum has completed its purchase of a 20 percent stake in nickel miner PT Vale Indonesia, the State-Owned Enterprises (SOEs) Ministry has announced. MIND ID bought the 20 percent stake at Rp 2,780 per share, totalling Rp5.52 trillion (US\$375.77 million). MIND ID brought a 14.9 percent stake from Vale Canada Ltd., the Canadian subsidiary of Vale Group, and a 5.1 percent stake from Sumitomo, according to the statement.

Fitch downgrades Waskita Karya's rating over cash problem

CNBC Indonesia (<https://tinyurl.com/y5cczzgn>)

Credit rating agency Fitch Ratings has downgraded state-owned construction company Waskita Karya's rating to CCC+, from the previous B. The downgrade reflects Waskita's liquidity problems and financing risks, which have been exacerbated by the COVID-19 pandemic. Even though the company has secured financing to pay back its bonds that mature this month, Fitch believes that Waskita will face challenges in financing its operation and investment. Furthermore, Fitch predicts that Waskita's new construction contracts will contract by 35 percent. "Waskita has the second-largest order book compared with other state-owned construction companies, in which around 70 percent of the company's contracts are national strategic projects," Fitch said in a statement.

Erick demands limitation on business permits for new power producers

Kontan (<https://tinyurl.com/y2omhjum>); Investor Daily (<https://tinyurl.com/y2w6wm46>)

State-owned lender Bank Tabungan Negara (BTN) has signed an agreement with peer-to-peer (P2P) lender KoinWorks to disburse a total of Rp 75 billion (US\$5.1 million) to micro, small and medium enterprises (MSMEs) in the property sector. BTN president director Pahala Nugraha Mansury said each MSME would receive loans up to Rp 1 billion. KoinWorks CEO and cofounder Benedicto Haryono explained that the provided loans were short-term with one to three months' maturity date. Pahala hopes this collaboration would help MSMEs in penetrating the supply chain in the property sector.

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