

3rd WEEK**November 2020****❖ MACRO**

- Chicago Federal Reserve President Charles Evans expressed disappointment Friday in the Treasury Department's decision to end several lending programs implemented during the coronavirus pandemic. Speaking a day after Treasury Secretary Steven Mnuchin said the programs would not continue past their end-of-year deadline, Evans told CNBC that the facilities provide an important function. "I think our 13(3) facilities have been very helpful. They perform a backstop role for when markets find themselves in a more challenged situation," he told CNBC's Steve Liesman during a "Squawk Box" interview. "I think that backstop role might be important for quite some time, so it's disappointing." Evans' comments referenced the section of the Federal Reserve Act under which the emergency programs were created.

- The Executive Board of the International Monetary Fund (IMF) today approved a disbursement of SDR 36.9 million (about US\$52.3 million or 15 percent of its SDR quota) to South Sudan under the Rapid Credit Facility (RCF) . This is the first Fund supported financial assistance provided to South Sudan since it joined the Fund in 2012. The disbursement will help finance South Sudan's urgent balance of payments needs, contain the fiscal impact of the shock and will provide critical fiscal space to maintain poverty-reducing and growth-enhancing spending. Prior to the COVID-19 pandemic, South Sudan had achieved significant progress due to improved political stability and an uptick in global oil prices. Economic growth rebounded, inflation declined, and the exchange rate stabilized. However, the pandemic and oil price shock created severe economic disruption, leading to deterioration in the fiscal and external balances, and a sharp decline in growth, reversing some early gains from political stability. South Sudan economy is projected to contract 3.6 percent in FY20/21, about 10 percentage points below the pre-pandemic baseline.

- Review:

The facilities in question include two in which the Fed purchased corporate bonds, another focused on lending to state and local governments, as well as the Main Street Lending Program geared toward small- and medium-sized businesses.

❖ **MICRO**

- Bank Indonesia (BI) said that it had purchased Government Securities (SBN) amounting to Rp 457.33 trillion until November 17, 2020. A total of Rp 270.03 trillion SBN was purchased under a burden sharing scheme. BI Governor Perry Warjiyo revealed that the purchase of SBN was carried out by direct mechanism in the primary market in accordance with the joint decision of the Minister of Finance and the Governor of BI on July 7, 2020 or burden sharing II. "The realization of funding and burden sharing for public goods in the 2020 State Budget through the direct purchase mechanism of SBN reached Rp 270.03 trillion," he said in a virtual press conference, Thursday (19/11/2020). Then under the burden sharing II scheme it was agreed. public goods financing of Rp. 39,756 trillion. Then for the financing of non-public goods related to MSMEs of Rp. 177.03 trillion.

- In order to deal with moneylenders whose existence is very unsettling to the public, OJK is working with the South Sulawesi Provincial Government (Sulsel) and BPD for South and West Sulawesi (Sulselbar) by launching a Credit / Financing Against Loan (KPMR) program. In addition, to increase the level of financial inclusion in South Sulawesi, various programs of the Regional Financial Access Acceleration Team (TPAKD) have been implemented such as business matching, the One Student One Account Program (KEJAR) and the inauguration of the TPAKD in several districts / cities in South Sulawesi. "The KPMR program was launched in conjunction with the peak activity of the Month of Financial Inclusion (BIK) in South Sulawesi which was named 'PHINISI' (Program for Eliminating the Association of Rents in SulaweSI) in the form of Digital Business Fund (PUR) and Partnership Pattern. implemented in 1-2 working days and

makes it easier for MSME customers, farmers, and fishermen to obtain credit without having to go to a bank, "said Head of OJK Regional Office 6 Sulawesi, Maluku, and Papua M. Nurdin Subandi in a written statement, Thursday (19/11). / 2020).

Review:

Then BI has also purchased SBN on the primary market through a market mechanism in accordance with the Joint Decree of the Minister of Finance and the Governor of Bank Indonesia dated April 16, 2020 amounting to IDR 72.49 trillion up to November 17, 2020, including the main auction scheme, Greenshoe Option (GSO) and Private Placement.

❖ **BANKING**

- Bank BRI signed a memorandum of understanding with the digital payment platform, rewards, and financial services of PT Visionet Internasional (OVO). Bank BRI and OVO will present a digital loan initiative for MSMEs, namely DigiKu. This memorandum of understanding is a joint movement of the government, HIMBARA, and digital ecosystem players as part of the Proud Indonesian Movement (BBI) to provide digital loans for MSMEs as an engine of driving the national economy. Director of Consumer BRI Handayani said that currently MSMEs contribute 60.3% of Indonesia's total gross domestic product (GDP) by providing 99% of employment in Indonesia. Seeing the importance of the existence of MSMEs in the recovery of the national economy due to the pandemic, BRI collaborated with OVO to present the digital loan platform 'DigiKu'. This platform is expected to be able to help increase the penetration of digital products and services for BRI products as well as help MSME players and affected communities to continue carrying out their daily activities.

- PT Bank Negara Indonesia (Persero) Tbk (BNI) together with the Directorate General of Immigration collaborate to provide a service for making a new passport or replacing an old passport within one day. This service is prepared on a queuing-free model to conform to the health protocols that must be maintained during the COVID-19

pandemic. One-day passport service, which is named Passport Sameday, officially and symbolically begins to operate at the BNI Emerald Outlet Pejompongan BNI Towers specifically for BNI Emerald customers. BNI Director of Consumer Business Corina Leyla Karnalies explained that in the banking sector, BNI was the first bank to support the Sameday Passport service, with the support of the Directorate General of Immigration (dhi South Jakarta Immigration Office). Customers who benefit from this service are specifically for BNI Emerald customers.

Review:

This collaboration between BRI and OVO is a collaboration between banks and fintech to accelerate digital transformation, which in this case is devoted to building MSMEs so that they can develop and advance in this digital era.

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