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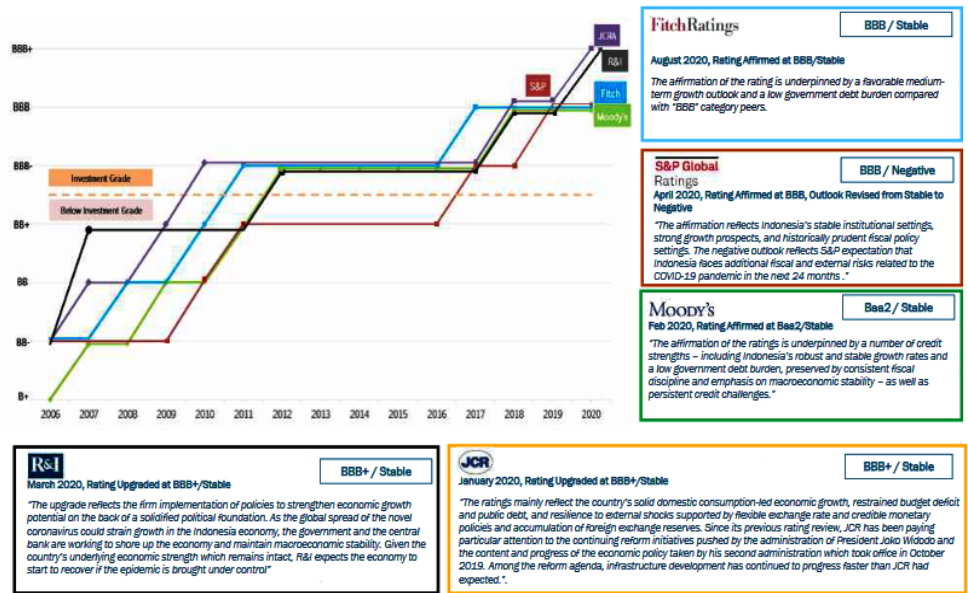
FITCH HAS AFFIRMED INDONESIA'S SOVEREIGN BBB WITH A STABLE OUTLOOK RATING BASED ON THE COUNTRY'S FAVORABLE MEDIUM-TERM GROWTH OUTLOOK AND ITS LOW GOVERNMENT DEBT/GDP RATIO

INDONESIA'S FOREX RESERVES HIT ANOTHER RECORD HIGH OF US\$137 BILLION IN AUGUST, UP FROM \$135.1 BILLION A MONTH EARLIER. The \$1.9 billion increase came from the government's foreign borrowing drawdown, tax revenue and oil and gas foreign exchange, Bank Indonesia said in its statement. The amount is equivalent to 9.4 months of import financing and 9.0 of import financing and foreign debt service. "Bank Indonesia views the forex reserve level is adequate to support external stability and maintain macroeconomic and financial system stability," said the bank. "The forex reserve level will remain adequate, supported by stability and a positive outlook for the economy, in line with various policy responses to push for economic recovery."

KIMBERLY-CLARK HAS AGREED TO BUY SOFTEX INDONESIA FOR US\$1.2 BILLION FROM A GROUP INVESTORS INCLUDING CVC CAPITAL PARTNERS ASIA PACIFIC IV. The US-based company said it expects to close the deal in Q4/2020. Mike Hsu, Kimberly-Clark's Chairman and CEO, said the acquisition will boost the company's currently limited market presence in Indonesia and capitalize on the country's sizeable market for diapers and personal care products. With about five million births annually, Indonesia is the world's sixth largest diaper market with an estimated value of \$1.6 billion. Softex Indonesia is the country's second largest diaper producer generating 80% of its sales from the category with the rest from adult-care and feminine-hygiene products. It had net revenue of \$420 million last year. "Softex Indonesia has a strong, growing and profitable business with a portfolio of brands loved by Indonesian consumers," said Aaron Powell, President of Kimberly-Clark's Asia-Pacific consumer business. "This acquisition provides an opportunity for Kimberly-Clark to accelerate our growth in Southeast Asia, and we look forward to combining our strengths in innovation and brand building to expand on Softex Indonesia's continued success."

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Indonesia's Sovereign Ratings 2006-Present-Investment Grade Since 2017



Source: Bank Indonesia

THE GOVERNMENT WILL SPEED UP THE DISBURSEMENT OF THE NATIONAL ECONOMIC RECOVERY FUNDS ALLOCATED TO STATE-OWNED ENTERPRISES, TARGETING TO INJECT RP20.5 TRILLION (US\$1.4 BILLION) INTO FIVE SOES BY THE END OF SEPTEMBER

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INDONESIA HAS INITIATED A US\$550 MILLION PROJECT TO DEVELOP THE COUNTRY'S LARGEST TELECOMMUNICATIONS SATELLITE TO BOOST CONNECTIVITY. The announcement followed the recent signing of a preparatory work agreement between PT Satelit Nusantara Tiga, part of the PT Pasifik Satelit Nusantara (PSN) consortium, and French-Italian aerospace manufacturer Thales Alenia Space (TAS). The project will be funded under a public-private partnership scheme and is expected to put Satria (Satellite of the Republic of Indonesia) into orbit in 2023, according to the InfoCom ministry. "This satellite project is part of the nation's program to lessen the disparity in internet access and increase the number of internet users," said communications minister, Johnny Plate. Indonesia's current Internet penetration of 64% ranks it behind ASEAN neighbors Brunei, Singapore and Thailand which all exceed 70%, according to DataReportal. In a separate statement, TAS said Satria will be a full Ka-band satellite positioned at 146 degree East carrying more than 150 gigabits per second over all of Indonesia. It will be dedicated to connecting around 145,000 areas including 90,000 schools, 40,000 hospitals and public buildings as well as regional government sites not yet linked by existing satellite or terrestrial infrastructure. The CEO of PSN, Adi Rahman Adiwoso, said the satellite will provide more than three times the current total national capacity and it will to eliminate the digital gap that now exists in Indonesia.

KB KOOKMIN BANK HAS COMPLETED A US\$210 MILLION TAKEOVER OF BANK BUKOPIN AND IS NOW THE BANK'S CONTROLLING SHAREHOLDER WITH A 67% STAKE, BANK BUKOPIN HAS ANNOUNCED

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INDONESIAN PRIVATE PHARMACEUTICAL COMPANY PT KALBE FARMA TBK SAYS AN INVESTMENT OF RP1 TRILLION (US\$68 MILLION) WILL BE NEEDED TO PRODUCE AROUND 50 MILLION DOSES OF COVID-19 VACCINES NEXT YEAR

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INDONESIAN TRUCKING AND WAREHOUSING STARTUP WARESIX HAS RAISED US\$69 MILLION FROM EV GROWTH, A JOINT VENTURE BETWEEN EAST VENTURES, SMDV AND YJ CAPITAL

INDONESIAN TRUCKING AND WAREHOUSING STARTUP WARESIX HAS RAISED US\$69 MILLION FROM EV GROWTH, A JOINT VENTURE BETWEEN EAST VENTURES, SMDV AND YJ CAPITAL. According to media reports, other investors include Jungle Ventures and Softbank Ventures Asia. Waresix was founded in 2017 as the logistics platform that connects shippers to available transporters and warehouse spaces across Indonesia, providing a one-stop solution for land or sea transportation as well as cold storage and general cargo handling. Waresix websites says that it covers 96 cities with over 30 thousand trucks and 375 warehouses. Last January the company announced its fresh round of funding that attracted \$11 million from EV Growth and Jungle Ventures. It came less than six months after the company raised \$14.5 million series A. Yash Sankrityayan of Jungle Ventures said Waresix grew its monthly revenues by more than 30 times and achieved EBITDA profitability last year.

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PASARPOLIS, AN INDONESIAN STARTUP FOCUSED ON MAKING INSURANCE POLICIES MORE ACCESSIBLE, ANNOUNCED IT HAS RAISED US\$54 MILLION IN FUNDING FROM ITS SERIES B ROUND. Investors in the insurtech firm include Chinese Xiaomi, Go-Ventures, LeapFrog Investments, SBI Investment, Alpha JWC and Intudo Ventures. Founded by Cleosent Randing and Michael Saputra in 2015, PasarPolis said the number of insurance policies it issues monthly has grown 80 times since August 2018 when it closed its first round of funding and it currently partners with over 30 insurance providers. The firm is now operating in Indonesia, Thailand and Vietnam. With the very low insurance penetration of just 3.6% in its Southeast Asian region, Randing said his company targets people who have never purchased insurance before, offering inexpensive “micro-policies”. The company issued over 650 million policies in 2019 to individuals like ride-hailing drivers, delivery couriers and online merchants. In times of Covid when more people are resorting to shopping online, sales have continued to grow. In June alone, Randing said the company had attracted more than four million new customers, and is now providing policies to more than 35 million customers.

SIRCLO, AN INDONESIAN E-COMMERCE SOLUTIONS STARTUP, RAISED US\$6 MILLION IN SERIES B FUNDING FROM INVESTORS EAST VENTURES, PT OCBC NISP VENTURA, SKYSTAR CAPITAL INVESTORS AND PT SINAR MAS LAND

SIRCLO, AN INDONESIAN E-COMMERCE SOLUTIONS STARTUP, RAISED US\$6 MILLION IN SERIES B FUNDING FROM INVESTORS EAST VENTURES, PT OCBC NISP VENTURA, SKYSTAR CAPITAL INVESTORS AND PT SINAR MAS LAND. SIRCLO CEO and founder Brian Marshal said the company will use the money to help strengthen the company’s internal infrastructure to better service existing clients and accommodate businesses entering e-commerce. Founded in 2013, Sirclo offers technologies and e-commerce solutions through various online selling channels and digital transformation tailored to the needs of MSME clients. “SIRCLO is positioned well in this pandemic. Its services are ready at the right time and the right place. With its capabilities built prior to the outbreak of the pandemic, SIRCLO is aiding the acceleration of the digital transformation that is taking place in Indonesia,” said Willson Cuaca, co-founder and managing partner at East Ventures.

SHOPEE'S OFFICIAL IN-APP DIGITAL WALLET SERVICE SHOPEEPAY HAS OUTPERFORMED RIVALS IN THE E-PAYMENT MARKET OVER THE LAST THREE MONTHS

SHOPEE'S OFFICIAL IN-APP DIGITAL WALLET SERVICE SHOPEEPAY HAS OUTPERFORMED RIVALS IN THE E-PAYMENT MARKET OVER THE LAST THREE MONTHS. A MarkPlus survey of over 500 smart phone users found ShopeePay took 26% of the digital wallet market share, just ahead of OVO 24%, and GoPay 23%, followed by DANA 19% and LinkAja 8%. "Respondents said ShopeePay offered more attractive discounts than other e-wallets. It was also considered the easiest to use," the survey reported. It found people on average spend Rp149,000 (US\$10) per transaction with ShopeePay, while with OVO, DANA and LinkAja averaged Rp134,000 and GoPay Rp109,000. It also found the respondents used ShopeePay seven times per month on average compared to only five to six times monthly for other e-wallet platforms.

TWELVE MORE OVERSEAS-BASED TECH COMPANIES WILL BE SUBJECT TO INDONESIA'S NEW 10% INDONESIAN VALUE-ADDED TAX ON E-SALES IN INDONESIA FROM 1 OCTOBER 2020

TWELVE MORE OVERSEAS-BASED TECH COMPANIES WILL BE SUBJECT TO INDONESIA'S NEW 10% INDONESIAN VALUE-ADDED TAX ON E-SALES IN INDONESIA FROM 1 OCTOBER 2020. According to the Tax Directorate General's office, the 12 companies assigned to withhold the VAT are LinkedIn Singapore Pte Ltd, McAfee Ireland Ltd, Microsoft Ireland Operations Ltd, Mojang AB, Novi Digital Entertainment Pte Ltd, PCCW Vuclip (Singapore) Pte Ltd, Skype Communications SARL, Twitter Asia Pacific Pte Ltd, Twitter International Company, Zoom Video Communications, Inc, PT Jingdong Indonesia Pertama, PT Shopee International Indonesia. Earlier in June, the government announced Alphabet Inc's Google Asia Pacific, Netflix and Facebook were liable to VAT for their sales in Indonesia. The Indonesian latest government's move follows the global trend where governments are seeking to ensure that internet-based tech giants are paying tax for local sales.

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SELECTED INSTANT INDICATORS

