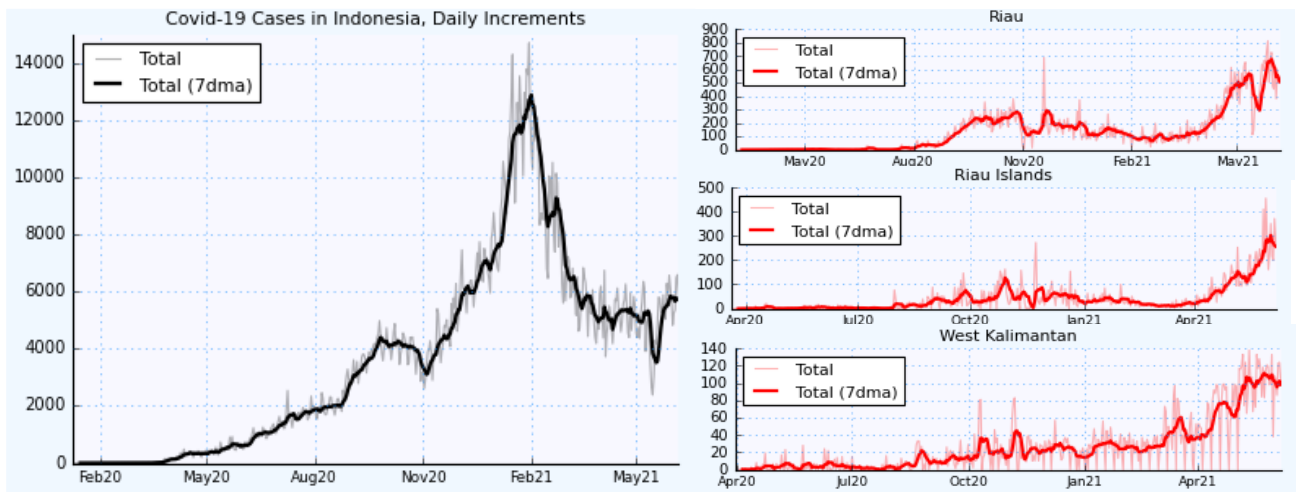


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At the Margin

Indonesia’s Covid-19 fight hinges on its border provinces

- Thus far, Indonesia has seemingly escaped the ferocious bout of Covid-19 resurgence which has afflicted many of its neighbours. While the daily cases have indeed picked up to over 6000 recently, it remains well below the 14000 that we saw in late January. There is also an extra relief given that the sense that the mid-May Eid festivities have not resulted in a big surge so far.
- Still, with an eye on just how dramatically the situation can turn for the worse elsewhere – the Malaysian authorities had to undertake a stringent [nationwide lockdown](#) just one week after rejecting the idea, for instance – Indonesia cannot afford to be complacent.
- Indeed, even as the national tally has stayed contained, there are indications that some provinces have seen sizable upticks of late. In fact, as Indonesia’s [Health Minister noted](#), Covid-19 cases have picked in provinces which have traditionally served as bilateral gateways with Malaysia.
- Sumatra’s Riau and Riau Islands provinces, which are linked to Malaysia via multiple ferry routes, as well as West Kalimantan, which shares a land border with Malaysia’s Sarawak state, have seen their worst outbreaks yet. These areas have been transit points for Indonesian workers who are returning from Malaysia. Faced with more uncertain prospects there, many have returned home to Indonesia – and many more might yet make that trip.
- How these border provinces cope with the latest Covid-19 surge and whether there might be considerable internal transmissions to other parts of the country would be crucial in determining whether Indonesia can continue to fly under the radar of the new, more transmissible variants.
- As mentioned in [our fresh-off-the-oven 2H 2021 Global Outlook](#), our view that Indonesia might be able to grow by a relatively sanguine 4.6% yoy this year hinges very much on the country’s Covid-19 case staying controllable.



Source: OCBC, Bloomberg, Komite Penanganan Covid-19 dan Pemulihan Ekonomi Nasional.

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