

Dots & Plots

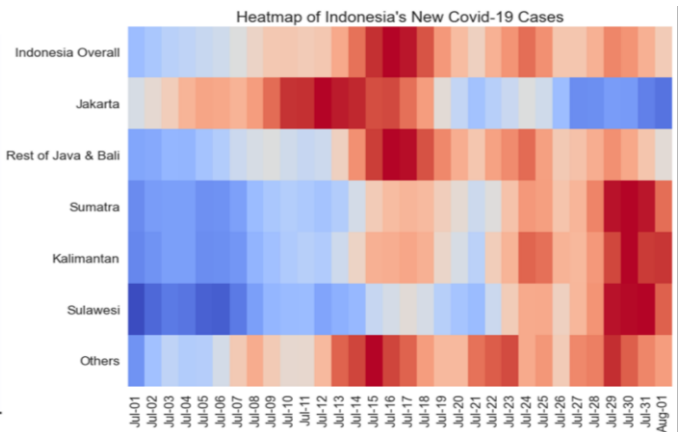
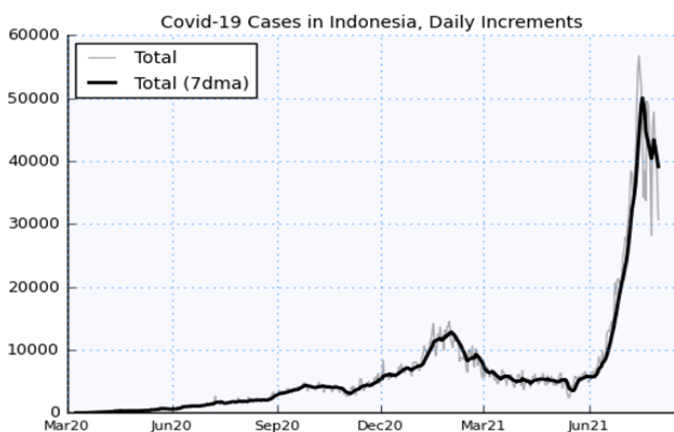
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All Good in Jakarta?

Indonesia may loosen restrictions in Jakarta, even as cases spread elsewhere

- It has been [more than a month](#) since Indonesia imposed restriction orders for Java and Bali islands, where 60% of the economic activities are generated. Initially scheduled to last until July 20th, the measures had been rolled over on a weekly basis, with the latest span supposed to be ending today.
- What the government is planning to do just remains an unknown. Going by previous extensions, any announcement is unlikely until late in the day.
- Given the improvement in situation in some areas, there is some potential for the government to relax the measures considerably on a selective basis. Already, last Friday, President Jokowi said that Indonesians were [“screaming”](#) for the end of the restrictions.
- The capital city of Jakarta, for one, may start to see some easing in the measures. While the fatality rate has not declined much, the number of new cases has come down to below 3000 per day, compared to nearly five times that in mid-July. While the hospital bed occupancy rate remained high at 73% as of last week, it had nonetheless declined from 90% at its peak.
- Given that Jakarta comprises more than 17% of the GDP, any reopening would be welcomed from a narrowly economic perspective. However, any rushed reopening can be ultimately self-defeating if it results in a later spike.
- Moreover, Jakarta’s breather in the pandemic fight might not be as easily replicated elsewhere in the country. Indeed, Sumatra, Kalimantan and Sulawesi are witnessing more rapid case upticks in recent days. Given that the healthcare facilities are less developed there to begin with, the situation in these areas may yet be more challenging to handle.
- Overall, while it is heartening to see the nationwide cases posting some relative declines and that Jakarta’s improvement may at least give us a symbolic victory, the war against the pandemic is far from over.



Note: For the heatmap, dark red denotes the highest count and dark blue has the lowest count, per region since 1 July.

Source: OCBC, Bloomberg, Indonesia’s Covid-19 Taskforce.

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