

1st WEEK**June 2021**❖ **MACRO**

- Federal Reserve Chairman Jerome Powell said Friday that climate change is not a main consideration for the central bank when formulating monetary policy. Speaking on a panel of his global colleagues, the head of the U.S. central bank said taking on issues related to global warming is more for the government than for his institution. “Today, climate change is not something that we directly consider in setting monetary policy,” Powell told the Green Swan conference presented by the Bank of International Settlements. “We’re quite actively exploring exactly what climate implications are for our supervisory, regulatory and financial stability responsibilities.” In recent months, the Fed has taken a more active role in climate change, with the creation of two internal committees aimed at exploring the issue and by joining the global Network for Greening the Financial System.
- The heads of the International Monetary Fund (IMF), the World Bank Group (WBG), the World Health Organization (WHO), and the World Trade Organization (WTO) issued a joint statement, published in newspapers around the world, outlining a USD 50 billion health, trade, and finance roadmap to end the COVID-19 pandemic and secure a global recovery. IMF Managing Director Kristalina Georgieva, WBG President David Malpass, WHO Director-General Tedros Adhanom Ghebreyesus, and WTO Director-General Ngozi Okonjo-Iweala released the statement ahead of the Group of 7 (G7) Leaders’ Summit in Cornwall, UK, taking place from 11-13 June 2021. In their joint statement, the leaders of the global financing, health, and trade agencies announce a new commitment to work together to scale up financing, boost vaccine manufacturing, and ensure the smooth flow of vaccines and raw materials across borders.

Review:

However, Powell made clear that the institution's role in the matter is limited to oversight of banks and the rest of the financial system, and not in setting public policy.

❖ **MICRO**

- Bank Indonesia (BI) has carried out quantitative easing (QE) or injecting liquidity into the money market and banking amounting to Rp 815.47 trillion. This figure was recorded from 2020 to May 21, 2021. "The accumulated amount up to last May reached Rp 815 trillion," said Head of the BI Communications Department Erwin Haryono in an Infobank webinar, Thursday (3/6/2021). He ensured that BI carried out the policy in a measurable manner so that the money supply increased, the impact of quantitative easing policy would not cause unwanted impacts. "Of course it is still measurable. From time to time when the counter cyclical occurs, we continue to monitor the money supply indicators so as not to make the additional liquidity dangerous," he explained. If not managed properly, the increase in the money supply can trigger inflation. However, Piter Abdullah, the research director of the Center of Reform on Economic (CORE) Indonesia, said that inflation in Indonesia is mainly due to distribution and supply problems.
- Illegal online loans (Pinjol) are still roaming around and claiming victims. Not long ago, illegal borrowing took its toll in Malang and in Semarang. If you are already a victim, what should you do? The head of the Investment Alert Task Force, Tongam L Tobing, explained that if you were trapped, the thing to do was try to pay it off immediately. "Then report it to the Investment Alert Task Force via email alertinvestasi@ojk.go.id," he said when contacted by detikcom, Friday (4/6/2021). He said, if it is due and there is indeed a limited ability to pay, then stop trying to find new loans to pay off old debts. Don't be digging a hole to cover the hole.

Review:

If the government prepares the supply side, including managing the distribution chain properly, even if we increase the money supply through BI quantitative easing, in theory inflation can still be controlled.

❖ **BANKING**

- BRI revealed that although BRI syariah is no longer consolidated with BRI, BRI's financial posture continues to grow positively, even scoring asset growth throughout the first quarter of 2021. It is known that three sharia banks owned by Himbara, including BRI syariah, were merged into Bank Syariah Indonesia (BSI) starting in the first quarter of 2021. BRI's Corporate Secretary, Aestika Oryza Gunarto said that the positive growth of BRI's consolidated assets shows the company's ability to maintain sustainable performance in the midst of the COVID-19 pandemic. This condition persisted when the entire BRI syariah portfolio, both deposits and loans, had been transferred to BSI. "BRI is still able to record positive growth, although the Third Party Fund portfolio of Rp 49.37 trillion and the financing portfolio of Rp 40.05 trillion (as of December 2020) belonging to BRI syariah have been transferred from BRI to BSI," said Aestika in a written statement, Tuesday. (1/6/2021).
- PT Bank Negara Indonesia (Persero) Tbk (BNI) provides financial support in the form of People's Business Credit (KUR) to micro, small and medium enterprises (MSMEs) engaged in the development of ornamental plants. It is known that this MSME actor has become a foster partner in the IPB University pilot garden in Sukamantri Village, Bogor, West Java. BNI's Director of Institutional Relations, Sis Apik Wijayanto, symbolically handed over the distribution of KUR to four farmers. He said the total distribution was sufficient for the business development of each SME. Sis Apik explained that the distribution of KUR is BNI's first step in providing financial support to ornamental plant farmers fostered by IPB University. He added that in the future this support has the

opportunity to continue to other ornamental plant farmers, with a nominal KUR of up to Rp 500 million according to the scale of business.

Review:

The diversion of the BRIsyariah portfolio has an effect on the transfer of BRIsyariah assets (BRIS) to BSI as of December 2020 which reached Rp. 57.9 trillion.

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