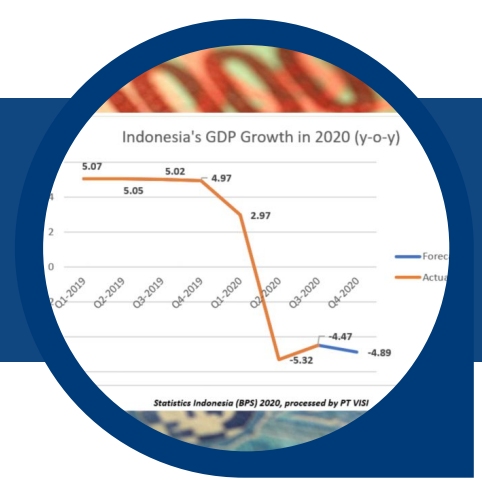


CRIF PT VISY STUDY: THE COVID-19 PANDEMIC HAS A SIGNIFICANT IMPACT ON THE WORLD ECONOMY AND INDONESIA IN PARTICULAR

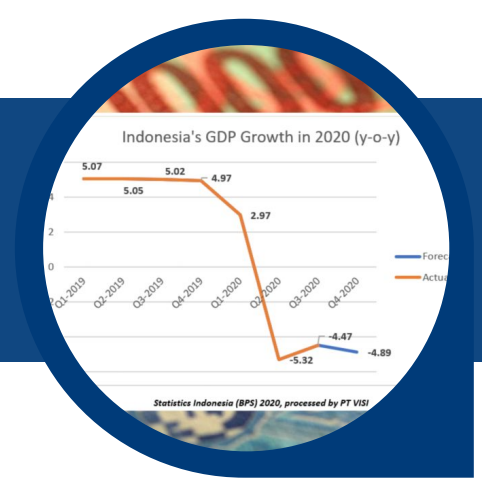


In the last few quarters, there had been a very significant decline in growth starting in early 2020. Based on Statistics Indonesia (BPS) 2020, Indonesia's economic growth has declined to 2.97% (y-o-y). It deteriorates in line with the COVID-19 pandemic, which hampers all economic activities in Indonesia and the world. Actually, at the beginning of 2020, the economic recovery began to improve, and it was believed that it would provide positive growth in several industrial sectors. However, due to the COVID-19 pandemic, all predictions for the growth of the industrial sector have reversed, not only the economic sector, but the health and mortality rates are also deteriorating.



Statistics Indonesia (BPS) 2020, processed by PT VISI

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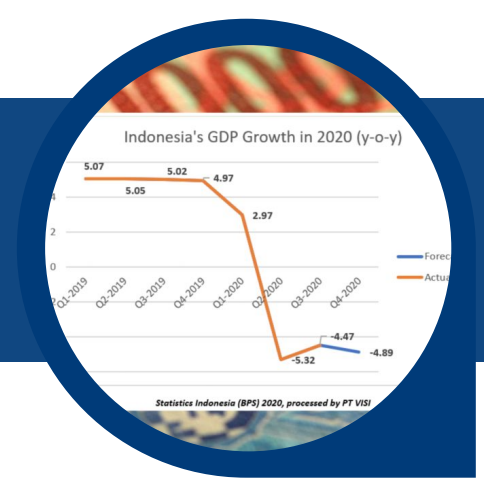
In March 2020, Indonesia had confirmed the first COVID-19 case, and in April 2020, the PSBB (Large-scale Social Restrictions) was introduced in Indonesia. With this regulation, almost all economic activities had stopped, resulting in a drastic decline of -5.32% (y-o-y). Even today, there are still many big cities that have red and even black zone status. Due to this uncertainty, businesses were forced to and fight against COVID-19 in order to survive.



In Q3-2020 and Q4-2020, VISI predicts that economic growth will still be negative. Although the decline is not as bad as in Q2-2020, it cannot be said to be improving. It is predicted that in Q2-2020, there will be a decline of -4.47% (y-o-y), while in Q3-2020, it is expected that there will be a decline of -4.89% (y-o-y).

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However, the improvement in economic activity is still hampered. Investment activities are still put on hold.

Based on the growth of the sectoral industry in Indonesia during the COVID-19 pandemic, several companies experienced negative growth when entering Q3-2020, namely the Defense Government Administration, and Compulsory Social Security, Transportation and Warehouse Provision of Accommodations and Food and Beverage, Wholesale and Retail Trade: Repair of Cars and Motorcycles, Construction, Procurement of Electricity and Gas, Mining and Excavation, Corporate Services, Health Services, and Social Activities, and Other Services. These sectors were affected by the PSBB because most of its businesses were closely related to outdoor activities and were vulnerable to large-scale social activities.



Not all sectors experienced negative growth; several sectors experienced positive growth, such as the Information and Communication Sector. As for the water supply, waste management, waste and recycling, and agriculture, forestry, and fisheries sectors, they experienced a decline in Q2-2020 but managed to increase their growth again in Q3-2020. These sectors produce essential products, hygiene needs and provide communication networks that are much needed during the COVID-19 pandemic.

Business players hope that this pandemic will end soon and improve the economy again. Because based on the prospect point of view, most sectors in Indonesia still have enormous potential to improve.