

Indonesia Investments

'Ramadan, Idul Fitri & Mudik'

- Indonesian Government Announced Tighter Travel Regulations in the Context of Idul Fitri
- It Had Already Been Determined that For the Second Consecutive Year the Mudik Is Banned
- What Is the Economic Significance of Ramadan, Idul Fitri and Mudik for Indonesia?
- Which Sides Are Most Affected by the Mudik Ban and Related Travel Restrictions?
- Slowdown in Urbanization in Indonesia



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**Van Der Schaar Investments B.V.
CV Indonesia Investments**

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Update – 28 April 2021

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Preface

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How Does the COVID-19 Crisis Affect Ramadan, Idul Fitri and the Mudik in 2021? And, How Will That Affect the Indonesian Economy?

It was already known that –just like in 2020– the Indonesian government would ban the traditional *mudik* this year (*mudik*, which is a distinctive feature of Indonesian culture, refers to the exodus of millions of city-dwellers toward their places of origin where they spend a few days to celebrate the end of the Ramadan month).

Obviously, with the COVID-19 pandemic in mind, it would be a risky affair to have millions of people leaving the country's urban centers (the hotbeds of the COVID-19 virus) and have them heading towards the rural areas where they may introduce the virus to the local population (including their own parents or grandparents who may have fragile immune systems, and thus are particularly vulnerable to COVID-19).

This *mudik*-ban is scheduled for 6–17 May 2021. However, what came as a surprise to everyone was that the Indonesian government – quite suddenly – decided to add some more travel restrictions. Through 'Addendum to Circular Letter Number 13 of 2021 concerning the Elimination of the Idul Fitri Day of 1442 Hijri Homecoming and Efforts to Control the Spread of Coronavirus Disease 2019 (or COVID-19) during the Holy Month of Ramadan 1442 Hijri' the government imposed tighter regulations in the weeks ahead of – and week after – the *mudik* ban.

These tighter regulations are related to traveling in the context of the *mudik*. The addendum states that in the two weeks prior to the *mudik* ban (which is 22 April – 05 May 2021) and one week after the ban (which is 18 – 24 May 2021) several new regulations apply. Considering the addendum was signed and issued on 21 April 2021, it basically took effect per direct.

The reason why the Indonesian government came with this addendum is clear: there are quite some Indonesians who plan to avoid the *mudik* ban by leaving one – or several – days ahead of the ban, while returning one – or several – days after the ban. That would indeed undermine the target of the *mudik* ban (which is to discourage people's movement). By setting stricter regulations in the period surrounding the planned *mudik* ban the Indonesian government aims to make it a safer environment.

[...]

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