PRESS RELEASE

Investment Realization in the Second Quarter of 2019 Surpassed 200 Trillion Rupiah

Jakarta, July 30th 2019 – Indonesia Investment Coordinating Board (BKPM) announced investment realization numbers on Domestic Direct Investment (DDI) and Foreign Direct Investment (FDI) for the second quarter (April – June) 2019. BKPM recorded the amount of total investment Rp. 200.5 trillion, increased by 13.7% compared to the same period in 2018. The value of investment realization for the second quarter (April – June) contributes as much as 25.3% of the total investment target in 2019, which is Rp. 792 trillion, and has absorbed 255,314 Indonesian labors.

In this second quarter, the investment realization for DDI reached Rp. 95.6 trillion (increased by 18.6%) and FDI reached Rp. 104.9 trillion (increased by 9.6%) compared to the same period in 2018. In terms of labors, DDI projects employ up to 141,153 Indonesian labors while FDI projects can absorb 114,161 Indonesian labors.

“If we take a closer look on investment realization data in the second quarter 2019, the growth is about 2.8% compared to the first quarter 2019. This is an indication that there will be an opportunity for an increase in investment realization after the first semester. This situation is going in line with Indonesia’s political conditions that are becoming more stable after the official announcement of the elected President and Vice President of Republic Indonesia for the 2019-2024 period,” stated by Tom Lembong, Chairman of BKPM, during press conference in BKPM office on July 30th 2019.

In the period of January – June 2019 (1st semester), the total investment (FDI & DDI) realization hit Rp. 395.6 trillion, deriving from DDI Rp. 182.8 trillion (increased by 16.4%) and FDI Rp. 212.8 trillion (increased by 4.0%) compared to the same period in 2018. This investment number has resulted absorption of 490,715 employees.

“Investment realization in the period of January – June 2019 is still dominated by infrastructure sectors, such as transportation, telecommunication, power plant, and construction. Even though these projects require huge budget that run in multi-years investment, the companies are consistently implement their investment despite global economic turmoil and unappealing investment climate,” said Thomas.
In the period of January – June 2019, investment realization in Java Island is Rp. 218.1 trillion, increased by 5.8 % from investment realization in 2018 that reached Rp. 206.2 trillion, and investment realization outside Java Island is Rp. 177.5 trillion or increased by 14.2% from realization in 2018 that reached Rp. 155.4 trillion. Based on project locations (top 5) are West Java (Rp. 68.7 trillion, 17.4%), Special Territory of Jakarta (Rp. 54.5 trillion, 13.8%), Central Java (Rp. 36.2 trillion, 9.1%), East Java (Rp 32.0 trillion, 8.1%); dan Banten (Rp. 24.6 trillion, 6.2 %).

“One positive news this time is the increase of investment realization outside Java Island relatively higher than Java Island during January – June 2019 compared to the same period in 2018. Hopefully this condition can be sustained to achieve a balanced growth for development in the region of Indonesia.”

Top 5 countries with the largest investment in Indonesia in this 1st Semester (Jan-Jun 2019) are Singapore (US$ 3.4 bilion, 23.9%), Japan (US$ 2.4 billion, 16.9%), China (US$ 2.3 billion, 16.2%), Hong Kong (US$ 1.3 billion, 9.2 %), and Malaysia (US$ 1.0 billion, 7.0 %).

The top 5 sectors with the biggest investment realization (DDI & FDI) in the period of January – June 2019 are Transportation, Warehouse, and Telecommunication (Rp. 71.8 trillion, 18.0%); Electricity, Gas, and Water Supply (Rp. 56.8 trillion, 14.4%); Construction (Rp. 32.0 trillion, 8.2%); Food Industry (Rp. 31.9 trillion, 8.1%); and Housing, Industrial Estate, and Office Building (Rp. 31.0 trillion, 7.8%).

“BKPM commits to improve monitoring realization of Investment License through the Online Single Submission (OSS) system, including facilitating investment issues encountered by investors during implementation of their investments.” said Acting Deputy Chairman for Investment Monitoring and Implementation - BKPM, Farah Ratnadewi Indriani.

BKPM also recorded the Top 5 locations with the biggest investment realization (DDI & FDI) for the second quarter of 2019 are West Java (Rp. 31.4 trillion, 15.6%), Special Territory of Jakarta (Rp. 29.8 trillion, 14.9%), East Java (Rp. 19.4 trillion, 9.7%), Central Java (Rp. 14.7 trillion, 7.4%), and Banten (Rp. 12.1 trillion, 6.0%).

While the Top 5 sectors with the biggest investment realization (DDI & FDI) for the second quarter of 2019 are Transportation, Warehouse, and Telecommunication (Rp. 34.5 trillion, 17.2%), Electricity, Gas, and Water Supply (Rp. 23.7 trillion, 11.8%), Food Industry (Rp. 17.2 trillion, 8.6%), Food Crops and Plantation (Rp. 16.9 trillion, 8.4%), and Mining (Rp. 15.1 trillion, 7.5%).

In this second quarter 2019, the top 5 countries with the largest investment realization are Singapore (US$ 1.7 billion, 24.5%), Japan (US$ 1.2 billion, 17.5%), China (US$ 1.1 billion, 16.2%), Hong Kong, China (US$ 0.7 billion, 10.4%) and the Netherlands (US$ 0.4 billion, 5.3%).
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Appendix

Investment Realization Data of the Domestic and Foreign Direct Investment in Q2 2019

DDI is increased by 18.6% in the Q2 2019 which is from Rp. 80.6 Trillion in Q2 2018 to be Rp. 95.6 Trillion. Within the same period, the FDI is increased by 9.6% in Q2 2019, which is from Rp. 95.7 Trillion in Q2 2018 to be Rp. 104.9 Trillion.

The highlights of the investment realization of the DDI and FDI in Q2-2019 are as follows:

1. Domestic Direct Investment Realization

DDI Investment realization based on sector (5 majors) are: Transportation, Warehouse, and Telecommunication (Rp. 20.2 trillion); Food Crops, Plantation, and Livestock (Rp. 12.6 trillion); Food Industry (Rp. 12.3 trillion); Construction (Rp. 12.0 trillion); and Mining (Rp. 5 trillion). If all of those industrial sectors are combined, it shows that the industrial sectors contribute as much as Rp. 22.2 trillion or 23.2% of the total DDI realization.

Meanwhile, Domestic Direct Investment realization based on location (top 5 by locations) are: Special Territory of Jakarta (Rp. 16.2 trillion); East Java (Rp. 15.5 trillion); Riau (Rp. 9.1 trillion); West Java (Rp. 8.9 trillion); and East Kalimantan (Rp. 6.0 trillion).

2. Foreign Direct Investment Realization

FDI Investment realization based on sector (top 5 by business sectors) are: Electricity, Gas, and Water Supply (US$ 1.3 billion); Transportation, Warehouse, and Telecommunication (US$ 1.0 billion); Metal, Metal Based Goods, Non-Machinery and Equipment Industry (US$ 0.9 billion); Mining (US$ 0.7 billion); Housing, Industrial Estate, and Office Building (US$ 0.6 billion). If all of those industrial sectors are combined, it shows that the industrial sectors contribute as much as US$ 2.5 billion or 36.4% of the total FDI realization.

Foreign Direct Investment realization based on location (5 leading locations) are: West Java (US$ 1.5 billion), Special Territory of Jakarta (US$ 0.9 billion), Central Java (US$ 0.7 billion), Banten (US$ 0.5 billion), and Riau Islands (US$ 0.5 billion).

Foreign Direct Investment realization based on country of origin (five leading countries) are: Singapore (US$ 1.7 billion); Japan (US$ 1.2 billion); China (US$ 1.1 billion); Hongkong (US$ 0.7 billion); and the Netherlands (US$ 0.4 billion).

3. Distribution of Project Location

In the Q2 2019, investment realization in Java Island is Rp. 108.8 trillion while outside Java Island is Rp. 91.7 trillion.
4. Indonesian Labor Absorption

During the Q2 2019, the investment realization has absorbed 255,314 employees, consist of 141,153 labors from DDI projects and 114,161 labors from FDI projects.

The Cumulative Investment Realization from January - June 2019:

1. Domestic Direct Investment (DDI) Realization

DDI realization based on sector (top 5) are: Transportation, Warehouse and Telecommunication (Rp. 32.9 trillion), Construction (Rp. 31.2 trillion); Food Crops, Plantations, and Live Stock (Rp. 21.3 trillion); Food Industry (Rp. 21.3 trillion); and Electricity, Gas, and Water Supply (Rp. 13.7 trillion). If all of those industrial sectors are combined, it shows that the industrial sectors contribute as much as Rp. 38.3 trillion or 21.0% of total DDI realization.

DDI realization based on location (top 5) are: Special Territory of Jakarta (Rp. 26.7 trillion); East Java (Rp. 25.4 trillion); West Java (Rp. 20.5 trillion); Riau (Rp. 17.3 trillion); and Central Java (Rp. 13.5 trillion).

2. Foreign Direct Investment (FDI) Realization

FDI realization based on sector (top 5) are: Electricity, Gas, and Water Supply (US$ 2.9 billion); Transportation, Warehouse and Telecommunication (US$ 2.6 billion); Housing, Industrial Estate, and Office Building (US$ 1.6 billion); Basic Metal, Metal Based Goods, Non-Machinery and Equipment Industry (US$ 1.5 billion); and Mining (US$ 1.3 billion). If all of those industrial sectors are combined, it shows that the industrial sectors contribute as much as US$ 4.4 billion or 31.1% of the total FDI realization.

FDI realization based on project location (top 5) are: West Java (US$ 3.2 billion); Special Territory of Jakarta (US$ 1.9 billion); Central Java (US$ 1.5 billion); Banten (US$ 1.0 billion); and Riau Islands (US$ 0.9 billion).

FDI realization based on country of origin (top 5) are: Singapore (US$ 3.4 billion); Japan (US$ 2.4 billion); China (US$ 2.3 billion); Hong Kong (US$ 1.3 billion); and Malaysia (US$ 1.0 billion).

3. Distribution of Project Location

From January to June 2019, Investment realization in Java Island is Rp. 218.1 trillion and investment realization outside Java Island is Rp. 177.5 trillion. Compared with the same period of 2018, the investment realization in Java Island has increased by 5.8% and for outside Java Island has increased by 14.2%.

4. Indonesian Labor Absorption

From January – June 2019, the investment realization has absorbed 490,715 employees, consists of 239,067 labors from DDI projects and 251,648 labors from FDI projects.
5. The investment realization based on Regions in the January to June 2019 can be figured as follows:
   a. The investment realization in Sumatera Island is Rp. 72.0 trillion (18.2%), consists of Rp. 43.3 trillion of DDI and US$ 1.9 billion of FDI.
   b. The investment realization in Java Island is Rp. 218.1 trillion (55.1%), consists of Rp. 96.9 trillion of DDI and US$ 8.1 billion of FDI.
   c. The investment realization in Kalimantan Island is Rp. 42.3 trillion (10.7%), consists of Rp. 26.5 trillion of DDI and US$ 1.1 billion of FDI.
   d. The investment realization in Sulawesi Island is Rp. 31.7 trillion (8.0%), consists of Rp. 9.7 trillion of DDI and US$ 1.5 billion of FDI.
   e. The investment realization in Bali and Nusa Tenggara is Rp. 11.7 trillion (3.0%), consists of Rp. 5.6 trillion of DDI and US$ 0.5 billion of FDI.
   f. The investment realization in Maluku and Papua is Rp. 19.9 trillion (5.0%), consists of Rp. 1.0 trillion of DDI and US$ 1.3 billion of FDI.

Jakarta, 30th July 2019
Acting Deputy Chairman of Investment Monitoring and Implementation
Investment Coordinating Board of Republic of Indonesia (BKPM RI)