PRESS RELEASE

Reinforce Investment Cooperation, BKPM and Bank of China Sign Memorandum of Understanding

Jakarta, 9 July 2018 – The Indonesia Investment Coordinating Board (BKPM) and the Bank of China (Hong Kong Limited) Jakarta branch signed a memorandum of understanding (MoU) at BKPM office on 9 July 2018. The purpose of signing the MoU is to increase investment and promote sustainable development and economic cooperation between Indonesia and the People’s Republic of China (PRC). The memorandum of understanding was signed by both parties: the Deputy for Investment Planning at BKPM Tamba P. Hutapea and the Bank of China (Hong Kong Limited) Jakarta Branch Manager Zhang Chao Yang.

Chairman of BKPM Thomas Lembong said the spirit of the MoU signing is to strengthen the collaboration between BKPM as a government agency that handles the investment-related issues and Bank of China as a financial institution. "As one of the countries with the largest and most populous economy, China is ranked third for Indonesia’s FDI in 2017," he added in an official statement to the press in Jakarta, Monday (9/7).

According to BKPM, investment from China in the first quarter of 2018 (January-March) reached USD 676.2 million, increased by 12.7% from the same period in the previous year at USD 599.5 million. In 2017, investment from China reached USD 3.36 billion, arose from the previous year at USD 2.66 billion.

The signed MoU aims to increase Chinese investment in Indonesia. China has a Lighthouse Project named Belt and Road Initiative which was launched in 2013. In this project, China has invested a big amount of money abroad, including to Indonesia by building roads, railroads and construction projects.

In Indonesia, investment from China is quite diverse ranging from investments in smelters, automotive, infrastructure and electricity as well as manufacturing.

Through the MoU, BKPM and Bank of China will work together to collaborate and design a program by exchanging information related to the required policies, regulations and investment procedures as well as existing investment opportunities as the area of cooperation. Furthermore, both parties will also assist companies or investors in prospective projects, and continue to carry out other collaborative initiatives in the future.

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