PRESS RELEASE

Investment Realization in the First Quarter of 2019 Reached Rp 195.1 Trillion, Increased by 5.3%

Jakarta, April 30th 2019 – Indonesia Investment Coordinating Board (BKPM) announces investment realization data of the first quarter (January-March) 2019, with the total of investment reached Rp 195.1 trillion, grew by 5.3% compared to the same period in 2018. Investment realization in Q1 for Domestic Direct Investment (DDI) reached Rp 87.2 Trillion and Foreign Direct Investment (FDI) reached Rp 107.9 Trillion. Furthermore, in Q1 2019, direct investment created 235,401 new jobs.

Chairman of BKPM, Thomas Lembong stated that the realization of this first quarter contributed 24.6% to total target investment realization 2019 of Rp 792.0 Trillion. This achievement has quite significant share to reach the economic growth 2019 of 5.3%.

Compared to 2018, DDI grew 14.1% in the Q1 2019, it was from Rp 76.4 Trillion in Q1 2018 to be Rp 87.2 Trillion. However, FDI in Q1 2019 of Rp. 107.9 Trillion, decreased by 0.9%, from Rp 108.9 Trillion in Q1 2018.

“Referring to the Q1 2019 data, there is a positive trend of the FDI growth, in Q4 2018 which was -11.6% to become -0.9% in Q1 2019. We see this trend will continue in the rest of the year, moreover it is supported by strong commitment of the government to continue the reform in economy through the better implementation of Online Single Submission, and also intensification of investment guidance by related to the central or local government institutions.” Said Tom Lembong in the press conference at BKPM, Jakarta, April 30th, 2019.

BKPM also highlighted, the top five regions of investment realization (DDI and FDI) are: West Java (Rp. 37.3 trillion, 19.1%), Special Territory of Jakarta (Rp 24.7 trillion, 12.7%), Central Java (Rp 21.4 trillion, 11.0%), East Java (Rp 12.6 trillion, 6.5%), and Banten (Rp 12.5 trillion, 6.4%).

“Another good news is the occurrence of the positive trend of investment realization in out of Java which were growing 16.7% compared to Q1 2018. This achievement is contributed by the investment activities in eastern Indonesia, specifically in the mining product processing which substantially contribute to export. In addition, tourism sector in eastern Indonesia is potential to develop, specifically for marine tourism and also for special interest tourism that could diversify tourist destination of Indonesia.” said Tom.

In the Q1 2019, investment realization in out of Java was Rp 85.8 Trillion, it grew 16.7% compared to the same period in 2018 of Rp 73.5 Trillion.
Meanwhile, the top five sectors of Investment realization (DDI and FDI) are: Transportation, Warehouse, and Telecommunication (Rp 37.3 trillion, 19.1%), Electricity, Gas, and Water Supply (Rp 33.2 trillion, 17.0%), Construction (Rp 19.5 trillion, 10.0%), Housing, Industrial Estate, and Office Building (Rp 18.8 trillion, 9.7%), and Mining (Rp 15.1 trillion, 7.7%).

Furthermore, the top five investment country of origin are: Singapore (US$ 1.7 billion, 24.0%), China (US$ 1.2 billion, 16.1%); Japan (US$ 1.1 billion, 15.8%); Malaysia (US$ 0.7 billion, 9.8%), and Hong Kong (US$ 0.6 billion, 8.1%).

“BKPM will enhance the problem solving activities for investors by providing professional service in order to accelerate the investment realization. We welcome the investors facing problems to contact or to come directly to BKPM office” said Acting Deputy Chairman of Investment Monitoring and Implementation - BKPM, Ms. Farah Ratnadewi Indriani on the event.

“In line with the launching of KOPI MANTAB (Coordination of Investment Guide Using Application) last month, BKPM along with Local Governments and Line Ministries/Institutions will continue to guide the investment realization as part of debottlenecking facilities in order to accelerate the investment realization. We welcome the investors facing problems to contact or to come directly to BKPM office” said Acting Deputy Chairman of Investment Monitoring and Implementation - BKPM, Ms. Farah Ratnadewi Indriani on the event.

The Growth of Investment Realization in 2014 – March 2019: by Quarter

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Appendix

Investment Realization Data of the domestic and foreign direct investment in Q1 2019

DDI increased by 14.1% in the Q1 2019, from Rp 76.4 Trillion in Q1 2018 to be Rp 87.2 Trillion. In the same time, the FDI decreased by 0.9 % in Q1 2019, from Rp 108.9 Trillion in Q1 2018 to be Rp 107.9 Trillion.

The highlights of the investment realization of the DDI and FDI in Q1-2019 are as follows:

1. Domestic Direct Investment Realization

   DDI Investment realization based on sector (5 major sectors) are: Construction (Rp 19.2 trillion); Transportation, Warehouse, and Telecommunication (Rp 12.7 trillion); Electricity, Gas and Water Supply (Rp 10.3 trillion); Food Industry (Rp 8.9 trillion); and Food Crops, Plantation, and Livestock (Rp 8.8 trillion). If all of the industrial sectors are combined, it can be seen that the industrial sectors contribute as much as Rp 16.1 trillion or 18.5% of the total DDI.

   Meanwhile, Domestic Direct Investment realization based on location (five leading locations) are: West Java (Rp 11.6 trillion); Special Territory of Jakarta (Rp 10.4 trillion); East Java (Rp 10.0 trillion); Central Java (Rp 9.8 trillion); and Riau (Rp 8.2 trillion).

2. Foreign Direct Investment Realization

   FDI Investment realization based on sector (5 major sectors) are: Transportation, Warehouse, and Telecommunication (US$ 1.6 billion), Electricity, Gas, and Water Supply (US$ 1.5 billion), Housing, Industrial Estate, and Office Building (US$ 1.0 billion), Mining (US$ 0.6 billion), and Metal, Except Machinery, and Equipment Industry (US$ 0.6 billion). If all of the industrial sectors are combined, it can be seen that the industrial sectors contribute as much as US$ 1.9 billion or 26.0% of the total FDI.

   Foreign Direct Investment realization based on location (5 leading locations) are: West Java (US$ 1.7 billion), Special Territory of Jakarta (US$ 1.0 billion), Central Java (US$ 0.8 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); China (US$ 1.2 billion); Japan (US$ 1.1 billion); Malaysia (US$ 0.7 billion); and Hong Kong (US$ 0.6 billion).

3. Distribution of Project Location

   In Q1 2019, investment realization in Java Island is Rp 109.3 trillion while outside Java is Rp 85.8 trillion.

4. Indonesian Labor Absorption

   During the Q1 2019, direct investment created 235,401 new jobs, consist of 97,914 labors from DDI projects and 137,487 labors from FDI projects.

5. The investment realization based on Region in January to March 2019 as follows:

   a. The investment realization in Sumatera Island is Rp 35.7 trillion (18.3%), consists of Rp 21.1 trillion of DDI and US$ 1.0 billion of FDI.

   b. The investment realization in Java Island is Rp 109.3 trillion (56.0%), consists of Rp 46.8 trillion of DDI and US$ 4.2 billion of FDI.

   c. The investment realization in Kalimantan Island is Rp 21.4 trillion (11.0%), consists of Rp 12.9 trillion of DDI and US$ 0.6 billion of FDI.
d. The investment realization in Sulawesi Island is Rp 14.0 trillion (7.2%), consists of Rp 3.5 trillion of DDI and US$ 0.7 billion of FDI.

e. The investment realization in Bali and Nusa Tenggara is Rp 5.2 trillion (2.6%), consists of Rp 2.2 trillion of DDI and US$ 0.2 billion of FDI.

f. The investment realization Maluku and Papua is Rp 9.5 trillion (4.9%), consists of Rp 0.7 trillion of DDI and US$ 0.6 billion of FDI.

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