



## PRESS RELEASE

### Indonesia is Optimistic that Investment will Strengthen The Economy amid COVID-19 uncertainties

Jakarta, 22nd July 2020 – Indonesia Investment Coordinating Board (BKPM) announce the investment realization data for the second quarter (April – June) 2020 that reach IDR 191.9 trillion and cumulative investment realization data for first semester (January – June) 2020 reached IDR 402.6 trillion.

*Chairman of BKPM, Bahlil Lahadalia stated that COVID-19 pandemic has a massive and systematic impact on the global economy, including Indonesia, thus the investment deceleration is projected throughout 2020. Nonetheless, BKPM remain positive on its 2020 investment target which will reach at least IDR 817.2 trillion, or about 92.2% from the initial target of IDR 886.0 trillion.*

*"This target should be secured if the Government of Indonesia continues to conduct intensive internal consolidation towards finding solutions", said Bahlil.*

Investment realization for the second quarter of 2020 was slowing down as much as 4.3% compared to the same period in 2019 (IDR 200.5 trillion). However, investment realization until this period has contributed 49.3% to the target of 2020 which was just adjusted to IDR 817.2 trillion, and successfully absorbed 263,109 Indonesian workers.

Based on the above achievement, the Domestic Investment (DDI) (IDR94.3 trillion or 49.1%) significantly contributed to the total realization which is able to absorb Indonesian workers as many as 145,311 people or 55.2% of total employment of Indonesian labor. In addition, the data showed that the biggest portion of investment realization came from transportation, warehouse and telecommunications sector (18.8%), and the project location with the highest investment realization was the Special Territory of Jakarta (18.9%)

*"Our DDI have been proven to be resilient despite the ongoing coronavirus pandemic since the amount of DDI are shown as almost equal to the amount of its FDI. In addition, lauding this as an outstanding performance, the DDI have created more jobs for Indonesians than its FDI. " said Bahlil.*

During the same period, the realization of Foreign Direct Investment (FDI) was IDR 97.6 trillion or 50.9% of the total investment realization which employ 117,798 Indonesian labor. Furthermore, the biggest FDI realization contributor sector came from the Electricity, Gas and Water (21.6%), and the largest investment realization projects location was in West Java (19.9%). The largest FDI realization came from Singapore country (28.8%).

Most investment realization occurred in Java, which has value of IDR 100.6 trillion or 52.4% of the total investment realization. Meanwhile, investment realization outside of Java value to IDR 91.3 trillion or 47.6% of the total investment realization.

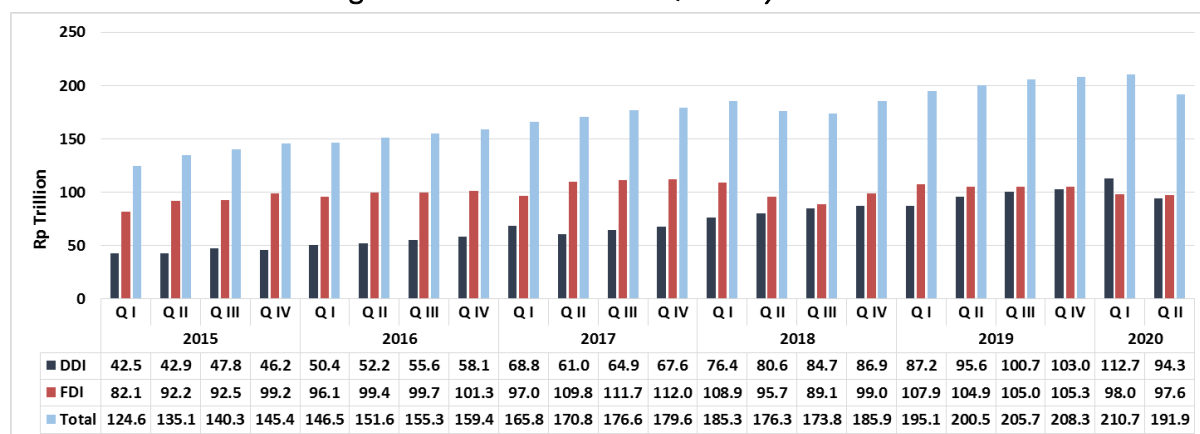
Cumulatively, during the period January - June 2020, Indonesia's investment realization performance reached IDR 402.6 trillion, consisting of IDR 195.6 trillion Foreign Direct Investment (FDI) and IDR 207.0 trillion Domestic Direct Investment (DDI) realization. That performance succeeding in hiring 566,194 Indonesian labor.

Further elaboration on the investment realization performance in the January - June 2020 period, the biggest value contribution came from IDR 207.0 trillion of Domestic Direct Investment (DDI) or 51.4% of the total investment realization that managed to absorb 296,477 Indonesian labor. Next, the biggest contributor sector came from the transportation, warehouse and telecommunications (26.7%) and the largest investment realization project location was in East Java (18.6%).

Foreign Direct Investment (PMA) contributed for IDR 195.6 trillion or 48.6% of the total investment realization and contributed to labor employment as many as 269,717 people. The biggest contribution to the sector came from the basic metal industry, metal products, non-machinery and equipment (21%), the location of the project with the largest investment realization is West Java (16.7%) and the largest FDI country is Singapore (34.4%).

Regarding the investment pattern distribution, the dominant contribution came from Java Island, which reached IDR 208.9 trillion or 51.9% from its total, while investment realization from outside of Java was IDR 193.7 trillion or 48.1% from its total.

### Investment Realization Progress 2015 – June 2020: *Quarterly*



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## Appendix

### Investment Realization Data of DDI and FDI in Q2 2020

DDI realization in Q2 2020 decreased 1.4% compared to the same period in 2019, valued IDR 95.6 trillion to IDR 94.3 trillion.

FDI realization in Q2 2020 decreased by 6.9% compared to the same period in 2019, valued IDR 104.9 trillion to IDR 97.6 trillion.

The highlights of the investment realization of the DDI and FDI in Q2 2020 are as follows:

#### 1. Domestic Direct Investment Realization

DDI realization based on 5 leading sectors are: Transportation, Warehouse, and Telecommunication (IDR 17.7 trillion); Construction (IDR 11.8 trillion); Food Industry (IDR 10.8 trillion); Electricity, Gas, and Water Supply (IDR 9.4 trillion); and Food Crops, Plantation, and Livestock (IDR 8.7 trillion). If all of those industrial sectors are combined, it shows that the industrial sectors contribute as much as IDR 23.0 trillion or 24.4% of the total DDI.

DDI realization based on 5 leading locations are: Special Territory of Jakarta (IDR 17.9 trillion); East Java (IDR 11.9 trillion); West Java (IDR 8.5 trillion); Banten (IDR 7.7 trillion); and Riau (IDR 7.2 trillion).

#### 2. Foreign Direct Investment Realization

FDI realization based on 5 leading sectors are: Electricity, Gas, and Water Supply (US\$ 1.5 billion); Metal, Metal Based Goods, Non-Machinery and Equipment Industry (US\$ 1.3 billion); Transportation, Warehouse, and Telecommunication (US\$ 0.7 billion); Housing, Industrial Estate, and Office Building (US\$ 0.5 billion); and Food Industry (US\$ 0.5 billion). If all of those industrial sectors are combined, it shows that the industrial sectors contribute as much as US\$ 2.9 billion or 43.6% of the FDI total.

FDI realization based on 5 leading locations are: West Java (US\$ 1.4 billion); Special Territory of Jakarta (US\$ 0.8 billion); East Java (US\$ 0.5 billion); Central Sulawesi (US\$ 0.4 billion); dan Banten (US\$ 0.4 billion).

FDI realization based on 5 leading countries are: Singapore (US\$ 2.0 billion); Hong Kong (US\$ 1.2 billion); China (US\$ 1.1 billion); Japan (US\$ 0.6 billion); and South Korea (US\$ 0.5 billion).

#### 3. Distribution of Project Location

In the Q2 2020, investment realization in Java Island is IDR 100.6 trillion and outside Java Island is IDR 91.3 trillion. Compared with the same period of 2019, the investment realization in Java Island has decreased by 7.6 % and for outside Java Island by 0.4 %.

#### 4. Indonesian Labor Employment

In Q2 2020, the investment realization absorbed 263,109 labors, consists of 145,311 labors from DDI projects and 117,798 labors from FDI projects.

## The Cumulative Investment Realization from January – June 2020

### 1. Domestic Direct Investment (DDI) Realization

Top 5 DDI realization based on sector are: Transportation, Warehouse and Telecommunication (IDR 55.4 trillion); Construction (IDR 25.9 trillion); Food Crops, Plantations, and Livestock (IDR 19.0 trillion); Food Industry (IDR 18.1 trillion); and Housing, Industrial Estate, and Office Building (IDR 16.7 trillion). When all those industrial sectors are combined, it shows that the industrial sectors contribute as much as IDR 42.8 trillion or 20.7% of total DDI realization.

Top 5 DDI realization based on location are: East Java (IDR 38.4 trillion); West Java (IDR 25.2 trillion); Special Territory of Jakarta (IDR 24.8 trillion); Central Java (IDR 18.8 trillion); and Riau (IDR 14.9 trillion).

### 2. Foreign Direct Investment (FDI) Realization

Top 5 FDI realization based on sector are: Basic Metal, Metal Based Goods, Non-Machinery and Equipment Industry (US\$ 2.9 billion); Electricity, Gas, and Water Supply (US\$ 2.3 billion); Transportation, Warehouse and Telecommunication (US\$ 1.4 billion); Housing, Industrial Estate, and Office Building (US\$ 1.1 billion); and Chemical and Pharmaceutical Industry (US\$ 0.9 billion). When all those industrial sectors are combined, it shows that the industrial sectors contribute as much as US\$ 6.0 billion or 44.3% of the total FDI realization.

Top 5 FDI realization based on location are: West Java (US\$ 2.3 billion); Special Territory of Jakarta (US\$ 1.8 billion); North Maluku (US\$ 1.0 billion); East Java (US\$ 0.9 billion); and Central Sulawesi (US\$ 0.8 billion).

Top 5 FDI realization based on country of origin are: Singapore (US\$ 4.7 billion); China (US\$ 2.4 billion); Hong Kong (US\$ 1.8 billion); Japan (US\$ 1.2 billion); and Malaysia (US\$ 0.8 billion).

### 3. Distribution of Project Location

From January to June 2020, Investment realization on Java Island is IDR 208.9 trillion and investment realization outside Java Island is IDR 193.7 trillion. Compared with the same period of 2019, the investment realization in Java Island has decreased by 4.2% and for outside Java Island has increased by 9.1%.

### 4. Indonesian Labor Employment

The realization of Indonesian labor employment in January-June 2020 reached as many as 556,194 labors which consists of 296,477 labors (52,2%) from DDI projects and 296,717 labors (47,8%) from FDI projects.

### 5. The investment realization based on Regions in the January - June 2020 can be figured as follows:

- a. The investment realization in Sumatera is IDR 97.4 trillion (24.2%), consists of IDR 51.3 trillion of DDI and US\$ 3.2 billion of FDI.
- b. The investment realization in Java is IDR 208.9 trillion (51.9%), consists of IDR 118.7 trillion of DDI and US\$ 6.2 billion of FDI.
- c. The investment realization in Kalimantan is IDR 33.6 trillion (8.3%), consists of IDR 20.5 trillion of DDI and US\$ 0.9 billion of FDI.

- d. The investment realization in Sulawesi is IDR 34.2 trillion (8.5%), consists of IDR 10.5 trillion of DDI and US\$ 1.6 billion of FDI.
- e. The investment realization in Bali and Nusa Tenggara is IDR 10.2 trillion (2.5%), consists of IDR 4.9 trillion of DDI and US\$ 0.4 billion of FDI
- f. The investment realization in Maluku and Papua is IDR 18.3 trillion (4.6%), consists of IDR 1.1 trillion of DDI and US\$ 1.2 billion of FDI.

Jakarta, 22nd July 2020

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