Indonesia Encourages US Businessmen to Increase Investment and Trade

New York, 18 November 2019 – BKPM Chairman Bahlil Lahadalia expressed his optimism about investment growth in Indonesia at the Business Forum on Trade, Tourism and Investment in Indonesia in New York, United States. "There is approximately IDR 700 trillion in investments (both FDI and DDI) ready to be executed, as well as investment plans worth nearly IDR 1,000 trillion ready to enter Indonesia," he convinced the US investors through a video message. Accordingly, to boost investment realization, the Indonesian President requested all licensing from various ministries and institutions to be delegated to BKPM, including tax incentives.

In his remarks, Deputy Minister of Foreign Affairs Mahendra Siregar said "In the midst of the trade war between the US and China, Indonesia could become an alternative source of products and investment destinations for the US, as Indonesia aims to double its total trade with the US within five years."

For this reason, under the organization of the Indonesian Embassy in Washington DC, Indonesia has identified a number of key products to increase trade in the near future including textiles, rubber products, footwear, electronic machinery, and furniture. Meanwhile, several potential products such as chemical products, children’s toys and paper, as well as strategic products such as machinery, plastic products, and vehicle parts would require more investment to improve competitiveness and production.

Furthermore, Deputy Minister of Trade Jerry Sambuaga said, "The US and Indonesia are two complementary trade partners, not competitors, with a total trade value of USD 29 billion last year". He also communicated the Indonesian trade policies which encompass the increasing exports through integration into the global value chains, simplification of procedures, logistical efficiency, as well as economic diplomacy and market development.

The Business Forum on Trade, Tourism and Investment event at the Intercontinental Times Square Hotel, New York, United States was opened by the Indonesian Consul General Dr. Arifi Saiman who put emphasis on the follow-up activities afterwards in the form of assigning US investment missions to Indonesia next year. The forum was held as a collaboration between the Indonesian Consulate General in New York and the Indonesia Investment Promotion Center (IIPC) New York, Bank Indonesia New York, BRI New York Agency, BNI New York Agency, Bank Mandiri Cayman Islands and the Indonesian Trade Promotion Center (ITPC) Chicago. The forum which presented more than 150 US investors and business people who are interested in doing business in Indonesia was also supported by the American Indonesian Chamber of Commerce.

Indonesia and the US posted an increasing trade value in the last three years, from USD 25.2 billion (2016) to USD 29 billion (2018). In the last five years, the US is also listed as the eighth largest source of foreign direct investment in Indonesia with investment realization value worth USD 6.6 billion, not include the upstream oil and gas and financial sectors.