PRESS RELEASE

Ministry of Investment and KADIN Indonesia Strengthen Collaboration through Memorandum of Understanding

Jakarta, 28 August 2021 – The Ministry of Investment/Indonesia Investment Coordinating Board (BKPM) strengthen collaboration with the Indonesia Chamber of Commerce and Industry (KADIN) with a Memorandum of Understanding on Cooperation in the Investment Sector. The MoU was signed in person by the Minister of Investment/BKPM Chairman Bahlil Lahadalia and Chairman of KADIN (Chamber of Commerce and Industry) Indonesia Arsjad Rasjid at the office of the Ministry of Investment/BKPM yesterday afternoon (27/8).

Ministry of Investment/BKPM and KADIN Indonesia renewed and strengthened the agreement previously signed in 2016. The MoU is made to adjust for recent developments in the business climate, speed up the increase of investment and create greater employment opportunities.

The Minister of Investment/BKPM Chairman Bahlil Lahadalia sees the effect of the COVID-19 pandemic on the Indonesian economy where economic growth is unstable, even though the second quarter of 2021 has shown improvement. According to data from the Central Bureau of Statistics (BPS), during the second quarter of 2021, 84% of economic growth is supported by household consumption and investment. Consumption depends on the certainty of consumer income, and the
role of businesses as the backbone of public economic resilience is to support the creation of jobs and provide certainty of consumer income and buying power.

"KADIN as an organization under Indonesian law, is the government's strategic partner, to provide constructive input and critical thinking in improving economic policies," said Minister of Investment Bahlil.

The Memorandum of Understanding is a collaboration between the government and businesses. Seventy-six percent of the country's income comes from taxes, and the largest taxpayers are corporations. Therefore, the country needs good businesses. In this instance, the Ministry of Investment/BKPM and KADIN Indonesia will formulate one collaborative step to deal with investment problems faced by businesses.

"I encourage my friends in the business world to communicate how to formulate a strategy on driving the economy by thinking outside the box. In the context of investment, according to the President's directive of a large vision of economic transformation to create added value, there are three large programs that we must support; down streaming industries, digitalizing UMKM and green economics. In those contexts, let's formulate," said Bahlil.

Chairman of KADIN Indonesia Arsjad Rasjid conveys his appreciation to the Ministry of Investment/BKPM for supporting the collaboration. Today's MoU is a supplement and completion of the 2016 MoU between BKPM and KADIN Indonesia. We hope the new MoU encompasses everything needed for synergy and collaboration between the Ministry of Investment and KADIN Indonesia to
accelerate various aspects that can increase investments, expand employment and grow the national economy.

“We welcome today’s event. The Memorandum of Understanding also encompasses what is mandated to KADIN by the Law which in terms of partnership as the government’s strategic partner. The memo also includes collaboration in educating and training capacity building all businessmen in the nation,” said Arsjad Rasjid, Chairman of Kadin, from 2021 to 2026.

The scope of the Memorandum of Understanding signed today includes the exchange of data and information; holding joint promotions; facilitating foreign businesses and domestic investors doing business in Indonesia; facilitating investing partnership; planning and development of business climate; as well as education and training programs for businesses. (*)