INDONESIA INVESTMENT COORDINATING BOARD

Press Release

Investment Realization of January - September 2017: Rp. 513.2 Trillion, 75.6% of the 2017’s Target

Jakarta, October 30th 2017—On the third Quarter/Q3 (July-September) 2017, investment realization reaches Rp 176.6 trillion, consists of Rp. 64.9 trillion of Domestic Direct Investment (DDI) and Rp. 111.7 trillion of Foreign Direct Investment (FDI). The numbers of investment realization are increased consistently from time to time. The investment realization in third quarter of 2017 grew by 13.7% compared to the same period in 2016, which consists of DDI that increased by 16.8% and FDI 12.0%. In the first nine month of 2017, from January – September 2017, investment realization cumulatively reached Rp. 513.2 trillion, achieving 75.6% of national target in 2017 (Rp. 678.8 trillion), consists of DDI Rp. 194.7 trillion (37.9%) and FDI Rp. 318.5 trillion (62.1%). Investment realization outside Java island is Rp. 230.4 trillion (44.9%) and in Java Island Rp. 282.8 trillion (55.1%)

The Chairman of BKPM, Thomas Lembong, said, with the achievement of investment realization on the Q3 of 2017, it enhances government optimism to reach 2017 national target of investment which stands at Rp. 678.8 trillion.“BKPM is committed to supporting the implementation of Presidential Regulation No. 91 of 2017 regarding Acceleration of Business Processes by revising the Chairman of BKPM regulations to ensure further acceleration and simplification of business licensing processes. BKPM also continues to innovate by applying information technology for simplifying licensing process with the implementation of Online Single Submission and E-Signature on investment licensing. BKPM also implements real steps to facilitate the investment issues, whether the issues come from the regulatory side or project implementation that would boost the realization of investment planning”, said BKPM Chairman, Thomas Lembong, in the Press Conference at BKPM office, today (30/10).

Investment Realization of Quarter III 2017 has absorbs 286.497 labor, consists of 109.711 labor from DDI projects and 176.786 labor from FDI projects. “These numbers show that investment takes an active role to create employment opportunities for local community.
**BKPM would continue to oversee investment projects that potentially absorbs large numbers of manpowers**, said Azhar Lubis, Deputy Chairman of Investment Control and Implementation, BKPM.

**Electricity and Metal Industry is Dominating**

BKPM noted investment realization in Java in this period have reached Rp. 101.1 trillion while in outside Java are Rp 75.5 trillion. Compared to the same period in Q3 2016, investment realization in Java increased by 15.4% while investment realization in outside Java also reached by 11.5%.

Investment Coordinating Board also noted investment realization (DDI & FDI) in third quarter of 2017 based on project locations (top 5) are: West Java (Rp 28.8 trillion, or 16.3%); Special Territory of Jakarta (Rp 25.7 trillion, or 14.6%); Banten (Rp 18.1 trillion, or 10.2%); East Java (Rp 15.7 trillion or 8.9%), and Central Java (Rp 12.6 trillion, or 7.1%).

While investment realization (DDI & FDI) in third quarter of 2017 based on sector (5 biggest sectors) are: Electricity, Gas and Water Supply (Rp 22.1 trillion, or 12.5%); Real Estates, Industrial Estates and Office Building (Rp 19.9 trillion, or 11.3%); Metal, Machinery and Electronic Industry (Rp 18.9 trillion, or 10.7%); Mining (Rp 18.2 trillion or 10.3%) and Chemical and Pharmaceutical Industry (Rp 16.3 trillion, or 9.2%).

Top 5 countries in third quarter of 2017 that have invested in Indonesia are: Singapore (US$ 2.5 billion, 30.1%); Japan (US$ 1.1 billion, 13.3%); China (US$ 0.8 billion, 9.6%); USA (US$ 0.6 billion, 7.2%) and South Korea (US$ 0.5 billion, 4.8 %).

**Investment Realization 2012 - September 2017: Quarterly Trend**

Further detail data on investment realization Q3-2017 and January-September 2017 as attached.

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Appendix
The Highlights of Investment Realization in the Third Quarter of 2017

Investment realization of Domestic Direct Investment (DDI) in Q3 2017 has increased by 16.8% compared to the same period in Q3 2016 from Rp. 55.6 trillion to Rp. 64.9 trillion.

Investment realization of Foreign Direct Investment (FDI) in Q3 2017 has increased by 12.0% compared to the same period in Q3 2016 from Rp. 99.7 trillion to Rp. 111.7 trillion.

The highlights of the investment realization of the domestic and foreign direct investment in Q3-2017 are as follows:

1. Domestic Direct Investment Realization
   DDI realization based on sector (five leading sectors) are: Electricity, Gas and Water Supply (Rp 8.8 trillion); Construction (Rp 8.5 trillion); Real Estates, Industrial Estates and Office Building (Rp 8.3 trillion); Food Industry (Rp 6.3 trillion); and Transportation, Warehouse and Telecommunication (Rp 5.1 trillion). If all of the industrial sectors are combined, it can be seen that the industrial sectors contribute Rp 20.9 trillion or 32.2% to the total DDI.

   DDI realization based on location (five leading locations) are: East Java (Rp 11.4 trillion); Special Territory of Jakarta (Rp 10.7 trillion); West Java (Rp 8.1 trillion); Central Java (Rp 5.3 trillion); and Banten (Rp 3.6 trillion).

2. Foreign Direct Investment Realization
   FDI realization based on sectors (five leading sectors) are: Metal, Machinery and Electronic Industry (US$ 1.2 billion), Mining (US$ 1.0 billion); Electricity, Gas and Water Supply (US$ 1.0 trillion); Chemical and Pharmaceutical Industry (US$ 0.9 billion); and Real Estates, Industrial Estates and Office Building (US$ 0.9 billion). If all of the industrial sectors are combined, it can be seen that the industrial sectors contribute US$ 3.4 billion or 41.0 % to the total Foreign Direct Investment realization.

   Meanwhile, FDI realization based on locations (five leading locations) are: West Java (US$ 1.5 billion); Special Territory of Jakarta (US$ 1.1 billion); Banten (US$ 1.1 billion); Papua (US$ 0.6 billion) and Riau (US$ 0.5 billion).

   FDI realization based on country of origin (five leading countries) are: Singapore (US$ 2.5 billion); Japan (US$ 1.1 billion); China (US$ 0.8 billion); USA (US$ 0.6 billion) and South Korea (US$ 0.5 billion).
3. Distribution of Project Location
On third quarter of 2017, investment realization in Java island is Rp 101.1 trillion while outside Java island is Rp 75.5 trillion. If compared to the same period in 2016 (Rp 67.7 trillion), it increased investment realization by 11.5% at outside of Java Island.

4. Indonesian Labor Absorption
Indonesian labor absorption on third quarter of 2017 is 286,497 labor consist of 109,711 labor from DDI project and 176,786 labor from FDI project.

**Cumulative Investment Realization in January to September 2017:**

1. Domestic Direct Investment Realization
Domestic Direct Investment realizations based on sector (5 leading sectors) are: Food Industry (Rp 27.9 trillion); Transportation, Warehouse and Telecommunication (Rp 25.7 trillion); Electricity, Gas and Water Supply (Rp. 21.9 trillion); Mining (Rp 19.9 trillion); and Construction (Rp. 19.6 trillion). Whereas, should all industrial sectors combined, it can be seen that industrial sectors contribute Rp 73.0 trillion or 37.5% of total domestic direct investment realization.

Domestic Direct Investment realization based on **location** (5 leading locations) are: East Java (Rp. 36.4 trillion); Special Territory of Jakarta (Rp 32.7 trillion); West Java (Rp 29.0 trillion); Central Java (Rp. 13.1 trillion); and Banten (Rp 11.2 trillion).

2. Foreign Direct Investment Realization
FDI Investment realization based on **sector** (5 leading sectors) are: Mining (US$ 3.2 billion); Metal, Machinery and Electronic Industry (US$ 3.1 billion); Electricity, Gas and Water Supply (US$ 2.7 billion); Chemical and Pharmaceutical Industry (US$ 2.2 billion); and Real Estates, Industrial Estates and Office Building (US$ 2.0 billion). If all of the industrial sectors are combined, it can be seen that the industrial sectors contribute as much as US$ 10.5 billion or 43.9% of the total FDI.

Foreign Direct Investment realization based on **location** (five leading locations) are: West Java (US$ 4.0 billion); Special Territory of Jakarta (US$ 3.2 billion); Banten (US$ 2.3 billion); Central Java (US$ 1.5 billion); and Papua (US$ 1.4 billion).

Foreign Direct Investment realization based on **country of origin** (five leading countries) are: Singapore (US$ 6.1 billion); Japan (US$ 4.0 billion); China (US$ 2.7 billion); USA (US$ 1.5 billion); and South Korea (US$ 1.4 billion).

3. Distribution Project Location
In January to September 2017, investment realization in Java Island is Rp 282.8 trillion while outside Java Island is Rp 230.4 trillion. Compared to the same period in 2016 (Rp 203.1 trillion), investment realization outside Java Island increased 13.4%.
4. The investment realization based on Regions in January to September 2017 can be figured as follows:
   
a. The investment realization in Sumatera Island is Rp. 89.2 trillion (17.4%), consists of Rp. 34.2 trillion of DDI and US$ 4.1 billion of FDI.

b. The investment realization in Java Island is Rp. 282.7 trillion (55.1%), consists of Rp. 122.5 trillion of DDI and US$ 12.0 billion of FDI.

c. The investment realization in Kalimantan Island is Rp. 49.1 trillion (9.6%), consists of Rp. 21.3 trillion of DDI and US$ 2.1 billion of FDI.

d. The investment realization in Sulawesi Island is Rp. 47.4 trillion (9.2%), consists of Rp. 8.8 trillion of DDI and US$ 2.9 billion of FDI.

e. The investment realization in Bali and Nusa Tenggara is Rp. 18.4 trillion (3.6%), consists of Rp. 6.0 trillion of DDI and US$ 0.9 billion of FDI.

f. The investment realization in Maluku and Papua is Rp. 26.4 trillion (5.1%), consists of Rp. 1.8 trillion of DDI and US$ 1.8 billion of FDI.

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Jakarta, October 30th 2017