Jakarta, July 29th 2016 – The Chairman of the Indonesia Investment Coordinating Board/Badan Koordinasi Penanaman Modal (BKPM), Thomas Trikasih Lembong is confident that the current year investment realization target of Rp 594.8 Trillion can be achieved. This was stated by the Chairman of BKPM Thomas Trikasih Lembong when he announced the investment realization of Rp 151.6 Trillion for both Domestic Direct Investment (DDI) and Foreign Direct Investment (FDI) during the Second Quarter of 2016 (April – June) and Rp 298.1 Trillion for the period of January-June 2016. This DDI and FDI investment realization is based on the Investment Activity Report (LKPM) collected by BKPM.

Lembong’s optimism is based on the increase of investment realization number in the Second Quarter of 2016 by 12.3% compared with the same period in 2015 (Rp 135.1 trillion). These number broke the previous record of investment realization in Indonesia, with DDI realization which was amounted at Rp 52.2 trillion, recorded an increase by 21.7% from Rp 42.9 trillion in the same period of 2015, and for FDI was Rp 99.4 trillion, rose by 7.9% from Rp 92.2 trillion in the same period of 2015.

The Investment realization of Foreign Direct Investment based on leading countries (top 5) are: Singapore (US$ 2.0 billion); Japan (US$ 1.3 billion); Hong Kong (US$ 0.6 billion); China (US$ 0.5 billion); and Malaysia (US$ 0.4 billion).

“In order to boost the investment realization, BKPM continuously deliver various efforts to accelerate and support the policies set by the Government, one of which is the Tax Amnesty policy. Currently, BKPM still continue to finalize the provision of investment services for the convenience of participants of Tax Amnesty. In an Investment scheme prepared, participants of Tax Amnesty who want to channel their funds through capital investment will be accompanied by BKPM’s account officer, will then be assisted to obtain services such as 3 hours Investment Licensing Services, Import Duty Exemptions Facility, Green Line Acceleration, as well as a possibility to get facility of Tax Allowance or Tax Holiday. However, services for Tax Amnesty participants are limited to investment in infrastructure, real sector priorities, and other investments other than financial.” said Thomas Trikasih Lembong, Head of the Investment Coordinating Board (BKPM).
Another issue that needs attention is the distribution of investment realization outside Java, which increased to Rp 69.6 trillion, equivalent of 45.9% of the total investment (compared to the same period in 2015 amounted to 44.7%). Investment realization inside the Java Islands was Rp 82.0 trillion (54.1%).

FDI realization based on location (5 leading locations) are: West Java (US$ 1.2 billion); Special Territory of Jakarta (US$ 1.0 billion); Banten (US$ 0.8 billion); East Java (US$ 0.7 billion) and Riau (US$ 0.4 billion).

Meanwhile, FDI realization based on sector (5 leading sectors) are: Metal, Machinery and Electronic Industry (US$ 0.9 billion); Mining (US$ 0.7 billion); Chemical and Pharmaceutical Industry (US$ 0.6 billion); Real Estate, Industrial Estate and Office Building (US$ 0.6 billion); Food Industry (US$ 0.5 billion). Whereas, should all industrial sectors be combined, it can be seen that industry sectors contributed US$ 3.9 billion, or 54.2% of total FDI.

DDI realization based on location (5 leading locations) are: East Java (Rp 11.8 trillion); West Java (Rp 8.8 trillion); South Kalimantan (Rp 5.5 trillion); Special Territory of Jakarta (Rp 5.2 trillion) and Riau (Rp 2.7 trillion).

On the other hand, DDI realization based on sector (5 leading sectors) are: Transportations, Warehouse and Telecommunications (Rp 8.4 trillion); Non Metallic Minerals Industry (Rp 8.1 trillion); Food Industry (Rp 7.7 trillion); Construction (Rp 6.3 trillion); and Food Crops and Plantation (Rp 3.5 trillion). Whereas, should all industrial sectors be combined, industry sectors contributed Rp 25.2 trillion or 48.3% of total domestic direct investment realization.

Developments Investment Realization 2011 - June 2016: Per Quarter

![Chart showing investment realization per quarter from 2011 to 2016]
BKPM Chairman is confident that the various investment policies and schemes will encourage even distribution of investments directed towards outside Java, which in turn can boost employment and the economy in the less-developed region and help the government achieve the investment target of Rp 594.8 trillion.

For further information, please contact:
M. M. Azhar Lubis
Deputy Chairman of Investment Monitoring and Implementation
Jl. Jend. Gatot Subroto 44, Jakarta 12190, Indonesia Phone:
62-21-5252008 ext.7001
Mobile: 62-8159525035
e-mail: azhar@bkpm.go.id
Appendix

Investment Realization in the Second Quarter of 2016 and January – June 2016

The investment realization of Domestic Direct Investment (DDI) in the Second Quarter of 2016 was Rp 52.2 Trillion, an increase of 21.7% compared to the same period in 2015 which amounted at Rp 42.9 trillion.

The Foreign Direct Investment (FDI) realization in the Second Quarter of 2016 was Rp 99.4 Trillion, also recorded an increase of 7.9% compared with the same period in 2015 (Rp 92.2 Trillion).

Highlights of the investment realization of the domestic and foreign direct investment in the Second Quarter of 2016 as stated:

1. Distribution of Project Location

In the Second Quarter of 2016, investment realization in Java Island was Rp 82.0 Trillion (or 54.1% to the total investment realization) while outside Java Island was Rp 69.6 trillion (or 45.9% to the total investment realization). Compared with the same period in 2015, the proportion of investment realization outside Java Island rose 1.2%, from 44.7% to 45.9%.

2. Labor Absorption

Indonesian labor absorption for investment project in the Second Quarter of 2016 was 354,739 people, consisting of 87,039 people from DDI and 267,700 people from FDI.

Cumulative Investment Realization in January to June 2016:

The highlights of the investment realization of the domestic and foreign direct investment in January to June 2016 are as follows:

1. Domestic Direct Investment Realization

Domestic Direct Investment realization based on sector (5 leading sectors) are: Food Industry (Rp 16.6 trillion); Transportation, Warehouse and Telecommunication (Rp 13.3 trillion); Food Crops and Plantation (Rp 12.2 trillion); Non Metallic Mineral Industry (Rp 11.1 trillion); and Chemical and Pharmaceutical Industry (Rp 9.1 trillion). Whereas, should all industrial sectors be combined, it can be seen that industrial sectors contribute Rp 50.7 trillion or 49.9% of total domestic direct investment realization.
Domestic Direct Investment realization based on location (5 leading locations) are: East Java (Rp. 24.8 trillion); West Java (Rp 14.9 trillion); Special Territory of Jakarta (Rp 8.0 trillion); Central Kalimantan (Rp. 7.1 trillion); and Central Java (Rp 6.9 trillion).

2. Foreign Direct Investment Realization

Foreign Direct Investment realization based on sector (5 leading sectors) are: Paper and Printing Industry (US$ 2.4 billion); Metal, Machinery and Electronic Industry (US$ 1.6 billion); Chemical and Pharmaceutical Industry (US$ 1.5 billion); Transport Equipment and Other Transport Industry (US$ 1.3 billion); and Food Industry (US$ 1.0 billion). Whereas, should all industrial sectors be combined, it can be seen that industrial sectors contribute US$ 9.3 billion or 66.0% of total FDI realization.

Foreign Direct Investment realization based on location (5 leading locations) are: West Java (US$ 2.8 billion); South Sumatera (US$ 2.2 billion); Banten (US$ 1.7 billion); Special Territory of Jakarta (US$ 1.6 billion); and East Java (US$ 0.9 billion).

Foreign Direct Investment realization based on country of origin (five leading countries) are: Singapore (US$ 4.9 billion); Japan (US$ 2.9 billion); Hong Kong, RRC (US$ 1.1 billion); China (US$ 1.0 billion); and Netherlands (US$ 0.6 billion).

3. Indonesian Labor Absorption

Indonesian labor absorption for investment project in January to June 2016 was 681,904 people, consisting of 223,599 people from DDI and 458,310 people from FDI.

4. The investment realization based on Location in January to June 2016 can be figured as follows:

a. The investment realization in Sumatera Island was Rp. 61.9 trillion (20.8%), consists of Rp. 15.5 trillion of DDI and US$ 3.3 billion of FDI.

b. The investment realization in Java Island and Bali was Rp. 166.8 trillion (55.9%), consists of Rp. 60.5 trillion of DDI and US$ 7.6 billion of FDI.

c. The investment realization of Kalimantan Island was Rp. 32.3 trillion (10.9%), consists of Rp. 21.2 trillion of DDI and US$ 0.8 billion of FDI.

d. The investment realization of Sulawesi Island was Rp. 17.6 trillion (5.9%), consists of Rp. 4.6 trillion DDI and US$ 0.9 billion of FDI.

e. The investment realization of Nusa Tenggara, Maluku and Papua was Rp. 19.4 trillion (6.5%), consists of Rp. 0.7 trillion DDI and US$ 1.3 billion of FDI.