Investment Realization in the Third Quarter of 2019

Jakarta, 31st October 2019 – Indonesia Investment Coordinating Board (BKPM) announces the investment realization data for the third quarter of 2019 (July – September) that reached Rp 205.7 trillion, increased by 18.4% compared to the same period in 2018. Investment realization in this period has absorbed 212,581 labors.

During the third quarter of 2019, Domestic Direct Investment (DDI) is Rp 100.7 trillion, increased 18.9%, and Foreign Domestic Investment (FDI) is Rp 105.0 trillion, increased 17.8% compared to the same period in 2018. With total labor absorption 212,581 labors, consists of 109,475 labors in DDI projects and 103,106 labors in FDI projects.

"The General Election that held in April 2019 showed positive signal because it was conducted peacefully, this affect investment realization in the third quarter of 2019 that grows 2.6% compared to second quarter of 2019. This indicates direct investment back to rise again and investment realization national target in 2019 is quite possible to meet the target at fourth quarter of 2019", the new BKPM Chairman, Bahlil Lahadalia, explained on the Press Conference held at BKPM Office, Jakarta (Thursday, 31st October 2019).

During the third quarter of 2019, investment realization in Java Island is Rp 112.1 trillion grows 14.4% compared to the same period in 2018 (Rp 98.0 trillion), meanwhile investment realization outside of Java Island is Rp. 93.6 trillion or grows 23.5% compared to the third quarter of 2018 (Rp 75.8 trillion). Based on a project location, there are 5 leading locations which are: DKI Jakarta (Rp 41.1 trillion, 20.0%); West Java (Rp 33.4 trillion, 16.2%); East Java (Rp. 14.8 trillion, 7.2%); Riau (Rp. 13.1 trillion, 6.4%); and Central Java (Rp. 11.1 trillion, 5.4%).

“Other interesting aspect to pinpoint is the investment realization outside Java island is higher in Java island. The government is determined to improve and accelerate investment realization and others economic activities outside Java island in order to show that national economic development is spread throughout the country, especially to the outside of Java island”, said Bahlil Lahadalia.
The 5 leading countries with the largest investment realization in third quarter of 2019 are: Singapore (US$ 1.9 billion, 27.1%); Netherlands (US$ 1.4 billion, 20.0%); China (US$ 1.0 billion, 14.3%); Japan (US$ 0.9 billion, 12.9%) and Hongkong (US$ 0.4 billion, 5.7%). While the investment realization (DDI & FDI) in the third quarter of 2019 for 5 leading sectors are: Transportation, Warehouse, and Telecommunication (Rp. 39.3 trillion, 19.1%), Electricity, Gas, and Water Supply (Rp. 39.1 trillion, 19.0%), Construction (Rp. 16.9 trillion, 8.2%), Housing, Industrial Estate, and Office Building (Rp. 16.4 trillion, 8.0%) and Food Crops and Plantation (Rp. 15.6 trillion, 7.6%).

The cumulative of investment realization data in the period of January–September 2019 that reached of Rp. 601.3 trillion which consist of total realization of DDI reached Rp. 283.5 trillion (increased by 17.3%) and total realization of FDI reached Rp. 317.8 trillion (increased by 8.2%) compared to the same period in 2018.

The investment realization (DDI & FDI) in the period of January –September 2019 with 5 leading locations which are: West Java (Rp. 102.1 trillion, 17.0%), Special Territory of Jakarta (Rp. 95.6 trillion, 15.9%), Central Java (Rp. 47.2 trillion, 7.8%), East Java (Rp. 46.8 trillion, 7.8 %), and Banten (Rp. 33.8 trillion, 5.6%).

“In the future, BKPM will work more efficiently, as President of Republic Indonesia’s directions, through intensive coordination and cooperation with related Ministries/Institutions and Regional Governments both in Investment License Services and also to facilitate investment issues encountered by investors during realization of their investments”, said Bahlil.

The 5 leading countries with the biggest realization investment in the period of January –September 2019 are: Singapore (US$ 5.4 billion, 25.5%); China (US$ 3.3 billion, 15.6%); Japan (US$ 3.2 billion, 15.1%); Netherlands (US$ 2.1 billion, 9.9%) and Hong Kong (US$ 1.7 billion, 8.0%).

Based on business sector, the 5 leading sectors of investment realization (DDI & FDI) in the period of January – September 2019 are: Transportation, Warehouse, and Telecommunication (Rp. 111.1 trillion, 18.5%); Electricity, Gas, and Water Supply (Rp. 95.9 trillion, 16.0%); Construction (Rp. 48.9 trillion, 8.1%), Housing, Industrial Estate, and Office Building (Rp. 47.4 trillion, 7.9%), and Mining (Rp. 44.7 trillion, 7.4%)
For further information, please contact:

Farah Ratnadewi Indriani  
Acting Deputy Chairman of Investment Monitoring and Implementation  
Jl. Jend. Gatot Subroto 44, Jakarta 12190, Indonesia  
Telepon: 021-5252008 ext.7001  
HP: 0811914410  
e-mail: farah@bkpm.go.id
Appendix

Investment Realization Data of The Domestic and Foreign Direct Investment in Q3 2019

DDI realization in Q3 2019 increased 18.9% compared to the same period in 2018, valued Rp 84.7 trillion to Rp 100.7 trillion. FDI realization in Q3 2019 increased by 17.8% compared to the same period in 2018, valued Rp 89.1 trillion to Rp 105.0 trillion.

The highlights of the investment realization of the DDI and FDI in Q3-2019 are as follows:

1. Domestic Direct Investment Realization

   Domestic Direct Investment realization based on 5 leading sector are: Electricity, Gas, and Water Supply (Rp 15.8 trillion); Construction (Rp 15.8 trillion); Food Crops, Plantation, and Livestock (Rp 12.2 trillion); Transportation, Warehouse, and Telecommunication (Rp 11.6 trillion); and Mining (Rp 10.2 trillion). If all of those industrial sectors are combined, it shows that the industrial sectors contribute as much as Rp 14.5 trillion or 14.4% of the total DDI.

   Domestic Direct Investment realization based on 5 leading location are: West Java (Rp 15.2 trillion); Special Territory of Jakarta (Rp 15.0 trillion); East Java (Rp 12.3 trillion); North Sumatra (Rp 5.6 trillion); and East Kalimantan (Rp 4.5 trillion).

2. Foreign Direct Investment Realization

   Foreign Direct Investment realization based on 5 leading sector are: Transportation, Warehouse, and Telecommunication (US$ 1.8 billion); Electricity, Gas, and Water Supply (US$ 1.6 billion); Housing, Industrial Estate, and Office Building (US$ 0.7 billion); Metal, Metal Based Goods, Non-Machinery and Equipment Industry (US$ 0.6 billion); and Chemical and Pharmaceutical Industry (US$ 0.3 billion). If all of those industrial sectors are combined, it shows that the industrial sectors contribute as much as US$ 1.9 billion or 26.8% of the total FDI.

   Foreign Direct Investment realization based on 5 leading location are: Special Territory of Jakarta (US$ 1.7 billion); West Java (US$ 1.2 billion); Central Java (US$ 0.6 billion); Riau (US$ 0.6 billion); dan Central Sulawesi (US$ 0.4 billion).

   Foreign Direct Investment realization based on 5 leading countries are: Singapore (US$ 1.9 billion); Netherlands (US$ 1.4 billion); China (US$ 1.0 billion); Japan (US$ 0.9 billion); and Hongkong (US$ 0.4 billion).
3. Distribution of Project Location

In the Q3-2019, investment realization in Java Island is Rp 112.1 trillion, while outside Java is Rp 93.6 trillion.

4. Indonesian Labor Absorption

In Q3-2019, the investment realization absorbed 212,581 labors, consists of 109,475 labors from DDI projects and 103,106 labors from FDI projects.

The Cumulative Investment Realization from January – September 2019:

1. Domestic Direct Investment (DDI) Realization

DDI realization based on 5 major sectors are: Construction (Rp 47.0 trillion); Transportation, Warehouse and Telecommunication (Rp 44.6 trillion); Food Crops, Plantations, and Livestock (Rp 33.6 trillion); Electricity, Gas, and Water Supply (Rp 29.5 trillion); Food Industry (Rp 26.4 trillion). If all of those industrial sectors are combined, it shows that the industrial sectors contribute as much as Rp 52.8 trillion or 18.6% of total DDI realization.

DDI realization based on 5 major locations are: Special Territory of Jakarta (Rp 41.6 trillion); East Java (Rp 37.8 trillion); West Java (Rp 35.6 trillion); Riau (Rp 21.1 trillion); and East Kalimantan (Rp 16.9 trillion).

2. Foreign Direct Investment (FDI) Realization

FDI realization based on 5 major sectors are: Transportation, Warehouse and Telecommunication (US$ 4.4 billion); Electricity, Gas, and Water Supply (US$ 4.4 billion); Housing, Industrial Estate, and Office Building (US$ 2.2 billion); Basic Metal, Metal Based Goods, Non-Machinery and Equipment Industry (US$ 2.1 billion); and Mining (US$ 1.6 billion). If all of those industrial sectors are combined, it shows that the industrial sectors contribute as much as US$ 6.3 billion or 29.7% of the total FDI realization.

FDI realization based on 5 leading locations are: West Java (US$ 4.4 billion); Special Territory of Jakarta (US$ 3.6 billion); Central Java (US$ 2.2 billion); Banten (US$ 1.4 billion); and Central Sulawesi (US$ 1.0 billion).

FDI realization based on 5 leading countries are: Singapore (US$ 5.4 billion); China (US$ 3.3 billion); Japan (US$ 3.2 billion); Netherlands (US$ 2.1 billion); and Hong Kong (US$ 1.7 billion).
3. Distribution of Project Location

From January to September 2019, investment realization in Java Island is Rp. 330.2 trillion and investment realization outside Java Island is Rp. 271.1 trillion. Compared with the same period of 2018, the investment realization in Java Island has increased by 8.5% and for outside Java Island has increased by 17.3%.

4. Indonesian Labor Absorption

From January to September 2019, the investment realization absorbed 703,296 labours, consists of 348,542 labors from DDI projects and 354,754 labors from FDI projects.

5. The investment realization based on Regions in the January - September 2019 can be figured as follows:
   a. The investment realization in Sumatera Island is Rp 113.9 trillion (19%), consists of Rp 65.1 trillion of DDI and US$ 3.3 billion of FDI.
   b. The investment realization in Java Island is Rp 330.2 trillion (54.9%), consists of Rp 147.0 trillion of DDI and US$ 12.2 billion of FDI.
   c. The investment realization in Kalimantan Island is Rp 63.4 trillion (10.6%), consists of Rp 41.1 trillion of DDI and US$ 1.5 billion of FDI.
   d. The investment realization in Sulawesi Island is Rp 48.8 trillion (8.1%), consists of Rp 18.2 trillion of DDI and US$ 2.0 billion of FDI.
   e. The investment realization in Bali and Nusa Tenggara is Rp 20.1 trillion (3.3%), consists of Rp 10.3 trillion of DDI and US$ 0.7 billion of FDI.
   f. The investment realization in Maluku and Papua is Rp 24.9 trillion (4.1%), consists of Rp 1.8 trillion of DDI and US$ 1.5 billion of FDI.

Jakarta, 31st October 2019
Acting Deputy Chairman of Investment Monitoring and Implementation Investment Coordinating Board of Republic of Indonesia (BKPM RI)