Jakarta, 30th January 2019 – Today, Indonesia Investment Coordinating Board (BKPM) release data on investment realization of Domestic Direct Investment (DDI) and Foreign Direct Investment (FDI) for the period of 2018 which reached Rp 721.3 trillion, increasing by 4.1% compared to 2017. However, compared to the investment target of RPJMN which is Rp 765 trillion, the achievement of investment realization in 2018 is 94.3%.

The total realization of DDI in 2018 reached Rp 328.6 trillion, shows an increase of 25.3% compared to 2017 which is Rp 262.3 trillion. While the total realization of FDI in 2018 is Rp 392.7 trillion, decreased 8.8% compared to the realization of FDI in 2017 which is Rp 430.5 trillion.

“As I said earlier, the realization of 2018 is a reflection of the previous year’s efforts. Despite of obstacles from external factors, lack of execution of policy implementation on last year affected investment slowdown this year. The transition of licenses to the OSS (Online Single Submission) system more or less has affected the investment slowdown this year, but we believe that the realization of future investments will increase with the improvement of the OSS system and the pro-investment policies that is more kick-in than previous year”, conveyed by Thomas Lembong in press conference at BKPM office, Jakarta Januari 30th 2019.

Investment realization (FDI & DDI) based on sector (5 biggest sectors) are: Electricity, Gas and Water Supply (Rp 117.5 trillion, 16.3%); Transportation, Warehouse, and Telecommunication (Rp 94.9 trillion, 13.1 %); Mining (Rp 73.8 trillion, 10.2 %); Food Industry (Rp 68.8 trillion, 9.5 %); and Housing, Industrial Estate, Office Building (Rp 56.8 trillion, 7.9%).

“Investment Realization in 2018 dominated by infrastructure sector such as power plants, toll roads and telecommunications. With the development of telecommunications industries, we hope in upcoming years, digital technologies-based industries and some others startups categorized as unicorn can continue to grow. Therefore the Government supports in regulations and facilities are needed. These matters become our considerations in giving fiscal facilities in the form of tax holiday to digital economy industries” said Tom.

Throughout 2018, the investment realization in Java is Rp 405.4 trillion, 4.0% higher than the investment realization in 2017 of Rp 389.9 trillion, while investment realization outside Java is Rp. 315.9 trillion or increased by 4.3% from investment realization in 2017 that reached Rp. 302.9 trillion.
"The increase in investment outside Java by 4.3% compared to 2017 is one of the achievement that we believe can be more increase in upcoming years," he continued.

In the period of January-December of 2018, from the total of investment realization which reaches Rp. 721.3 trillion, investment realization (FDI & DDI) based on project locations (top 5) are: West Java (Rp 116.9 trillion, 16.2%); Special Territory of Jakarta (Rp 114.2 trillion, 15.8%); Central Java (Rp 59.3 trillion, 8.2%); Banten (Rp 56.5 trillion, 7.8%); and East Java (Rp 51.2 trillion, 7.1%).

While FDI realization based on country of origin have invested in Indonesia (top 5) are: Singapore (US$ 9.2 billion, 31.4%); Japan (US$ 4.9 billion, 16.7%); China (US$ 2.4 billion, 8.2%); Hong Kong (US$ 2.0 billion, 6.8%); and Malaysia (US$ 1.8 billion, 6.2%).

From the total investment, investment realization for the fourth quarter (October – December) contributes as much as Rp 185.9 trillion or 25.8% of the total investment realization in 2018. Throughout the fourth quarter of 2018, DDI realization counted as much as Rp 86.9 trillion, increased by 28.6% from Rp 67.6 trillion within the same period of 2017, and FDI realization counted as much as Rp 99.0 trillion, decreased by 11.6% from Rp 112.0 trillion within the same period of 2017.

Mrs. Farah Ratnadewi Indriani, Acting Deputy Chairman for Investment Monitoring and Implementation-BKPM informs that investment in the fourth quarter of 2018 has absorbed 255.239 labors, consists of 142.478 labors from DDI projects, and 112.761 labors from FDI projects.

“Despite Digital Economy, Indonesia still has more attractive sectors to explore more in 2019 such as lifestyle, industrial 4.0 and tourism industry which have opportunity in manpower absorption. explained by Mrs. Farah.

BKPM also remarked the investment realization (DDI & FDI) for the fourth quarter of 2018 based on project location (top 5) are: Special Territory of Jakarta (Rp. 29.2 trillion, 15.7%), West Java (Rp 28.5 trillion, 15.3%), Central Java (Rp 17.3 trillion, 9.3%), East Java (Rp 15.1 trillion, 8.1%), and Banten (Rp 10.5 trillion, 5.6%). While the investment realization (DDI & FDI) for the fourth quarter of 2018 based on business sector (top 5) are: Transportation, Warehouse, and Telecommunication (Rp 28.6 trillion, 15.4%), Electricity, Gas, and Water Supply (Rp 27.3 trillion, 14.7%), Construction (Rp 20.1 trillion, 10.8%), Housing, Industrial Estate, and Office Building (Rp 16.0 trillion, 8.6%), and Mining (Rp 15.3 trillion, 8.2%).

FDI realization based on country of origin (top 5) are: Singapore (US$ 2.5 billion, 33.7%), Japan (US$ 1.2 billion, 16.2%); Malaysia (US$ 0.6 billion, 8.0%); China (US$ 0.5 billion, 7.4%), and Hong Kong (US$ 0.4 billion, 5.1%).
Investment Realization 2013 – December 2018: By Quarter

For further information, please contact the person below:

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: 08119114410
e-mail: farah@bkpm.go.id
Appendix

Highlights of Investment Realization of The Fourth Quarter of 2018

Investment realization of Domestic Direct Investment (DDI) in the fourth quarter of 2018 (Rp 86.9 trillion) increased by 28.6% compared with the same period in the fourth quarter of 2017 (Rp 67.6 trillion).

Investment realization of Foreign Direct Investment (FDI) in the fourth quarter of 2018 (Rp 99.0 trillion), decreased by 11.6% compared with the same period in the fourth quarter of 2017 (Rp 112.0 trillion).

The highlights of investment realization of domestic and foreign direct investment in the fourth quarter of 2018 are as follows:

1. Domestic Direct Investment (DDI) Realization

   DDI Investment realization based on sector (5 major sectors) are: Construction (Rp 18.5 trillion); Transportation, Warehouse and Telecommunication (Rp 14.3 trillion); Food Industry (Rp 9.1 trillion); Electricity, Gas, and Water Supply (Rp 8.4 trillion); and Food Crops and Plantation (Rp 8.1 trillion). If all industrial sectors combined, it shows that the industrial sectors contribute Rp 20.4 trillion or 23.5% of the total DDI.

   DDI realization based on location (5 leading locations) are: West Java (Rp 14.7 trillion); Special Territory of Jakarta (Rp 11.2 trillion); East Java (Rp 9.5 trillion); Lampung (Rp 8.0 trillion) and Central Java (Rp 7.0 trillion).

2. Foreign Direct Investment (FDI) Realization

   FDI Investment realization based on sector (5 major sectors) are: Electricity, Gas and Water Supply (US$ 1.4 billion); Transportation, Warehouse, and Telecommunication (US$ 1.1 billion); Mining (US$ 0.8 billion); Housing, Industrial Estate, and Office Building (US$ 0.7 billion); and Basic Metal, Metal Based Goods, Non-Machinery and Equipment Industry (US$ 0.5 billion). If all industrial sectors combined, it shows that the industrial sectors contribute US$ 2.4 billion or 32.6% of the total FDI.

   FDI realization based on location (5 leading locations) are: Special Territory of Jakarta (US$ 1.3 billion); West Java (US$ 1.0 billion); Central Java (US$ 0.8 billion); Banten (US$ 0.5 billion); and East Java (US$ 0.4 billion).

   FDI realization based on country of origin (5 leading countries) are: Singapore (US$ 2.5 billion); Japan (US$ 1.2 billion); Malaysia (US$ 0.6 billion); China (US$ 0.5 billion); and Hong Kong (US$ 0.4 billion).

3. Distribution of Project Location

   In the fourth quarter of 2018, investment realization in Java Island are Rp 101.2 trillion, and outside Java are Rp 84.7 trillion.
4. Indonesian Labor Absorption

Indonesian labor absorption for the investment project in the fourth quarter of 2018 is 255,239 people, consists of 142,478 people from DDI projects and 112,761 people from FDI projects.

The Cumulative Investment Realization from January to December 2018:

1. Domestic Direct Investment (DDI) Realization

DDI realization based on sector (5 major sectors) are: Transportation, Warehouse and Telecommunication (Rp 58.7 trillion), Construction (Rp 45.0 trillion); Food Industry (Rp 39.1 trillion); Electricity, Gas, and Water Supply (Rp 37.3 trillion); and Mining (Rp 33.1 trillion). If all industrial sectors combined, it shows that industrial sectors contribute Rp 83.6 trillion or 25.5% of total DDI realization.

DDI realization based on location (5 leading locations) are: Special Territory of Jakarta (Rp 49.1 trillion); West Java (Rp 42.3 trillion); East Java (Rp 33.3 trillion); Central Java (Rp 27.4 trillion); and East Kalimantan (Rp 25.9 trillion).

2. Foreign Direct Investment (FDI) Realization

FDI realization based on sector (5 major sectors) are: Electricity, Gas, and Water Supply (US$ 4.4 billion); Housing, Industrial Estate, and Office Building (US$ 4.3 billion); Mining (US$ 3.0 billion); Transportation, Warehouse and Telecommunication (US$ 3.0 billion); and Basic Metal, Metal Based Goods, Non-Machinery and Equipment Industry (US$ 2.2 billion). If all industrial sectors combined, it shows that the industrial sectors contribute as much as US$ 10.3 billion or 35.3% of the total FDI.

FDI realization based on project location (5 leading locations) are: West Java (US$ 5.6 billion); Special Territory of Jakarta (US$ 4.9 billion); Banten (US$ 2.8 billion); Central Java (US$ 2.4 billion); and East Java (US$ 1.3 billion).

FDI realization based on country of origin (5 leading countries) are: Singapore (US$ 9.2 billion); Japan (US$ 5.0 billion); China (US$ 2.4 billion); Hong Kong (US$ 2.0 billion); and Malaysia (US$ 1.8 billion).

3. Distribution Project Location

From January to December 2018, investment realization in Java Island is Rp 405.4 trillion compared with the same period of 2017 and the investment realization outside Java Island is Rp 315.9 trillion. Compared with the same period of 2017, the investment realization outside Java Island is Rp 302.9 trillion has increased by 4.3%.

4. Indonesian Labor Absorption.

Indonesian labor absorption for from January to December 2018 is 960,052 people, consists of 469,684 people from DDI projects and 490,368 people from FDI projects.

5. The investment realization based on Regions in the January to December of 2018 can be figured as follows:

a. The investment realization in Sumatera Island is Rp 122.7 trillion (17.0%), consists of Rp 57.8 trillion of DDI and US$ 4.8 billion of FDI.
b. The investment realization in Java Island is Rp 405.4 trillion (56.2%), consists of Rp 176.9 trillion of DDI and US$ 17.0 billion of FDI.

c. The investment realization in Kalimantan Island is Rp 83.1 trillion (11.5%), consists of Rp 57.0 trillion of DDI and US$ 2.0 billion of FDI.

d. The investment realization in Sulawesi Island is Rp 54.6 trillion (7.6%), consists of Rp 23.5 trillion of DDI and US$ 2.3 billion of FDI.

e. The investment realization in Bali and Nusa Tenggara is Rp 28.1 trillion (3.9%), consists of Rp 10.0 trillion of DDI and US$ 1.4 billion of FDI.

f. The investment realization in Maluku and Papua is Rp 27.4 trillion (3.8%), consists of Rp 3.4 trillion of DDI and US$ 1.8 billion of FDI.

Jakarta, 30th January 2019

Acting Deputy Chairman of Investment Monitoring and Implementation
Investment Coordinating Board of Republic of Indonesia (BKPM RI)