Investment Realization in First Quarter of 2017 Reached Rp. 165.8 trillion

Jakarta, April 26th 2017 – The Investment Coordinating Board of the Republic of Indonesia (BKPM) today announces investment realization data of Domestic Direct Investment (DDI) and Foreign Direct Investment (FDI) in Q1 (January – March) 2017, which hit Rp 165.8 trillion, grew by 13.2% compared to the same period in 2016, Rp. 146.5 trillion. Investment realization in Q1 2017 has absorbed 194,000 people. Chairman of BKPM, Thomas Lembong stated that achievement of investment realization in First Quarter of 2017 gives optimism to reach the national target for investment in 2017 which is Rp. 678.8 trillion.

“Looking at the data of investment realization of FDI and DDI in Q1 2017, illustrates that interest to invest in Indonesia remain high and we are optimistic to achieve the national target for investment in 2017 which is Rp. 678.8 trillion”, Chairman of BKPM stated in the press conference held in BKPM office, Jakarta (26/04).

Thomas Lembong added BKPM next task is oversee the companies that already committed its investment to be able to finish their project on time and ready to start production/commercial phase. “Supervision of investment realization projects must be intensified through facilitating and monitoring in order to find solutions of problems faced by investors, including licensing in central and regional government as well as land acquisition. BKPM will increase effort in Standardization, Integration, and Coordination (SIK) with other Ministries and Institutions as well as Investment and One Stop Investment Integrated Agency (DPMPTSP) in Province, City, and Regency. Therefore, it is expected realization of investment project in the whole region in Indonesia can be finished on time”, added Thomas Lembong.

In the First Quarter of 2017, investment realization data of Domestic Direct Investment is Rp. 68.8 trillion, increased 36.4% from Rp. 50.4 trillion in the same period of 2016, and Foreign Direct Investment (FDI) is Rp. 97.0 trillion, increased 0.94% from Rp. 96.1 trillion in the same period of 2016.

Regarding labor absorption, Deputy Chairman of Investment Monitoring and Implementation – BKPM, Azhar Lubis, explained, realization of Indonesia labor absorption in Q1 2017 reached 194,134 people, consists of 67,807 people from DDI projects and 126,327 people from FDI projects. “The achievement of investment realization is additional workforce that can be absorbed by realized investment in first
quarter of 2017. The numbers of labor absorption gives positive signs to boost more creation of jobs employment,“ added Azhar Lubis.

Investment in Outside of Java Increased

Chairman of BKPM explained on the investment increase outside of Java. He stated that the portion of investment outside Java is rise to Rp. 75.3 trillion or equal with 45.4% of total investment (compared to Q1 2016, 44.9%). Investment realization in Java Island reached Rp. 90.5 trillion or 54.6%

BKPM also notes, investment realization (DDI and FDI combined) based on project locations (five leading locations) are: West Java (Rp 29.3 trillion, 17.7%) Special Territory of Jakarta (Rp 24.2 trillion, 14.6%); East Java (Rp 12.6 trillion, 7.6%); Banten (Rp 12.4 trillion, 7.4%); and Central Java (Rp 11.9 trillion, 7.2%).

Investment realization (DDI and FDI combined) based on sector (5 major sectors) are: Mining (Rp 23.6 trillion, 14.2%); Food Industry (Rp 18.5 trillion, 11.1%); Transportation, Warehouse and Telecommunication (Rp 18.4 trillion, 11.1%); Electricity, Gas and Water Supply (Rp 16.7 trillion, 10.1%); and Metal, Machinery and Electronic Industry (Rp 15.2 trillion, 9.2%)

Five leading countries of FDI realization based on country of origin are: Singapore (US$ 2.1 billion, 28.2%); Japan (US$ 1.4 billion, 19.2%); People’s Republic of China (US$ 0.6 billion, 8.2%); USA (US$ 0.6 billion, 8.2%); and South Korea (US$ 0.4 billion, 5.8%).

The growth of investment realization in 2013 – March 2017: Quarterly

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Appendix

Highlights of the Investment Realization 1st Quarter 2017

Investment realization of Domestic Direct Investment (DDI) in Q1 2017 (Rp. 68.8 trillion) increased 36.5% compared to the same period in Q1 2016 (Rp. 50.4 trillion).

Investment realization of Foreign Direct Investment (FDI) in Q1 2017 (Rp. 97.0 trillion) also increased 0.9% compared to the same period in Q1 2016 (Rp. 96.1 trillion).

The highlights of the investment realization of the domestic and foreign direct investment in Q1-2017 are as follows:

1. Domestic Direct Investment Realization

   DDI Investment realization based on sector (5 major sectors) are: Transportation, Warehouse and Telecommunication (Rp 16.0 trillion); Food Industry (Rp 12.1 trillion); Mining (Rp 8.1 trillion); Electricity, Gas and Water Supply (Rp 7.3 trillion); and Metal, Machinery and Electronic Industry (Rp 4.1 trillion). If all of the industrial sectors are combined, it can be seen that the industrial sectors contribute as much as Rp 27.2 trillion or 39.6% of the total DDI.

   Domestic Direct Investment realization based on location (five leading locations) are: Special Territory of Jakarta (Rp 11.8 trillion); East Java (Rp 9.4 trillion); West Java (Rp 9.1 trillion); Banten (Rp 5.5 trillion); and Central Java (Rp 5.0 trillion).

2. Foreign Direct Investment Realization

   FDI Investment realization based on sector (5 major sectors) are: Mining (US$ 1.2 billion); Metal, Machinery and Electronic Industry (US$ 0.8 billion); Real Estate, Industrial Estate, and Office Building (US$ 0.8 billion); Electricity, Gas and Water Supply (US$ 0.7 billion); and Transport Equipment and Other Transport Industry (US$ 0.5 billion). If all of the industrial sectors are combined, it can be seen that the industrial sectors contribute as much as US$ 3.2 billion or 44.3% of the total FDI.

   Foreign Direct Investment realization based on project location (five leading locations) are: West Java (US$ 1.5 billion); Special Territory of Jakarta (US$ 0.9 billion); Papua (US$ 0.6 billion); Central Java (US$ 0.5 billion); and Banten (US$ 0.5 billion).

   FDI realization based on country of origin (five leading countries) are: Singapore (US$ 2.1 billion); Japan (US$ 1.4 billion); People’s Republic of China (US$ 0.6 billion); USA (US$ 0.6 billion); and South Korea (US$ 0.4 billion).

3. Distribution Project Location.

   In the 1st quarter of 2017, investment realization in Java Island is Rp 90.5 trillion while outside Java Island is Rp 75.3 trillion. Compared to the same period in 2016 (Rp 65.8 trillion), investment realization outside Java Island increased 14.4%.
4. **Labor Absorption.**

Indonesian labor absorption for the investment project in the Q1 2017 are 194,134 people, consists of 67,807 people from DDI and 126,327 people from FDI.

5. **The investment realization based on Regions in January to March 2017 can be figured as follows:**

   a. The investment realization in Sumatera Island is Rp. 26.6 trillion (16.0%), consists of Rp. 14.4 trillion of DDI and US$ 0.9 billion of FDI.

   b. The investment realization in Java Island is Rp. 90.5 trillion (54.6%), consists of Rp. 40.8 trillion of DDI and US$ 3.7 billion of FDI.

   c. The investment realization in Kalimantan Island is Rp. 18.5 trillion (11.2%), consists of Rp. 7.9 trillion of DDI and US$ 0.8 billion of FDI.

   d. The investment realization in Sulawesi Island is Rp. 14.4 trillion (8.7%), consists of Rp. 2.4 trillion of DDI and US$ 0.9 billion of FDI.

   e. The investment realization in Bali and Nusa Tenggara is Rp. 5.3 trillion (3.2%), consists of Rp. 2.6 trillion of DDI and US$ 0.2 billion of FDI.

   f. The investment realization in Maluku and Papua is Rp. 10.5 trillion (6.3%), consists of Rp. 0.7 trillion of DDI and US$ 0.7 billion of FDI.