Foreign and Domestic investment realization in 2017 beyond the target

Jakarta, 30 January 2018 – The Investment Coordinating Board of the Republic of Indonesia/Badan Koordinasi Penanaman Modal (BKPM) releases Domestic Direct Investment (PMDN) and Foreign Domestic Investment (PMA) realization report in Q4 (October-December) 2017 reached Rp 179.6 trillion, up to 12.7% compared to the same period last year that reached Rp 159.4 Trillion. While PMDN and PMA realization during January - December 2017 hit Rp 692.8 Trillion, surpassing the 2017 target which is Rp 678.8 Trillion.

Chairman of the Investment Coordinating Board, Thomas Lembong explained investment realization performance on 4th quarter 2017 pins high hope and optimism that investment target for 2018 which was set by government at Rp 765 trillion, is achievable.

“To accelerate PMA and PMDN investment, the related Ministries, Provincial Government and Regional Government has established Task Force Teams as part of the implementation of Presidential Regulation No 91 Year 2017 concerning Acceleration of Business Operations. This task force teams would facilitate and help finding solution of investor problems”, stated Chairman Tom on a press conference held in BKPM, Jakarta, 30 January 2018.

During October - December 2017, PMDN realization was Rp 67.6 trillion, rose 16.4% from Rp 58.1 trillion compared to the same period in 2016, while PMA realization was Rp 112 trillion, showing a 10.6% growth from PMA realization in 2016 that reached Rp 101.3 trillion.

Investment Coordinating Board also noted investment realization based on project locations (top 5) are: Special Territory of Jakarta (Rp 33.9 trillion, or 18.9% from total investment on 4th quarter 2017); West Java (Rp 24.1 trillion, or 13.4% from total investment on 4th quarter 2017); Central Java (Rp 18.5 trillion, or 10.3% from total investment on 4th quarter 2017); East Java (Rp 16.3 trillion, or 9.1% from total investment on 4th quarter 2017) and Banten (Rp 13.9 trillion, or 7.8% from total investment on 4th quarter 2017).

While investment realization (PMDN & PMA) based on sector (5 biggest sectors) are: Electricity, Gas and Water Supply (Rp 24.3 trillion, or 13.6% from total investment in Q4 2017); Transportation, Warehouse, and Telecommunication (Rp 22.6 trillion, or 12.6% from total investment in Q4 2017); Food Industry (Rp 17.4 trillion, or 9.7% from total investment in Q4 2017); Food Crops and Plantation (Rp 14.6 trillion, or 8.1% from total investment in Q4 2017).

Top 5 countries that have invested in Indonesia are: Singapore (US$ 2.3 billion, 27.8%); Japan (US$ 1.0 billion, 11.9%); Hong Kong (US$ 0.8 billion, 9.0%); South Korea (US$ 0.7 billion, 7.9%) and China (US$ 0.6 billion, 7.5%).
Chairman Tom also mentioned, “To address the implementation of Presidential Regulation No 91 Year 2017, BKPM has enacted 2 new regulations, namely the BKPM Regulation No 13 Year 2017 concerning on The Guidelines and Procedures of Investment Licensing and Facilities and the BKPM Regulation No 14 Year 2017 concerning on The Guidelines and Procedures for Investment Implementation and Control. These new regulations are believed to assuring transparency, certainty and the speed of obtaining investment licenses including reporting and control by BKPM, Regional Provinces and Regencies Investment Board (DPMPTSP), of which leading to the increasing investment interest and realization”.

Concerning on employment absorption, Deputy Chairman of Investment Controlling and Implementation, Azhar Lubis informed that investment during Q4 2017 created 350,399 new jobs, in which PMDN absorbed 127,228 labours while the PMA created 223,171 jobs. He also announced the investment realization outside Java, which reached Rp 72.5 trillion or 40.4% from total investment on 4th quarter 2017.

In the period January-December of 2017, investment realization (PMDN & PMA) based on project location (top 5) are: Special Territory of Jakarta (Rp 108.6 trillion, or 15.7% from total investment in 2017); West Java (Rp 107.1 trillion, or 15.5% from total investment in 2017); East Java (Rp 66.6 trillion, or 9.5% from total investment in 2017); Banten (Rp 55.8 trillion, or 8.1% from total investment in 2017) and Central Java (Rp 51.5 trillion, or 7.4% from total investment in 2017).

Based on sector, 5 biggest sectors of investment realization (PMDN & PMA) in 2017 are: Electricity, Gas and Water Supply (Rp 82.1 trillion, 11.8%); Mining (Rp 79.1 trillion, 11.4%); Food Industry (Rp 64.8 trillion, 9.4%); Metal, Machinery and Electronic Industry (Rp 64.3 trillion, 9.3%) and Transportation, Warehouse, and Telecommunication (Rp 59.8 trillion, 8.6%).

Foreign Direct Investment (PMA) based on country of origin (top 5) as recorded, are: Singapore (US$ 8.4 billion, 26.2%); Japan (US$ 5.0 billion, 15.5%); China (US$ 3.4 billion, 10.4%); Hong Kong (US$ 2.1 billion, 6.6%); and South Korea (US$ 2.0 billion, 6.3%)

Investment Realization 2013 – December 2017: By Quarter

For further information, please contact the person below:

M. M. Azhar Lubis
Deputy Chairman of Investment Controlling and Implementation
Jl. Jend. Gatot Subroto 44, Jakarta 12190, Indonesia
Telepon: 021-5252008 ext.7001
HP: 08159525035
e-mail: azhar@bkpm.go.id
Appendix

Highlights of the Investment Realization 4th Quarter and January - December 2017

Investment realization of Domestic Direct Investment (PMDN) in Q4 2017 (Rp 67.6 trillion) increased 16.4% compared to the same period in Q4 2016 (Rp 58.1 trillion).

Investment realization of Foreign Direct Investment (PMA) in Q4 2017 (Rp 112 trillion), increased 10.6% compared to the same period in Q4 2016 (Rp 101.3 trillion).

The highlights of the investment realization of the domestic and foreign direct investment in Q4-2017 are as follows:

1. Domestic Direct Investment Realization
   DDI Investment realization based on sector (5 major sectors) are: Construction (Rp 10.8 trillion); Food Industry (Rp 10.6 trillion); Food Crops and Plantation (Rp 10.0 trillion); Transportation, Warehouse, and Telecommunication (Rp 8.8 trillion); and Metal, Machinery and Electronic Industry (Rp 4.0 trillion). If all of the industrial sectors are combined, it can be seen that the industrial sectors contribute as much as Rp 26.2 trillion or 38.7% of the total PMDN.

   Domestic Direct Investment realization based on location (five leading locations) are: Special Territory of Jakarta (Rp 14.6 trillion); West Java (Rp 9.4 trillion); East Java (Rp 8.7 trillion); Central Java (Rp 6.8 trillion) and West Kalimantan (Rp 6.3 trillion).

2. Foreign Direct Investment Realization
   FDI Investment realization based on sector (5 major sectors) are: Electricity, Gas and Water Supply (US$ 1.6 billion); Mining (US$ 1.2 billion); Transportation, Warehouse, and Telecommunication (US$ 1.0 billion); Real Estate, Industrial Estate and Office Building (US$ 0.8 billion); and Metal, Machinery and Electronic Industry (US$ 0.6 billion). If all of the industrial sectors are combined, it can be seen that the industrial sectors contribute as much as US$ 2.7 billion or 31.9% of the total PMA.

   Foreign Direct Investment realization based on location (5 leading locations) are: Special Territory of Jakarta (US$ 1.4 billion); West Java (US$ 1.1 billion); Central Java (US$ 0.9 billion); Banten (US$ 0.7 billion); and North Sumatera (US$ 0.6 billion).

   Foreign Direct Investment realization based on country of origin (five leading countries) are: Singapore (US$ 2.3 billion); Japan (US$ 1.0 billion); Hong Kong (US$ 0.8 billion); South Korea (US$ 0.7 billion); and China (US$ 0.6 billion).

2. Distribution of Project Location
   In Q4 2017, investment realization realization in Java Island are Rp 107.1 trillion, while outside Java are Rp 72.5 trillion.

3. Indonesian Labour Absorption
   During the Q4, 2017, direct investment during Q4 2017 created 350,399 new jobs, with PMDN employs 127,228 labours and PMA projects absorbs 223,171 jobseekers.
Cumulative Investment Realization in January to December 2017:

1. Domestic Direct Investment Realization

Domestic Direct Investment realization based on sector (5 leading sectors) are: Food Industry (Rp 38.5 trillion); Transportation, Warehouse and Telecommunication (Rp 34.5 trillion); Construction (Rp 30.3 trillion); Electricity, Gas and Water Supply (Rp 25.4 trillion); and Food Crops and Plantation (Rp 22.0 trillion). Whereas, should all industrial sectors be combined, it can be seen that industrial sectors contribute Rp 99.2 trillion or 37.8% of total domestic direct investment realization.

Domestic Direct Investment realization based on location (5 leading locations) are: Special Territory of Jakarta (Rp 47.3 trillion); East Java (Rp 45.0 trillion); West Java (Rp 38.4 trillion); Central Java (Rp 19.9 trillion); and Banten (Rp 15.1 trillion).

2. Foreign Direct Investment Realization

PMA Investment realization based on sector (5 leading sectors) are: Mining (US$ 4.4 billion); Electricity, Gas and Water Supply (US$ 4.2 billion); Metal, Machinery and Electronic Industry (US$ 3.8 billion); Real Estate, Industrial Estate and Office Building (US$ 2.9 billion); and Chemical and Pharmaceutical Industry (US$ 2.6 billion). If all of the industrial sectors are combined, it can be seen that the industrial sectors contribute as much as US$ 13.1 billion or 40.8% of the total PMA.

Foreign Direct Investment realization based on project location (five leading locations) are: West Java (US$ 5.1 billion); Special Territory of Jakarta (US$ 4.6 billion); Banten (US$ 3.0 billion); Central Java (US$ 2.4 billion); and Papua (US$ 1.9 billion).

Foreign Direct Investment realization based on country of origin (five leading countries) are: Singapore (US$ 8.4 billion); Japan (US$ 5.0 billion); China (US$ 3.4 billion); Hong Kong (US$ 2.1 billion); and South Korea (US$ 2.0 billion).

3. Distribution Project Location.

In January to December 2017, investment realization in Java Island is Rp 389.9 trillion while outside Java Island is Rp 302.9 trillion. Compared to the same period in 2016 (Rp 284.1 trillion), investment realization outside Java Island increased 6.6%.

4. Labor Absorption.

Indonesian labor absorption for the investment project in January to December 2017 are 1,176,353 people, consists of 409,001 people from PMDN and 767,352 people from PMA

5. The investment realization based on Regions in January to December 2017 can be figured as follows:
   a. The investment realization in Sumatera Island is Rp 119.9 trillion (17.3%), consists of Rp 46.5 trillion of PMDN and US$ 5.5 billion of PMA.
   b. The investment realization in Java Island is Rp 389.9 trillion (56.3%), consists of Rp 166.0 trillion of PMDN and US$ 16.8 billion of PMA.
   c. The investment realization in Kalimantan Island is Rp 68.8 trillion (9.9%), consists of Rp 30.2 trillion of PMDN and US$ 2.9 billion of PMA.
d. The investment realization in Sulawesi Island is Rp 56.6 trillion (8.2%), consists of Rp 10.1 trillion of PMDN and US$ 3.5 billion of PMA.

e. The investment realization in Bali and Nusa Tenggara is Rp 22.5 trillion (3.3%), consists of Rp 7.1 trillion of PMDN and US$ 1.2 billion of PMA.

f. The investment realization in Maluku and Papua is Rp 35.1 trillion (5.0%), consists of Rp 2.5 trillion of PMDN and US$ 2.4 billion of PMA.

Jakarta, 30 January 2018
Deputy Chairman of Investment Controlling and Implementation
Indonesia Investment Coordinating Board (BKPM - RI)