



PRESS RELEASE

First Quarter 2021 Investment Realization: IDR 219.7 trillion, Chairman of BKPM Optimistic to Reach Investment Target

Jakarta, 26th April 2021 – Today, Indonesia Investment Coordinating Board (BKPM) has published the investment realization data for January – March (first quarter of 2021) reached IDR 219.7 trillion, or increased by 4.3% compared to the same period in 2020. Meanwhile, it is increased by 2.4% compared to the previous quarter (October – December 2020).

Chairman of BKPM announced in the investment realization press release January – March 2021 (first quarter of 2021) that the investment realization reached IDR 219.7 trillion, contribute 25.5% of the national target IDR 858.5 trillion, several important points for the achievement of investment realization in Quarter I are (i) investment realization outside Java Island increased by 11.7% compared to 2020 in the same period, (ii) the manufacturing industry dominates the achievement of investment realization, namely Metal, metal-based goods, non-machinery and equipment industry; food industry; and vehicle and other transportation industry , (iii) Switzerland entered rank 5 for the first time as The FDI contributor to Indonesia, Bahlil added.

Compared to the last quarter of 2020, DDI experienced a breakthrough by 4.2%, from IDR 103,6 trillion in Quarter IV 2020 to IDR 108.8 trillion in Quarter I 2021. Meanwhile, FDI increased by 14.0% from IDR 98.0 trillion in Quarter IV 2020 to IDR 111.7 trillion in Quarter I 2021. FDI realization hold 50.8% of the realization in the first quarter of 2021.

"The foreign direct investment realization comprised 50.8% of the total investment realization in Q1 2021 shows the world's confidence in the investment climate and potential in Indonesia. This achievement certainly needs to be appreciated, especially for the cooperation of all parties who have helped us in encouraging investment growth, especially when the Covid-19 pandemic is still being felt today."

Based on the largest FDI investment realization reports (LKPM) for the first quarter 2021 covers the field of Vehicle and Other Transportation Industry; Food and Beverages industry; Transportation, Warehouse and Telecommunication; Mining; and Non-Metallic Mineral Industry with the total of US\$ 1.8 billion.

"West Java received the largest portion of the 5 main contributor to the FDI realization in this period. The first is investment in the vehicle industry sector which will produce electric engine vehicles and the construction of fast train infrastructure. These two projects will be one of the stepping stones to increase Indonesia's potential in the eyes of the world. Personally, I am sure that investment growth in other regions will continue to increase as well, one of which is in Central Java through several priority projects

in the Batang Industrial Estate with the infrastructure and facilities supported by the government. At the moment, we also facilitate the development of Asphalt Special Economic Zones in Buton as the effort to decrease the dependency of imported asphalt and improving the local economy," said Bahlil Lahadalia.

BKPM recorded the top five investment realization based on location were: West Java (IDR 37.1 trillion, 16.9%); Special Territory of Jakarta (IDR 23.3 trillion, 10.6 %); East Java (IDR 17.0 trillion, 7.8%); Banten (IDR 14.8 trillion, 6.7%); and Central Java (IDR 12.3 trillion, 5.6%).

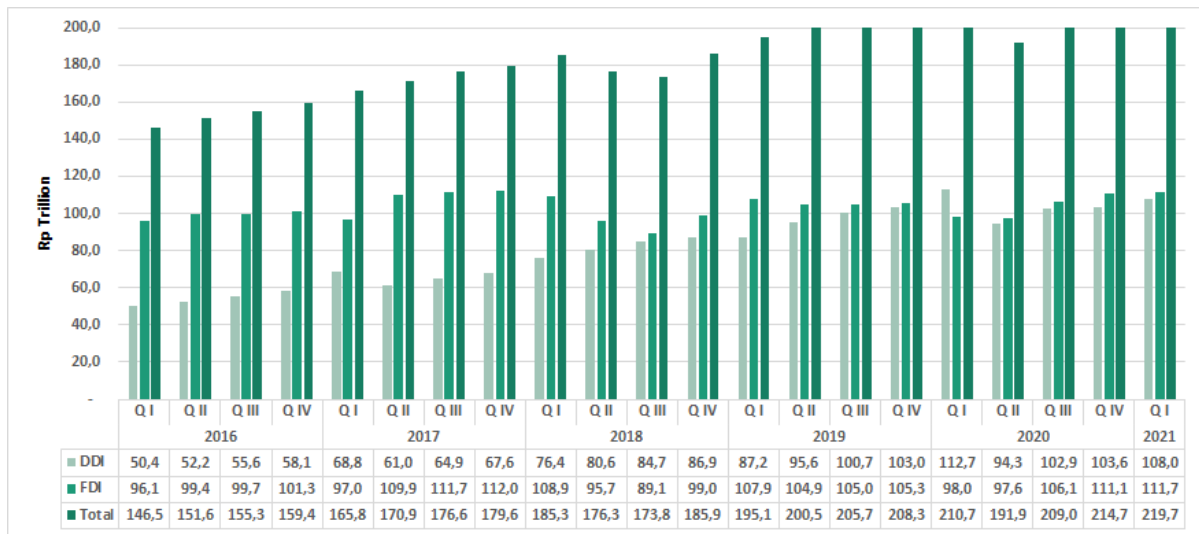
In the first quarter of 2021, the portion of investment realization outside Java Island reached IDR 114.4 trillion rose 11.7% from the same period in 2020 worth IDR 102.4 trillion. Meanwhile, the top five investment realization (FDI and DDI) based on sector were: Housing, Industrial Estate, and Office Building (IDR 29.4 trillion, 13.4%), Metal, metal-based goods, non-machinery and equipment industry (IDR 27.9 trillion, 12.7%), Transportation, Warehouse, and Telecommunication (IDR 25.6 trillion, 11.7%), Food Industry (IDR 21.8 trillion, 9.9%), and Electricity, Gas, and Water Supply (IDR 20.2 trillion, 9.2%).

"For DDI, one of the largest investments is made on infrastructure projects for electricity supply in Lampung and Maluku as well as investment in port development in Central Kalimantan. This investment is a continuation of the President's direction to improve the quality of infrastructure outside of Java Island as an effort for economic equality." said Bahlil Lahadalia.

The top five country of origin for FDI were: Singapore (US\$ 2.6 billion, 34.0%); China (US\$ 1.0 billion, 13.6%); South Korea (US\$ 0.9 billion, 11.1%), Hong Kong (US\$ 0.8 billion, 10.7%); and Switzerland (US\$ 0.5 billion, 6.1%).

"Currently, we have completed the implementing regulations from UUCK (Omnibus Law for Job Creation), especially related to the implementation of risk-based approach licensing. I am targeting no later than the end of the first semester of 2021, all infrastructure for business licensing and supervision services with a risk-based approach will be running. I am sure that by starting a new business licensing regime, implementation of our previous programs, and continuing to market investment potential in Indonesia through our overseas networks, investment realization targets can be achieved." closed the Chairman of BKPM, Bahlil Lahadalia at the event.

Investment Realization Progress 2016 – March 2021: Quarterly



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Appendix

There was a slowdown in the DDI investment realization in the first quarter of 2021 when compared to the same period in 2020 by 4.2%, namely from the investment realization value of IDR 112.7 trillion to IDR 108.0 trillion.

FDI investment realization in the first quarter of 2021 increased by 14.0% compared to the same period in 2020 from IDR 98.0 trillion to IDR 111.7 trillion.

The highlights of the investment realization of the DDI and FDI in Q1 2021 are as follows:

1. Domestic Direct Investment Realization

DDI realization based on top five leading sectors were Housing, Industrial Estate, and Office Building (IDR 21.6 trillion); Transportation, Warehouse, and Telecommunication (IDR 13.3 trillion); Electricity, Gas, and Water Supply (IDR 11.5 trillion); Food Crops, Plantation, and Livestock (IDR 9.9 trillion); and Construction (IDR 9.6 trillion). If all of those industrial sectors are combined, it shows that the industrial sectors contributed as much as IDR 23.0 trillion or 21.3% of the total DDI.

DDI realization based on top five leading locations were: West Java (IDR 16.0 trillion); East Java (IDR 10.0 trillion); Special Territory of Jakarta (IDR 8.7 trillion); Central Java (IDR 8.4 trillion); and Banten (IDR 7.0 trillion).

2. Foreign Direct Investment Realization

FDI realization based on top five leading sectors are: Metal, Metal-Based Goods, Non-Machinery and Equipment Industry (US\$ 1.7 billion); Food Industry (US\$ 1.0 billion); Transportation, Warehouse and Telecommunication (US\$ 0.8 billion); Electricity, Gas, dan Water Supply (US\$ 0.6 billion); and Vehicle and other transportation Industry (US\$ 0.6 billion). If all of those industrial sectors are combined, it shows that the industrial sectors contributed as much as US\$ 4.5 billion or equivalent to 58.5% of the FDI total realization.

FDI realization based on top five leading locations were: West Java (US\$ 1.4 billion); Special Territory of Jakarta (US\$ 1.0 billion); Central Sulawesi (US\$ 0.6 billion); Riau (US\$ 0.6 billion); and Southeast Sulawesi (US\$ 0.5 billion).

FDI realization based on top five of country of origin were: Singapore (US\$ 2.6 billion); China (US\$ 1.0 billion); South Korea (US\$ 0.9 billion); Hong Kong (US\$ 0.8 billion) and Switzerland (US\$ 0.5 billion).

3. Distribution of Project Locations

In the first quarter of 2021, investment realization in Java Island equal to IDR 105.3 trillion and investment realization outside Java Island equal to IDR 114.4 trillion. When compared to the same period in 2020, there was a retardment in Java Island by 2.7% and an increase in investment of outside Java Island by 11.7%.

4. Indonesian Labor Absorption

The realization of Indonesian labor absorption in the first quarter of 2021 reached 311,793 Indonesian labors which consists of 165,630 Indonesian labors (53.1%) from DDI projects and 146,163 Indonesian labors (46.9%) from FDI projects.

5. The investment realization based on Regions in the period of January – March 2021 can be figured as follows:
- a. The investment realization in Sumatera equal to IDR 52.4 trillion (23.8%), consists of IDR 31.6 trillion of DDI and US\$ 1.4 billion of FDI.
 - b. The investment realization in Java equal to IDR 105.3 trillion (47.9%), consists of IDR 50.8 trillion of DDI and US\$ 3.7 billion of FDI.
 - c. The investment realization in Kalimantan equal to IDR 13.6 trillion (6.2%), consists of IDR 10.0 trillion of DDI and US\$ 0.2 billion of FDI.
 - d. The investment realization in Sulawesi equal to IDR 27.3 trillion (12.4%), consists of IDR 8.8 trillion of DDI and US\$ 1.3 billion of FDI.
 - e. The investment realization in Bali and Nusa Tenggara equal to IDR 7.6 trillion (3.5%), consists of IDR 5.2 trillion of DDI and US\$ 0.2 billion of FDI.
 - f. The investment realization in Maluku and Papua equal to IDR 13.5 trillion (6.2%), consists of IDR 1.7 trillion of DDI and US\$ 0.8 billion of FDI.

Jakarta, 26 April 2021

Deputy Chairman of Investment Monitoring and Implementation
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