Jakarta, June 24th 2016 – Indonesia Investment Coordinating Board (BKPM) is optimist that United Kingdom’s decision to leave European Union (EU), referred to as Brexit, will not cast any negative impacts towards its investment plans to Indonesia. In fact, it will by contrast present the opportunity for UK to expand further its investment to this country. The Chairman of BKPM Franky Sibarani, stated that the direct investment is a long-term project, so the UK’s withdrawal from EU’s membership will not accordingly affect all business decisions that have been made before.

“Foreign direct investment is a model of investment with long-term goals; it has gone through multiple analysis, mature deliberations and even researches before being commenced. So, there is no need for us to be worried about the Brexit because it will not have influences over existing business decisions.” Franky explained in his official statement to media, Friday (6/24).

Franky claimed that right now is a great moment to seize more investments from UK. Indonesia has already had several trade agreements with countries that are currently the world’s major market, like China and India, and furthermore, the Foreign Trade Agreement (FTA) between Indonesia and United States of America (US) and the EU are continuously being negotiated. Therefore, the UK companies can choose Indonesia as the production hub in order to embrace a broader global market.

Deputy Chairman for Investment Controlling and Implementation of BKPM, Azhar Lubis, added that BKPM will conduct a more intense communication with potential investors about the reformative actions the Government is taking in the investment sector.

“BKPM’s representative office in London as well as investment marketing team for European region will keep maintaining a communication with UK investors to inform them about the investment services improvement, the deregulation process to create better investment climate, the infrastructure developments and the quality improvement of workforce,” Azhar explained.

UK is a major investment partner of Indonesia. During 2010-2015, UK’s investment realization in Indonesia reached USD 4.8 billion and became the number eight in the list of countries with largest investment value. While for investment commitment plan, the investment commitment coming from UK during 2010-2015 were as high as USD 3.1 billion. And the UK’s investment commitment to Indonesia in the January-May 2016 amounted to USD 111 million, grew 517% compared to the same period in the last year.
Brexit is an abbreviation of “British Exit”, which refers to the action taken by the UK to exit the European Union. The result of the referendum showed that the number of the votes to leave EU exceeded the number of votes to remain in the EU.

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