



PRESS RELEASE

Jakarta, 3 November 2020

Investment Realization Outside Java Breaks the Record, Outperforms Java

Jakarta, 3 November 2020 - The investment realization distribution in Indonesia in the third quarter (July-September) 2020 shows optimistic data in terms of economic equity. The investment realization outside Java is bigger than Java. It was recorded that IDR 110.4 trillion (52.8%) of investment realization was spread outside Java, an increase of 17.9% compared to the same quarter in 2019. Meanwhile, investment realization in Java was IDR 98.6 trillion (47.2%), decreased by 12% compared to the same quarterly period in 2019.

Deputy Chairman for Investment Supervision and Controlling (Dalaks) Imam Soejoedi said that the Indonesia Investment Coordinating Board (BKPM) continues to commit to realizing quality investment, one of which is by encouraging the equal distribution of investment realization outside Java.

"The larger portion of investment realization outside Java compared to Java is the first time since the fourth quarter of 2016. In the future, it is expected that evenly distributed investment outside Java can continue to be realized. Please be informed that the investment handled by BKPM is in the real sector, not including the oil and gas and financial sectors," said Imam.

Imam explained that one of the factors driving equal distribution of investment realization outside Java is adequate infrastructure and the availability of raw materials.

"Currently investment location outside Java is increasingly attractive to investors, thanks to the infrastructure built in the first term of President Jokowi's administration. The government continues to develop infrastructure outside Java, so that it is ready to be used as investment locations for investors," added Imam.

Furthermore, Deputy Dalaks also explained the government's strategy in attracting investors to carry out business activities outside Java. One of them is with special treatment through the greater provision of fiscal incentives compared with Java.

"For example, investors who carry out business activities in Java, we can provide fiscal incentives for 10 years. But if the investment is outside Java, the government can provide fiscal incentives for up to 15 years. This special treatment needs to be implemented so that investors consider doing business outside Java. Don't just focus on Java," explained Imam.

Based on data available at the BKPM's Investment Control and Command Center (Pusat KOPI BKPM), in the third quarter of 2020, West Java Province is still the most attractive location to investors, recording investment realization of IDR 28.4 trillion or 13.6% of the total investment realization achievements of Domestic Investment (PMDN) and Foreign Investment (PMA). Meanwhile, the most attractive investment location outside Java is Riau province with a realized investment value of Rp. 13.0 trillion or 6.2% of the total investment realization in the third quarter of 2020.

If we look in more detail about the investment realization data for the third quarter of 2020, one of the most attractive locations outside Java for foreign direct investment is North Maluku, which ranked in third place with a foreign direct investment realization value of US \$ 0.8 billion (10.8%).

In the third quarter of 2020, BKPM recorded an investment realization of Rp.209.0 trillion which succeeded in creating jobs for 295,387 Indonesian workers. This achievement adds to the cumulative investment realization figure during January-September 2020 to IDR 611.6 trillion or 74.8% of the 2020

investment realization target of IDR 817.2 trillion. The absorption of labor during January-September 2020 was as many as 861,581 Indonesian workers with a total of 102,276 investment projects. (*)

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