BADAN KOORDINASI PENANAMAN MODAL

Press Release

Investment commitment went up 167 percent in February 2016

Jakarta, 16th March 2016 – Indonesia Investment Coordinating Board (BKPM) managed to record IDR 355 trillion of investment commitment in February 2016 or 167 percent increase from the same period the previous year. Such increase was attributed to the 66 percent increase of domestic investment and the 218 percent increase of foreign investment, accounted for IDR 75 trillion and IDR 281 trillion of principal license from the same period the previous year consecutively.

Chairman of BKPM, Franky Sibarani pointed out that the value of investment commitment which was acquired from BKPM’s principal license still displays a significantly high interest for investment in Indonesia. “Early this year, the value of investment commitment recorded in both January and February 2016 has contributed positively to underpinning the achievement of IDR 3,500 trillion investment realization target for the period of 2015-2019”, he said during press conference at BKPM, Wednesday (16/3).

According to Franky, the accomplishment of such investment commitment is inevitably supported by a number of improvement in the area of investment services. President Joko Widodo has officially inaugurated the 3-hour licensing service which has been extended for four infrastructure sectors along with direct construction investment policy (KLIK) taking place at State Palace on 22nd February 2016.

Moreover, Franky explained that seven companies with total investment value of IDR 9.1 trillion and 5,672 worker absorption have utilized the 3-hour licensing service provided by BKPM during February 2016. Those companies come from China (two companies), joint countries (two companies), Taiwan, Singapore and South Korea.

Meanwhile, according to the country of origin, USA topped the chart in the context of inward investment commitment accounting for USD 16.2 billion, followed by China (USD 395 million), British Virgin Island (USD 323 million), Singapore (USD 302 million) and South Korea (USD 292 million). According to the sector involved, Franky specifically highlighted the surge increase in manufacturing sector which account for IDR 235 trillion or has grown almost 20 times compared to previous period. “Simply put, investment commitment in the manufacturing sector has contributed to 66 percent of total inward investment in all sectors” added Franky.

Dominated by Investment Commitment from Outside Java

In relation to the distribution of the location of investment commitment, investment coming from outside Java Island still represents a significant domination which account for
IDR 316 trillion or 88 percent of total investment commitment. It is worth noting that investment commitment in Java Island currently account for IDR 39.3 trillion.

“Sulawesi has been the largest contributor of investment commitment outside Java Island reaching the portion of 66 percent with the value of investment of IDR 235 trillion, then followed by Sumatera with the investment commitment of IDR 71.9 trillion” he said.

Next, third location is Java with total contribution of IDR 39.3 trillion, followed by Kalimantan (IDR 5 trillion), Papua and Maluku (IDR 3.4 trillion) and lastly Bali, Nusa Tenggara (IDR 0.5 trillion). “The unrelenting support from the local government so as to drive such investment commitment is obviously needed, thus helping the realization of investment commitment” explained Franky.

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