PRESS RELEASE

The Latest Regulation on Negative Investment List Provides Certainty to Investors

Washington D.C., 24 May 2016 – The Chairman of Indonesia Investment Coordinating Board (BKPM) Franky Sibarani who is on a working visit in Washington D.C., USA expressed his optimism in relation to the enactment of Presidential Regulation Number 44 of 2016 concerning the list of closed business fields and opened business fields with conditions in the field of investment or commonly referred to Negative investment List (DNI) last week precisely on 18 May 2016. Ratification of the DNI which has been eagerly awaited by the investors are considered to provide certainty in investing in Indonesia.

Franky Sibarani stated that with regard to the issuance of such regulation, some investors who so far has expressed their plans to invest in Indonesia will soon realize their interest. "Investors in the cold storage sector, the film sector as well as the pharmaceutical industry are some of the sectors that are considerably affected by this regulation, thus the investor's current 'wait and see' approach to this policy is somehow appropriate. It is also highly anticipated that they can immediately realize their interests," he said in an official statement to the media on Tuesday (24/5).

Franky who has met with a number of businessmen in the pharmaceutical sector and also with the Motion Pictures Association of America (MPAA) during his working visit to the USA said that the ratification of the regulation is on the right time and on the right trajectory. "With the passing of the regulation, it is expected that they would proceed to the stage of the investment commitment by acquiring the principle license, followed by realizing their investment which is began with the construction," he added.

Franky exemplifies the investors in the cinema sector who have expressed their interest to invest in Indonesia, including from Taiwan, South Korea, and the Middle East. "For investors from the USA, specific cooperation in this particular sector is currently being explored with the members of the MPAA which are regarded as the renowned film producers in Hollywood," he said.

Some of the MPAA members are very well-known motion picture producers such as Dream Works, Warner Bros, Twentieth First Century Fox and Walt Disney. A team from Walt Disney have made a visit to the BKPM and Bekraf (Indonesian Agency for Creative Economy) several times and vice versa from BKPM and Bekraf have also visited the offices of Walt Disney in the USA.

Moreover, Franky highlighted that with the ratification of this regulation, he was optimistic that it would have a positive and significant impact toward national economic growth thus helping achieve national investment target of IDR 594.8 Trillion. "Certainty is one of the things expected by the investors, therefore certainty in the business fields closed and opened with conditions in Indonesia is expected to promote the realization of the investment," explained Franky.
Furthermore, it is worth noting that President Joko Widodo issued a policy package volume 10 on 11 February 2016. It was then embodied in Presidential Regulation Number 44 of 2016 which was signed by President Joko Widodo on 18 May 2016. Some of the sectors that are opened with conditions are in the field of cinema sector production, distribution and exhibition (cinema). Likewise, the hospital management services in which the local content in the field of Business Hospitals are still required. The technical requirements for physicians who practice medicine in Indonesia should also comply with the Hospital Act, thus protecting the medical profession in the country. In addition, the cold storage business which is deemed as supporting business is also 100% opened to foreign investors, whereas on the upstream side (i.e. the business field of fisheries) is still closed to foreign investors.

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