President: “I’m Pleased 7 Companies Have Confirmed Relocation”

Jakarta, 30 June 2020 – Amid the COVID-19 pandemic, Indonesia is utilizing the momentum of the exodus of several foreign companies from China and other countries by facilitating the relocation of their investment to Indonesia. Plans to move their business to Indonesia have been confirmed by as many as seven foreign companies from the United States, Japan, Taiwan and South Korea. This is the result of the negotiation and facilitation efforts carried out by the Indonesia Investment Coordinating Board (BKPM).

During his visit to the Batang Integrated Industrial Estate in Central Java on Tuesday (30/6) afternoon, President of the Republic of Indonesia Joko Widodo appreciated the relevant parties who have assisted the seven companies to enter Indonesia.

"I am pleased that seven companies have confirmed relocation. Next, seventeen investment potentials worth USD 37 billion must be guarded, pursued and served. Scale-up our competitiveness, never let the 2019 incident happen again (where there were no companies relocate to Indonesia)," said President Jokowi.

The total investment value of the seven companies reaches USD 850 million (around Rp 11.9 trillion) with potential employment of up to 30,000 workers. These companies move their factories from China, Japan, Taiwan, Thailand, Malaysia and South Korea.

"Allow me to convey my sincere gratitude for the swift work that has been done. It is not the big country defeats a small country nowadays, but the fast countries that are defeating the slow countries," President Jokowi concluded.

The BKPM Chairman explained that the process of attracting investment from seven companies was carried out intensively. Particularly, BKPM formed a special task force for investment relocation. The team oversees the licensing process of companies ranging from the relevant ministries/institutions to regional governments.

"The process was thorough. We directly ‘knocked’ at each company’s doors to convince that Indonesia is the right location for their plants. Such an extraordinary challenge. Nevertheless, that is exactly where BKPM must work creatively and responsively. We did a very unique approach. And praise God the results have been seen at this early stage," Bahlil explained the media this afternoon (6/30).

The seven companies relocating their investments are Alpan Lighting (PT CDS Asia) from the United States with the solar lighting industry; Sagami Electric (PT. Sagami Indonesia) from Japan with the electronics component industry business sector; Denso (PT. Denso Indonesia) from Japan with the automotive parts industry business sector; Panasonic (PT. Panasonic Manufacturing Indonesia) from Japan with the electronics industry; Meiloon (PT. Meiloon Technology Indonesia) from Taiwan with the electronic speaker, audio and video industry; Kenda Tire (PT. Kenda Rubber Indonesia) from Taiwan with the tire industry; and LG Electronics (PT. LG Electronics Indonesia) from South Korea with the electronics equipment industry.

Besides the seven companies, seventeen other investors have expressed their interest in relocating or diversifying their industries to Indonesia. One of them is an investor from South Korea, LG Chemicals,
who expressed its commitment to build an integrated vehicle battery industry with a smelter. The planned investment value of LG Chemicals is estimated worth USD 9.8 billion and will absorb up to 14,000 employees.

BKPM through its investment relocation task force, is committed to oversee the relocation process and continue to negotiate with various companies to lure more investors who are willing to relocate their business to Indonesia.

--End--

For further information please contact:

Tina Talisa
Press Secretary of BKPM
Jl. Jend. Gatot Subroto No.44 Jakarta 12190
Telp : 021-5269874
E-mail : tina.talisa@bkpm.go.id