INDONESIA INVESTMENT COORDINATING BOARD

PRESS RELEASE

Investment Realization in the First Quarter of 2018 Remain Increase Significantly,

Reached About Rp 185.3 trillion

Jakarta, April 30th 2018 – Indonesia Investment Coordinating Board of the Republic of Indonesia (BKPM) announces investment realization data of Domestic Direct Investment (DDI) and Foreign Direct Investment (FDI) in Q1 (January – March) 2018 that reached Rp 185.3 trillion, grew at 11.8% compared to the same period in 2017, Rp 165.8 trillion. Investment realization in Q1 2018 has absorbed 201,239 labour.

Chairman of BKPM, Thomas Lembong stated that the achievement of investment realization in First Quarter of 2018 provides optimism to reach the 2018 national target for investment which is Rp 765.0 trillion, in order to achieve the economic growth target, in the range of 5.4% level.

“*To accelerate the investment realization of FDI and DDI, the Government has issued Presidential Regulation No 20 Year 2018 concerning on The Utilization of Foreign Workers, which is to support the ease of doing business through the simplification of licensing procedures for foreign workers (that must comply with the specific requirement and qualifications) and accelerating licensing services for foreign workers that are permitted to work in Indonesia, therefore the completion of construction and the operational of business activities could be done as soon as possible. In addition, the simplification of business licensing policy based on The Presidential Regulation No. 91 Year of 2017, is also expected to accelerate and to ease business licensing process”*, said Tom Lembong in the press conference held by BKPM, Jakarta (30/04).

In the First Quarter of 2018, investment realization of Domestic Direct Investment (DDI) is Rp 76.4 trillion, increased 11.0% from Rp 68.8 trillion in the same period of 2017, and Foreign Direct Investment (FDI) is Rp 108.9 trillion, increased 12.4% from Rp 97.0 trillion in the same period of 2017.

BKPM also recorded, that the investment realization (DDI and FDI combined) based on project locations (five leading locations) are: West Java (Rp 37 trillion, 19.9%), Special Territory of Jakarta (Rp 28.9 trillion, 15.6%); Central Java (Rp 16.1 trillion, 8.7%); Banten (Rp 15.5 trillion, 8.4%); and Riau (Rp 9.1 trillion, 4.9%).

Investment realization (DDI and FDI combined) based on sector (5 major sectors) are: Real Estate, Industrial Estate and Office Building (Rp 27.6 trillion, 14.9%); Metal, Machinery and Electronic Industry (Rp 22.7 trillion, 12.3%); Electricity, Gas and Water Supply (Rp 19.3 trillion, 10.4%); Food Crops and Plantation (Rp 17.9 trillion, 9.6%), and Transportation, Warehouse and Telecommunication (Rp 14.7 trillion, 7.9%);
Meanwhile the five leading countries of FDI realization based on country of origin are: Singapore (US$ 2.6 billion, 32.6%); Japan (US$ 1.4 billion, 16.7%); South Korea (US$ 0.9 billion, 11.6%); People’s Republic of China (US$ 0.7 billion, 8.3%); and Hong Kong (US$ 0.5 billion, 6.3%).

“To improve the competitiveness of Indonesia investment climate, the Government has also issued the Minister of Finance Regulation (PMK) through The Minister of Finance Regulation No.35/MK.010/2018 concerning on Granting of Corporate Income Tax Reduction Facility, known as Tax Holidays, which provide the easiness, certainty, and simplification of Tax Holiday incentive, is also expected to increase the realization of priority investment fields that are categorized as the pioneer industry “, said Tom Lembong.

Deputy Chairman of Investment Supervision and Controlling – BKPM, Azhar Lubis, explained, realization of Indonesia labour absorption in Q1 2018 reached 201,239 people, consists of 103,982 people from DDI projects and 97,257 people from FDI projects. He also added that the proportion of FDI and DDI investment outside Java is about to Rp 73.5 trillion or equal to 39.7% of the total investment realization in Q1 2018.

The Growth of Investment Realization in 2013 – March 2018: by Quarter

For further information, please contact:

M. M. Azhar Lubis
Deputy Chairman of Investment Supervision and Controlling
Indonesia Investment Coordinating Board (BKPM)
Jl. Jend. Gatot Subroto 44, Jakarta 12190, Indonesia
Phone: 62-21-5252008 ext.7001
Mobile: 62-8159525035 e-mail: azhar@bkpm.go.id
Appendix
Highlights of the Investment Realization 1st Quarter and January - March 2018

Investment realization of Domestic Direct Investment (PMDN) in Q1 2018 (Rp 76.4 trillion) increased 11.0% compared to the same period in Q1 2017 (Rp 68.8 trillion).

Investment realization of Foreign Direct Investment (PMA) in Q1 2018 (Rp 108.9 trillion), increased 12.4% compared to the same period in Q1 2017 (Rp 97.0 trillion).

The highlights of the investment realization of the domestic and foreign direct investment in Q1-2018 are as follows:

1. **Domestic Direct Investment Realization**
   DDI Investment realization based on sector (5 major sectors) are: Construction (Rp 13.0 trillion); Food Crops and Plantation (Rp 10.4 trillion); Transportation, Warehouse, and Telecommunication (Rp 10.3 trillion); Food Industry (Rp 9.6 trillion); and Electricity, Gas and Water Supply (Rp 7.8 trillion). If all of the industrial sectors are combined, it can be seen that the industrial sectors contribute as much as Rp 21.4 trillion or 28.0% of the total DDI.

   Domestic Direct Investment realization based on location (five leading locations) are: Central Java (Rp 10.3 trillion); Special Territory of Jakarta (Rp 8.8 trillion); Central Kalimantan (Rp 7.1 trillion); West Java (Rp 6.7 trillion); and East Java (Rp 6.2 trillion).

2. **Foreign Direct Investment Realization**
   FDI Investment realization based on sector (5 major sectors) are: Real Estate, Industrial Estate and Office Building (US$ 1.9 billion); Metal, Machinery and Electronic Industry (US$ 1.4 billion); Electricity, Gas and Water Supply (US$ 0.9 billion); Mining (US$ 0.6 billion); and Food Crops and Plantation (US$ 0.6 billion). If all of the industrial sectors are combined, it can be seen that the industrial sectors contribute as much as US$ 3.1 billion or 38.0% of the total FDI.

   Foreign Direct Investment realization based on location (5 leading locations) are: West Java (US$ 2.3 billion); Special Territory of Jakarta (US$ 1.5 billion); Banten (US$ 0.9 billion); Riau (US$ 0.5 billion); and Central Java (US$ 0.4 billion).

   Foreign Direct Investment realization based on country of origin (five leading countries) are: Singapore (US$ 2.6 billion); Japan (US$ 1.4 billion); South Korea (US$ 0.9 billion); China (US$ 0.7 billion); and Hong Kong (US$ 0.5 billion).

3. **Distribution of Project Location**
   In Q1 2018, investment realization in Java Island is Rp 111.8 trillion while outside Java is Rp 73.5 trillion.
4. **Indonesian Labour Absorption**
   During the Q1, 2018, direct investment during Q1 2018 created 201,239 new jobs, with DDI employs 103,982 labours and FDI projects absorbs 97,257 jobseekers.

5. **The investment realization based on Regions in January to March 2018 as follows:**
   a. The investment realization in Sumatera Island is Rp 27.8 trillion (15.0%), consists of Rp 10.0 trillion of DDI and US$ 1.3 billion (Rp 17.8 trillion) of FDI.
   
   b. The investment realization in Java Island is Rp 111.8 trillion (60.3%), consists of Rp 40.7 trillion of DDI and US$ 5.3 billion (Rp 71.1 trillion) of FDI.
   
   c. The investment realization in Kalimantan Island is Rp 20.2 trillion (10.9%), consists of Rp 15.9 trillion of DDI and US$ 0.3 billion (Rp 4.3 trillion) of FDI.
   
   d. The investment realization in Sulawesi Island is Rp 12.9 trillion (7.0%), consists of Rp 6.2 trillion of DDI and US$ 0.5 billion (Rp 6.7 trillion) of FDI.
   
   e. The investment realization in Bali and Nusa Tenggara is Rp 5.9 trillion (3.2%), consists of Rp 2.4 trillion of DDI and US$ 0.3 billion (Rp 3.5 trillion) of FDI.
   
   f. The investment realization Maluku and Papua is Rp 6.7 trillion (3.6%), consists of Rp 1.1 trillion of DDI and US$ 0.4 billion (Rp 5.6 trillion) of FDI.

Jakarta, April 30th 2018

Deputy Chairman of Investment Monitoring and Implementation

Indonesia Investment Coordinating Board (BKPM)