INDONESIA INVESTMENT COORDINATING BOARD

Press Release

Investment Realization in First Quarter of 2016 Rose 17,6%
“Optimism on Improved Investment Climate Confirmed”

Jakarta, April 25th, 2016 – The Chairman of the Indonesia Investment Coordinating Board of the Republic of Indonesia/Badan Koordinasi Penanaman Modal (BKPM), Franky Sibarani, states his optimism that investment realization in 2016 can be achieved which is targeted Rp. 594.8 Trillion. This was stated by the Chairman of BKPM, Franky Sibarani when he announced the investment realization today at Jakarta, for both Domestic Direct Investment (DDI) and Foreign Direct Investment (FDI) during the 2015 First Quarter (January – March). This investment realization derived from DDI and FDI based on the Investment Activity Report (LKPM) received by BKPM.

Franky’s optimism arises based on the number of investment realization on the first quarter (January - March 2016) that has increased by 17,6% compared to the same period in 2015. These number again breaks previous record of investment realization in Indonesia, consists of DDI which was amounted at Rp. 50.4 trillion, rose by 18,6% from Rp. 42.5 trillion in the same period of 2015, while total FDI in Q1 2016 is Rp. 96.1 trillion, increase by 17,1% compared FDI investment realization Q1 2015 which is Rp. 82.1 trillion.

The Investment realization of Foreign Direct Investment based on leading countries (top 5) are : Singapore (US$ 2.9 billion); Japan (US$ 1.6 billion); Hong Kong, PRC (US$ 0.5 billion); China (US$ 0.5 billion); and Netherlands (US$ 0.3 billion).

“With the investment realization still remains high during Q1-2016, this indicates that investment performance in 2016 will surely grow. The current administration has strong commitment to ensure and improve investment climate in Indonesia. The first breakthrough to provide easy and fast services for investor: the 3 – Hour Licensing Services that can cut down the time needed for issuing investment licenses from 23 days to 3 hours. Also, Green Line Facility, a facility to simplify and accelerate the procedures for importing goods provided by BKPM cooperating with the Directorate General Excise and Customs, Ministry of Finance”, Franky Sibarani affirmed the updated policy measures taken.

“BKPM also introduced a new breakthrough program known as KLIK (Kemudahan Layanan Investasi langsung Konstruksi/Direct Construction Investment License) in 14 selected Industrial Park in some provinces in Indonesia. These improvements are positively cheered by investors. We hope investment realization will increase” said the Chairman of the Indonesian Investment Coordinating Board, Franky Sibarani.

Furthermore, BKPM has noticed that investment realization outside Java Island shows a positive trend, which reached Rp. 65.8 trillion or up to 44,9% (compared the same period last year with a total amount of Rp. 54.7 trillion or 43,9% growth). Meanwhile investment in Java Island is Rp. 80.7 trillion (rose by 55.1% compared to last year).
The DDI realization based on location (top 5 leading locations) are: South Sumatera (US$ 1.9 billion); West Java (US$ 1.6 billion); Banten (US$ 0.9 billion); Special Territory of Jakarta (US$ 0.6 billion) and Central Sulawesi (US$ 0.3 billion).

Meanwhile, the FDI realization based on sector (top 5 leading sectors) are: Paper and Printing Industry (US$ 1.9 billion); Chemical and Pharmaceutical Industry (US$ 0.9 billion); Transport Equipment and Other Transport Industry (US$ 0.8 billion); Metal, Machinery and Electronic Industry (US$ 0.7 billion); Food Industry (US$ 0.5 billion).

On the other hand, DDI realization based on sector (top 5 leading sectors) are: Food Industry (Rp 8.9 trillion); Food Crops and Plantation (Rp. 8.8 trillion); Chemical and Pharmaceutical Industry (Rp. 5.7 trillion); Electricity, Gas and Water (5.1 trillion); and Transportation, Warehouse and Telecommunication (Rp 5.0 trillion), whereas, if all industrial sectors were combined, it can be seen that industrial sectors contribute Rp 14.6 trillion or 28.9% of total domestic direct investment realization.

DDI realization based on location (five leading locations) are: East Java (Rp. 13.0 trillion); Central Kalimantan (Rp 6.3 trillion); West Java (Rp. 6.1 trillion); Central Java (Rp 5.3 trillion); and Banten (Rp 4.3 trillion).

**Investment Progress 2011 – March 2016 – Quarterly**

Generally, based on the investment realization 2011 – March 2016 data, every quarter shows an increase of a significant number increased to a more stable yet high level. This indicates that investment in Indonesia starting to enter onto a high and sustainable level,” added Franky.

For further information, please contact:
M. M. Azhar Lubis
Deputy Chairman of Investment Monitoring and Implementation
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

Investment Realization on the First Quarter in 2016 Data
The investment realization of Domestic Direct Investment (DDI) in Q1-2016 is Rp. 50.4 trillion, an increase of 18.6% compare to the same period in 2015 (Rp. 42.5 trillion).

The investment realization of Foreign Direct Investment (FDI) in Q1-2016 is Rp. 96.1 trillion, an increase of 17.1% compare to the same period in 2015 (Rp 82.1 trillion).

The highlights of the investment realization of the domestic and foreign direct investment in Q1-2016 are as follows:

1. Domestic Direct Investment Realization

   Domestic Direct Investment realization based on sector (five leading sectors) are: Food Industry (Rp 8.9 trillion); Food Crops and Plantation (Rp. 8.8 trillion); Chemical and Pharmaceutical Industry (Rp. 5.7 trillion); Electricity, Gas and Water (5.1 trillion); and Transportation, Warehouse and Telecommunication (Rp 5.0 trillion). Whereas, should all industrial sectors be combined, it can be seen that industrial sectors contribute Rp 14.6 trillion or 28.9% of total domestic direct investment realization.

   Domestic Direct Investment realization based on location (five leading locations) are: East Java (Rp. 13.0 trillion); Central Kalimantan (Rp 6.3 trillion); West Java (Rp. 6.1 trillion); Central Java (Rp 5.3 trillion); and Banten (Rp 4.3 trillion).

2. Foreign Direct Investment Realization

   Foreign Direct Investment realization based on sector (five leading sectors) were: Paper and Printing Industry (US$ 1.9 billion); Chemical and Pharmaceutical Industry (US$ 0.9 billion); Transport Equipment and Other Transport Industry (US$ 0.8 billion); Metal, Machinery and Electronic Industry (US$ 0.7 billion); Food Industry (US$ 0.5 billion) and Whereas, should all industrial sectors be combined, it can be seen that industrial sectors contribute US$ 4.8 billion or 69.6% of total FDI realization.

   Foreign Direct Investment realization based on location (five leading locations) are: South Sumatera (US$ 1.9 billion); West Java (US$ 1.6 billion); Banten (US$ 0.9 billion); Special Territory of Jakarta (US$ 0.6 billion) and Central Sulawesi (US$ 0.3 billion).

   Foreign Direct Investment realization based on country of origin (five leading countries) are: Singapore (US$ 2.9 billion); Japan (US$ 1.6 billion); Hong Kong, PRC (US$ 0.5 billion); China (US$ 0.5 billion); and Netherlands (US$ 0.3 billion).

3. Distribution of Project Location

   Distribution of project location in Q1-2016 in Java Island is Rp. 80.7 trillion and outside Java Island was Rp. 65.8 trillion. The portion of outside Java Island has increased by 20.3% compared to the same period in 2015 (Rp. 11.1 trillion).

4. Labor Absorption

   Indonesian labor absorption for investment project in Q1-2016 is 327.170 people, consisting of 136.560 people from DDI and 190.610 people from FDI.

5. The investment realization based on Economic Corridors in January to Maret 2016 can be figured as follows:
a. The investment realization in Sumatera Island is Rp. 33.0 trillion (22.5%), consists of Rp. 5.1 trillion of DDI and US$ 2.0 billion of FDI.

b. The investment realization in Java Island and Bali is Rp. 82.9 trillion (56.6%), consists of Rp. 31.6 trillion of DDI and US$ 3.7 billion of FDI.

c. The investment realization of Kalimantan Island is Rp. 16.0 trillion (10.9%), consists of Rp. 11.7 trillion of DDI and US$ 0.3 billion of FDI.

d. The investment realization of Sulawesi Island is Rp. 8.6 trillion (5.9%), consists of Rp. 1.8 trillion DDI and US$ 0.5 billion of FDI.

e. The investment realization of Nusa Tenggara, Maluku and Papua is Rp. 6.0 trillion (4.1%), consists of Rp. 0.06 trillion DDI and US$ 0.4 billion of FDI.