



## INVESTMENT COORDINATING BOARD

### Press Release

#### Investment Realization 2015 Exceed Target

**Jakarta, 21 January 2016** – The Investment Coordinating Board (BKPM) today releases investment realization in 2015 is Rp 545.4 trillion, or rose 17.8% compared last year. Investment realization exceeds the target 2015 which was Rp 519.5 trillion (105.0%). Domestic Direct Investment (DDI) increases 15.0% of Rp 179.5 trillion, meanwhile Foreign Direct Investment (FDI) increases 19.2% and reach Rp 365.9 trillion.

Chairman of BKPM Franky Sibarani stated that the achievement was made in the midst of global economic slowdown. “The 2015 investment performed still indicates positive signal seen shows some positive impacts, among others, by the creation of labor force, a steady investor trust to the Indonesian economy and politics fundamentals, besides the prospect of long-term economic growth in the coming years,” he added in the press conference held in BKPM office, Thursday (21/01).

This positive outcome brings an optimism that investment in Indonesia shows strong growth trends. To keep the strong growth in track, the Government has launched some breakthrough policies that will provide incentives for investors, simplification on licensing procedure and other facilitation programs for investors, among others, BKPM’s current policy measures such as the debottlenecking of investors’ problems. “Our latest program, BKPM have launched a 3-hour licensing system that covers 9 (nine) licenses on 11 January 2016.” said Franky.

Based on the investment realization BKPM have recorded, investment realization from January – December 2015 absorbed 1,435,711 labor, or a slight increase 0.3% compared last year, where it had absorbed 1,430,846 job seeker. “Our target for this year is investment realization have to create job opportunity more than 2 million employment,” stated Franky.

2015 investment realization positive outcome are contributed by Q4 (October – December) 2015 which is reaches Rp 145.4 trillion, or increased 20.8% compared to the same period in 2014. DDI realization reaches Rp 46.2 trillion grew at 10.7%, while FDI increases Rp 99.2 trillion, or 26.1% growth compared to the same period in 2014.

In fourth quarter of 2015, the investment poured in Java Island is Rp 77.3 trillion. Investment outside Java in Q4/2015 is Rp 68.1 trillion has increased compared to the same period last year which is 35.1%. Labor force employed in Q4/2015 reaches 375,982 people consists of DDI absorbed 111,006 people dan FDI absorbed 264,976 people. “During fourth quarter 2015, investment performance grew by 20,8%, extending the Government’s optimism that not only this year target are exceeded, but also the 2016 investment target which is Rp. 594,8 trillion could be attainable,” closed Franky.

## **Investment outside Java rose significantly**

Chairman of Investment Coordinating Board, Franky Sibarani highlighted the significant rise of investment outside Java Island. Based on BKPM data, investment in Java Island is Rp 296.7 trillion (54.4%) and the realization of investment outside Java Island reach Rp 248.7 trillion (45.6%). The figure compared with the same period in 2014 of Rp 199.8 trillion, an increase in investment realization outside Java by 24.5%.

"The proportion of investment outside Java Island in 2015 reached 45.6%, higher than the proportion of the previous year by 43%. By 2016, BKPM targeted investment comparison by 49%," said Franky.

Franky mentioned that one of the outstanding Government Vision is to create a more balance proportion between central and regional development, or decentralisation-oriented development. "One important indicator of this vision is that Investment realization outside Java Island is gradually increasing, we will strive to ensure that investment outside Java Island increase," he asserted.

Kalimantan region recorded the largest contribution of Rp 93.0 trillion (17.1%), consisting of Rp 20.0 trillion for DDI while FDI amounted to US\$ 5.8 billion. Followed by Sumatra with a total investment investment of Rp 84.4 trillion (15.5%) and Sulawesi, which is Rp 33.2 trillion (6.1%). Other areas such as Bali and Nusa Tenggara with the realization of an investment of Rp 18.7 trillion (3.4%) and Maluku and Papua, with the realization of an investment of Rp 19.4 trillion (3.5%).

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## Appendix

### Highlights of the Investment Realization Quarter IV/2015 and January – December 2015

Highlights of the investment realization Quarter IV/2015 as stated:

1. Domestic Direct Investment (DDI)

DDI Investment realization **based on sector** (5 major sectors) are : Non Metallic Mineral Industry (Rp 8.6 trillion); Construction (Rp 7.5 trillion); Food Industry (Rp 6.4 trillion); Chemical and Pharmaceutical Industry (Rp 4.7 trillion); and Electricity, Gas and Water Supply (Rp 4.5 trillion). If the industrial sectors are combined, it can be seen that the industrial sectors contribute Rp 26.0 trillion or 56.3% to the total DDI.

Domestic Direct Investment realization based on **location** (five leading locations) are : East Java (Rp 16.9 trillion); Central Java (Rp 5.1 trillion); South Sulawesi (Rp 4.4 trillion); Riau (2.8 trillion); and Banten (Rp 2.7 trillion).

2. Foreign Direct Investment (FDI)

FDI based on **sector** (5 main sectors) are: Electricity, Gas and Water Supply (US\$ 1.4 billion); Metal, Machinery, and Electronic Industry (US\$ 1.0 billion); Real Estate, Industrial Estate, and Office Building (US\$ 1.0 billion); Mining (US\$ 0.9 trillion) and Food Crops and Plantation (US\$ 0.7 billion). If the industrial sectors are combined, it can be seen that the industrial sectors contribute US\$ 3.0 billion or 38.2% to the total FDI.

Foreign Direct Investment realization based on project **location** (five leading locations) are Special Territory of Jakarta (US\$ 1.4 billion); Banten (US\$ 0.9 billion); East Java (US\$ 0.9 billion); Central Kalimantan (US\$ 0.7 billion); and East Kalimantan (US\$ 0.6 billion).

FDI realization based on country of origin (five biggest countries) are: Singapore (US\$ 2.3 billion); Hongkong, People's Republic Of China (US\$ 0.5 billion); Netherlands (US\$ 0.4 Billion); Japan (US\$ 0.4 billion) and People's Republic of China (US\$ 0.2 billion).

3. Distribution project location.

In quarter IV, 2015, in Java island is Rp 77.3 trillion while outside Java island is Rp 68.1 trillion. If compared to the same period in 2014 is Rp. 50.4 trillion, investment realization outside Java Island increases 35.1%.

4. Labour absorption.

Indonesian labour absorption for investment project in Q4-2015 is 375,982 people, consists of 111,006 from domestic direct investment projects and 264,976 people from foreign direct investment projects.

### The Cumulative Investment Realization from January – Desember 2015 :

The highlights of the investment realization of the Domestic and Foreign Direct Investment from January to December 2015, are as follows:

1. Domestic Direct Investment Realization.

The DDI realization based on sectors (five biggest sectors) are: Food Industry (Rp 24.5 trillion); Electricity, Gas and Water Supply (Rp 21.9 trillion); Transportation, Warehouse and

Telecommunication (Rp 21.3 trillion); Chemical and Pharmaceutical Industry (Rp 20.7 trillion); and Non Metallic Mineral Industry (Rp 20.5 trillion). If the industrial sectors were combined, it can be seen that the industrial sectors contribute Rp 89.0 trillion or 49.6% to the total domestic direct investment realization.

Meanwhile, the DDI realization based on locations (five biggest locations) are: East Java (Rp 35.5 trillion); West Java (Rp 26.3 trillion); Special Territory of Jakarta (Rp 15.5 trillion); Central Java (Rp 15.4 trillion); and South Sumatera (Rp 10.9 trillion).

## 2. Foreign Direct Investment Realization

FDI realization based on sectors (five biggest sectors) are: Mining (US\$ 4.0 billion); Transportation, Warehouse and Telecommunication (US\$ 3.3 billion); Metal, Machinery and Electronic Industry (US\$ 3.1 billion); Electricity, Gas and Water Supply (US\$ 3.0 billion); and Real Estate, Industrial Estate, and Office Building (US\$ 2.4 billion). Meanwhile if the industrial sectors were combined, it can be seen that the industrial sectors contribute US\$ 11.8 billion atau 40.2% to the total foreign direct investment realization.

FDI realization based on locations (five biggest locations) are: Special Territory of Jakarta (US\$ 3.6 billion); East Java (US\$ 2.6 billion); Banten (US\$ 2.5 billion); and East Kalimantan (US\$ 2.4 billion).

Foreign Direct Investment realization based on **country of origin** (five leading countries) are: Singapore (US\$ 5.9 billion); Malaysia (US\$ 3.1 billion); Japan (US\$ 2.9 billion); Netherlands (US\$ 1.3 billion) and Korea Selatan (US\$ 1.2 billion).

## 3. Distribution of Project Location

The distribution of project location in Q3-2015 in Java Island is Rp 296.7 trillion (54.4%) while outside Java Island is Rp 248.7 trillion (45.6%). The portion of outside Java Island is increased by 24.5% compared to the same period in 2014 (Rp 199.8 trillion).

## 4. The investment realization based on Economic Corridors in January to December 2015 are as follows:

- a. The investment realization of Sumatera Economic Corridor is Rp 84.4 trillion (15.5%), consists of Rp 37.8 trillion of DDI and US\$ 3.7 billion of FDI. The leading sectors for the DDI are Electricity, Gas and Water Supply (Rp 9.6 trillion); Chemical and Pharmaceutical Industry (Rp 6.5 trillion); Food Industry (Rp 4.7 trillion); Real Estate, Industrial Estate and Office Building (Rp 2.8 trillion); and Paper and Printing Industry (Rp 2.8 trillion); while for the FDI are Chemical and Pharmaceutical Industry (US\$ 0.8 billion); Paper and Printing Industry (US\$ 0.5 billion); Electricity, Gas and Water Supply (US\$ 0.5 billion); Food Industry (US\$ 0.4 billion); and Mining (US\$ 0.4 billion);
- b. The investment realization of Java Economic Corridor is Rp 296.7 trillion (54.4%), consists of Rp 103.8 trillion of DDI and US\$ 15.4 billion of FDI. The leading sectors for the DDI are Transportation, Warehouse and Telecommunication (Rp 19.9 trillion); Construction (Rp 16.7 trillion); Food Industry (Rp 14.1 trillion); Non Metallic Mineral Industry (Rp 11.0 trillion); and Chemical and Pharmaceutical Industry (Rp 10.8 trillion) and for the FDI are Transportation, Warehouse and Telecommunication (US\$ 2.6 billion); Real Estate, Industrial Estate and Office Building (US\$ 2.0 billion); Electricity, Gas and Water Supply (US\$ 1.9 billion); Transport Equipment and Other Transport Industry (US\$ 1.7 billion); and Metal, Machinery and Electronic Industry (US\$ 1.4 billion);

- c. The investment realization of Kalimantan Economic Corridor is Rp 93.0 trillion (17.1 %), consists of Rp 20.0 trillion of DDI and US\$ 5.8 trillion of FDI. The leading sectors for the DDI are Food Crops and Plantation (Rp 7.7 trillion); Chemical and Pharmaceutical Industry (Rp 3.4 trillion); Food Industry (Rp 3.0 trillion); Mining (Rp 1.8 trillion); and Hotel and Restaurant (Rp 1.3 trillion) while for the FDI are Mining (US\$ 2.0 billion); Food Crops and Plantation (US\$ 1.8 billion); Metal, Machinery and Electronic Industry (US\$ 0.4 billion); Electricity, Gas and Water Supply (US\$ 0.4 billion); Real Estates, Industrial Estates and Office Building (US\$ 0.4 billion);
- d. The investment realization of Sulawesi Economic Corridor is Rp 33.2 trillion (6.1%), consists of Rp 13.7 trillion of DDI and US\$ 1.6 billion of FDI. The leading sectors for the DDI are Non Metal Industry (Rp 7.1 trillion); Food Industry (Rp 2.3 trillion); Metal, Machinery and Electronic Industry (Rp 1.3 trillion); Electricity, Gas and Water Supply (Rp 1.1 trillion); and Food Crops and Plantation (Rp 1.0 trillion); and for the FDI are Metal, Machinery and Electronic Industry (US\$ 0.9 billion); Chemical and Pharmaceutical Industry (US\$ 0.2 billion); Mining (US\$ 0.2 billion); Electricity, Gas and Water Supply (US\$ 0.1 billion); and Food Industry (US\$ 0.1 billion);
- e. The investment realization of Bali and Nusa Tenggara Economic Corridor is Rp 18.7 trillion (3.4%) consists of Rp 2.9 trillion of DDI and US\$ 1.3 billion of FDI. The leading sectors for the DDI are Electricity, Gas and Water Supply (Rp 1.2 trillion); Hotel and Restaurant (Rp 1.1 trillion); Food Industry (Rp 0.4 trillion); and Construction (Rp 0.1 trillion); and for the FDI are Mining (US\$ 0.5 billion); Hotel and Restaurant (US\$ 0.3 billion); Transportation, Warehouse and Telecommunication (US\$ 0.2 billion) and Electricity, Gas and Water Supply (US\$ 0.2 billion);
- f. The investment realization of Maluku and Papua Economic Corridor is Rp 19.4 trillion (3.5 %), consists of Rp 1.4 trillion of DDI and US\$ 1.4 billion of FDI. The leading sectors for the DDI are Food Crops and Plantation (Rp 1.3 trillion); Metal, Machinery and Electronic Industry (Rp 0.05 trillion); and Transportation, Warehouse and Telecommunication (Rp 0.03 trillion); while FDI are Mining (US\$ 0.9 billion); Metal, Machinery and Electronic Industry (US\$ 0.2 billion); and Non Metallic Mineral Industry (US\$ 0.02 billion).