



INDONESIA INVESTMENT COORDINATING BOARD

Press Release

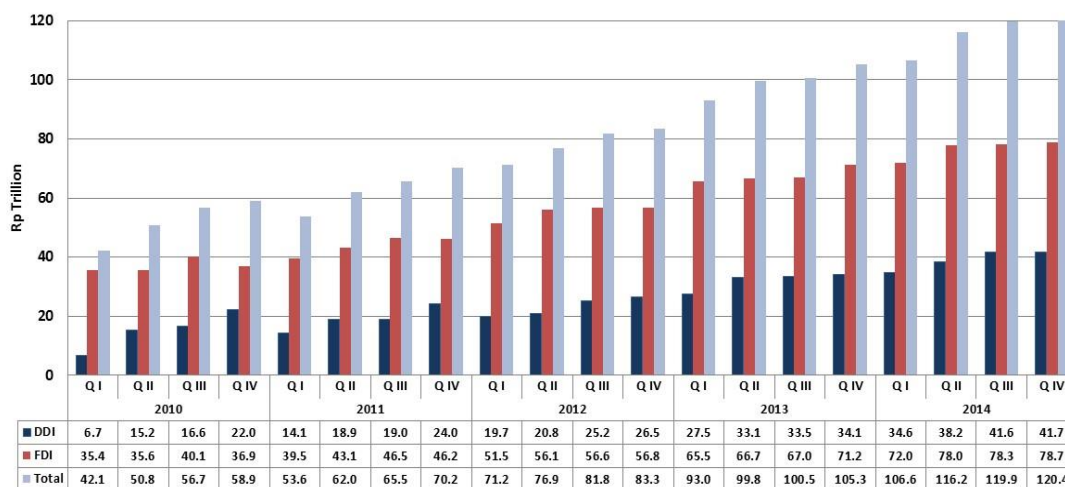
Domestic and Foreign Direct Investment Realization Steadily Increased, Beyond The Annual Target of 2014

Jakarta, January 28, 2015 – The Investment Coordinating Board of the Republic of Indonesia (BKPM) today announces the fourth Quarter/Q4 (October-December) 2014 of investment realization figures for both domestic (PMDN) and foreign direct investment (PMA) based on the Investment Activity Report (LKPM) received by BKPM.

The total investment realization in Q4-2014 was Rp 120.4 trillion, again the new high record, a 14.3% increase compared to the same period of 2013 (Rp 105.3 trillion). Furthermore, the domestic direct investment realization amounted as Rp 41.7 trillion, increased by 22.3% from Rp 34.1 trillion. Meanwhile the total foreign direct investment realization amounted as much as Rp 78.7 trillion, increased by 10.5% from Rp 71.2 trillion.

The graph below shows that in Q4-2014 the total investment realization increase which is still expected to be improved continually in the future.

Investment Realization of 2010 – December 2014: By Quarter



“To increase the investment activities and to accelerate the realization of PMA and PMDN projects, the President of the Republic of Indonesia assigned The Investment Coordinating Board (BKPM) become an Integrated Investment Services Agency

(namely: Pelayanan Terpadu Satu Pintu/PTSP) at the national (central) level, which was launched on last Monday, 26 January 2015 by the President. This PTSP model shall be implemented as well in all provinces, regencies, and cities in Indonesia”, said Chairman of the Indonesia Investment Coordinating Board, Franky Sibarani.

Investment Realization in Quarter IV 2014

The highlights of the investment realization of the domestic and foreign direct investment in Q4-2014 were as follows:

1. Domestic Direct Investment Realization

Domestic Direct Investment realization based on **sector** (five leading sectors) were: Transportation, Warehouse and Telecommunication (Rp 5.9 trillion); Food Industry (Rp 5.7 trillion); Food Crops and Plantation (Rp 4.7 trillion); Construction (Rp 4.5 trillion) and Chemical and Pharmaceutical Industry (Rp 4.3 trillion). Whereas, should all industrial sectors be combined, it can be seen that industrial sectors contribute Rp 17.2 trillion or 41.2% of total domestic direct investment realization.

Domestic Direct Investment realization based on **location** (five leading locations) were: East Java (Rp 8.5 trillion); Special Territory of Jakarta (Rp 7.3 trillion); West Java (Rp 4.9 trillion); Central Java (Rp 3.4 trillion) and South Sumatera (Rp 3.0 trillion).

2. Foreign Direct Investment Realization

Foreign Direct Investment realization based on **sector** (five leading sectors) were: Metal, Machinery, and Electronic Industry (US\$ 0.9 billion); Mining (US\$ 0.9 billion); Construction (US\$ 0.8 billion); Food Industry (US\$ 0.6 billion) and Food Crops and Plantation (US\$ 0.6 billion). Whereas, should all industrial sectors be combined, it can be seen that industrial sectors contribute US\$ 2.9 billion or 42.3% of total foreign direct investment realization.

Foreign Direct Investment realization based on **location** (five leading locations) were: West Java (US\$ 1.9 billion); Special Territory of Jakarta (US\$ 0.9 billion); Banten (US\$ 0.5 billion); Central Sulawesi (US\$ 0.4 billion) and South Sulawesi (US\$ 0.4 billion).

Foreign Direct Investment realization based on **country of origin** (five leading countries) were: Singapore (US\$ 0.9 billion); Malaysia (US\$ 0.8 billion); Japan (US\$ 0.7 billion); China (US\$ 0.5 billion); and South Korea (US\$ 0.4 billion).

3. Distribution of Project Location

Distribution of project location in Q4-2014 in Java Island is Rp 70.0 trillion and outside Java Island was Rp 50.4 trillion. The portion of outside Java Island was increased by 15.6% compared to the same period in 2013 (Rp 43.6 trillion).

4. Labor Absorption

Indonesian labor absorption for investment project in Q4-2014 was 470,510 people, consisting of 180,626 people from domestic direct investment and 289,884 people from foreign direct investment.

The Cumulative of Investment Realization in January-December of 2014

The cumulative investment realization in January-December 2014 is Rp 463.1 trillion, an increase of 16.2% compared to the same period in 2013, consist of the DDI realization of Rp 156.1 trillion with an increase of 21.8% and the FDI realization of Rp 307.0 trillion with an increase of 13.5%.

The highlights of the investment realization of the Domestic and Foreign Direct Investment from January to December of 2014, as follows:

1. Domestic Direct Investment Realization

The DDI realization based on sectors (five biggest sectors) were: Electricity, Gas and Water Supply (Rp 36.3 trillion); Food Industry (Rp 19.6 trillion); Transportation, Warehouse and Telecommunication (Rp 15.7 trillion); Chemical and Pharmaceutical Industry (Rp 13.3 trillion) and Real Estate, Industrial Estate, and Business Activities (Rp 13.1 trillion). Whereas, should all industrial sectors be combined, it can be seen that industrial sectors contributed as much as Rp 59.0 trillion (37.8%).

Meanwhile, the DDI realization based on locations (five biggest locations) were: East Java (Rp 38.1 trillion); West Java (Rp 18.7 trillion); Special Territory of Jakarta (Rp 17.8 trillion); Central Java (Rp 13.6 trillion) and East Kalimantan (Rp 12.9 trillion).

2. Foreign Direct Investment Realization

FDI realization based on sectors (five biggest sectors) were: Mining (US\$ 4.7 billion); Food Industry (US\$ 3.1 billion); Transportation, Warehouse and Telecommunication (US\$ 3.0 billion); Metal, Machinery and Electronic Industry (US\$ 2.5 billion) and Chemical and Pharmaceutical Industry (US\$ 2.3 billion) . Whereas, should all industrial sectors be combined, it can be seen that industrial sectors contributed as much as US\$ 13.0 billion (45.6%).

Meanwhile, FDI realization based on locations (five biggest locations) were: West Java (US\$ 6.6 billion); Special Territory of Jakarta (US\$ 4.5 billion); East Kalimantan (US\$ 2.1 billion); Banten (US\$ 2.0 billion) and East Java (US\$ 1.8 billion).

FDI realization based on country of origin (five biggest countries) were: Singapore (US\$ 5.8 billion); Japan (US\$ 2.7 billion); Malaysia (US\$ 1.8 billion); Netherland (US\$ 1.7 billion); United Kingdom (US\$ 1.6 billion).

3. Distribution of Project Location

The distribution of project location in January until December of 2014 in Java Island was Rp 263.3 trillion (56.9%), and outside Java Island was Rp 199.8 trillion (43.1%). Investment in outside Java Island increased by 18.7% compared to the same period in 2013 (Rp 168.3 trillion).

4. The investment realization based on Economic Corridors in January to December 2014 can be figured as follows:

- a. The investment realization of Sumatera Economic Corridor was Rp 70.9 trillion (15.3%), consist of Rp 29.6 trillion of DDI and US\$ 3.8 billion of FDI. The dominant sectors for DDI were Electricity, Gas and Water Supply (Rp 9.5 trillion); Chemical and Pharmaceutical Industry (Rp 8.3 trillion); Food Crops and Plantation (Rp 3.4 trillion); Food Industry (Rp 2.9 trillion) and Paper and Printing Industry (Rp 2.4 trillion); and for FDI were Food Crops and Plantation (US\$ 0.9 billion); Livestock (US\$ 0.6 billion); Forestry (US\$ 0.6 billion); Fishery (US\$ 0.5 billion) and Mining (US\$ 0.5 billion).
- b. The investment realization of Java Economic Corridor was Rp 263.3 trillion (56.8%), consist of Rp 97.1 trillion of DDI and US\$ 15.4 billion of FDI. The dominant sectors for DDI were Electricity, Gas and Water Supply (Rp 23.4 trillion); Transportation, Warehouse and Telecommunication (Rp 13.3 trillion,) Real Estate, Industrial Estate and Business Activities (Rp 13.1 trillion), Food Industry (Rp 12.6 trillion) and Construction (Rp 12.1 trillion) and for FDI were Transportation, Warehouse and Telecommunication (US\$ 2.5 billion); Transport Equipment and Other Transport Industry (US\$ 2.0 billion); Food Industry (US\$ 1.7 billion); Metal, Machinery and Electronic Industry (US\$ 1.7 billion); Construction (US\$ 1.4 billion).
- c. The investment realization of Kalimantan Economic Corridor was Rp 71.7 trillion (15.5%), consist of Rp 21.4 trillion of DDI and US\$ 4.7 billion of FDI. The dominant sectors for DDI were Food Crops and Plantation (Rp 8.3 trillion); Chemical and Pharmaceutical Industry (Rp 3.2 trillion); Food Industry (US\$ 3.0 trillion); Electricity, Gas and Water Supply (Rp 2.8 trillion); Transportation, Warehouse and Telecommunication (US\$ 2.1 trillion) and for FDI were Mining (US\$ 1.9 billion); Food Crops and Plantation (US\$ 1.6 billion); Food Industry (US\$ 0.5 billion); Transportation, Warehouse and Telecommunication (US\$ 0.2 billion); Metal, Machinery and Electronic Industry (US\$ 0.2 billion).
- d. The investment realization of Sulawesi Economic Corridor was Rp 29.2 trillion (6.3%), consist of Rp 7.1 trillion DDI and US\$ 2.1 billion of FDI. The dominant sectors for DDI were Non Metallic Mineral Industry (Rp 3.1 trillion); Metal, Machinery and Electronic Industry (Rp 1.1 trillion); Food Industry (Rp 1.0 trillion); Food Crops and Plantation (Rp 0.7 trillion); Electricity, Gas and Water Supply (Rp 0.4 trillion); and for FDI were Chemical and Pharmaceutical Industry (US\$ 0.9 billion); Metal, Machinery and Electronic Industry (US\$ 0.5 billion);

Mining (US\$ 0.3 billion); Real Estate, Industrial Estate and Business Activities (US\$ 0.2 billion).

- e. The investment realization of Bali and Nusa Tenggara Economic Corridor was Rp 11.1 trillion (2.4%), consist of Rp 0.5 trillion DDI and US\$ 0.9 billion of FDI. The dominant sectors for DDI were Hotel and Restaurant (Rp 0.2 trillion); Electricity, Gas and Water Supply (Rp 0.1 trillion); and Real Estate, Industrial Estate and Business Activities (Rp 0.05 trillion); and for FDI were Mining (US\$ 0.5 billion); Electricity, Gas and Water Supply (US\$ 0.3 billion); and Hotel and Restaurant (US\$ 0.1 billion).
- f. The investment realization of Maluku and Papua Economic Corridor was Rp 16.9 trillion (3.7%), consist of Rp 0.5 trillion DDI and US\$ 1.5 billion of FDI. The dominant sectors for DDI were Food Crops and Plantation (Rp 0.3 trillion); Metal, Machinery and Electronic Industry (Rp 0.2 trillion); and Food Industry (Rp 0.07 trillion); and for FDI were Mining (US\$ 1.3 billion); Food Crops and Plantation (US\$ 0.1 billion); Transportation, Warehouse and Telecommunication (US\$ 0.1 billion) and Fishery (US\$ 0.01 billion).

Trend of Investment Realization from 2010 to December 2014

Based on the investment realization data from the period of 2010 until December 2014, there was a significant growth in each quarter for domestic as well as foreign direct investment. It underlines that investment in Indonesia is on a high level of sustainable performance.

From the data of investment realization 2010 until 2014, both domestic and foreign companies are able to run well their bussiness in Indonesia and around 42% of total investment realization is derived from the expansion of existing bussiness.

“BKPM has also identified and assessed a number of PMA and PMDN companies that have some obstacles or even cases during their investment realization stages. Therefore, BKPM will facilitate and coordinate how to find solution of those obstacles or cases through inter-ministerial meetings as well as meetings with regional government concerned”, said Franky Sibarani, Chairman of BKPM.

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