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INFORMATION

Domestic and Foreign Direct Investment Realization Quarter I 2020 BKPM

On 20th April 2020, the Head of Investment Coordinating Board (BKPM), Mr. Bahlil Lahadalia held the Press Conference on Investment Realization in Quarter I 2020. BKPM recorded 8% rise in investment realization during the 2020-first quarter (Q1), reaching IDR210.7 trillion, from IDR195.1 trillion during the corresponding period of 2019, despite pressure amid the COVID-19 outbreak.

"Total investment in the first quarter of 2020 touched IDR210.7 trillion, spread across 25.192 investment projects," BKPM Head Bahlil Lahadalia stated during a virtual press conference here on Monday. The investment value is 23.8% of the targeted IDR886.1 trillion for the year. Investment has shown a slight hike of 1.2%, from IDR208.3 trillion during the fourth quarter of 2019 (q-to-q). In comparison with the data for the period from January to March 2019, foreign investment had plunged 9.2%, from IDR107.9 trillion, to IDR98.3 trillion, while domestic investment had soared 29.3%, from IDR87.2 trillion, to IDR112.7 trillion as quoted from Antara.com (20/4).

In 2020 Q1 most FDI are on North Maluku, Southeast Sulawesi, Riau Islands, West Java and DKI. Besides, the DDI are mostly on West Java, Central Java, East Java, DKI Jakarta, Riau. FDI is worth 98.0T IDR (46.5%) and DDI for 112.7T IDR (53.5%). Investment during the period was dominated by:

1. Transportation, Warehouse and Telecommunications (IDR 49.3T)
2. Basic metal industry, non-machine metal goods and equipment (24.5T)
3. Electricity and Gas (IDR 18.3T)
4. Housing, Industrial Estate and Office Buildings (17.8T IDR)
5. Food Crops, Plantations and Livestock (17.2T IDR)

The top 5 FDI countries are:

1. Singapore 2.7M US \$
2. China 1.3M US \$
3. Hong Kong 0.6M US \$
4. Japan 0.6M US \$
5. Malaysia 0.5M US \$

The data shown that the employment absorption reached 303,085 during the period, in comparison with 235,401 workers for the investment during the same period of last year. Besides, in targeting IDR 886T in 2020 BKPM has concerned because the realization of investment in the Quarter II is declining. BKPM divides the 3 investment sectors into investments that are already running (70-80%), new investments (30-50%) and investments that will run. Investments that have already proceeded are permitted and requested to continue with regard to the government SOP regarding PSBB (Large-Scale Social Restriction).

BKPM predicting if Covid-19 will be end in May 2020 the growth will be slowed down with no more than 150T IDR but in the Quarter III and IV the deficit could be handled. But if will not be end in May, so June or July should be push to reached the target of IDR886T in 2020.

According to Mr. Bahlil Lahadalia, Omnibus Law must be encouraged so that there is 'certainty' in investment. And the current moment is an important moment to build a sense of optimism as a nation and state.

"Despite fears looming over the COVID-19 pandemic, we should not be overly pessimistic. Endeavor is crucial since the COVID-19 pandemic has impacted all segments of public life. Economy is the key. We pray for this coronavirus outbreak to soon be overcome" as affirmed by Mr. Bahlil Lahadalia on the press conference on Monday.

Kindly find the BKPM's presentation on the press conference of Domestic and Foreign Direct Investment Realization Quarter I 2020 in Bahasa and English versions for your reference in the link as below:

<https://www.ibai.or.id/images/publication/2020/april/Paparan-Bahasa-Indonesia-Press-Release-TW-I-2020-as-of-17042020-pukul-17.25.pdf>

<https://www.ibai.or.id/images/publication/2020/april/Paparan-Bahasa-Inggris-Press-Release-TW-I-2020.pdf>

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