

Dated: April 27, 2021

BKPM Investment Realization Q1 of 2021

The Investment Coordinating Board (BKPM) again released data on the achievement of investment realization in the first quarter (January - March period) for 2021 amounting to IDR 219.7 trillion, or an increase of 4.3% when compared to the first quarter of 2020. Meanwhile, when compared to the period the previous quarter, an increase of 2.4%.

The Head of BKPM conveyed in a press release on investment realization for the first quarter of 2021 that the investment realization achievement of IDR 219.7 trillion contributed 25.5% to the national target of IDR 858.5 trillion, some important points for the achievement of investment realization in the first quarter are:

- a. Investment realization outside Java Island increased by 11.7% compared to 2020 in the same period
- b. The manufacturing industry dominates the achievement of investment realization, namely the basic metal industry, metal goods, not machines and their equipment; food industry; and the motor vehicle industry and other means of transportation
- c. In the first time, Switzerland was ranked as the 5th highest FDI as a contributor to FDI in Indonesia

There was a slowdown in the realization of Domestic Direct Investment (PMDN) investment in the first quarter of 2021 when compared to the same period in 2020 of 4.2%, namely from the investment realization value of IDR 112.7 trillion to IDR 108.0 trillion.

The realization of Foreign Direct Investments (PMA) in the first quarter of 2021, when compared to the same period in 2020, increased by 14.0%, namely from the investment realization value of IDR 98.0 trillion to IDR 111.7 trillion.

The following are important things from the achievement of PMDN and PMA investment realization in the first quarter of 2021:

1. Domestic Direct Investment Realization

The top five domestic investment realization based on the business sector are Housing, Industrial Estates and Offices (IDR 21.6 trillion); Transportation, Warehouse and Telecommunication (IDR 13.3 trillion), Electricity, Gas, and Water (IDR 11.5 trillion); Food Crops, Plantation and Animal Husbandry (IDR 9.9 trillion); and Construction (IDR 9.6 trillion). If all industrial sectors are combined, it can be seen that the industrial sectors contributed IDR 23.0 trillion or 21.3% of the total PMDN. Based on the project location, the top 5 realized PMDN investments were: West Java (IDR 16.0 trillion); East Java (IDR 10.0 trillion); DKI Jakarta (IDR 8.7 trillion); Central Java (IDR 8.4 trillion); and Banten (IDR 7.0 trillion).

2. Foreign Direct Investment Realization

The top five realized PMA investments by business sector are: Basic Metal Industry, Metal Goods, Non-Machinery and Equipment (US\$ 1.7 billion); Food Industry (US\$ 1.0 billion); Transportation, Warehousing and Telecommunications (US\$ 0.8 billion); Electricity, Gas, and Water (US\$ 0.6 billion); and the Motor Vehicle and Other Transportation Equipment Industry (US\$ 0.6 billion). If all industrial sectors are combined, it can be seen that the industrial sector provides the largest contribution, amounting to US \$ 4.5 billion or 58.5% of the total PMA. If viewed based on project location, the top 5 realized PMA investments are: West Java (US \$ 1.4 billion); DKI Jakarta (US \$ 1.0 billion); Central Sulawesi (US \$ 0.6 billion); Riau (US \$ 0.6 billion); and Southeast Sulawesi (US \$ 0.5 billion). FDI realization based on country of origin (top 5) are: Singapore (US \$ 2.6 billion); China (US \$ 1.0 billion); South Korea (US \$ 0.9 billion); Hong Kong, China (US \$ 0.8 billion); and Switzerland (US \$ 0.5 billion).

3. Distribution of Project Locations

In the first quarter of 2021, investment realization in Java Island was IDR 105.3 trillion and investment realization outside Java was IDR 114.4 trillion. When compared to the same period in 2020, investment slowed down in Java by 2.7% and investment outside Java increased by 11.7%.

4. Indonesian Labor Absorption

The realization of Indonesia's workforce absorption in the first quarter of 2021 reached 311,793 people, from 165,630 people from PMDN projects and 146,163 PMA projects.

5. Investment realization by region in the period January to March 2021 are:

- a. The investment realization for Sumatra region was IDR 52.4 trillion (23.8%), consisting of IDR 31.6 trillion of PMDN and US\$ 1.4 billion of PMA.
- b. The investment realization for Java region was IDR 105.3 trillion (47.9%), consisting of IDR 50.8 trillion of PMDN and US\$ 3.7 billion of PMA.
- c. Kalimantan Region with investment realization of IDR 13.6 trillion (6.2%), consisting of IDR 10.0 trillion of PMDN and US\$ 0.2 billion of PMA
- d. The investment realization for Sulawesi region was IDR. 27.3 trillion (12.4%), consisting of IDR. 8.8 trillion for PMDN and US\$ 1.3 billion for PMA.
- e. The investment realization for Bali and Nusa Tenggara was IDR 7.6 trillion (3.5%), consisting of IDR 5.2 trillion of PMDN and US\$ 0.2 billion of PMA.
- f. The investment realization for Maluku and Papua is IDR. 13.5 trillion (6.2%), consisting of IDR. 1.7 trillion for PMDN and US\$ 0.8 billion for PMA.

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