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Outline

- **O1** Investment Update
- **102** India's Investment Realization
- **1** Indonesia's Investment Climate
- **()4** Investment Opportunities

Investment Update

Why Indonesia?



Indonesia's economy is forecast to be the world's 10th largest by 2025

\$1

trillion GDP GDP of more than \$1 trillion (PPP)



The largest economy in ASEAN



Indonesia is the **fourth most populous** country in the world



Population of 260 million



"Consuming class' twice the size of the population of Australia



Young and dynamic people 44% of Indonesians are aged under 25

Indonesia is a **global leader in social media**. It has:



More Facebook and Twitter users than the population of Australia



The world's third largest market for Facebook



The most active city for Twitter in the world: Jakarta

Indonesia in the future... 2030... 2050...



McKinsey&Company

... and in 2030

7th-largest economy in the world

135 million Members of the consuming class

71% of the population in cities producing 86% of GDP

113 million Skilled worker needed

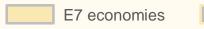
\$1.8 trillion

Market opportunity in consumer services, agriculture and fisheries, resource, and education



Emerging markets will dominates the world's top 10 economies in 2050 (GDP at PPPs)

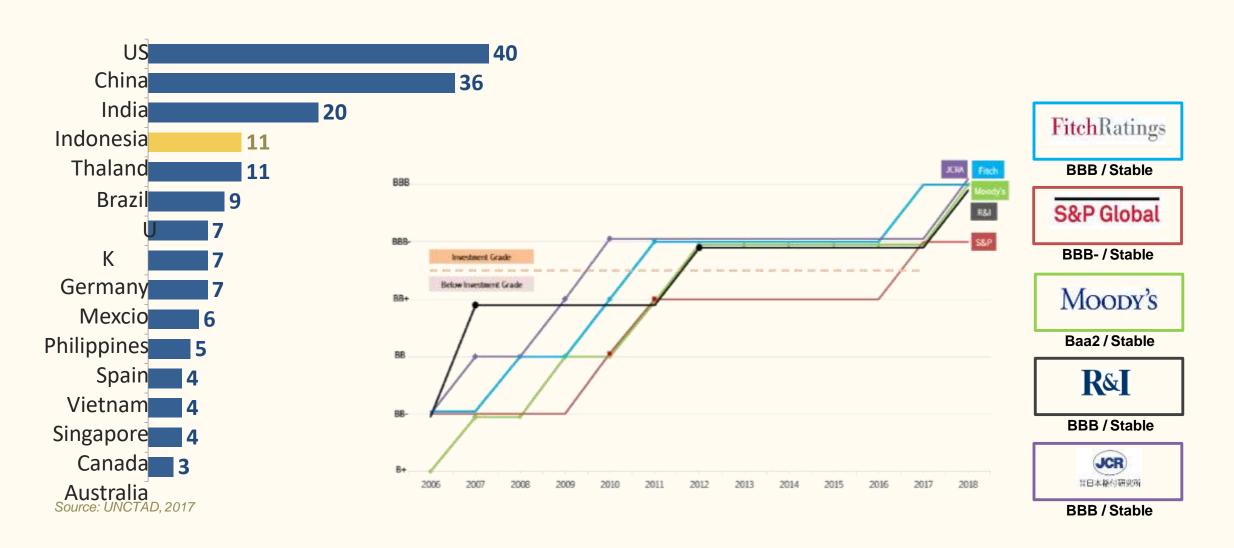
	2016	2050	
China	1	1	China
US	2	2	India
India	3	3	US
Japan	4	4	Indonesia
Germany	5	5	Brazil
Russia	6	6	Russia
Brazil	7	7	Mexico
Indonesia	8	8	Japan
UK	9	9	Germany
France	10	10	UK





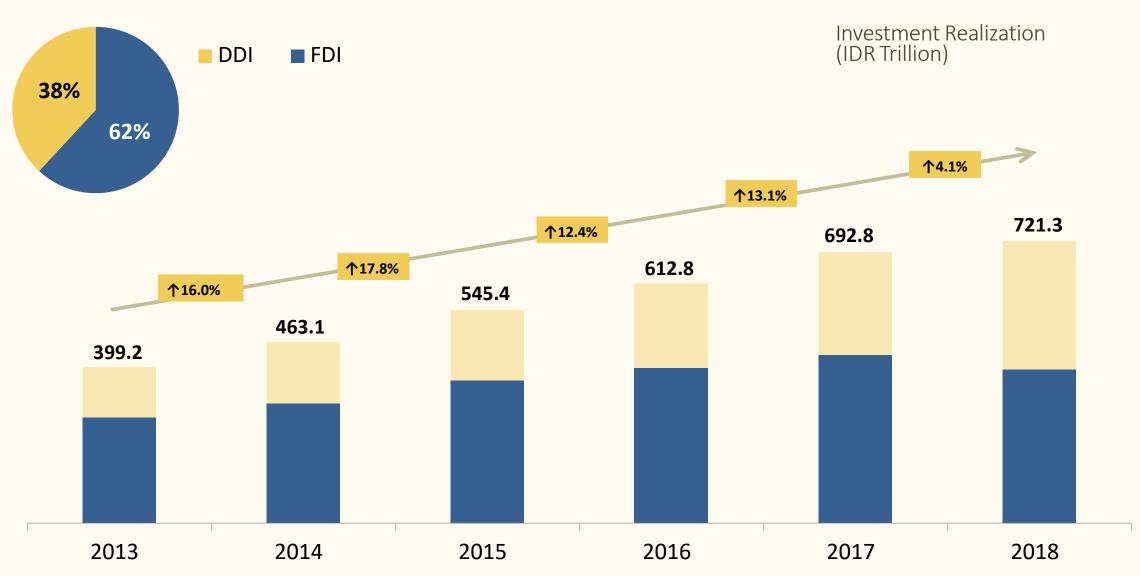
Indonesia is the 4th Most Prospective Investment Destination and its sovereign credit rating continues trending higher





Investment Realization in Indonesia Reaches Rp721.3 Trillion in 2018 and rise by 4.1%.





India's Investment Realization

FDI Realization in Indonesia (2014 - 2018) By Country Excl. Upstream oil, gas, and financial sectors



(in USD Million)

Rank	Country	2014	2015	2016	2017	2018	Total
1	Singapore	5,832.1	5,901.2	9,178.7	8,441.6	9,193.18	38,546.7
2	Japan	2,705.1	2,877	5,400.9	4,996.2	4,952.77	20,932.0
3	RRT	800	628.3	2,665.3	3,361.2	2,376.54	9,831.4
4	Malaysia	1,776.3	3,077	1,115.6	1,213.6	1,774.90	8,957.4
5	Hongkong, RRT	657.2	937.2	2,248.3	2,116.5	2,011.43	7,970.7
6	South Korea	1,126.6	1,213.5	1,065.8	2,024.6	1,604.72	7,035.2
7	Netherlands	1,726.3	1,307.8	1,475.2	1,489.4	943.12	6,941.9
8	United States	1,299.5	893.2	1,161.9	1,992.8	1,217.62	6,565.1
9	British Virgin Islands	624	730.5	1,157.3	844.8	1,043.26	4,399.9
10	UK	1,588	503.2	307.3	774.8	271.13	3,444.4
	Total (10 Countries)	18,135.10	18,068.90	25,776.30	27,255.50	25,388.67	114,624.7
23	India	37.1	57.2	55	286.6	82.1	518.1
	Other Countries	10,357.5	11,131.8	3,132.8	4,697.6	3,919.24	16,339.29
	TOTAL (143 countries)	28,529.7	29,275.9	28,964.1	32,239.7	29,307.90	148,317.34

India investment rank has been gradually improving during the previous years



FDI Rank in 2013

Rank	Country	Realization US\$ Million	% Share to
1	Japan	4,713	22%
2	Singapore	4,672	22%
3	United States	2,436	12%
4	South Korea	2,205	10%
5	United Kingdom	1,076	5%
6	Netherland	928	4%
7	British Virgin Islands	786	4%
8	Mauritius	780	4%
9	Malaysia	711	3%
10	Taiwan	403	2%
22	India	64.97	0.3%
To	otal 78 Countries	21,150	100%

FDI Rank in 2015

Rank	Country	Realization US\$ Million	% Share	
1	Singapore	5,901	29%	
2	Malaysia	3,077	15%	
3	Japan	2,877	14%	
4	Netherland	1,308	6%	
5	South Korea	1,213	6%	
6	Hongkong	937	5%	
7	United States	893	4%	
8	British Virgin Islands	731	4%	
9	China, P.R.	628	3%	
10	United Kingdom	503	2%	
21	India	57.18	0.2%	
Т	otal 95 Countries	20,665	100%	

FDI Rank in 2017

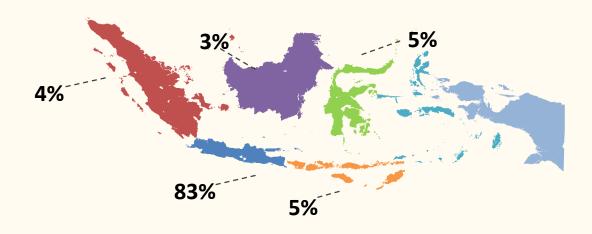
Rank	Country	Realization US\$ Million	% Share
1	Singapore	8,441	26%
2	Japan	4,996	15%
3	China, P.R.	3,361	10%
4	Hongkong	2,116	7%
5	South Korea	2,024	6%
6	USA	1,992	6%
7	Netherland	1,489	5%
8	Malaysia	1,213	4%
9	Mauritius	1,056	3%
10	British Virgin Islands	844	3%
16	India	286	0.9%
Total 127 Countries		32,239	100%



India investment realization concentred in Java

India's FDI Realization by Location

Based on Capex (USD million) in 2014—2018 (not including financial. oil & gas sectors)



Rank	Region	2014	2015	2016	2017	2018	Total	%
1	Java	18.98	29.73	42.49	275.97	63.09	430.26	83%
2	Bali and Nusa Tenggara	0.15	15.90	7.45	2.31	1.62	27.44	3%
3	Sulawesi	2.28	3.30	1.67	5.98	12.66	25.90	5%
4	Sumatera	12.24	0.35	1.94	1.90	3.93	20.37	4%
5	Kalimantan	2.99	7.59	1.30	0.45	0.81	13.15	5%
6	Papua	0.50	0.30	0.18	-	-	0.98	0%
	Total	78.1	65.0	37.1	57.2	82.1	518.1	100%



India investment realization dominated by Wood Industry Sector

Based on Capex (USD million) in 2014 – 2018 (not including financial. oil & gas sectors)

Rank	Sector	2014	2015	2016	2017	2018	Total
1	Wood Industry	-	-	0.9	243.1	0.04	244.03
2	Trade and Reparation	11.6	14	26.1	17.3	8.87	77.86
3	Food Industry	9.1	2.6	1.8	8.3	19.66	41.53
4	Textile Industry	0.9	4.1	0.7	5.4	25.71	36.82
5	Electricity, Gas, and Water	0.0	14.3	5.8	2.1	0.20	22.43
6	Mining	8.1	10.1	1.2	0.3	1.23	20.90
7	Metal Industry	0.0	4.9	8	0.4	1.51	14.82
8	Hotel and Restaurant	-	1.2	0.4	3.6	8.61	13.86
9	Other Services	3.6	1.3	4.2	3	1.32	13.45
10	Transportation, Storage and Telecommunication	0.6	-	0.0	0.0	7.02	7.62
	Other Sectors	3.1	4.6	6	3.1	7.9	24.8
	Total 21 sectors	78.1	65.0	37.1	57.2	74.2	518.1



Top 10 India's investors in Indonesia 2014 – 2018

India's Investment Realization in Indonesia by Company

Based on Investment Value (USD million) in 2014 – 2018
Excl. oil, gas, and financial sectors

No.	Top-10 Companies (Realization)	Business Field	Value	
1	Green Wood International	Wooden Goods industry	242.9	
2	Embee Plumbon Tekstil	Spinning of Yarns Industry	20.7	
3	Lombok Energy Dynamics	Power Plant	14.3	
4	Akraya International	Trading and Management Consulting	13.9	
5	Sudevam Ultratecgreen Indonesia	Sugar Industry and Plantation	11.4	
6	Prasad Seeds Indonesia	Corn milling Industry	9.6	
7	Kamadhenu Ventures Indonesia	Sugar Industry and Plantation	7.9	
8	Universal Steelindo Dinamika	Iron and Steel Industry	7.2	
9	Pacific Royale Airways	Public Aircraft	6.8	
10	Alam Bumi Jasindo	Mining Service	6.8	
Total Top 10				
Total Realization (1273 Companies)				

Investment Opportunities





6 (Six) Promising Sectors in Indonesia

The main sectors for investment opportunities in Indonesia are infrastructure, manufacturing industry, maritime, agriculture, tourism, and lifestyle industry







Investment Value (The Sources)

Total Value of Investment Required in Infrastructure *2015-2019:

USD 359.2 Bn (IDR 4,796.2 Tn)

Government Budget:
USD 148.2 Bn
(41,3%)

SOE : USD 79.8 Bn (22,2%)

Private Participation: USD 131.1 Bn

(36,5%)

36,5% of Indonesia's infrastructure investment could be fulfilled by private participation through Public Private Partnership (PPP) Scheme

^{*) 1 :} Calculation based on infrastructure investment (required) to be a middle income country by 2025.

Source: Bappenas- JICA, 2014: Background Study for RPJMN 2015-2019, Analyst team of Ministry of National Development Planning (BAPPENAS)

RPJMN: National Medium-term Development Planning





19 types of infrastructure project, including social infrastructure, are covered by PPP scheme in Indonesia

CONNECTIVITY



Road

- Toll Roads
- Toll Bridges
- Roads



Transportation

- Seaports
- Airports
- Railways
- Road transportation



Electricity

- Power plants
- Transmission



Energy conservation

Street lighting



Oil, Gas, and Renewable energy



Telecommunication & Informatics

- Fiber optics
- E-government
- Satellite

URBAN INFRASTRUCTURE



Water supply



Waste management system



Water resources & irrigation



Localized waste water management



Centralized waste water management



Public housing



Urban facility

Traditional market

SOCIAL INFRASTRUCTURE



Tourism



Education facilities



Sports, art & culture facilities



Health



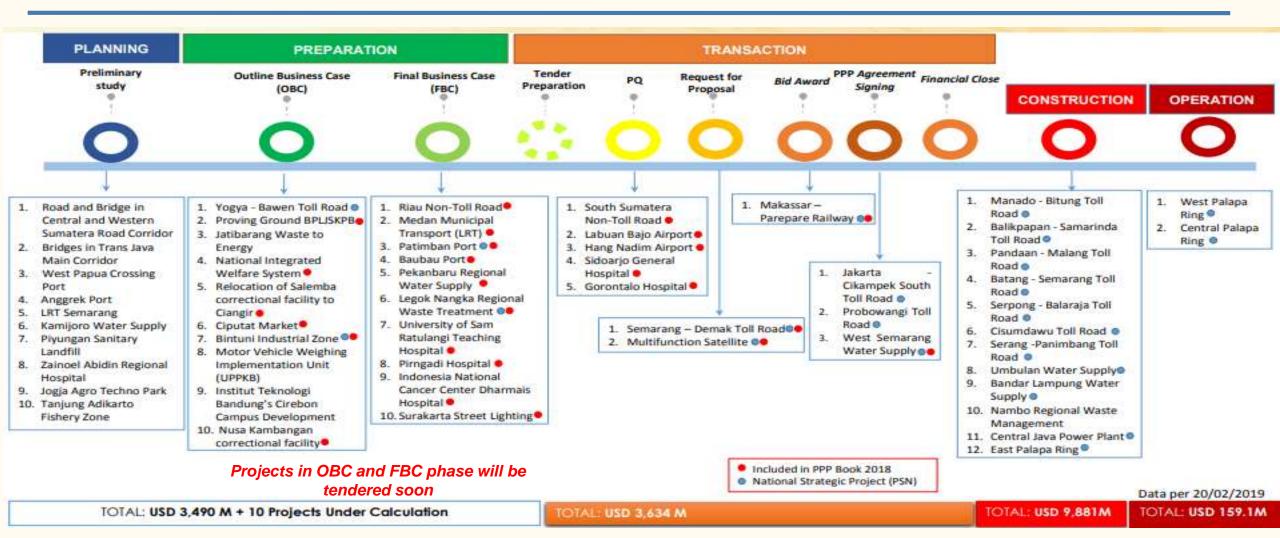
Zone/ Estates



Penintentiary







PPP Projects (Ready to Offer)





Total Ready to Offer PPP projects (March 2019) are **10 projects** which diversified into **8 sectors** with total investment value around **USD 1,35 billion/ IDR 18,9 trillion**

No.	Project	Stage	Value	No.	Project	Stage	Value
1	Riau Non Toll Road	FBC	US\$ 79.7 million	6	Legok Nangka Regional Waste Treatment	FBC	US\$ 57.5 million
2	LRT Medan (Municipal Transport)	FBC	US\$ 274 million	7	Sam Ratulangi University Teaching Hospital	FBC	US\$ 28.7 million
3	Patimban Port	FBC	US\$ 400 million	8	Pirngadi Hospital	FBC	US\$57.5 million
4	Bau-Bau Port	FBC	US\$ 77.3 million	9	Indonesia Nasional Cancer Dharmais Hospital	FBC	US\$ 171 million
5	Pekanbaru Water Supply	FBC	US\$ 171 million	10	Surakarta Street Lighting	FBC	US\$ 28.4 million

PPP Project by Sector



01 Road Project

Yogya-Bawen Toll Road OBC US\$ 1980 M Riau Non Toll Road **OBC US\$ 79.7 M** South Sumatera Non Toll Road PQ US\$ 198 M Semarang - Demak Toll Road RfP US\$ 583 M FC US\$ 1710 M Probolinggo - Banyuwangi Toli Road Jakarta - South Cikampek Toli Road Construction US\$ 1070 M Batang - Semarang Toll Road Construction US\$ 850 M Ballkpapan - Samarinda Toll Road Construction US\$ 767 M Construction US\$ 617 M Clieunyi - Sumedang Toll Road Serpong - Balaraja Toll Road Construction US\$ 464 M Pandaan - Malang Toll Road Construction US\$ 461 M Construction US\$ 396 M Manado - Bitung Toll Road 12 Serang - Panimbang Toll Road Construction US\$ 391 M

US\$ 8621 Million

02 Electricity Project

Central Java Power Plant

Construction US\$ 4200 M

US\$ 4200 Million

ORC 1198 424 M

03 Transport Project

	Froming Ground	and the second	Control of the last of the las
2.	Motor Vehicle Weigh Stations	OBC	US\$ 53.5 M
3.	Patimban Port	FBC	US\$ 400 M
4.	LRT Medan	FBC	US\$ 274 M
5.	Baubau Port	FBC	US\$ 77.3 M
6.	Hang Nadim Airport	PQ	US\$ 375 M
7.	Labuan Bajo Airport	PQ	US\$ 86.7 M
8	Makassar - Parapara Raliway	Bid Award	US\$ 81.5 M

US\$ 1469 Million

104 Telecommunication & Informatics Project

1. National Welfare Integrated System OBC US\$ 176 M
2. Multifunction Satellite RfP US\$ 487 M
3. East Palapa Ring Construction US\$ 386 M
4. West Palapa Ring Operation US\$ 87.7 M
5. Central Palapa Ring Operation US\$ 71.5 M

US\$ 1200 Million

05 Industrial Zone Project

1. Bintuni Industrial Zone

OBC US\$ 451 M

US\$ 451 Million

PPP Project by Sector (2)



Investment Value in PPP Projects

6 Waste Management **Project**

US\$ 171 M 1. Jatibarang Waste Management **FBC**

2. Legok Nangka Waste to Energy US\$ 57.5 M Signing

U8\$ 58.6 M 3. Nambo Waste Management Construction

08 Water Supply **Project**

1. Pekanbaru Water Supply FBC

2. Semarang Barat Water Supply Signing US\$ 57.5 M

3. Umbulan Water Supply U8\$ 58.6 M Construction

4. Bandar Lampung Water Supply U8\$ 24.4 M Construction

Education Facility Project

1. Institut Teknologi Bandung's OBC US\$ 30 N **Cirebon Campus Development**

Energy Conservation

2. University of Sam Retulangi Teaching Hospital

FRE US\$ 28.7 M

US\$ 58.7 Million

US\$ 374 Million

9 Penitentiary **Project**

1. Salemba Correctional Facility Relocation

2. Nusakambangan Correctional Facility

OBC US\$ 96.6 M

US\$ 171 M

US\$ 36.6 M OBC

Urban Facility Project

Project

1. Ciputat Market Expansion

1. Surakarta Street Lighting

U8\$ 19.8 M

U8\$ 28.4 M

US\$ 19.8 Million

US\$ 28.4 Million

1. Dharmais Cancer Hospital

Health

2. Pirngadi Hospital

3. Gorontalo Hospital

4. Sidoarjo Hospital

FBC US\$ 171 M US\$ 57.5 M FBC US\$ 58.6 M PQ U8\$ 24.4 M

US\$ 311 Million

US\$ 294 Million

US\$ 133 Million

NON -GOVERNMENT BUDGET INVESTMENT (PINA) PROJECT OPPORTUNITIES

PINA Projects (1)



Projects Pipeline (January 2019)



PT Waskita Toll Road*

Share Divestment (9 project/18 sect toll roads) (Total: IDR 148 trillion, eq. USD 10 billion)



PT Jasamarga Probowangi Toll Road*

Probolinggo - Banyuwangi Toll Road (Total: IDR 23 trillion, eq. USD 1.6 billion)



Consortium of META, ADHI, ACST, and TUS

Cikunir - Ulujami Toll Road (Total: IDR 25 trillion, eq. USD 1.8 billion)



Consortium of DMT, GAMA, ADHI

Solo - Yogya - NYIA Toll Road (Total: IDR 22.5 trillion, eq. USD 1.6 billion)



PT Dirgantara Indonesia*

Manufacturing Expansion of N219 Aircraft Development of the N245 Aircraft (Total: IDR 5.9 trillion, eq. USD 421 million)



PT Regio Aviasi Industri*

R80 Aircraft Development (Total: IDR 23.7 trillion, eq. USD 1.6 billion)



PT Angkasa Pura II (Persero)*

Development & Management of 4 Airports (Total: IDR 1.38 trillion, eq. USD 98.5 million)





PT BIJB & PT BIJB AD*

BIJB Kertajati and Aerocity Development (Total: IDR 33.1 trillion, eq. USD 2.2 billion)





PT Pelindo II*

Canal and Ports Development (Total: IDR 5.5 trillion, eq. USD 392 million)





PT Perkebunan Nusantara III (Holding)

Restructure & Plantation Development (Total: IDR 14 trillion, eq. USD 1 billion)





PT Charta Putra Indonesia

Mentawai Off-Grid Biomass Power Plant (Total: IDR 409 billion, eq. USD 29.2 million)



PT Nusa Wijaya Abadi

Bekasi Waste to Energy Power Plant (Total: IDR 2.1 trillion, eqv. USD 150 million)



National Strategic Projects Note: US \$1 = IDR 14,000

PINA Projects (2)



Projects Pipeline (January 2019)



10 New Bali Project (Various Companies)*
Integrated Tourism Area
(Total: IDR 296 trillion, eq. USD 21 billion)



PT Rekadaya Elektrika*

Construction of Transmission Tower

(Total: IDR 308 billion, eq. USD 22 million)



PLTU Mamuju 2X25 MW (Total: TBC)



PT Phapros Tbk

Pharmaceutical and Health Care Industry

(Total: IDR 350 billion, eq. USD 25 million)



PT Industri Kereta Api*
Rolling Stock Manufacture Expansion
(Total: IDR 600 billion, eq. USD 42.8 million)



PT Pasifik Satelit Nusantara*
Indonesian PPP Satelite Telecomunication Project
(Total: IDR 6.3 trillion eq. USD 450 million)



PT PAL Indonesia (Persero)*
Ship Lift Project
(Total RP 866 billion, eq. USD 61.8 million)



PT Kopel Lahan Andalan
Affordable Housing Projects
(Total: IDR 1.3 trillion, eq. USD 92 million)



Perum Perumnas
Affordable Housing Projects
(Total IDR 19.19 trillion, eq. USD 1.3 billion)

Total Investment Opportunity: IDR 629 trillion, eq. USD 45 Billion

*

National Strategic Projects Note: US \$1 = IDR 14,000

Indonesia's Investment Climate

Investment Climate is one of the critical points that the government is actively trying to improve



INDONESIA REFORM IN DOING BUSINESS 2019

The government today is focused on regulation and bureaucracy reform, as well as simplifying the permit and requirements to invest.



"Improvement of every indicator must become the priority of ministries and state institutions, so that efforts will be more focused, while concrete targets must be set."

(President Joko Widodo)

		DTF S	Score	Rank	ing
No.	10 Indikator Ease of Doing	2018	2019	2018	2019
	Business	66,47	67,96		
	Total			72	73
1	Starting A Business	77,93	81,22	144	134
2	Dealing With Construction	66,08	66,57	108	112
	Permit	00,00	00,01	106	100
3	Registering Property	59,01	61,67	38	33
4	Getting Electricity			114	112
5	Paying Taxes	83,87	86,38	55	44
6	Getting Credit	00.04	00.00	44	51
7	Protecting Minority Investor	68,04	68,03		
8	Trading Across Boders	65,00	70,00	112	116
9	Enforcing Contract	00,00	,	145	146
10	Resolving Insolvency	63,33	63,33	38	36
- D1	- DTF Score EODB: 6 Indikator naik, 3 yang 50lative teta - Ranking EODB: 6 indikator naik, 4 turun				kator tetap kator naik kator turun
		47,23	47,23		



Fiscal Incentives Facility: Tax Holiday



Subject



Industry Groups



Income Tax
Reduction Rate



Concession Period

Transition



TAX HOLIDAY

MoF Regulation No. 150 of 2018

Minimum investment of

500 bn Rupiah

Applied to 1

100% Reduction Rate

(single rate)

No. Time F	Period Investment Value
1. 5 years	s IDR 500 billion up to less than IDR 1 trillion
2. 7 years	s IDR 1 trillionup to less than IDR 5 trillion
3. 10 yea	rs IDR 5 trillion up to less than IDR 15 trillion
4. 15 yea	rs IDR 15 trillion up to less than IDR 30 trillion
5. 20 yea	rs Minimum IDR 30 trillion

50%

CIT Reduction for the next 2 vears

MINI TAX HOLIDAY

MoF Regulation No. 150 of 2018

Minimum investment of

100 to < 500 bn Rupiah

3 industry groups

50% Reduction Rate

(single rate)

5

Year

Concession Period

25%

CIT Reduction for the next 2 years

GENERAL CRITERIA

- 1. The taxpayer (company) is incorporated in Indonesia
- 2. Fulfill Debt Equity Ratio for income tax purposes as stipulated on MoF Regulation No. 150/2018
- 3. Has never had its tax holiday application granted or rejected by the MoF
- Obtain a tax clearance certificate (SKF) issued by DGT

HOW TO APPLY

- 1. Through OSS
- Along with taxpayer's application for New Business License (NIB) to BKPM
- 3. Applying within 1 year after the NIB is issued by BKPM





Government Regulation No.9/2016

- 30% reduction of Corporate Income Tax (for 6 years, 5% each year)
- 145 Eligible business fields

IMPORT DUTY FACILITY
MOE Regulation No.176/PMK.011/2009 jo.
MOF Regulation 188/PMK.010/2015

- Exemption of import duty on machineries and equipment
- 2 years exemption of import duty on raw materials
- Additional 2 years import duty exemption for raw materials if using locallyproduced machineries and equipment (min 30%)

GREEN LANE FACILITY

- Facility for custom clearance at ports in Indonesia for capital goods, machinery or raw material
- For new companies under construction phase
- Require BKPM recommendation and LKPM obligation fulfilled



Facility for Custom Clearance at Ports in Indonesia for Capital Goods, Machinery or Raw Material

Investors can apply status upgrade on Custom Clearance

From **RED** to **GREEN** line for new companies under construction

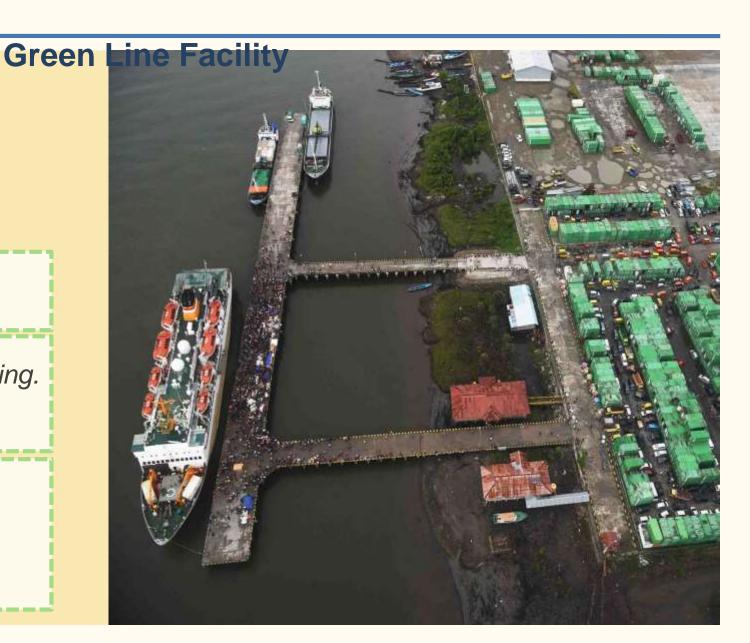
Acceleration and certainty in custom clearance process

Faster & Certain

- Capital goods do not require screening.
- Cutting the processing time from 3-5 days to only **30 minutes**.

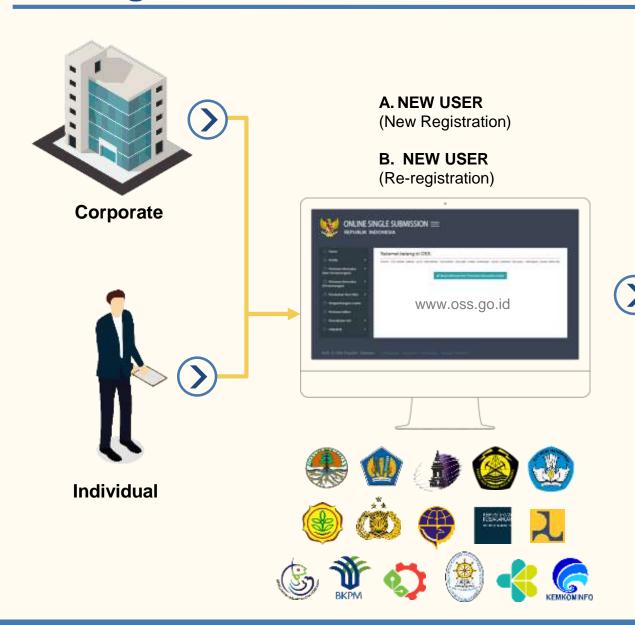
Simple requirements

- Projects under construction
- Obliged in reporting quarterly investment activities (LKPM)
- Recommendation from BKPM



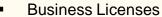
Online Single Submission as integrated online system with data sharing





Obtaining Licenses/Permit Related to Investment Activity in Indonesia





- Commercial/Operation License
- Etc.



National Task Force



Ministry **Task Force**







Indonesia Investment Coordinating Board Badan Koordinasi Penanaman Modal (BKPM)

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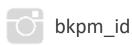
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About the Investment Promotion Agency

Indonesia Investment Coordinating Board (BKPM)

Who We Are

Primary interface between business and the government to boost FDI and DDI through the creation of conducive investment climate.

Our Services

- ADVISOR
- CONSULTANT
- PARTNER



Investment Planning Period

Investment Realization

After-care

Providing information

Connecting Investors to technical ministries/ local gov't

Providing consultation on procedures & requirements

Issuing investment licenses

Debottlenecking obstacles for investment realization

Monitoring the investment realization