



2024 Taiwan-ASEAN-India

Investment Strategic Partnership Forum

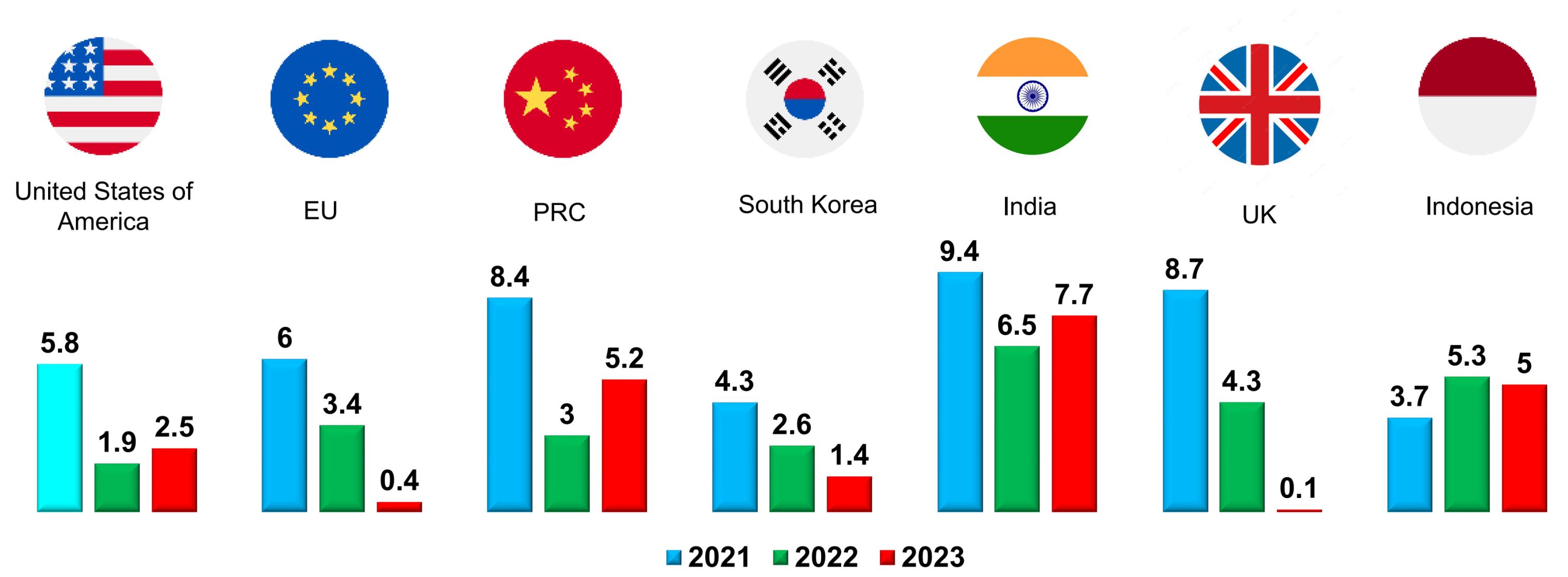
Indonesia

INVESTMENT UPDATES

Challenges & Opportunities

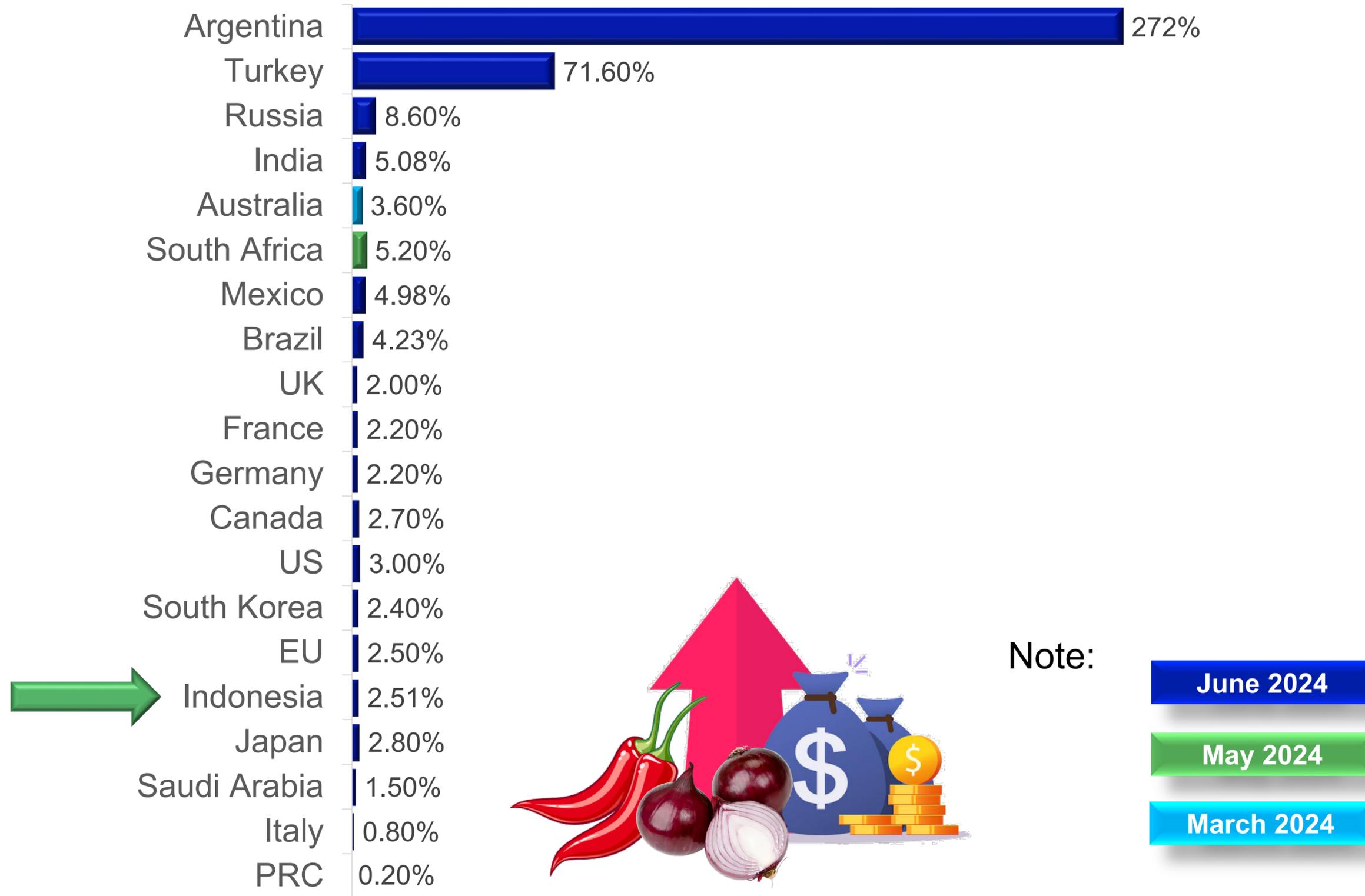


Several G20 Countries' Economic Growth



Indonesia's economy is projected to grow at a rate of 5,2 % in 2024 and global economic is projected to grow at a rate of 3,1%

Inflation Trends in the G20 Countries (y-on-y)



Indonesia surpasses Japan and UK, rises to 27th in competitiveness rankings

- 1st Singapore
- 2nd Switzerland
- 3rd Denmark
- 4th Ireland
- 5th Hong Kong SAR
- 6th Sweden
- 7th UAE
- 8th Taiwan (Chinese Taipei)
- 9th Netherlands
- 10th Norway
- 11th Qatar
- 12th USA
- 13th Australia
- 14th China
- 15th Finland
- 16th Saudi Arabia
- 17th Iceland
- 18th Belgium
- 19th Canada
- 20th Korea Rep.
- 21st Bahrain
- 22nd Israel
- 23rd Luxembourg
- 24th Germany
- 25th Thailand
- 26th Austria
- 27th Indonesia
- 28th United Kingdom

OVERALL PERFORMANCE (67 countries)

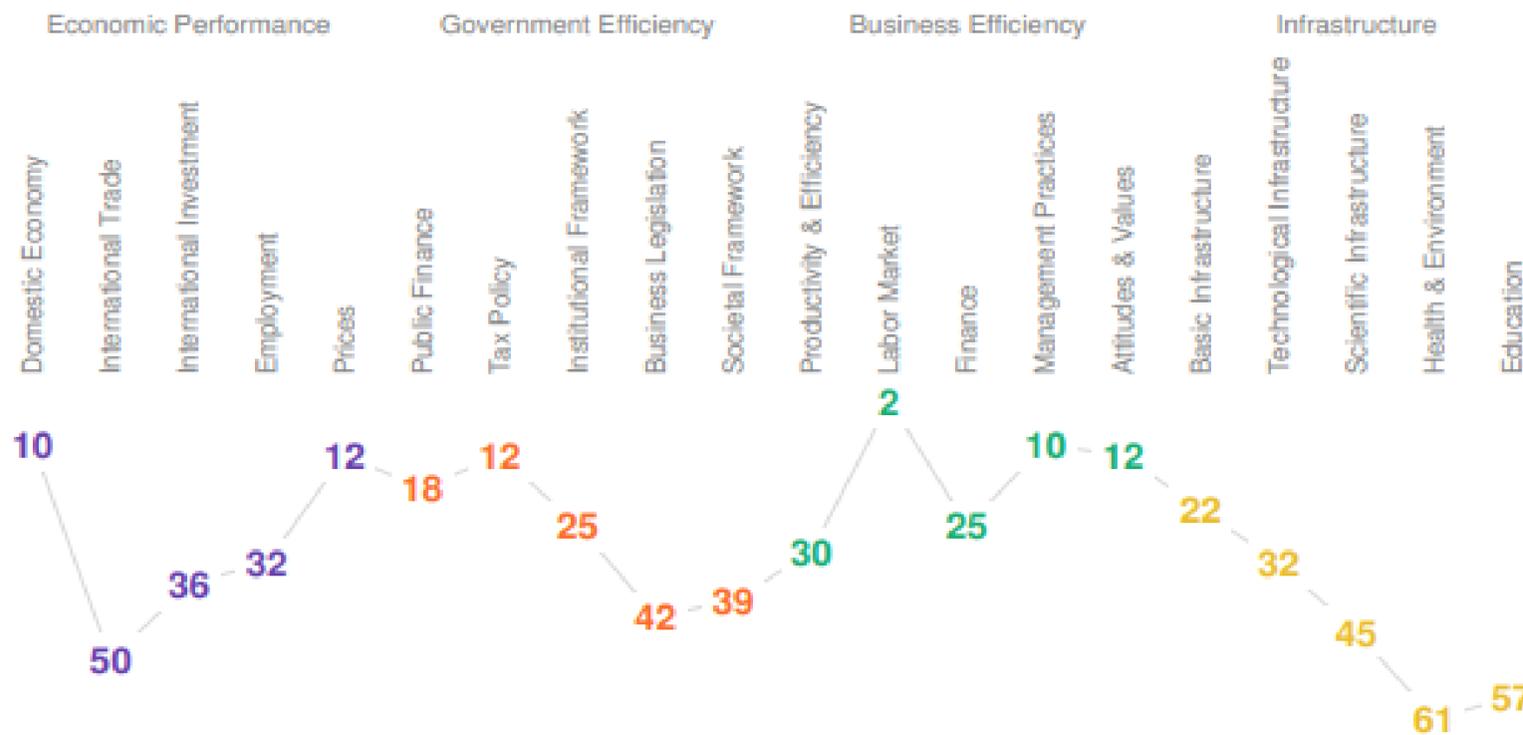


CHALLENGES IN 2024

- Showing a clear direction of our macroeconomic policy (whether it is expansionary or contractionary).
- Ensuring continuation of bureaucracy reform.
- Clarifying state spending priorities.
- Strengthening legal infrastructure to deal with corruption.
- Enhancing new sources of economic growth and employment opportunities through increased productivity and innovation.

PROVIDED BY: Lembaga Management, FEB, Universitas Indonesia (LM FEB UI), Jakarta and NuPMK Consulting, Jakarta

COMPETITIVENESS LANDSCAPE



BASIC FACTS

Indicator	Value	Year	Rank
Capital	Jakarta		
Land area (square km '000)	1,917	2023	
Exchange rate (per \$)	15.237	2023	
Population - market size (millions)	277.43	2023	04
Gross Domestic Product (GDP) (US\$ billions)	1,371.2	2023	15
GDP (PPP) per capita (US\$)	15,829	2023	60
Real GDP growth (%)	5.1	2023	06
Consumer price inflation (%)	3.71	2023	20
Unemployment rate (%)	5.32	2023	38
Labor force (millions)	147.71	2023	04
Current account balance (% of GDP)	-0.11	2023	42
Direct investment stocks inward (\$bn)	262.9	2022	25
Direct investment flows inward (% of GDP)	1.67	2022	42

PEER GROUPS RANKINGS

ASIA - PACIFIC (14 countries)



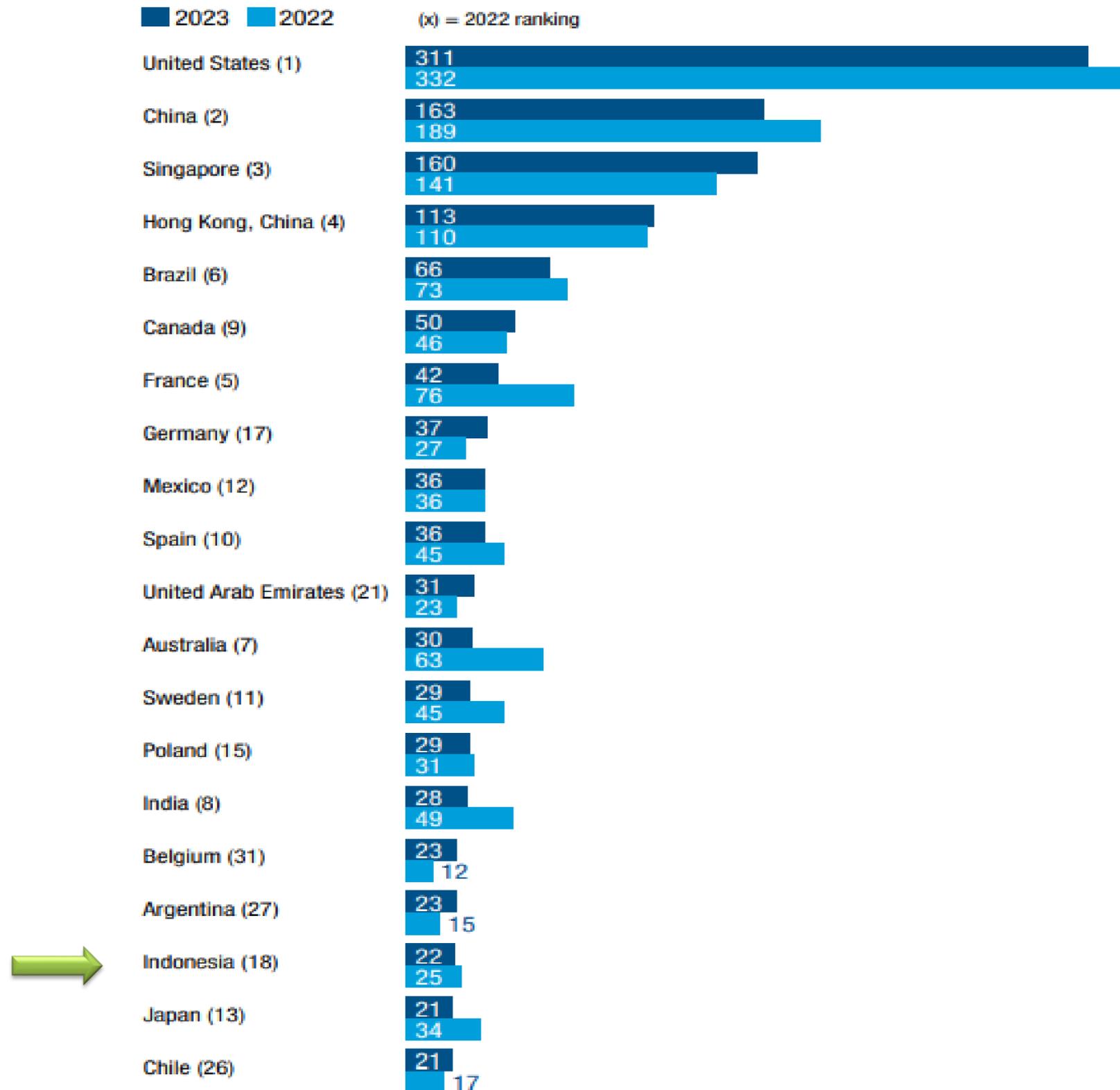
POPULATIONS > 20 MILLION (30 countries)



Source:
The Institute for Management Development (IMD)
World Competitiveness Ranking (WCR) 2024

Indonesia remains the top global FDI destination in 2023

Foreign direct investment inflows, top 20 host economies
(Billions of dollars)



Source: UNCTAD, FDI/MNE database (www.unctad.org/fdistatistics) and based on information from The Financial Times, fDi Markets (www.fDimarkets.com) and Refinitiv.

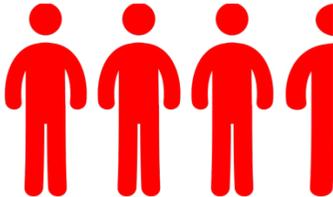
Young Generation's Role in Investment



Indonesia has the largest population in ASEAN and the fourth largest in the world, with 273.8 million people.

By 2030, it is estimated that 68.3% of the total population will be of productive age (15-64 years).

ENTREPRENEURSHIP RATE

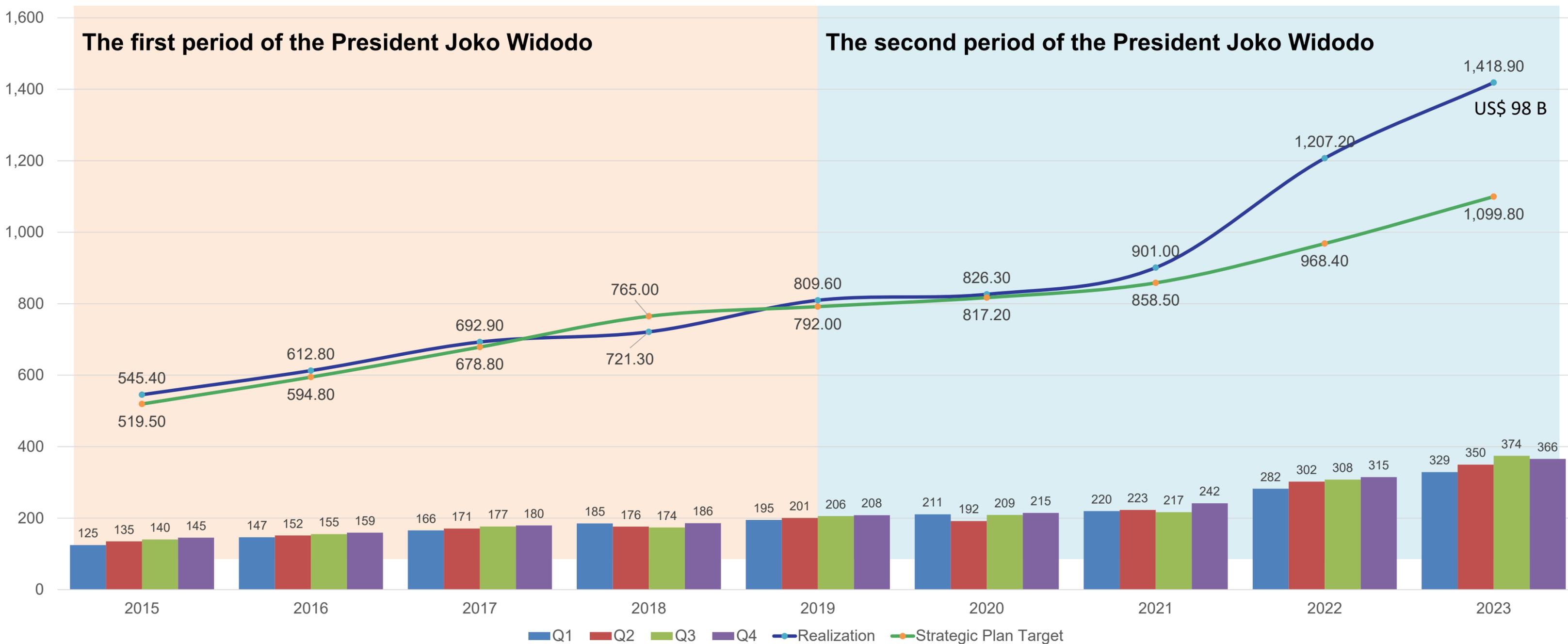
Indonesia  3.47%

- Developed countries have an average entrepreneurship rate of **10-12%**.
- Indonesia aims to achieve a minimum entrepreneurship rate of **4% by 2024**.

Source: Ministry of Cooperatives and SMEs



Investment Development 2015-2023 (IDR Trillion)





MINISTRY OF INVESTMENT

Top 5 Investment Realization (FDI+DDI) 2023 by Location



1. Jawa Barat
IDR 210.6 T



2. DKI Jakarta
IDR 166.7 T



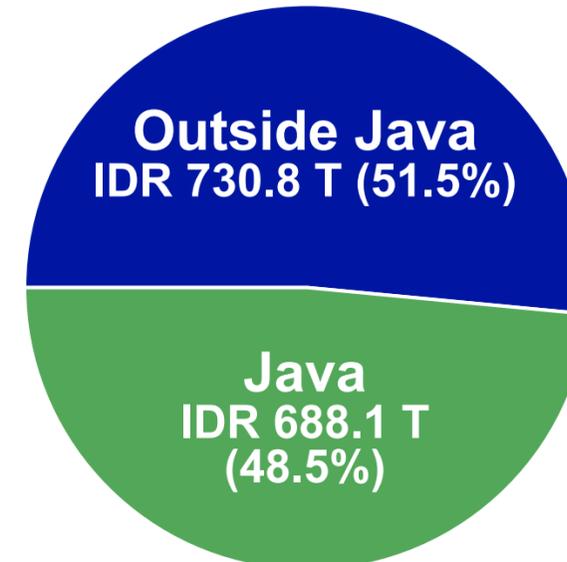
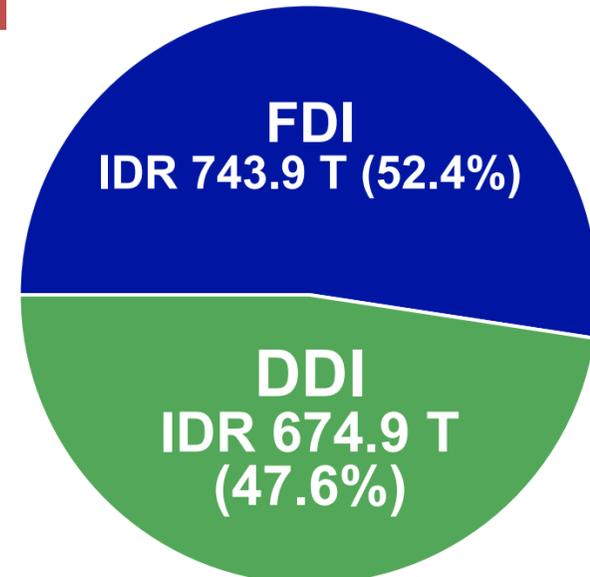
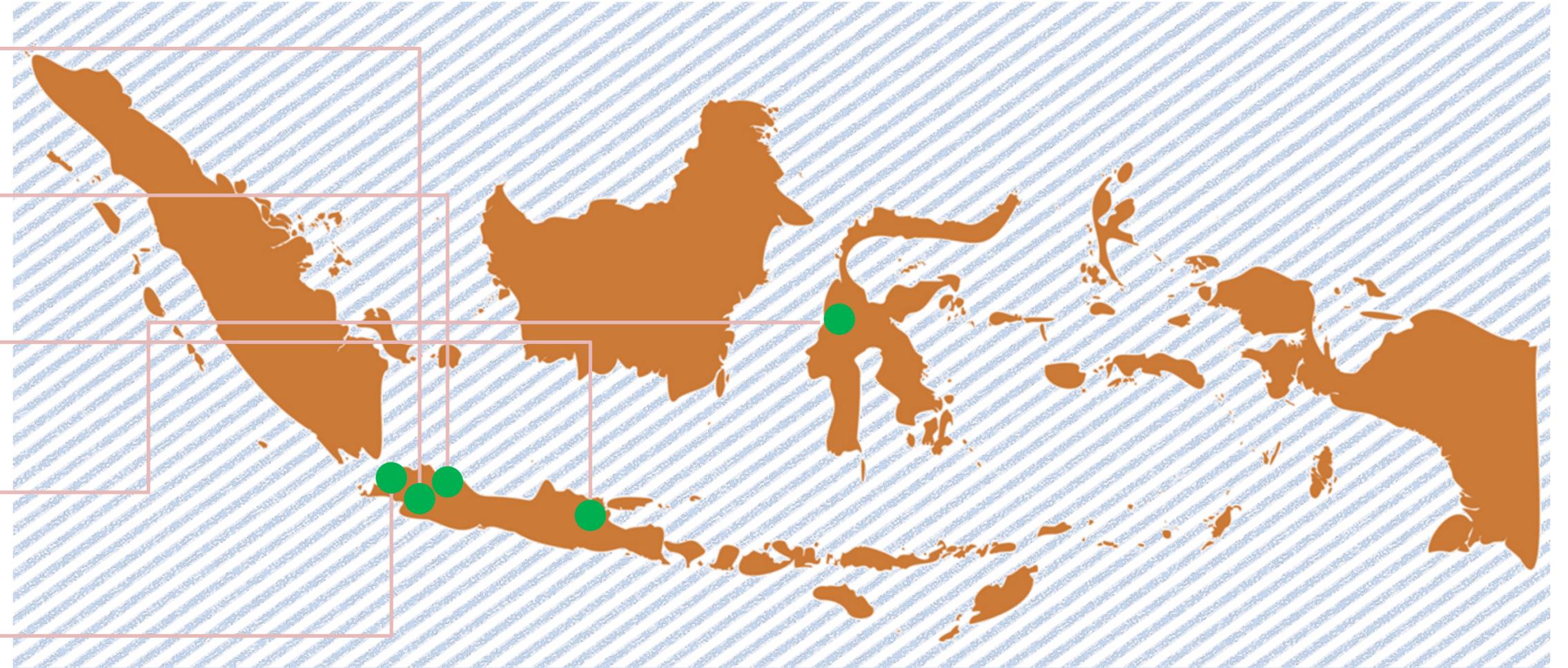
3. Jawa Timur
IDR 145.1 T



4. Sulawesi Tengah
IDR 112.0 T



5. Banten
IDR 103.9 T



Job Created:
1,823,543



MINISTRY OF INVESTMENT

2019

Investment Realization Trend by Sector



2020

2021

2022

2023

No	Sector	IDR (T)	%
1.	Transportation, Storage and Telecommunications	139.0	17.2
2.	Electricity, Gas and Water	126.0	15.6
3.	Housing, Industrial and Office Estates	71.1	8.8
4.	Basic metals, fabricated metals, non-machinery and equipment industries	61.6	7.6
5.	Mining	59.5	7.4

No	Sector	IDR (T)	%
1.	Transportation, Storage and Telecommunications	144.8	17.5
2.	Electricity, Gas and Water	102.0	12.3
3.	Basic metals, fabricated metals, non-machinery and equipment industries	94.8	11.5
4.	Housing, Industrial and Office Estates	76.4	9.2
5.	Construction	71.0	8.6

No	Sector	IDR (T)	%
1.	Basic metals, fabricated metals, non-machinery and equipment industries	117.5	13.0
2.	Housing, Industrial and Office Estates	117.4	13.0
3.	Transportation, Storage and Telecommunications	107.4	11.9
4.	Electricity, Gas and Water	81.6	9.1
5.	Mining	81.2	9.0

No	Sector	IDR (T)	%
1.	Basic metals, fabricated metals, non-machinery and equipment industries	171.2	14.2
2.	Mining	136.4	11.3
3.	Transportation, Storage and Telecommunications	134.3	11.1
4.	Housing, Industrial and Office Estates	109.4	9.1
5.	Chemicals and Pharmaceuticals Industry	93.6	7.8

No	Sector	IDR (T)	%
1.	Basic metals, fabricated metals, non-machinery and equipment industries	200.3	14.1
2.	Transportation, Storage and Telecommunications	159.8	11.3
3.	Mining	156.5	11.0
4.	Housing, Industrial and Office Estates	115.2	8.1
5.	Chemicals and Pharmaceuticals Industry	105.0	7.4

Investment realization from Taiwan in Indonesia

(2019 – 2023)

Excluding financial sectors and upstream oil and gas

Taiwan Investment was rank 9th in 2020

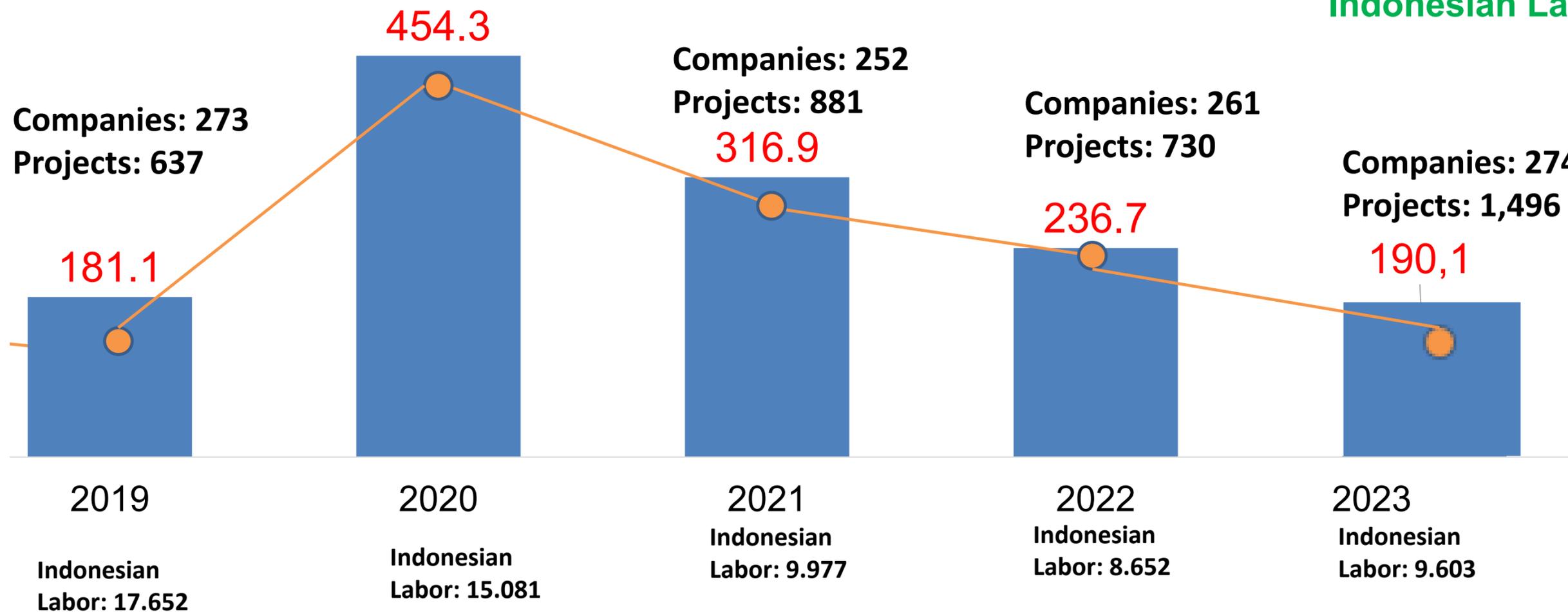
Accumulative of Taiwan investment in Indonesia since 2019 – 2023:

USD 1.38 Billion

Companies: 1,307

Projects: 4,512

Indonesian Labor: 60.965



In USD Million

Source: Ministry of Investment/BKPM, 2024.

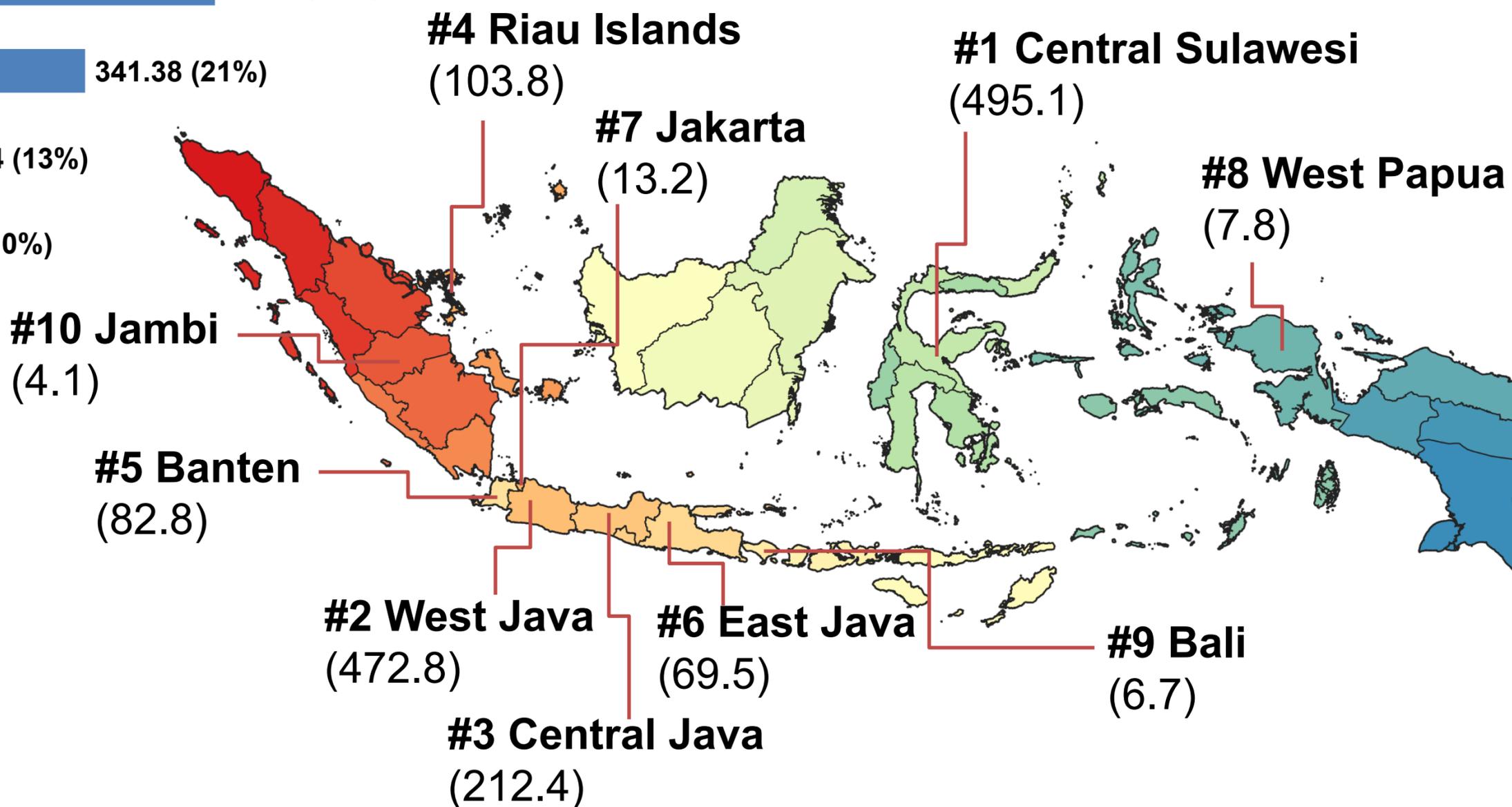
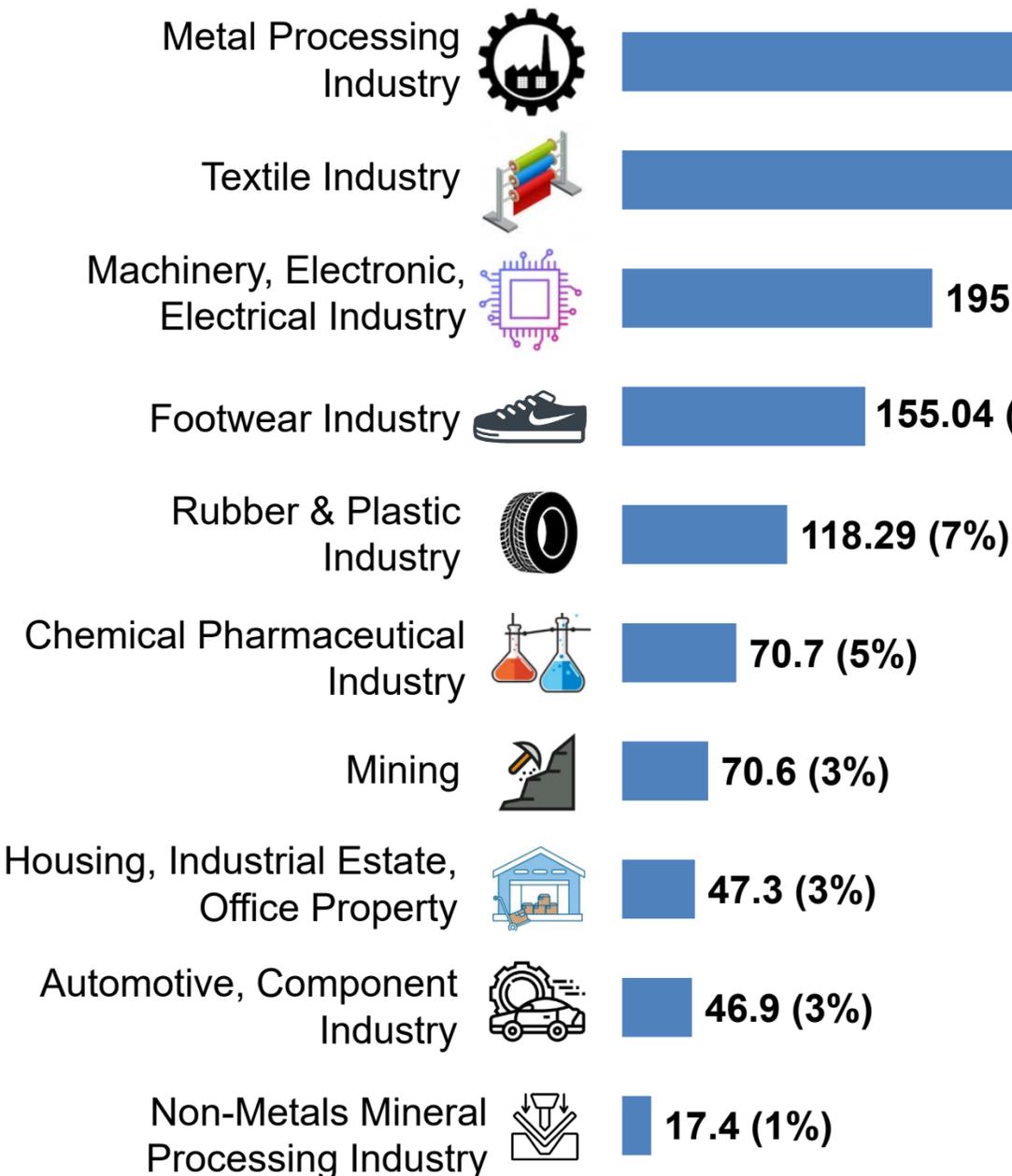
Investment realization from Taiwan in Indonesia

(2018 – 2023)

Excluding financial sectors and upstream oil and gas

Top-10 Sectors Investment from Taiwan (USD Million)

Top-10 Location of Taiwan Investment (USD Million)



5 Big Agendas for Advancing Indonesia

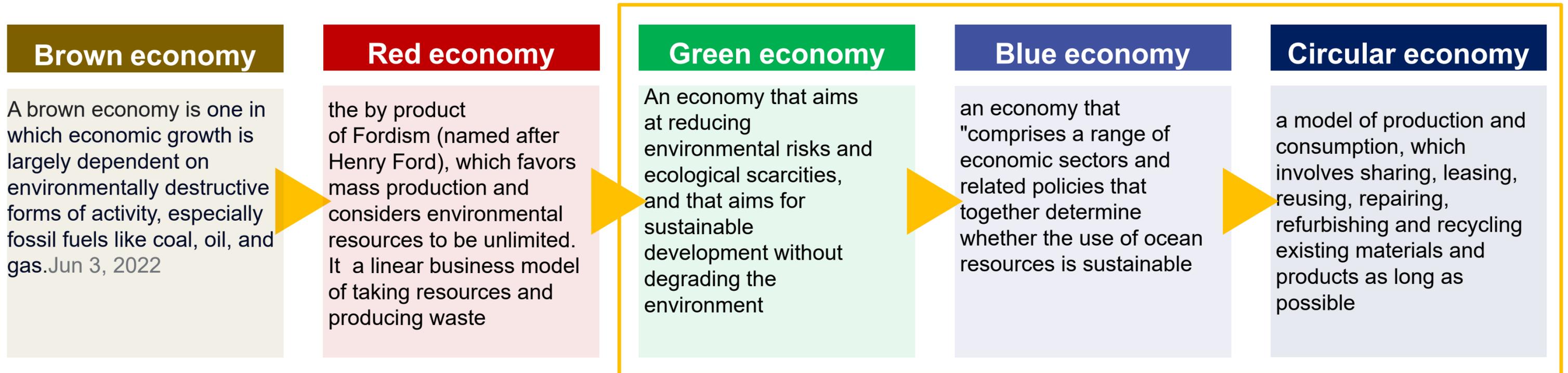


1. Downstream industrialization of natural resources
2. Optimizing clean energy sources and green economy
3. Legal, social, political, and economic protections for the people
4. MSMEs move upmarket
5. IKN development

Sustainable Economy is a strategy of Indonesia Economic Transformation

The objective of economy should be based on environmental, social & governance principle

Sustainable Economy



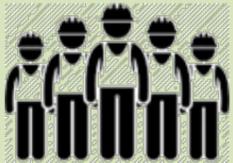
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- **Environment:** emission measurement, energy, water, ecofriendly, raw material, waste, conservation, restoration and rehabilitation
- **Social:** Gender representation, age diversity, vulnerable group, remuneration, training and education, customer data, products, community empowerment, child protection, right of indigenous people.
- **Governance:** Business ethics, compliance, independence, worker compensation, democracy in share ownership.

Focusing on downstream industries to add value to its natural resources

Investment Priority Sectors

 <p>Labor-Intensive</p>	 <p>Export-Oriented Industry</p>	 <p>Renewable Energy</p>
 <p>Infrastructure</p>	 <p>Digital Economy</p>	 <p>Value-Adding Industry to Natural Resources</p>

Investment in Downstream Industries

Priority Downstream Industry	Investment Required (until 2040, estimated)
Minerals and coal	US\$ 431.8 billion
Oil and gas	US\$ 68.1 billion
Marine, fishery, plantation, forestry	US\$ 45.5 billion
Total	US\$ 545.3 billion

Ministry of Investment/BKPM has prepared the **Roadmap of Downstream Industries** which includes priority industries, investment opportunity, economic impacts, and strategic policies.

Potential Commodities

Electric Vehicle Ecosystem Development in Indonesia

UPSTREAM

DOWNSTREAM

Mining

Processing/
Refining

Precursor/
Cathode

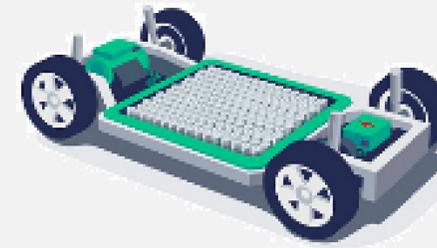
Battery Cells

Battery
Pack

Electric
Vehicles

Charging
Station

Recycling



Swasta
Nasional



GESITS



We create chemistry



eramet
CATL



eramet
CATL

eramet
CATL

Buli (Kab. Halmahera Timur, Maluku Utara) and Kab. Konawe Utara (Sulawesi Tenggara)

KIT Batang (Jawa Tengah)

10 Gwh (Kab. Karawang, Jawa Barat) and 20 GWh (TBC)

TBC

Jawa Barat, Jawa Tengah, and Jawa Timur

Scattered throughout different regions

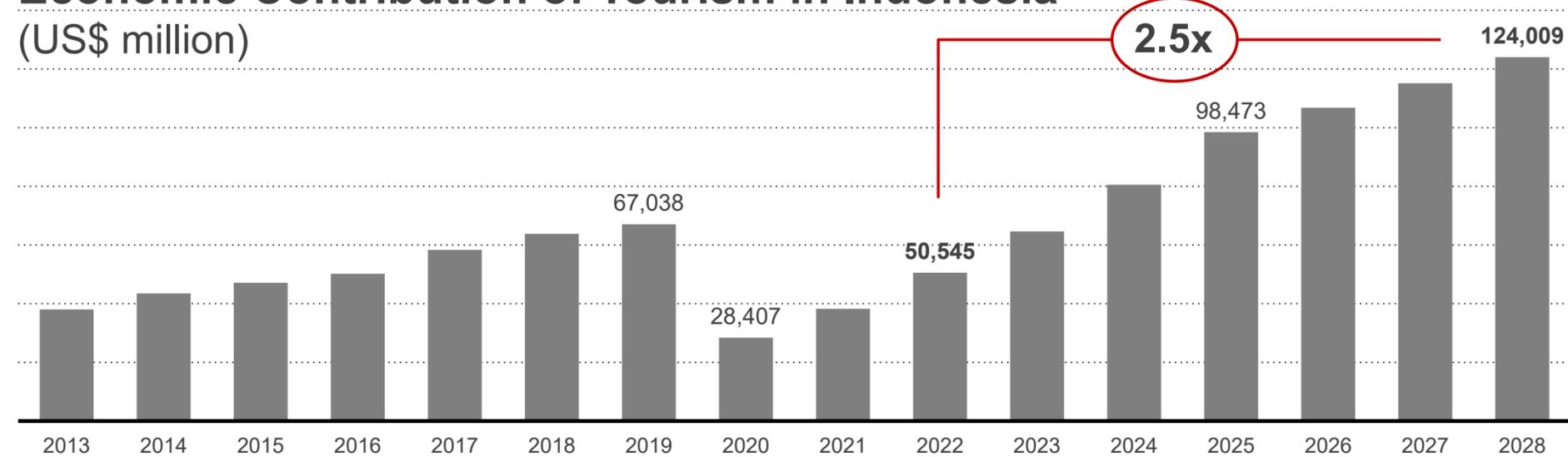
Puqing Recycling (Morowali, Sulawesi Tengah)

Growing tourism industry with strong domestic market

Focusing on developing 5 super priority tourism destinations

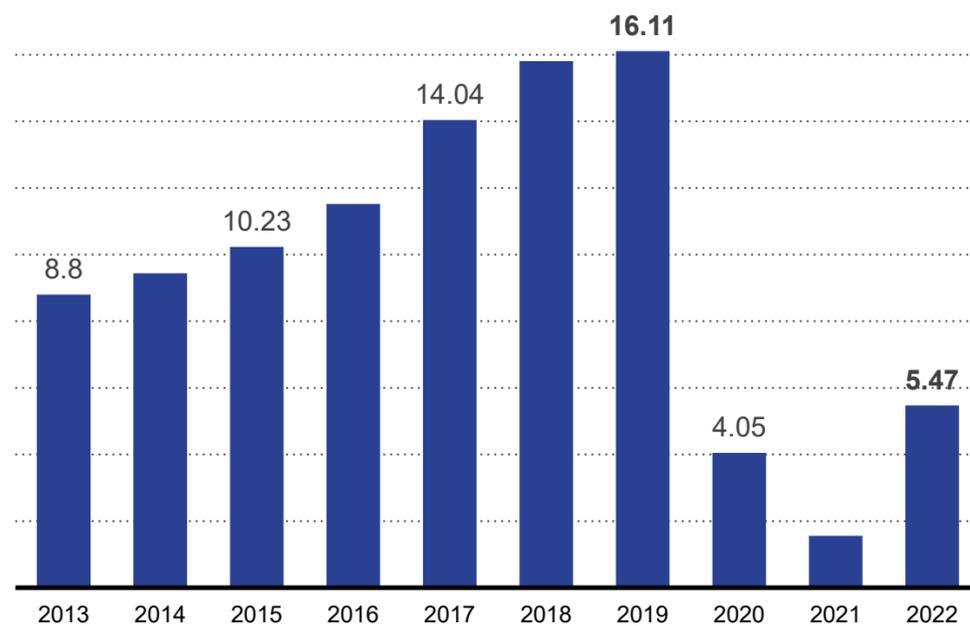
Economic Contribution of Tourism in Indonesia

(US\$ million)



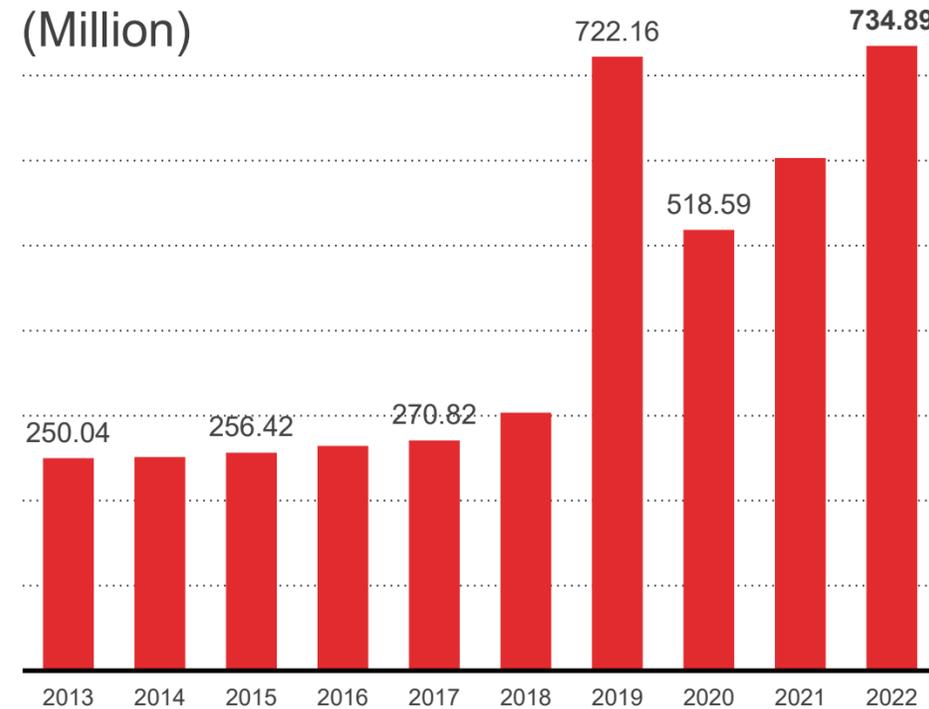
Int'l Visitor Arrivals in Indonesia

(Million)



Domestic Trips in Indonesia

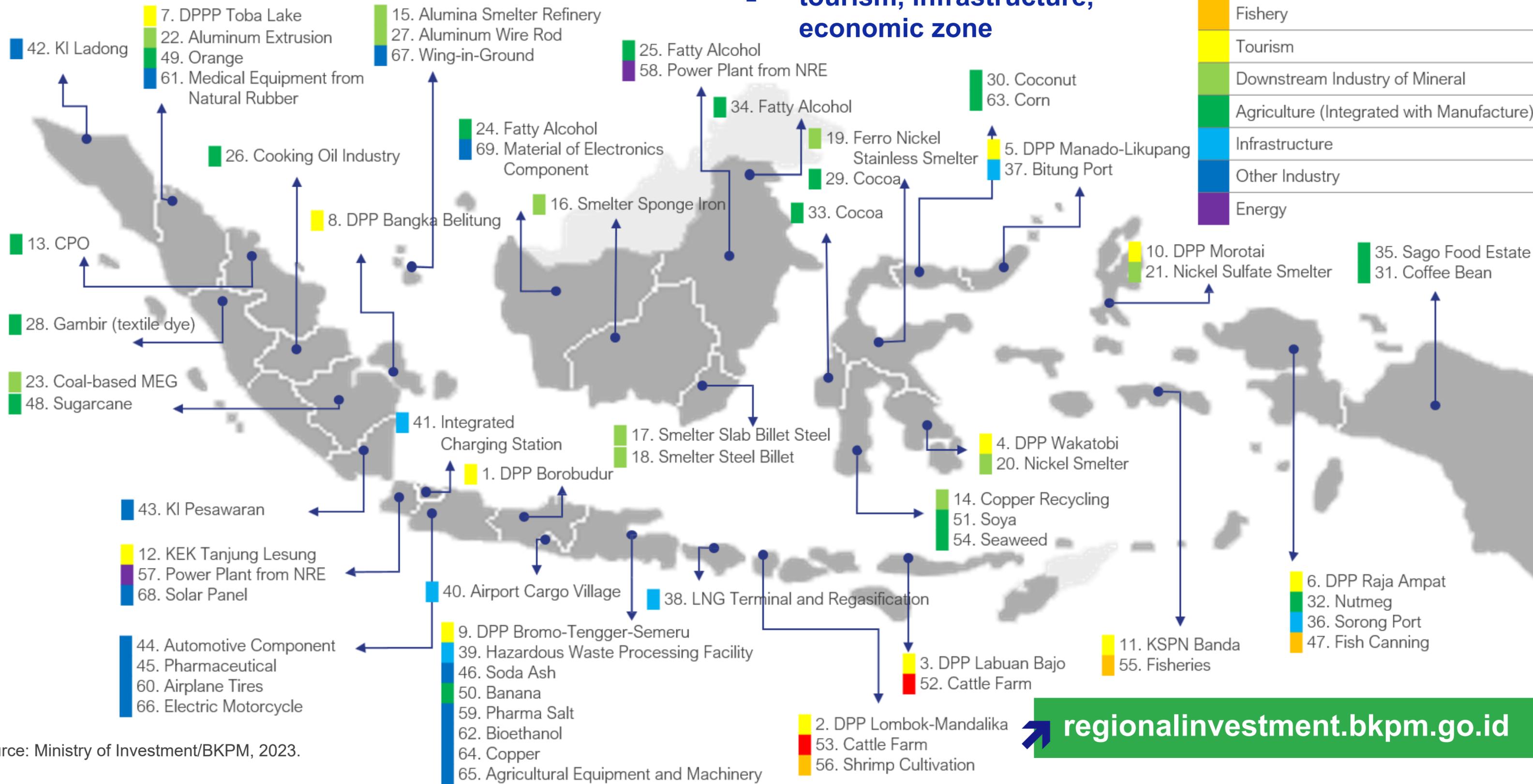
(Million)



69 sustainable ready-to-offer projects with pre-FS

46 cities/regencies

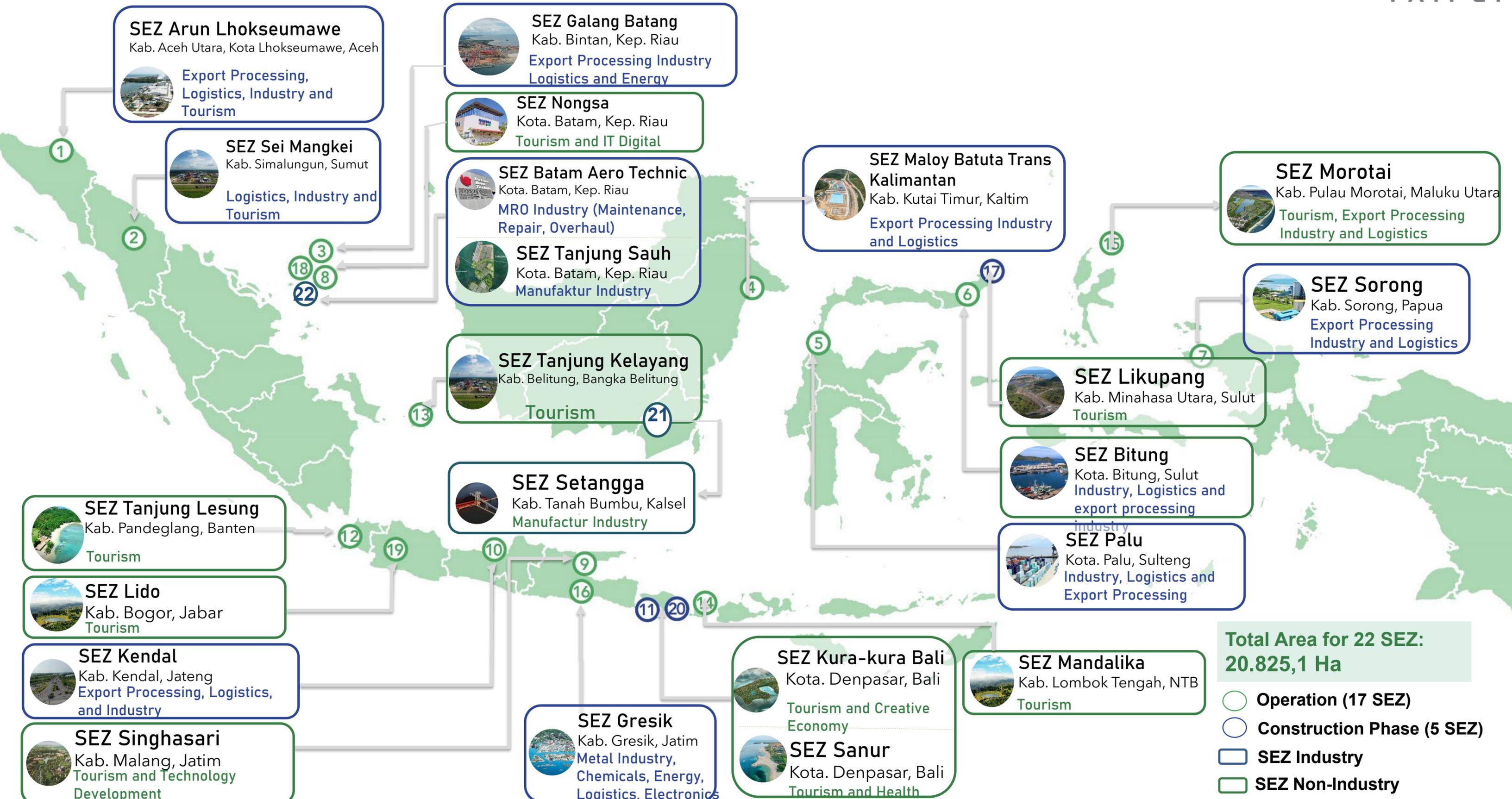
4 Sectors: manufacturing, tourism, infrastructure, economic zone



regionalinvestment.bkpm.go.id

Source: Ministry of Investment/BKPM, 2023.

22 Special Economic Zones in Indonesia

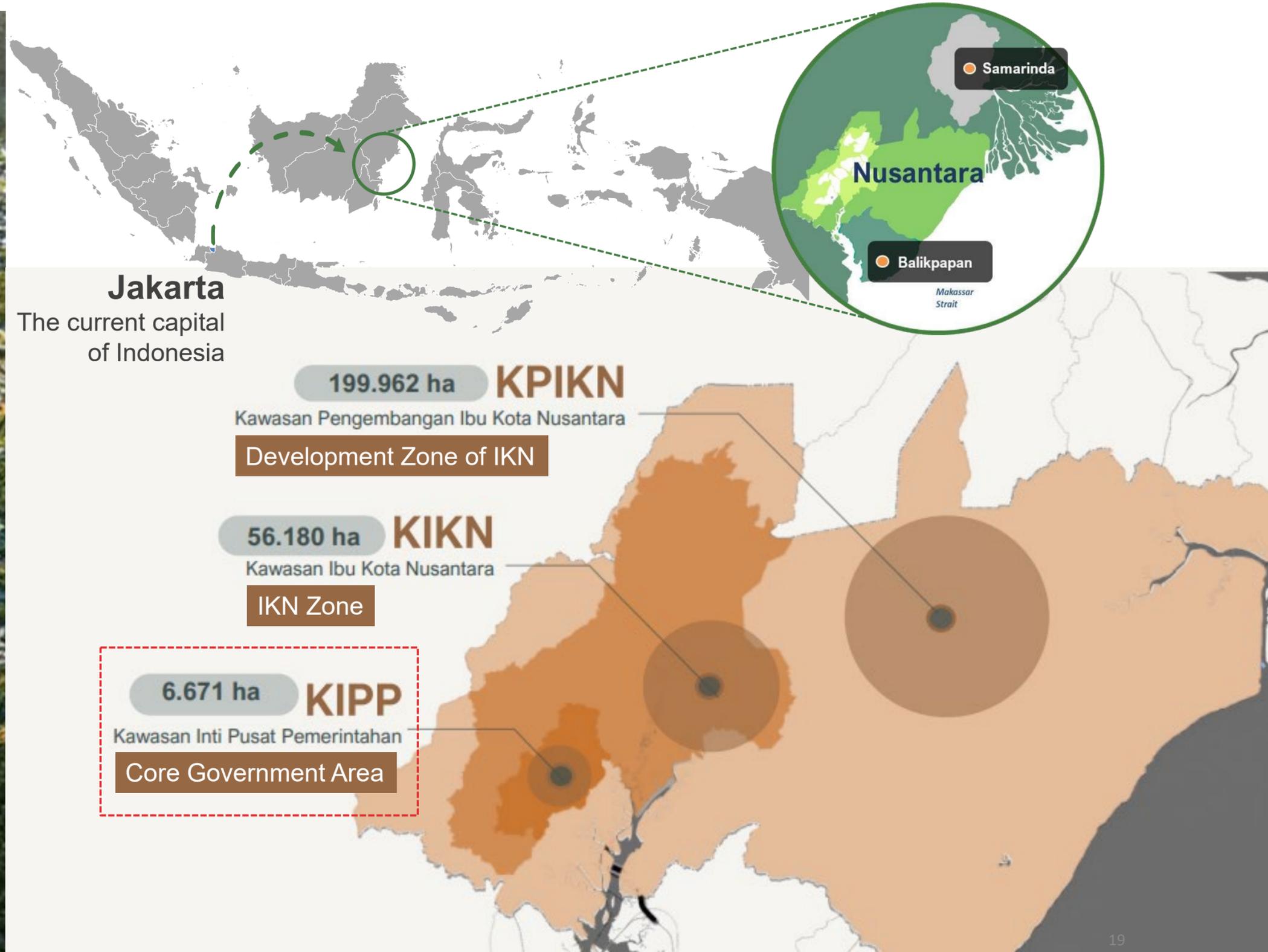


Total Area for 22 SEZ: 20.825,1 Ha

- Operation (17 SEZ)
- Construction Phase (5 SEZ)
- SEZ Industry
- SEZ Non-Industry

New Capital City: From Jakarta to Nusantara (IKN)

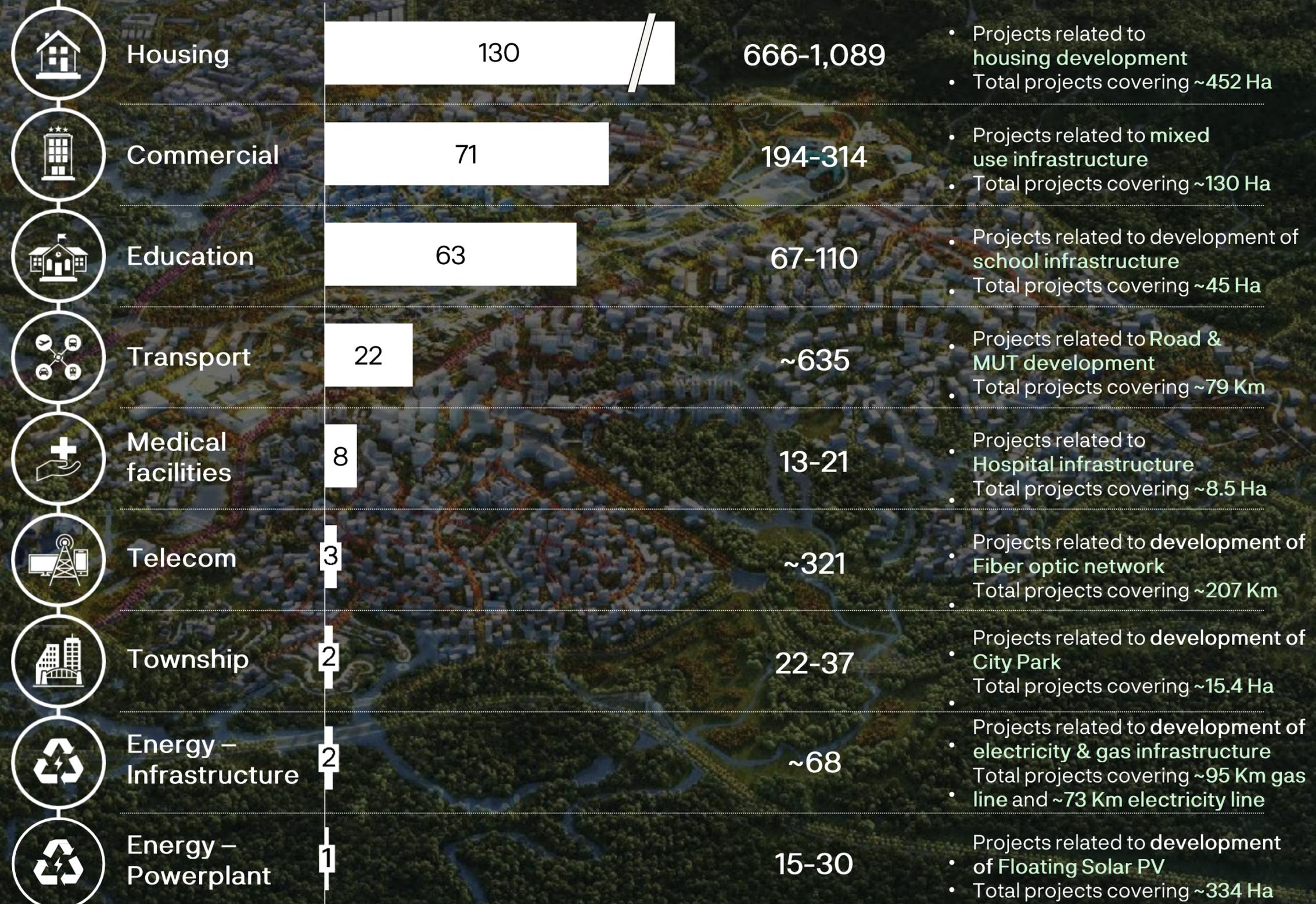
5-phase development in 2022-2045, projected population to achieve 1.9m



Source: Indonesian New Capital Authority , 2023.

Indonesia's New Capital City: Nusantara

300+ Investment Projects Have Been Identified to Date in The Core Government Area



Source: Indonesian New Capital Authority , 2023.

Improved investment regime, strengthened coordination

More open policies and supports from all stakeholders to address hurdles

Harmonization and simplification of regulations, also improvement of legal certainty



79 laws have been revised
Through a single law (Omnibus Law UU 6/2023) which regulates various sector (11 clusters)



Centralized investment authority




**MINISTRY OF INVESTMENT/
INDONESIA INVESTMENT COORDINATING BOARD**

The authority to issue business licenses is delegated to the **Ministry of Investment/ BKPM** and the issuance is through OSS* System, consist of 16 sectors.

Open for 100% foreign ownership

All business fields are **open 100%** for both FDI and DDI, except mentioned in Presidential Regulation No.49/2021 on Business Fields for Investment.

Low minimum paid-up capital for FDI

Minimum paid-up capital of **IDR10 billion (~US\$700,000)** for Foreign Direct Investment (FDI).

Investment licenses with risk-based approach

Not “one size fits all”: Simpler licenses for business activities with lower risk, processed through online single submission system (OSS) for investment.

Lower Corporate Income Tax

22% CIT for companies non-listed or **19% CIT** for companies listed in Indonesia Stock Exchange (IDX).

Before 2020

25%



2020 onwards

22%

Tax Holiday

Tax Allowance

Import Duty Exemption

Super Tax Deduction



谢谢, Thank You!

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