



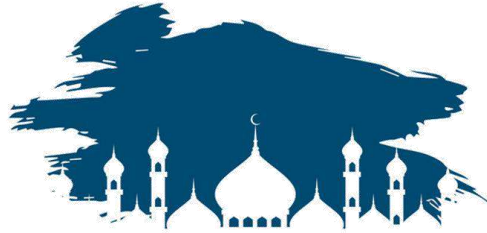
Private Sector Forum Islamic Development Bank

Minister of Investment/Head of the Indonesian
Investment Coordinating Board (BKPM)

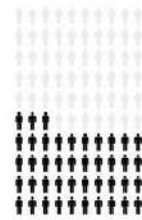
May 12, 2023



Indonesia's Investment Attractiveness



The 4th largest population in the World (273,8 million) and the largest Muslim population (231 million)



43%

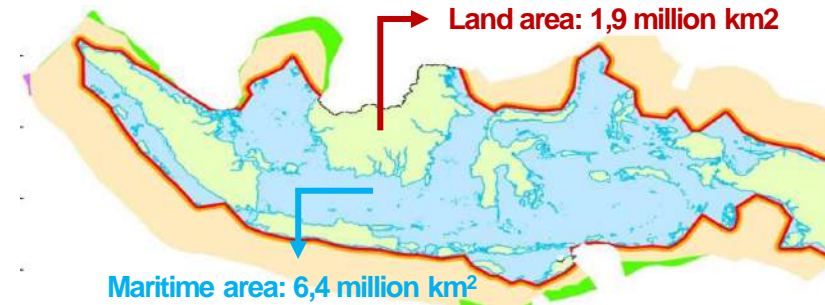
The Largest Population in ASEAN



The Rapid Growth of The New Middle Class (57,3 million in 2019)

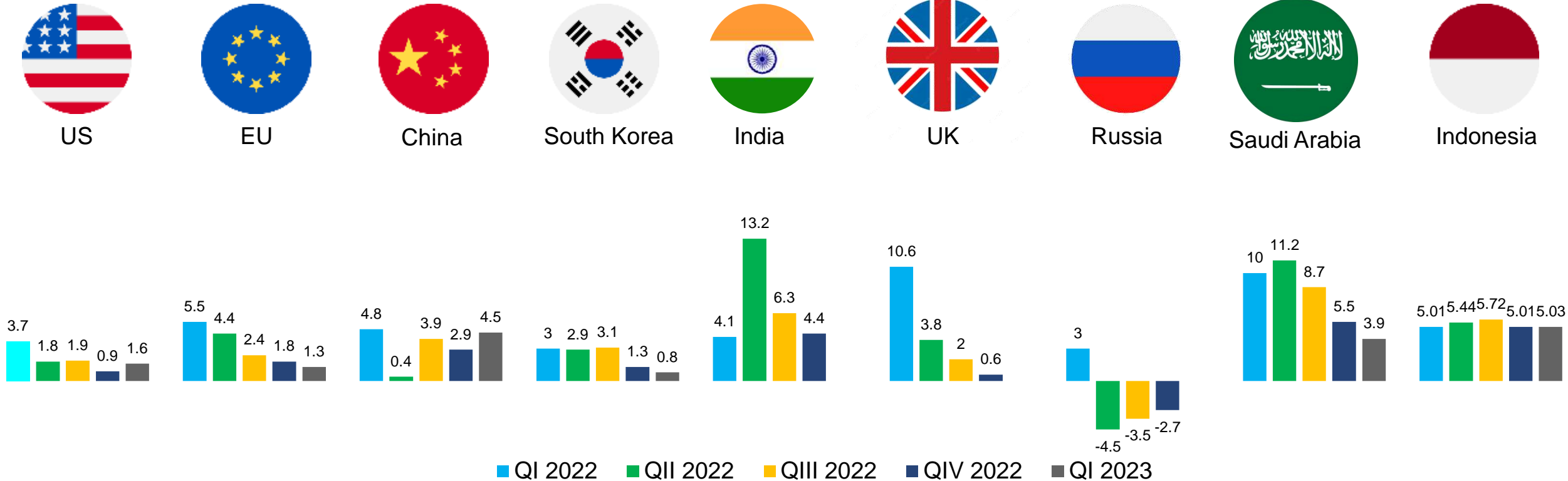


Incredibly Abundant Natural Resources



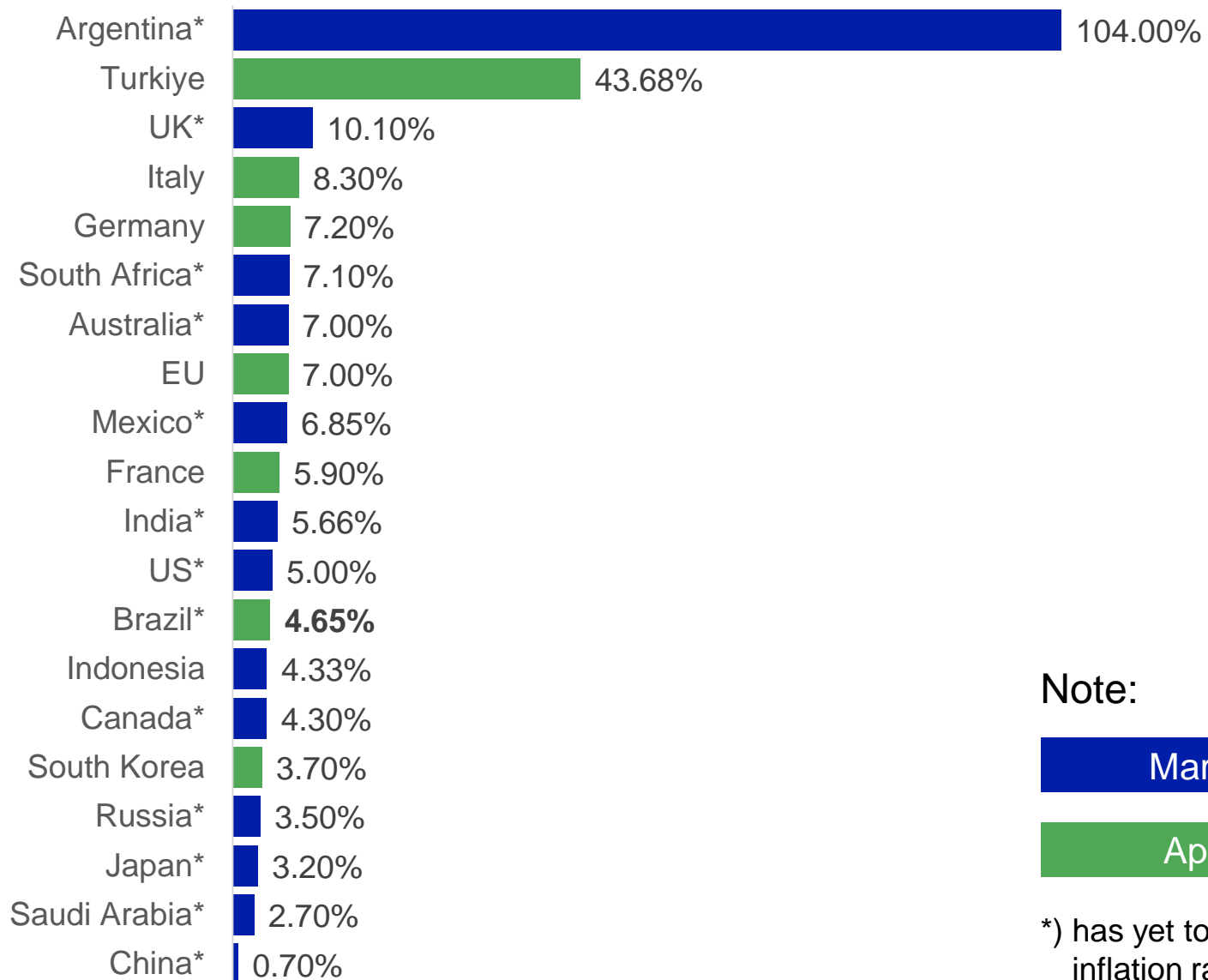
With total area (land & water) of 8,3 million km², Indonesia is the world's largest archipelagic state with 17.504 islands and 108.000 km of coastline*

Economic Growth of Several G20 Countries (%, y-o-y)



Cumulatively, **Indonesia's economic growth in 2022 grew 5.31%** and could be maintained in the first quarter of 2023 which grew 5.03%.

Inflation of G20 Countries (y-on-y)



Note:

March 2023

April 2023

*) has yet to announce its April 2023 inflation rate

Investment Target and Achievement in Q1 2023

(Exclude Upstream Oil & Gas Sector and Financial Services)

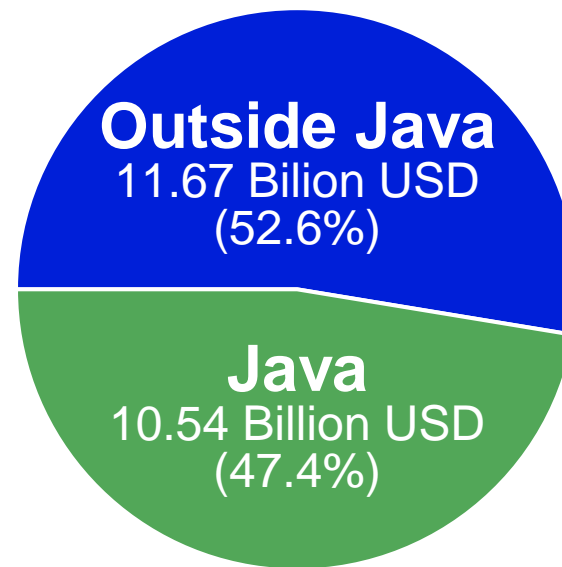
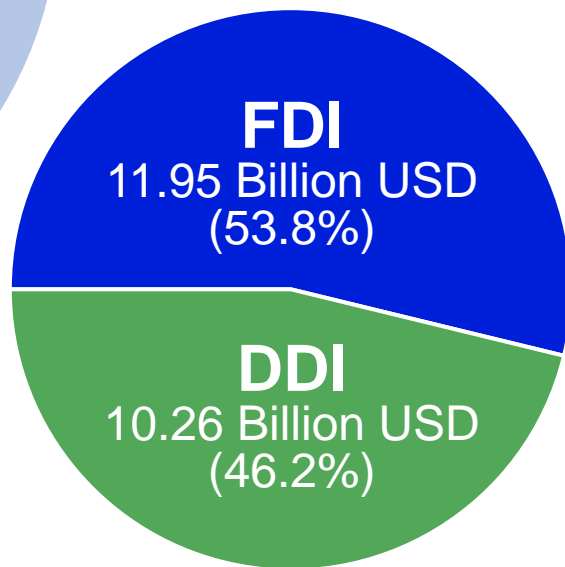
Investment Realization Quarter I 2023

22.21 Billion USD

23.5%

23,5% from **Presiden Jokowi's target : 94,5 Billion USD**

	Q I (q-o-q)	Q I (y-o-y)
FDI	1.1%	20.2%
DDI	8.8%	12.4%
Total	4.5%	16.5%



Jobs Created:

384,892

from **137,570** projects

Investor Origin Countries Comparison 2019, 2020, 2021, and 2022

2019

2020

2021

2022

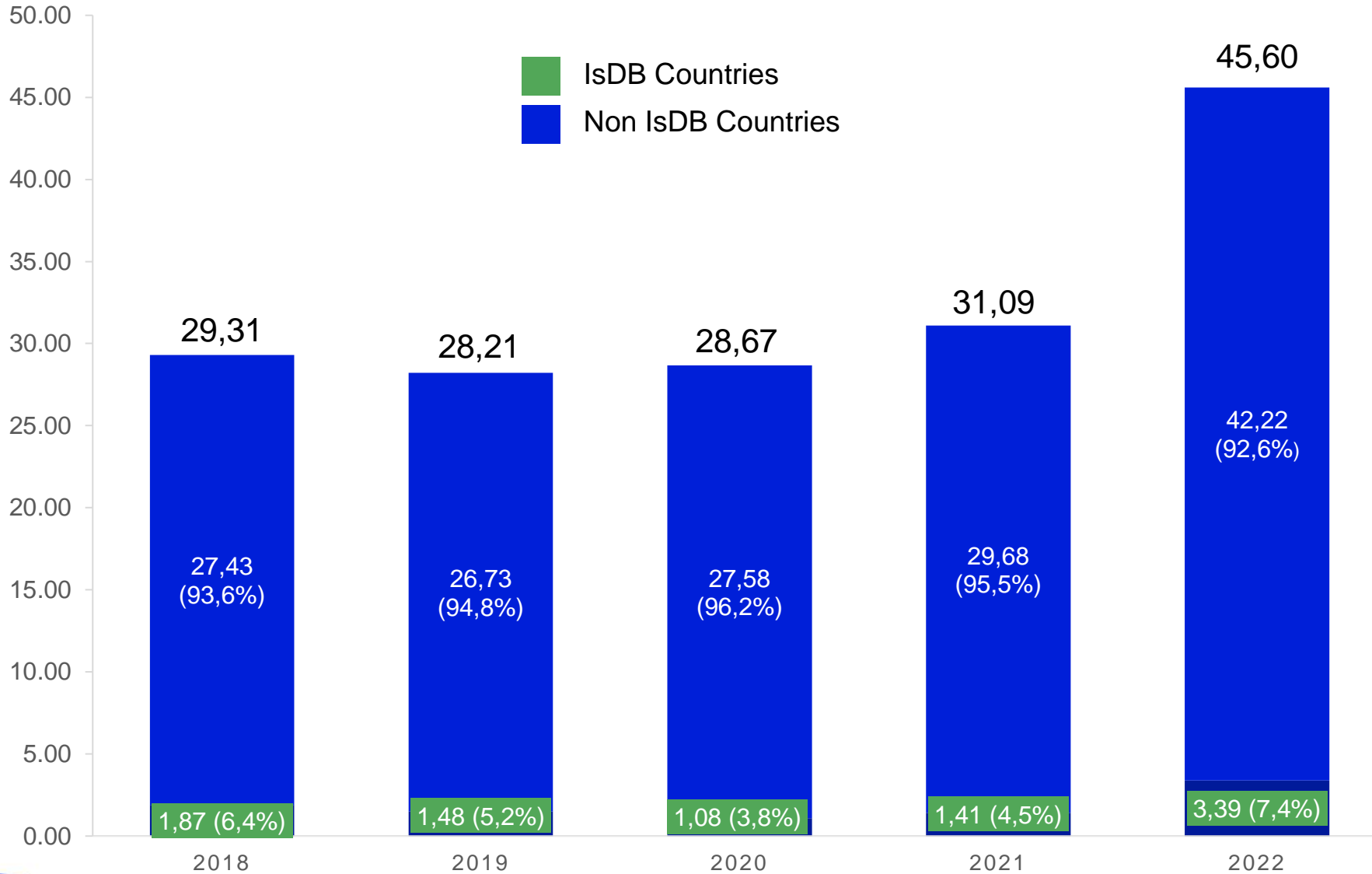
Rank	Country	Investment (USD Million)
1	 Singapore	6.509,6
2	 China	4.744,5
3	 Japan	4.310,9
4	 Hong Kong	2.891,0
5	 Netherlands	2.596,8
6	 Malaysia	1.357,5
7	 South Korea	1.070,2
8	 US	989,3
9	 British Virgin Islands	743,8
10	 Australia	348,3

Rank	Country	Investment (USD Million)
1	 Singapore	9.779,1
2	 China	4.842,4
▲ 3	 Hong Kong	3.535,9
▼ 4	 Japan	2.588,0
▲ 5	 South Korea	1.841,9
▼ 6	 Netherlands	1.422,4
▼ 7	 Malaysia	1.045,3
8	 US	749,7
▲ 9	 Taiwan	454,3
10	 Australia	348,6

Rank	Country	Investment (USD Million)
1	 Singapore	9.390,1
▲ 2	 Hong Kong	4.609,3
▼ 3	 China	3.160,4
▲ 4	 US	2.537,2
▼ 5	 Japan	2.263,2
6	 Netherlands	1.761,6
▼ 7	 South Korea	1.640,2
▼ 8	 Malaysia	1.364,3
▲ 9	 Bermuda	674,4
▲ 10	 Swiss	599,8

Rank	Country	Investment (USD Million)
1	 Singapore	13.281,1
▲ 2	 China	8.226,0
▼ 3	 Hong Kong	5.514,2
▲ 4	 Japan	3.564,8
▲ 5	 Malaysia	3.343,3
▼ 6	 US	3.026,2
7	 South Korea	2.297,8
▼ 8	 Netherlands	1.220,2
8	 Bermuda	964,7
▲ 10	 UK	628,3

IsDB Countries Investment in Indonesia (in USD billion)



Over the past 5 years, the investment portion of IsDB countries in Indonesia has only been **5.5%** of total foreign investment.

Strategic Investment Downstream Roadmap

8 Priority Sectors

Mineral

Coal

Oil

Natural Gas

Plantation

Marina

Fishery

Forestry



Investment Opportunities up to 2035:
USD 427,1 Billion

Investment Opportunities up to 2035:
USD 67,6 Billion

Investment Opportunities up to 2035:
USD 50,6 Billion

**Total
USD 545.3
Billion**

21 Comodities

Coal

Nickel

Tin

Copper

Bauxite

Steel

**Silver
Gold**

**Asphalt
Buton**

**Crude
Oil**

**Natural
Gas**



Palm

Coconut

Rubber

Biofuel

Logs

Pine Sap

Prawn

Fishery

Crab

Seaweed

Salt



The Benefit of Downstreaming on Nickel Product Added Value

Export of Nickel
Derivative Products
2017

**USD
3,3
Billion**



**Nickel Export
Ban (2020)**

Export of Nickel
Derivative Products
2021

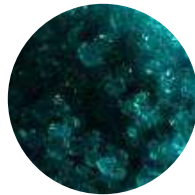
**USD
20,9
Billion**

Added Value of Nickel Derivative Products



Nickel Ore
(Limonite)

x 11,4



Nickel
Sulfate

x 19,4



Precursor

x 37,5



Cathode

x 67,7

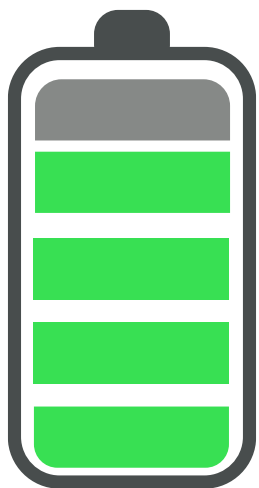
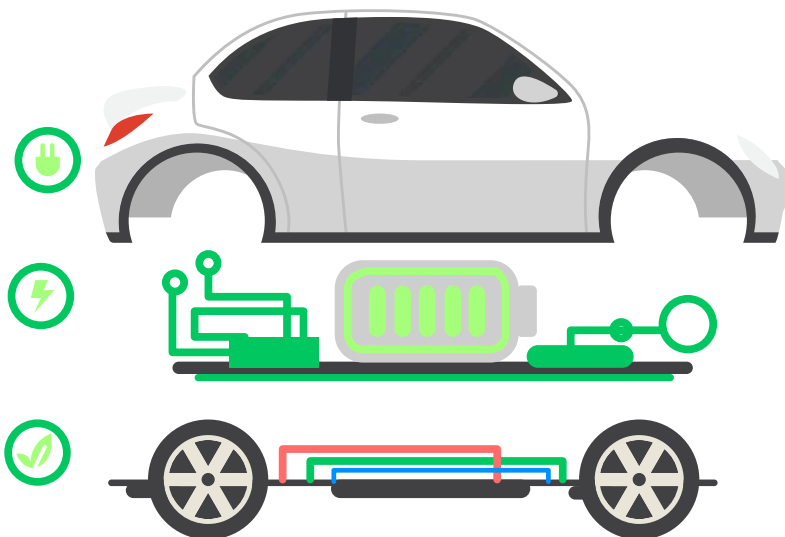


Battery Cells

Nickel for Electric Car Battery Components

Electric Vehicle Component based on Cost:

1. 35% Battery
2. 15% Electric motor
3. 50% Other Components



Battery Component in Electric Vehicle that are mostly used:

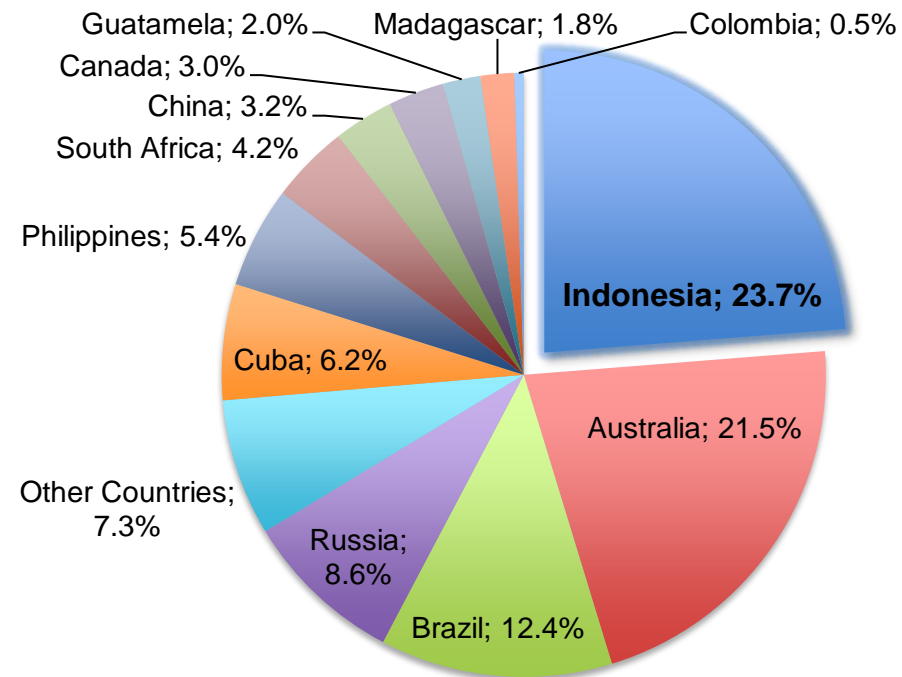
Nickel-Cobalt-Aluminium (NCA)

1. 80% Nickel
2. 15% Cobalt
3. 5% Aluminium

Nickel-Manganese-Cobalt (NMC811)

1. 80% Nickel
2. 10% Manganese
3. 10% Cobalt

Comparison of Global Nickel Reserves



Indonesia holds **the world's largest nickel reserves** (23,7% of global nickel reserves)

Nickel Downstreaming Turns Indonesia Into a Potential Future Global Hub for EV



Investment Plan:

- LG : Integrated Battery Industry US\$9,8 Billion
- CATL : Integrated Battery Industry US\$5,2 Billion
- Foxconn : Electric Battery Industry, Electric Vehicle Industry (4wheel, 2wheel, E-Bus), and Supporting Industry (including charging station, R&D, and training) US\$8 Billion
- Envision/ : Integrated Battery Industry, renewables, and green
- INBC industrial park US\$9 Billion

In addition to downstreaming, investment also creates big impact: through collaboration with SOEs (MIND ID, Pertamina, PLN), national entrepreneurs, especially MSMEs, high use of domestic component (TKDN), and large absorption of local manpower.

 LG Energy Solution

 CATL



HYUNDAI

 BASF

We create chemistry



 FOXCONN®

 INBC

INDO-PACIFIC NET-ZERO
BATTERY-MATERIALS CONSORTIUM

Some Examples of Investment in EBT Power Plants in Indonesia with Private Partnerships



The Cirata floating solar PV has a capacity of **145 MW** with an investment of **US\$145 million**. Operated by Pembangunan Jawa-Bali Masdar Solar Energy (PMSE).



The wind power plant in Sidrap has a capacity of **75 MW** with an investment of **US\$150 million**. Operated by UPC Sidrap Bayu Energi.

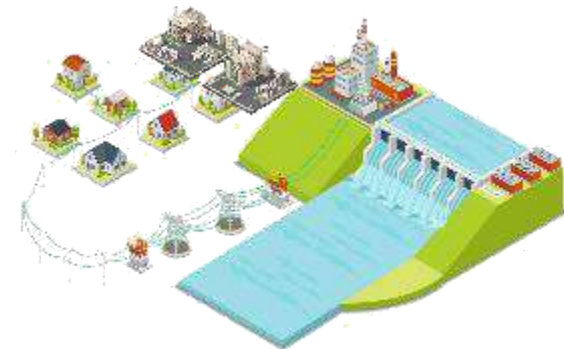


Solar PV in Likupang has a capacity of **21 MW (peak)** with an investment of **US\$ 29.2 million**. Operated by Vena Energy

Renewable Energy Potential in Indonesia, and Development of Green Industrial Estate

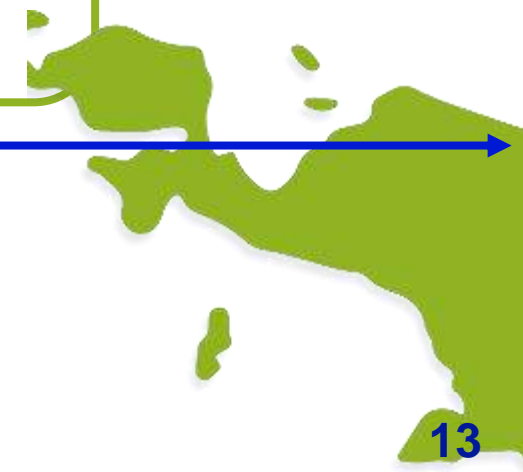


The Hydroelectric Power Plant (PLTA) with a planned total generating capacity of 9,000 MW in **North Kalimantan** will supply green energy to the Indonesian Green Industrial Estate (KIPI Tanah Kuning).



Green energy must be granted **separate space**, its area and transmission are distinguished because it will be channeled to the **Green Industrial Estate** which will produce green products that have higher value or price than ordinary products.

In addition, the Mamberamo River, **Kab. Sarmi, Papua Province** also has green energy potential of up to **24,000 MW** which can support industrialization in Papua.



IKN Investment Policy Directions



President Joko Widodo's directives:

- a. Prepare attractive incentives for investors, there must be extraordinary incentives that can be provided by not violating applicable laws.
- b. Give as many incentives as possible. If there are investors who want to invest, provide tax holiday as long as possible.

March 6, 2023, government has issued **Government Regulation Number 12 of 2023** which regulates the granting of business licenses, ease of doing business, and investment facilities for investors in IKN as a derivative regulation of Law Number 3 of 2022



Food Estate Development

Keerom, Papua
(Corn)

Gunung Mas, Central
Kalimantan
(Cassava)

Humbang Hasundatan,
North Sumatera
(Potato & red onion)



The government is currently focusing on developing a food estate to respond to global challenges, particularly the food crisis.

The Bill on the Determination of the Job Creation Lieu of Law is Officially Approved to Become Law



The President together with the House of Representatives (DPR RI) have approved the Bill on the Determination of the Perppu on Job Creation to become Law Number 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation to Become Law

Substance of the Law Number 6 of 2023



Investment Ecosystem Improvement and Business Activities



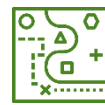
Research and Innovation Support



Central Government Investment



Business Licensing



The land acquisition



Government administration



Employment



Economic Area



Imposition of Sanctions



Cooperation and MSME support



Ease of Doing Business

Integrated Business Licensing System through Risk Based Online Single Submission (OSS) System



Covering **16** Business Licensing **Sectors** and **18** Ministries/Institutions:



The authority to issue business licenses in all sectors and investment facilities (tax holiday, tax allowance, and exemption from import duty) is **delegated** to the Ministry of Investment/BKPM and **the issuance is through the OSS System.**



Terima Kasih

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