

Indonesia Investment Opportunities Projects

Indonesia Investment Business Forum

Kaohsiung, 14th July 2017

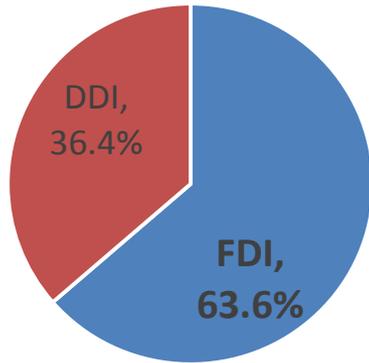


Indra Darmawan

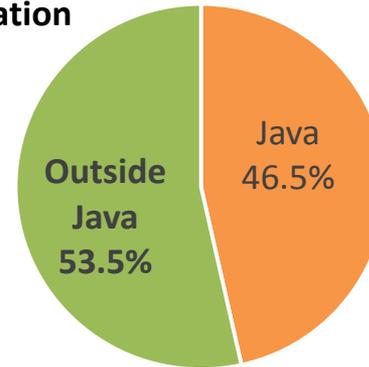
International Business Cooperation Director

Indonesia 2015-2019:

to achieve investment target of IDR 3,518 trillion (USD 270 billion) in 2015-2019



By location



By sectors



Source: BKPM, 2017

Priority Sectors for Investment.



Infrastructure

Energy, transportaion, industrial estates, SEZs

Manufacturing Industry

Labor Intensive Industry

e.g: textile, garment, furniture, etc



Export Orientation Industry

e.g: automotive, electronic, machinery, etc



Import Substitution Industry

e.g: pharmaceutical raw material, petrochemical



Value added Industry

e.g: agro-industry, smelters, etc



Tourism

10 New Balis



Lifestyle Industry

e.g: creative industry, culinary, fashion



Maritime

Including fisheries and cold storage

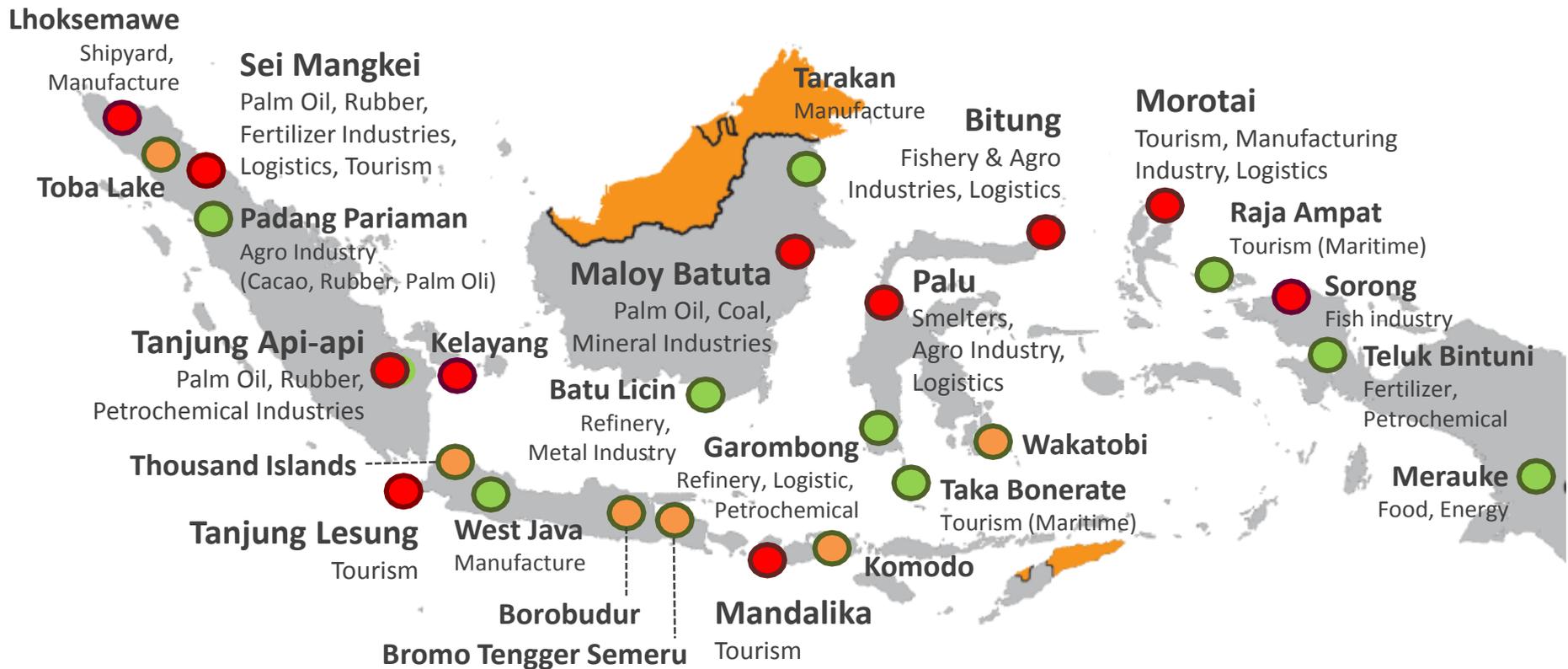


THE NEW BIG DEALS (NEWLY EMERGING INDUSTRIES)

1. SEZs and Industrial Estates

Special Economic Zones & Strategic Tourism Areas

- Existing SEZs
- Planned SEZs
- Strategic Tourism Areas



16 New Industrial Estates

With total area: 32,850 hectare

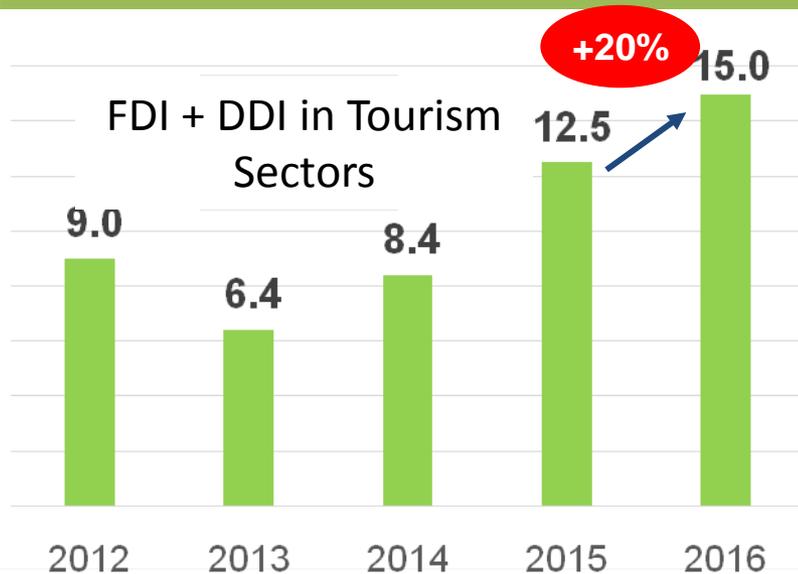


Industrial Estates	Province	Area (Ha)	Focus Industry
Kuala Tanjung	North Sumatera	1,000	Aluminium industry, CPO
Sei Mengkei	North Sumatera	2,002	CPO Processing Industry
Tanggamus	Lampung	3,500	Maritime, logistics
Sayung	Central Java	1,000	Hi-tech, labor intensive consumer goods
JIPE	East Java	3,000	Hi-tech, labor intensive consumer goods
Ketapang	West Kalimantan	1,000	Alumina processing industry
Landak	West Kalimantan	306	Rubber, CPO
Jorong	South Kalimantan	6,370	Bauxite, CPO

Industrial Estates	Province	Area (Ha)	Focus Industry
Batu Licin	South Kalimantan	530	Stainless Steel
Bantaeng	South Sulawesi	3,000	Smelter ferronickel, stainless steel
Konawe	South-east Sulawesi	5,500	Smelter ferronickel, stainless steel
Morowali	Central Sulawesi	1,200	Smelter ferronickel, stainless steel
Palu	Central Sulawesi	1,500	Rattan, rubber, cacao, smelter industry
Teluk Bitung	North Sulawesi	530	Agro industry, logistic
Buli	North Maluku	300	Smelter ferronickel, stainless steel
Teluk Bintuni	West Papua	2,112	Fertilizer, Petrochemical

2. Tourism Industry

Investment realisation in tourism (in IDR billion)



GDP

- Contribute d 10% of National GDP (the highest in ASEAN)
- The growth rate is above the average.

Forex reserve

- The 4th highest contributor to the national's forex reserve
- The fastest growing

Labor

- Created 9.8 million of local workers or contribute 8.4% of total worker in Indonesia.
- Average growth in the last five years is 30%.

Tourism Performance Target in 2017 source: Ministry of Tourism, 2017

Indicator(s)		2015	2016	2017 (f)	2018 (f)	2019 (f)
Macro	Contribution to GDP	10%	11%	13%	14%	15%
	Foreign exchange reserve (IDR trillion)	144	172	200	223	280
	Local Employee (million people)	11.4	11.8	12.0	12.6	13.0

Indicator(s)		2015	2016	2017 (f)	2018 (f)	2019 (f)
Micro	Tourism Comp. Index (WEF)	50	n.a	40	n.a	30
	Foreign Tourist (million people)	10.0	12.0	15.0	17.0	20.0
	Domestic tourist (million people)	255.0	260.0	265.0	270.0	275.0

Boosting Tourism

100% FDI

- 3 or more star hotel
- Restaurant, bar, cafe
- Sport center
- Swimming pool

67% FDI

- Museum & historical site management
- Travel bureau
- Catering
- 1-2 star hotel
- Billiard, bowling, golf
- Art gallery & theatre
- Karaoke
- Meetings, Incentives, Conferencing, Exhibitions (MICE)
- Natural tourist attraction

	2014	2015	2019*
Contribution to GDP	9.3%	10%	15%
Foreign tourists (trips)	9.4m	10.4m	20m
Domestic tourists (trips)	251m	255m	275m

*) Projection. [Source: Ministry of Tourism RI, 2016]

The “New 10 Bali” that will attract additional 10 mil tourists by 2019 and create millions of job



Mandalika

West Nusa Tenggara

Area: 1,035 Ha

Investment: USD 3.3 million



Toba Lake

North Sumatera

Area: 500 Ha

Investment: USD 1 million



Borobudur

Central Java

Area: 1,000 Ha

Investment: USD 1.5 million



Tj. Kelayang

Bangka Belitung Islands

Area: 1,200 Ha

Investment: USD 1.6 million



Wakatobi

Southeast Sulawesi

Area: 500 Ha

Investment: USD 1.4 million



Seribu Islands

Jakarta

Area: 1,000 Ha

Investment: USD 1 million



Morotai

North Maluku

Area: 300 Ha

Investment: USD 3 million



Bromo

East Java

Area: 1,000 Ha

Investment: USD 1 million



Labuan Bajo

East Nusa Tenggara

Area: 1,000 Ha

Investment: USD 1.2 million



Tj. Lesung

Banten

Area: 1.500 Ha

Investment: USD 5 million

Government priorities in 2018

SEZs

19
new airports
built since
2015

132 airports
rehabilitated,

27 airports
expanded since 2015



2,159km

inter-urban railways
to be finished
by 2019

187km railways
developed since 2015

1,099km

urban railways
to be finished by 2019



1,000km
new toll roads
to be finished by
2019

2,650km
new roads development,

46,770km
existing roads
rehabilitation

235km new toll roads will be
ready in 2017

Source: Bank Indonesia, May 2016.

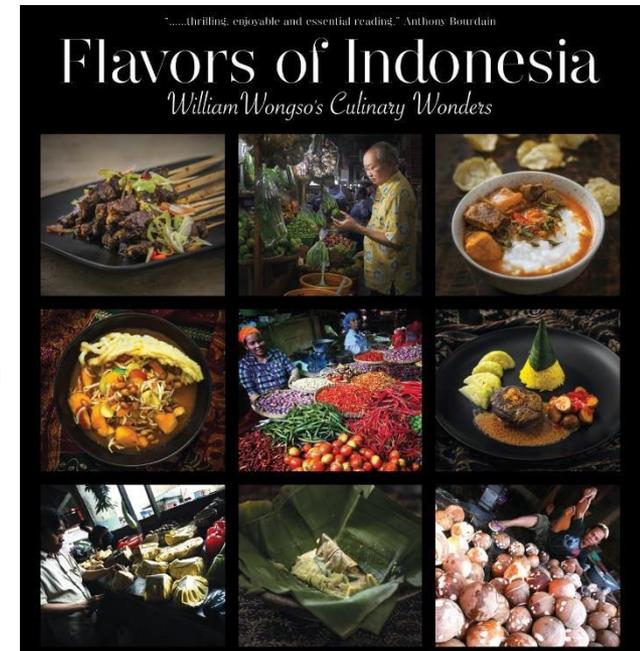
3. Lifestyle Industry



Indonesia Fashion Week **/D. FW 2017**

Lifestyle industry contributes **IDR 642 trillion** or **7.05%** from total GDP in 2016. Two main contributor sectors are **culinary 32.52%** & **fashion 27.9%**.

With market share of **IDR 387.9 trillion** per year, both are the biggest contributor for Indonesia economy growth in lifestyle industry.



25 Indonesian fashion designer has gained international fame



Peggy Hartanto

Didiet Mulyana

Tex Saverio

Didit Hadiprasetyo

Nancy Go

etc



Local Designers Going Global

Developing film industry

100% FDI
Film Industry
Production, post-production, distribution, exhibition



Large & Growing Market

- *By 2030, 135 million consuming class offer USD105 billion market in entertainment.*
- *Box office market is increasing, the 16th largest in the world (USD300 million).*

Big Opportunity

- *0.4 screen per 100,000 population, compared to China (1.8) and India (0.9).*
- *Screens are not well distributed, 87% of screens are located in Java Island.*

Promising Talents

- *More than 50 companies in film making and 30 companies in animation.*
- *More Indonesian films get global recognitions and attract millions of viewers.*

[Source: McKinsey, 2012. MPAA, 2015.]

3. Digital Industry:

IT& communication is one of the fastest growing sector

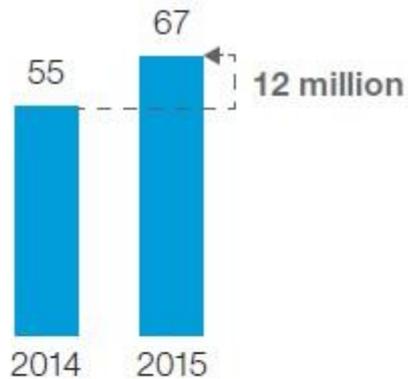
Growth rate	2015							2016		
	Q1	Q2	S1	Q3	Q4	S2	Y	Q1	Q2	S1
Agriculture, Forestry and Fishery	4.0	6.9	5.5	3.3	1.6	2.6	4.0	1.8	3.2	2.5
Mining	-1.3	-5.2	-3.3	-5.7	-7.9	-6.8	-5.1	-0.7	-0.7	-1.0
Manufacturing Industry	4.0	4.1	4.1	4.5	4.4	4.4	4.2	4.6	4.7	4.7
Construction	6.0	5.4	5.7	6.8	8.2	7.5	6.6	7.9	6.2	7.0
Trade	4.1	1.7	2.9	1.4	2.8	2.1	2.5	4.0	4.1	4.1
Transportation and Repair	5.8	5.9	5.9	7.3	7.7	7.5	6.7	7.7	6.8	7.4
Information Technology and Communications	10.1	9.7	9.9	10.7	9.7	10.2	10.1	8.3	8.5	8.4
Finance	8.6	2.6	5.5	10.4	12.5	11.4	8.5	9.1	13.5	11.4
Others	5.1	6.5	5.8	5.0	5.9	5.5	5.6	6.0	5.6	5.9
GDP Growth	4.7	4.7	4.7	4.7	5.0	4.9	4.8	4.9	5.2	5.0

The digital revolution has arrived in Indonesia

Mobile Internet

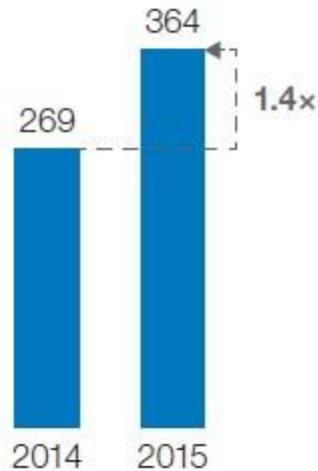
Total mobile Internet users, million

73% of total Internet users access via mobile



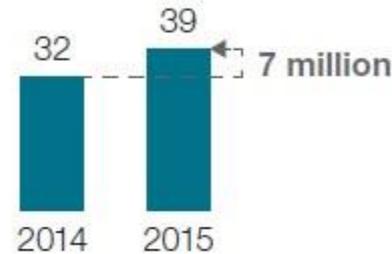
Cloud technology

Total cloud services vendor revenues,¹ \$ million



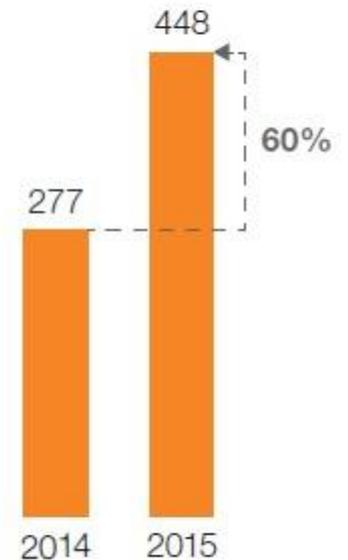
Internet of things

Total connected devices, million units



Big data and advanced analytics

Internet protocol traffic per month, petabyte



¹Revenues from public cloud services and cloud IT infrastructure.

²1 petabyte = 1 million gigabytes.

Presidential Regulation No. 44/2016

Investment Negative List in ITC Sector

100%
Open for FDI

Manufacturing and Computer Assembly, Software, Computer programming, Computer Consultation and Management Service, IT and Other Computer Service, Data & Server (hosting) Saving and Processing, Web Portal, Other information service

67%
Max foreign
ownership

Telecommunication services using cable/wireless/satellit,
telecommunicationservice

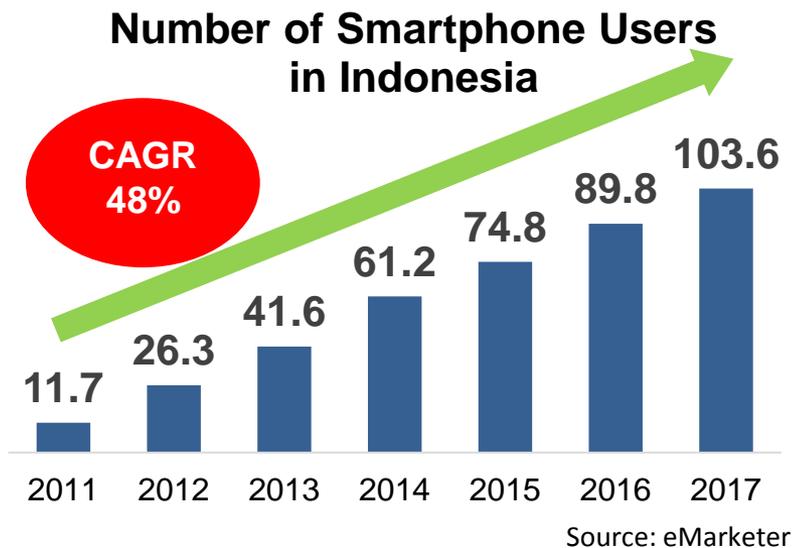
(Content services, Call centers, internet provider, data communication, public internet telephone services, Internet interconnection services (Network Access point), other multimedia services)

49%
Max foreign
ownership

e-Commerce (platform based market place, daily deals, price grabber, online advertisement) with investment value < IDR 100 billion

Indonesia has huge potential in digital economy

We have more than **100 million** smartphone users...



while only **60 million** people have bank accounts

LAZADA
Effortless Shopping

traveloka

tokopedia

GO JEK

Grab



93.4 million
Indonesia's user
internet

E-COMMERCE ROADMAP



31 INITIATIVES OF E-COMMERCE ROADMAP HAS BEEN PREPARED



1.000
TECHNOPRENEUR



1 MILLION DOMAIN
FOR SMEs, SCHOOL, ISLAMIC
SCHOOL AND COMMUNITY



SMEs GO DIGITAL

18% of **SMEs** businessman already have access to internet, but not yet fully utilized it for business transaction. Ministry of Communication and Informatics encourages 8 million of SMEs to GO DIGITAL so that they can contribute to the GDP incremental



Million Domain .ID

Provide subscription incentives for SMEs, School, Islamic Boarding School and Community

E-Commerce transaction is projected will reach

IDR 130 trillion
by **2019**

What We Are Doing Now: Developing Digital Valleys



Digital valley is a co-working space and incubator for startup technology which was launched by PT Telekomunikasi Indonesia (Telkom) Tbk.



Jogja Digital Valley, established in August 2013, accommodated 10 startups.



Bandung Digital Valley, established in December 2011, accommodated 20 startups.



In order to accelerate the growth of IT-based creative economy industry, Telkom will build 20 new digital valleys in Medan, Pekanbaru, Padang, Palembang, Batam, Balikpapan, Makassar, Bali, Semarang, Solo, Malang and Surabaya.

Future Opportunities



Vehicle, Asset, Person & Pet
Monitoring & Controlling



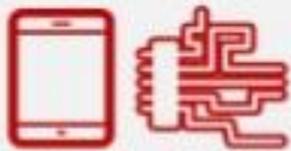
Agriculture Automation



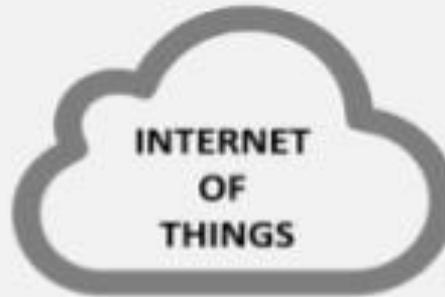
Energy consumption



Security



Embedded Mobile



Building management



M2M & wireless
Sensor network



Everyday things



Smart homes & cities



Everyday things get connected
For smarter tomorrow



Telemedicine & Healthcare



Indonesia Investment Promotion Centre (IIPC)

Xie Xie

Terima Kasih

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