

# Indonesia Investment Update in Light of Covid-19: *Prospects Moving Forward*

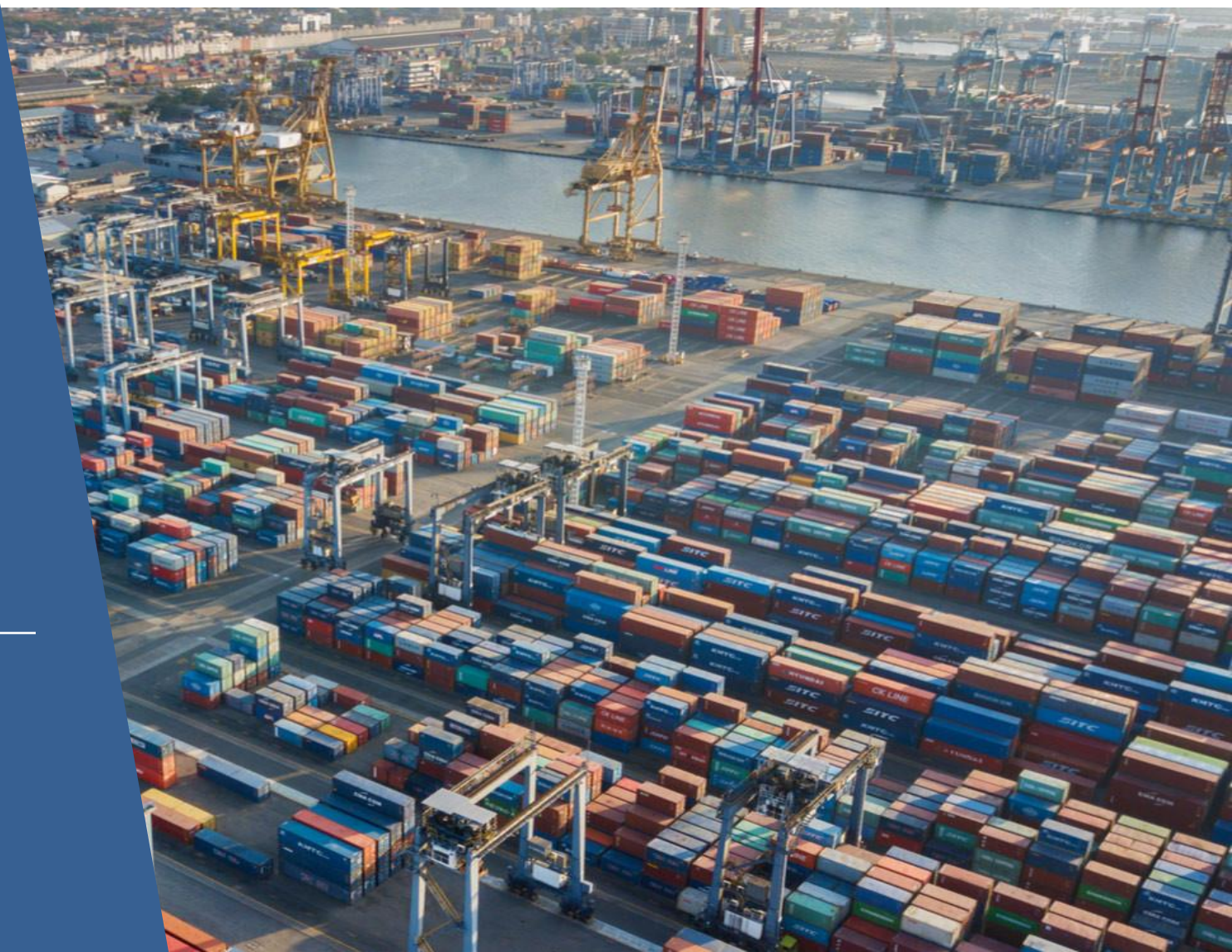
*Provided for 2020 COVID-19 post-epidemic  
trends-Indonesia On line Seminar*

**Mochammad Firdaus**

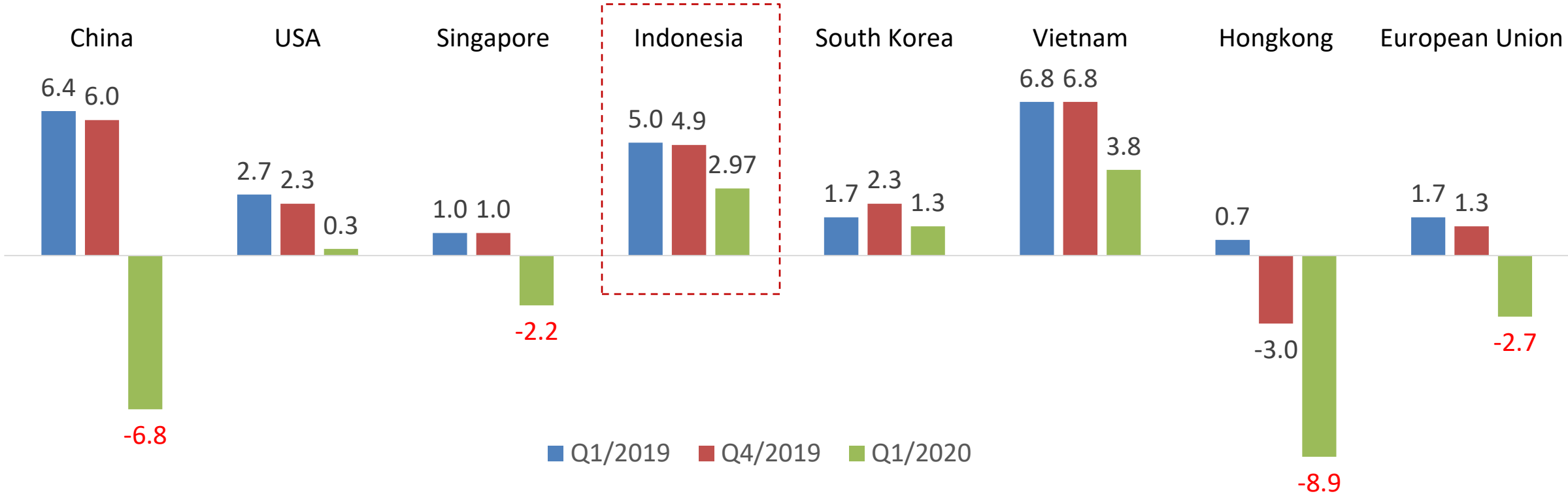
Director of Investment Department  
Indonesian Economic & Trade Office  
in Taipei



INDONESIAN ECONOMIC AND TRADE OFFICE  
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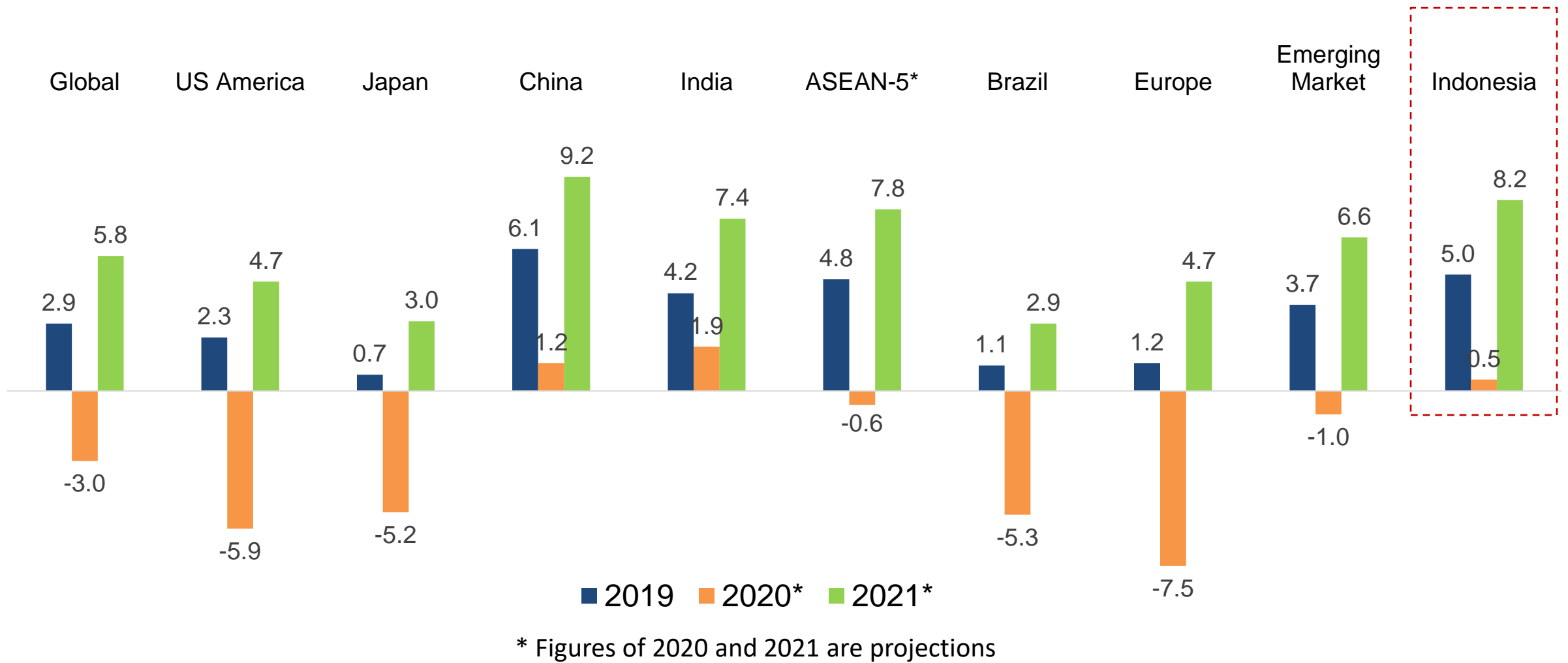


# Global Economic Growth Q1/2020 Impacted by Covid-19



Source: various sources, Indonesian Statistical Agency (BPS)

# 2020 Global Economic Projection Post Covid-19



Source: IMF, World Economic Outlook, April, 2020

# 2020 & 2021 Indonesia's Economic Growth Projections

## Predictions from International Institutions

	Indonesian Government	World Bank	ADB	Moody's	IMF
2020	-0,4% to 2,3%	-3,5% to 2,1%	2,5%	3,0%	0,5%
2021	4,5% to 5,5%	5,2% to 5,6%	5,0%	4,3%	8,2%

- ❖ Economic Growth during Q1 2020 recorded a growth of **2,97% (Y-o-Y)**, slowed down amid the restriction of business due to Covid-19.
- ❖ Economic Outlook post the publication of Q1-2020 is navigating towards a difficult scenario.
- ❖ The disruption of businesses in various sectors: trade, tourism and hospitality, transportation, manufacture, etc.
- ❖ The disruption of **regional economic development**.

Source: Ministry of Finance, 2020

# Indonesia Investment Realization Q1/2020

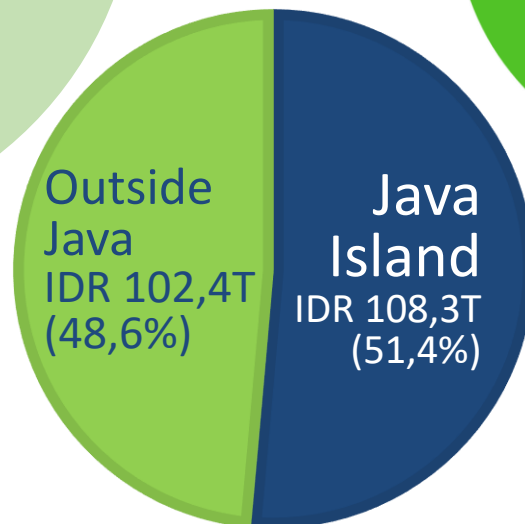
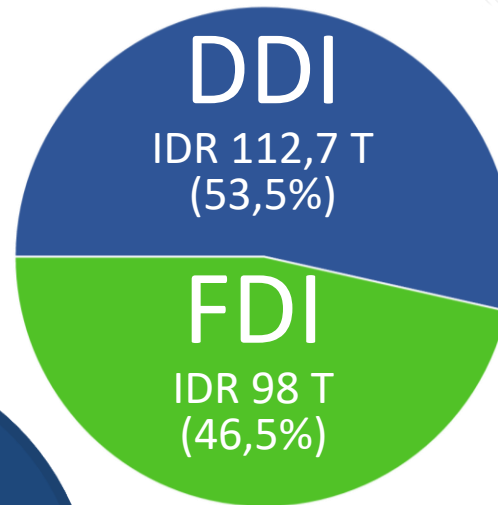
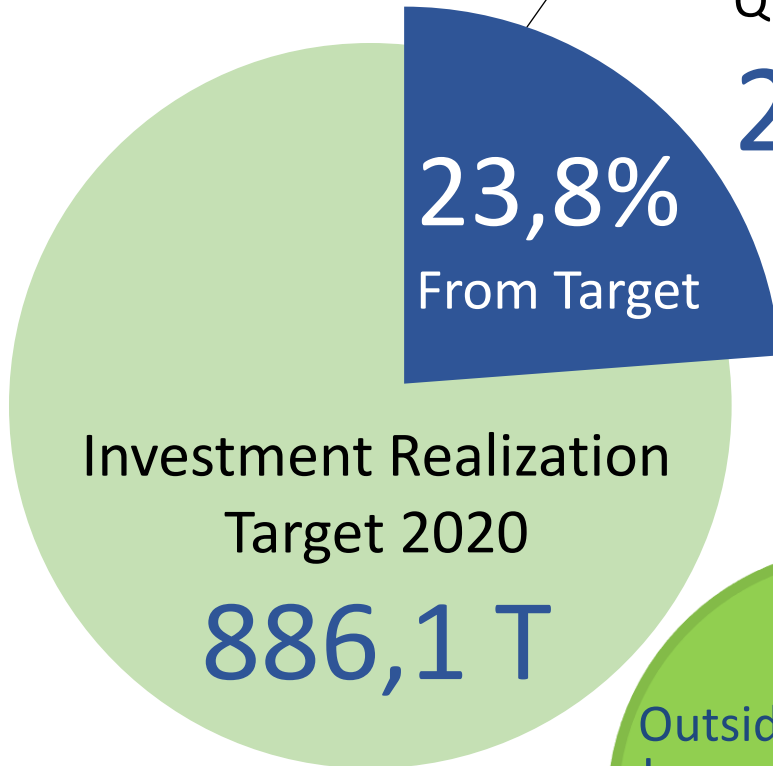
Investment Realization  
Q1/2020 (Grew 8% y-o-y)

210,7 T



Investment Realization in  
Q1/2019

195,1 T



Local Worker Absorption in  
Q1/2020

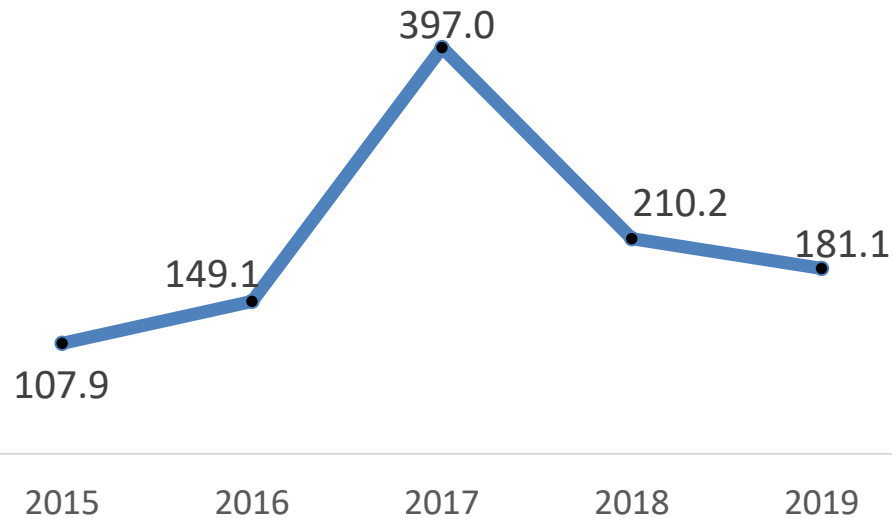
303.085

Source: Indonesia Investment Coordinating Board (BKPM)



# Trend of Taiwan Investment in Indonesia (2015-2020Q1)

**Taiwan Investment in Indonesia (2015-2019)**  
In USD Million

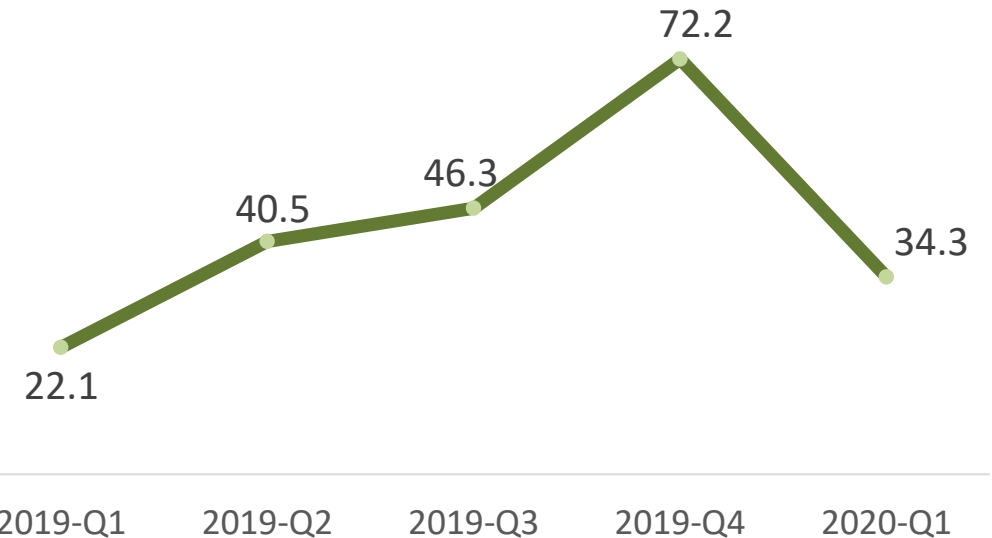


*In Last 5 Years, Taiwan Investment **grew +36%** on Average Annually*

## Investment from Taiwan in last 5 Years (2015-2019)

- Total Value: **USD 1,045 Million**
- Total Project: **2,222 Projects**
- Local Workers Absorbed: **87,534 workers**
- **Ranked 15<sup>th</sup>** among all FDI in Indonesia

**Taiwan Investment in Indonesia Quarterly (2019-2020Q1)**  
In USD Million



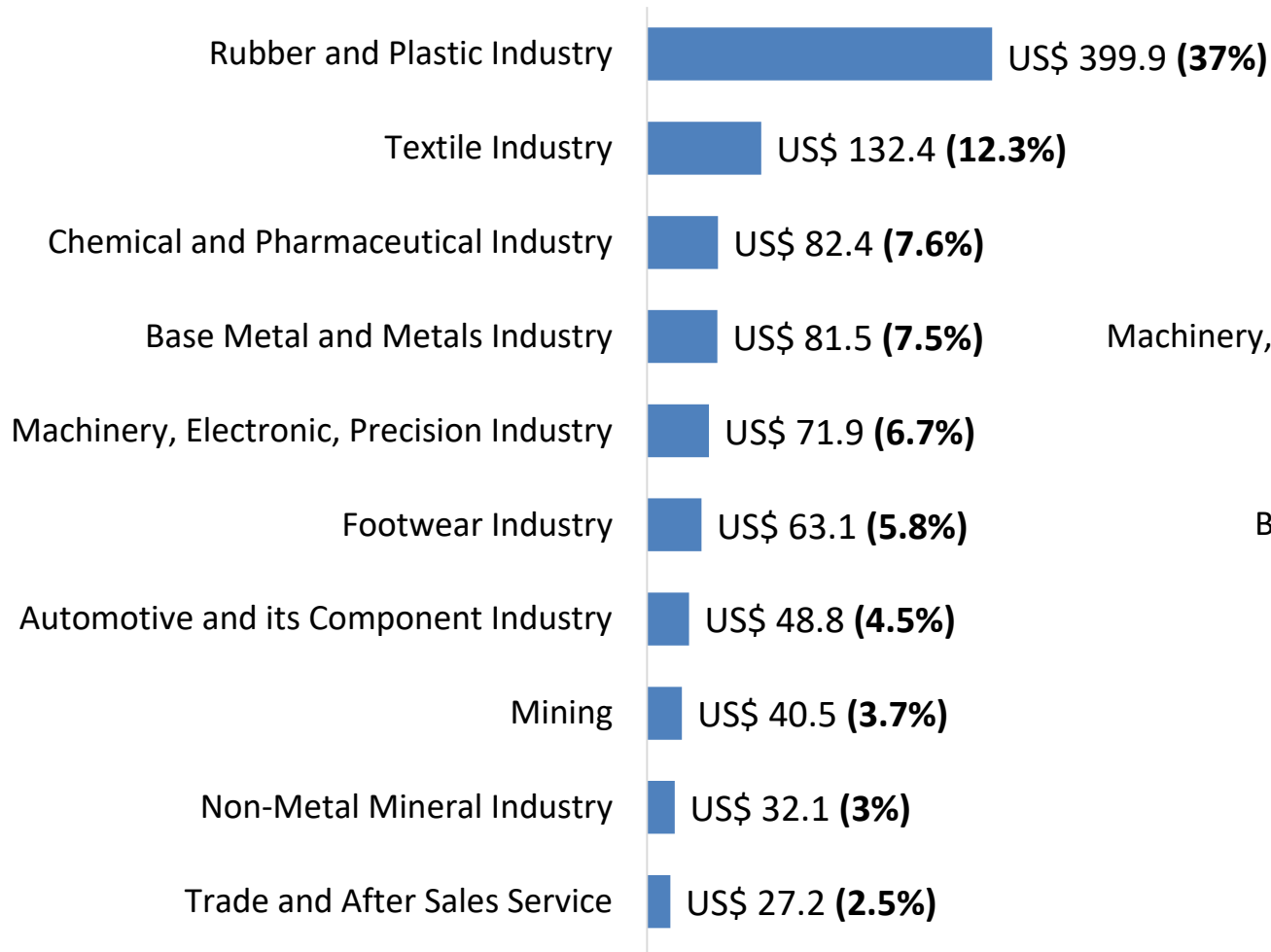
*Taiwan Investment in 2020-Q1 **grew +55.2%** compared to 2019-Q1*

## Investment from Taiwan in 2020-Q1

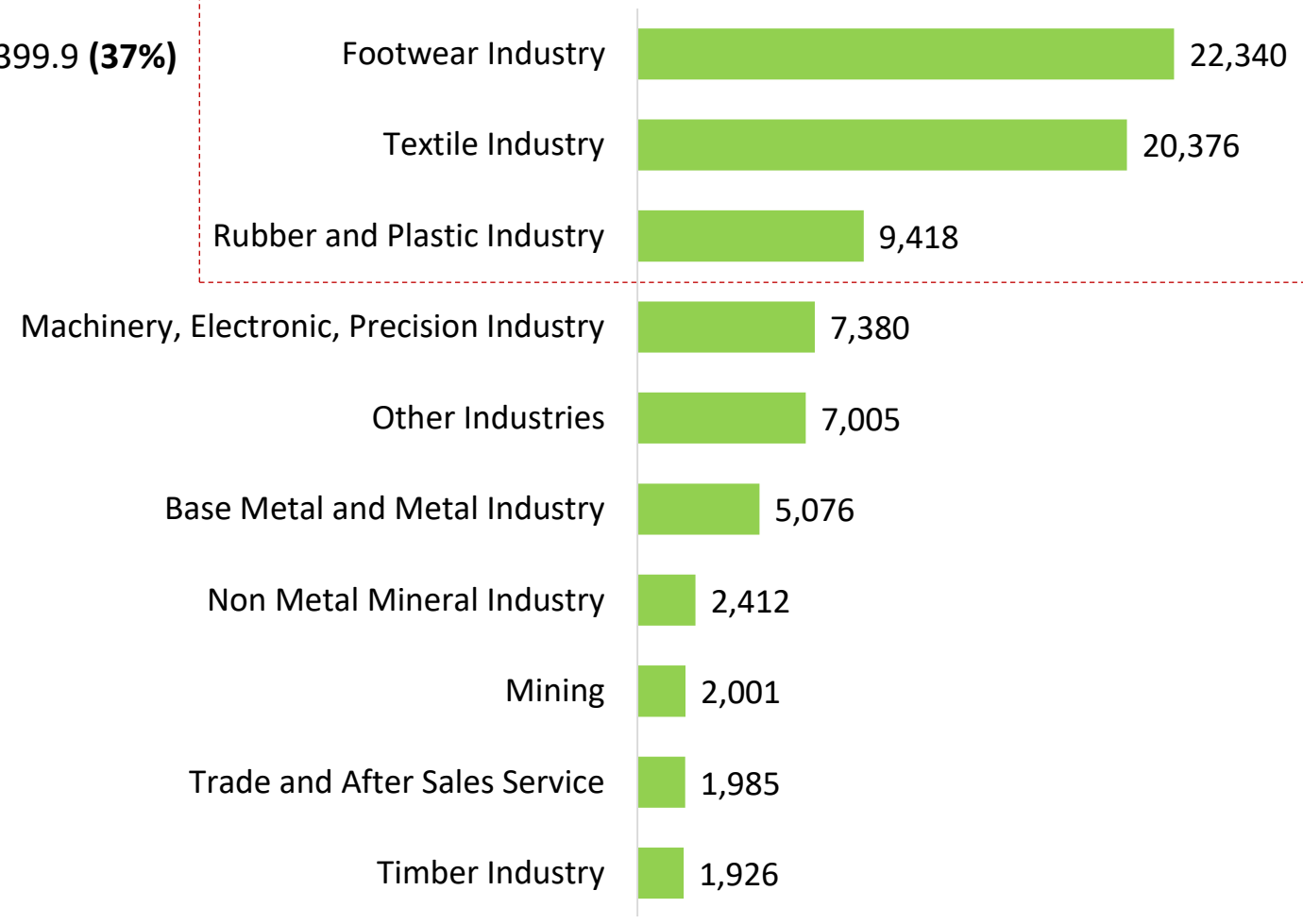
- Total Value: **USD 34.3 Million**
- Total Project: **197 Projects**
- Local Workers Absorbed: **1,892 workers**
- **Ranked 12<sup>th</sup>** among all FDI in Indonesia

# In the last 5 Years (2015-2020/Q1), Taiwan Investment in Indonesia is dominated by Industries that Absorbing Large Number of Labors

**(Investment Value In Million)**



**(Local Workers Absorbed)**



Source: Indonesia Investment Coordinating Board (BKPM), April 2020

# Relief Measures by Indonesian Government should be Benefited by Existing Taiwan Companies in Indonesia

## Lowering Corporate Income Tax Rate



**22% in 2020 and 2021**  
**20% in 2022 onwards**

*From 25%, through Government Regulation issued in lieu of Law (Perppu) No. 1 Year 2020*

*For listed company taxpayer with at least 40% of shares traded in Indonesian Stock Exchange and meet certain requirements the Rate is 19% for 2020 & 2021, and 17% for 2022 onwards*

**Ministry of Finance (MOF) Regulation No. 44/PMK.03/2020**  
to update MOF Regulation No. 23/PMK.03/2020  
*Regarding to Tax Incentives for Taxpayers affected by the Covid-19  
Related to Foreign Investment Company in Indonesia*



**Article 21:** Income Tax for Worker borne by The Government



**Article 22:** Exemption from Article 22 Income Tax on Import



**Article 25:** 30% Reduction of Monthly Tax Installment



**Preliminary Refund of Value Added Tax (VAT)**



## WHAT WE DO TO FACILITATE INVESTORS?



**Indonesian Government maintain communication regularly with existing investors, as well as approaching potential investors through digital technology such as video conference.**



**We provide facilitation or treatment to all investors.**



**Facilitates companies experiencing hurdles by coordinating with relevant Ministries and/or regional government officials.**



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**Thank You**  
**謝謝**

Indonesian Economic & Trade Office in Taipei (IETO)  
6F, No. 550, Rui Guang Road, Neihu District, Taipei, 114, Taiwan  
Phone : (886)-2-87526170  
Fax : (886)-2-87523706