

Investing in Indonesia



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43.6

billion US dollars
(IDR 545.4 trillion)
Investment realization

+17.8%

Investment realization growth (y/y)

148.2

billion US dollars
(IDR 1,852 trillion)
Investment commitment

+45%

Investment commitment growth (y/y)

Investment Progress

Growing Investment in 2015

Construction of Nickel Smelter to produce stainless steel in Morowali, Central Sulawesi



10.5

billion US dollars
(IDR 146.5 trillion)
Investment realization

+17.6%

Investment realization growth (y/y)

49.5

billion US dollars
(IDR 638 trillion)
Investment commitment

+80%

Investment commitment growth (y/y)

Investment Progress

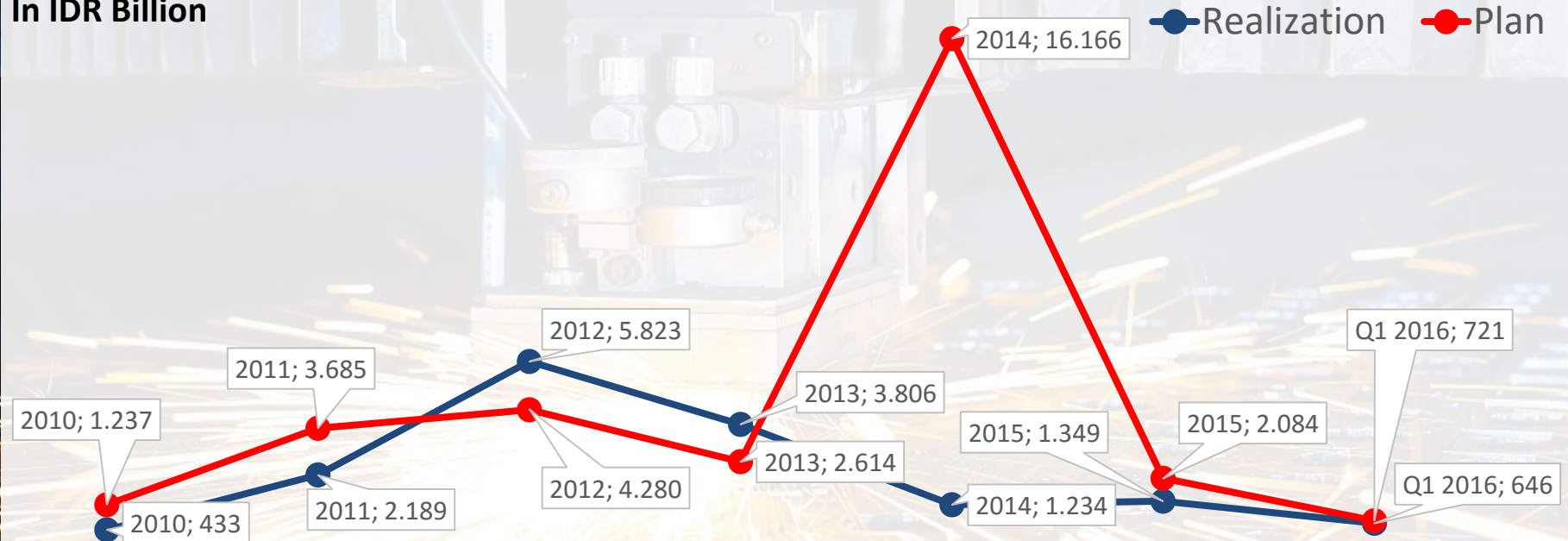
Increasing Investment in 2016(Q1)





Taiwan's Promising Investment

In IDR Billion



1.61

Billion US dollars
(IDR 15.5 trillion rupiahs)
Investment realization
in 2010-Q1 2016

Manufacturing Industry

Largest sector,
comprising 87%
in 2010-Q1 2016

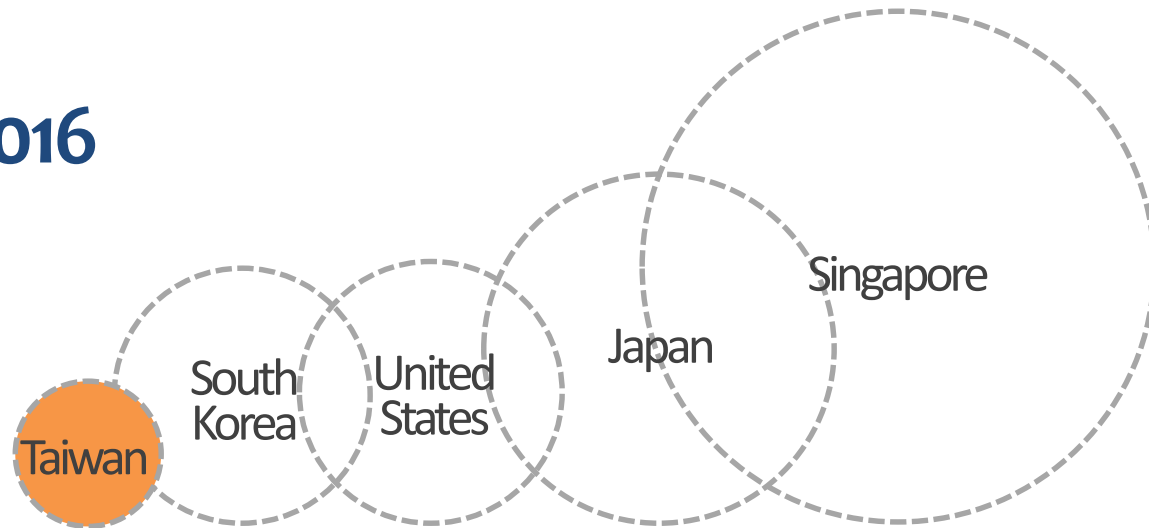
33.6%

Investment
realisation ratio
in 2005-2015



FDI Realization in Indonesia 2010-Q1 2016

Excl. Upstream oil, gas, and financial sectors



| Rank | Country | FDI (USD billion) |
|------------------------------|------------------------|-------------------|
| 1 | Singapore | 34.8 |
| 2 | Japan | 16.6 |
| 3 | United States | 8.3 |
| 4 | South Korea | 8.2 |
| 5 | Malaysia | 7.3 |
| 6 | Netherlands | 7.2 |
| 7 | China and Hong Kong | 6.1 |
| 8 | British Virgin Islands | 5.3 |
| 9 | United Kingdom | 4.9 |
| 10 | Mauritius | 2.5 |
| 11 | Australia | 2.1 |
| 12 | Taiwan | 1.6 |
| Total (All countries) | | 153.6 |

| Rank | Taiwan FDI in Indonesia | Portion |
|----------------------------|-------------------------------------------|-------------|
| 1 | Paper and Printing Industry | 51% |
| 2 | Mineral non-metal industry | 25% |
| 3 | Rubber and plastic industry | 8% |
| 4 | Textile industry | 3% |
| 5 | Metals, Machinery and Electronic Industry | 3% |
| 6 | Transportation Equipment and others | 2% |
| 7 | Trade and Repair | 2% |
| 8 | Leather and shoes industry | 2% |
| 9 | Other industry | 2% |
| 10 | Food Industry | 1% |
| Total (All sectors) | | 100% |

Indonesia is the 7th of Taiwan's Investment Destination Country

2010 – 2015 (not including financial services)



| No | Destination Country | Projects | Capex | Avg Capex | Jobs Created | Avg Jobs | Companies |
|----|---------------------|------------|-----------------|--------------|----------------|------------|------------|
| 1 | China | 339 | 42.637,8 | 125,8 | 160.819 | 474 | 173 |
| 2 | India | 43 | 7.301,6 | 169,8 | 58.555 | 1.361 | 37 |
| 3 | Vietnam | 49 | 7.280,6 | 148,6 | 25.603 | 522 | 28 |
| 4 | Singapore | 13 | 4.457,5 | 342,9 | 3.882 | 298 | 9 |
| 5 | United States | 56 | 4.126,2 | 73,7 | 4.200 | 75 | 44 |
| 6 | Thailand | 16 | 1.741,4 | 108,8 | 15.483 | 967 | 16 |
| 7 | Indonesia | 12 | 1.436,5 | 119,7 | 7.283 | 606 | 10 |
| 8 | Malaysia | 15 | 1.154,3 | 77,0 | 4.259 | 283 | 13 |
| 9 | Philippines | 10 | 1.026,6 | 102,7 | 2.909 | 290 | 9 |
| 10 | South Africa | 1 | 1.000,0 | 1000,0 | 2.500 | 2.500 | 1 |
| | Total | 757 | 77.797,7 | 102,8 | 314.725 | 415 | 359 |

Taiwan Investment to the World

| No | Industry Sector | Projects | Capex | Jobs Created |
|----|-------------------------------|----------|----------|--------------|
| 1 | Electronic Components | 95 | 11.720,8 | 46.550 |
| 2 | Semiconductors | 39 | 9.876,9 | 17.608 |
| 3 | Chemicals | 22 | 9.034,8 | 9.679 |
| 4 | Metals | 52 | 8.836,3 | 16.503 |
| 5 | Communications | 78 | 8.296,2 | 35.279 |
| 6 | Business Machines & Equipment | 59 | 4.638,8 | 36.150 |
| 7 | Automotive OEM | 6 | 3.031,0 | 9.384 |
| 8 | Coal, Oil and Natural Gas | 5 | 2.142,0 | 433 |
| 9 | Rubber | 21 | 2.021,5 | 11.054 |
| 10 | Food & Tobacco | 32 | 1.969,6 | 10.955 |

Taiwan Investment in Indonesia

| No | Industry Sector | Projects | Capex | Jobs Created |
|----|------------------------|-----------|----------------|--------------|
| 1 | Rubber | 2 | 653,6 | 2.602 |
| 2 | Metals | 1 | 495,5 | 204 |
| 3 | Textiles | 4 | 200,3 | 3.499 |
| 4 | Communications | 1 | 59,1 | 787 |
| 5 | Automotive Components | 2 | 11,4 | 103 |
| 6 | Plastics | 1 | 10,3 | 65 |
| 7 | Software & IT services | 1 | 6,4 | 23 |
| 8 | Total | 12 | 1.436,5 | 7.283 |

Sumber: FDI Market, Financial Times 2015

Investment Service Reforms



One-Stop Services

One place

22 ministries integrated

3-hour Service

One-Stop Service (PTSP) at BKPM

Direct Construction

91%

Regional PTSP formed. 61% regional PTSP implement e-licensing.

All sectors

167 permits are delegated to BKPM

Industry, power, oil & gas, tourism
at one place



3-hour Service

Available for investors with minimum investment of **IDR 100 billion** (USD 8 million) and/or employing **1,000 local workers**.



- **Arrive** at One-stop Service at BKPM directly from the airport.
- **Consult** with Director of Investment Service.
- **Submit** the required documents & data.

8 documents obtained

Certainty to start a business

- Investment license
- Certificate of incorporation
- NPWP / Tax registration
- TDP / Company registration

Certainty to work

- RPTKA / Employment plan
- IMTA / Working permit

Certainty to import capital goods

- APIP / Import identification
- NIK / Customs registration

Accurate land Information

- Letter of land availability



Wait at the lounge while documents are processed by BKPM, in-house notary, ministries, & other government institutions.



Obtain eight documents & letter of land availability within three hours to start your business.



Direct Construction

Investors can directly start their project construction before obtaining construction permits. This service is supported by both **Central and Regional Governments**.

No Requirements

- No minimum investments or workers is required.
- Available for **selected industrial parks**.
- Construction permits can be obtained in parallel with construction process.



Obtain investment licence at One-stop Service (PTSP) at national or regional level.

- **Survey** a land within selected industrial parks.
- **Acquire** the land for your industry.

- **Start the construction** of your project. No other permits are required.
- **Apply** for building construction permit & environmental permit, in parallel with construction process.

Bonded Logistics Centers

Easing export & import

Companies can store their export/import products and obtain customs, tax, and other facilities

Improving logistics distribution

- *For domestic & regional market*
- *Cheaper storage, freight and port handling costs*
- *Bring the products closer to consumers*

Various sectors

Oil and gas, mining, textile, chemical, food, cosmetics, also automotive industries

11 strategic locations

In Java, Bali & Kalimantan islands

**WHERE
ON EARTH**



Java, Bali & Kalimantan are three of main islands.



More open to investment

- **More** business fields open to **100% FDI**.
- **Less** business fields **open with condition**, reduced from 664 to 515.
- **More** business fields **open to foreign majority** share ownership (>50% FDI).
- **Less** business fields **reserved for domestic investment**, reduced from 66 to 51.

Simpler investment procedure

- **No more technical approval** from other ministries or institutions.
- **No more conditions** related to regional government.
- **Special Economic Zones (SEZs)** are excluded from the negative list, except for business fields allocated for SMEs.

More protection for investors

- Facilitation of the National Team for the Enhancement of Exports and Investments (Timnas PEPI) in **monitoring, evaluation and issue settlement**.
- Prohibition of the establishment of **contrary regulations** issued by ministries, agencies, or regions.

Easier to understand

- Maximum share of FDI are **simplified and in line** with the Company Law in Indonesia.
- **Three categories** of business fields:
 1. Closed for investment;
 2. Allocated for SMEs and partnership;
 3. Open with conditions.



More open to foreign investments

100% FDI
Distributor
affiliated with
production

*67% FDI for
distributor not
affiliated with
production*

100% FDI
Raw material for
Pharmacy

*From previously
open to 85% FDI*

100% FDI
E-Commerce
in partnership
with SMEs

*From previously
closed to FDI*

100% FDI
Marketplace

*For min. Investment
of IDR 100 billion
(USD 8 million).
Open 49% FDI for
investment
< IDR 100 billion*

100% FDI
Film
Industry

*Production, post-
production,
distribution,
projection*

67% FDI
Transport
infrastructure &
support services

*Including cargo
handling, air
transport, renting &
leasing*

100% FDI
Tourism

*Sports center,
restaurant,
bar, cafe*



One-stop Shop for Investment



MO
Marketing Officers

Dedicated to each country/region. Consultation & facilitation services.

OSS
One-Stop Service

22 ministries & agencies. Licencing at one place: industry, power, oil & gas, tourism, etc.

3-hour Service

Permits to start business, to work & to import capital goods. Land-booking letter.

IRO
Investors Relation Officers

Dedicated to each region in Indonesia. Monitoring & facilitation to realize investment.



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Xie xie

Terima Kasih

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