

Update on Indonesia: Investment Policy & Opportunity



Mr. Indra Darmawan
Director of Regional Promotion Facilitation

Prepared for Taiwan – ASEAN – India Strategic Partnership Forum
Taipei - Hsinchu | 2019

TAIWAN – INDONESIA UPDATES



Indonesia & Taiwan

1970

Indonesia established Indonesian Chamber of Commerce in Taipei .

1990

BKPM and Ministry of Industry started to send a representative to Indonesian Chamber and Commerce in Taipei.

1994

Indonesia Chamber of Commerce in Taipei became Indonesia Economic & Trade Office (IETO), a non-governmental organization under Ministry of Trade.

53 times bigger in size

Taiwan

Population: 23.55 million
GDP nominal:
USD 572.6 billion

Indonesia

Population: 262,8 million
GDP nominal:
USD 1.013 trillion



In USD Million

Taiwan FDI TOP 10 Destination

Destination Country	2014	2015	2016	2017	2018	2019	Total	Share%
1 China	4,440.0	6,196.0	10,931.6	2,590.6	9,652.4	200.0	34,011	52%
2 United States	6.0	5.7	81.9	10,000.0	9,481.9	.0	19,575	30%
3 Vietnam	475.9	982.6	3,526.0	647.9	495.0	110.0	6,237	10%
4 India	.0	442.5	133.2	46.1	790.8	678.5	2,091	3%
5 Indonesia	381.6	.0	4.0	50.0	957.8	.0	1,393	2%
6 South Korea	.0	.0	.0	.0	449.0	.0	449	1%
7 Singapore	200.8	.0	33.5	25.0	.0	.0	259	0%
8 Serbia	90.6	.0	.0	.0	122.5	.0	213	0%
9 Belgium	.0	.0	.0	.0	201.3	.0	201	0%
10 Malaysia	.0	166.9	.0	.0	.0	.0	167	0%
Other Country	305.0	127.1	116.3	209.4	148.3	30.4	936	2%
Total	5,900	7,921	14,826	13,569	22,299	1,019	65,534	100%

Taiwan FDI Sector in Indonesia)

(Source: FDI Market, 2019)

Based on Taiwan outward Investment Indonesia holds 2 % of total investment, in sectors such as: renewable energy, rubber and textiles

	Industry Sector	Projects	Capex	Companies
1	Renewable energy (electricity)	2	936.3	2
2	Rubber	1	333.6	1
3	Textiles	3	99.0	3
	Other Sectors	11	24.5	11
	Total	17	1,393.4	17

Taiwan Outward Investment 2014-2019 Q1 – by Sector

In USD Million

Industry Sector	Capex	Share %
1 Electronic components	21,538.5	33%
2 Semiconductors	16,556.2	25%
3 Plastics	10,506.4	16%
4 Real estate	3,042.4	5%
5 Textiles	1,921.3	3%
6 Chemicals	1,904.3	3%
7 Communications	1,621.5	2%
8 Industrial equipment	1,220.0	2%
9 Automotive OEM	1,101.1	2%
10 Renewable energy	1,062.0	2%
Other Sectors	5,060.3	8%
Total	65,533.9	100%

Taiwan FDI Sector in the world
(Source: FDI Market, 2019)

Taiwan investment in the world is dominated in electronic, semiconductore chemical as well as information and communication sector. However, total investment in these sectors are still relatively low in Indonesia. Therefore, we are encourage Taiwanese companies to invest more in these sectors in Indonesia.

Top 10 Investors in Indonesia (2014-Q1 2019)

By Country Excl. Upstream oil, gas, and financial sectors



In USD Million

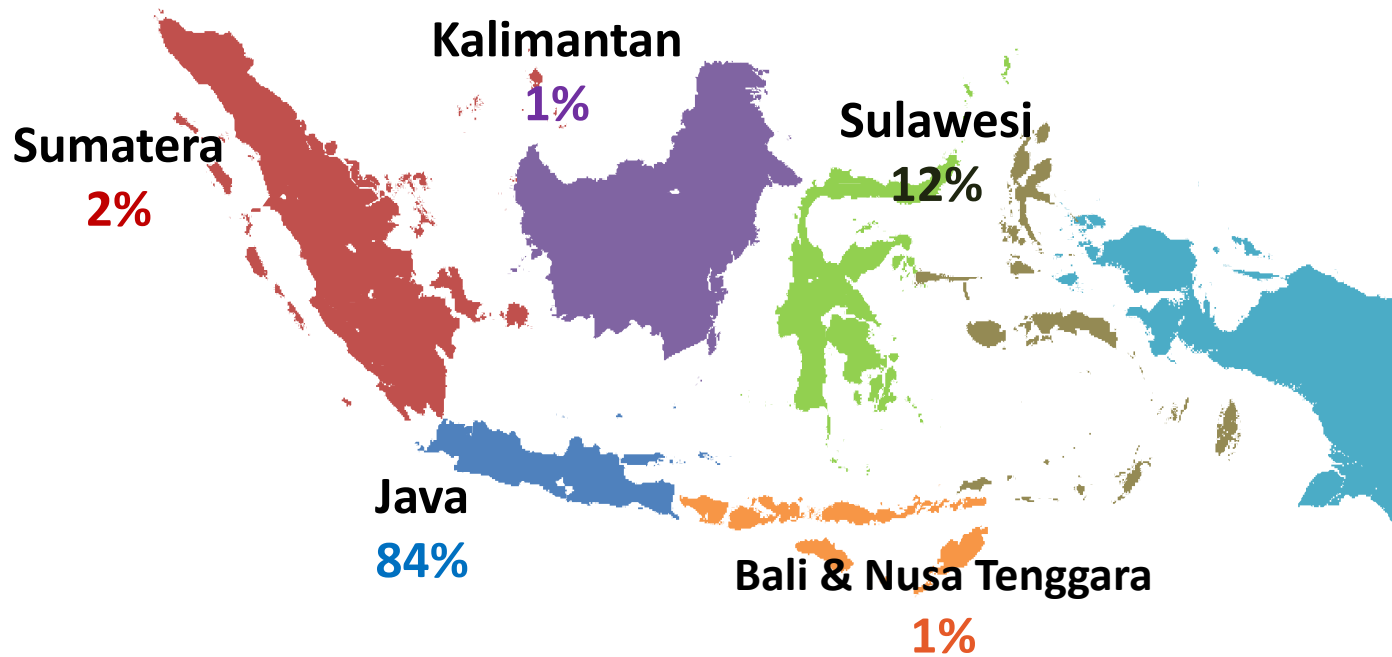
	Country	2014	2015	2016	2017	2018	2019 Q1	Total
1	Singapura	5,832	5,901	9,179	8,442	9,193	1,723	40,270
2	Jepang	2,705	2,877	5,401	4,996	4,953	1,134	22,066
3	R.R. Tiongkok	800	628	2,665	3,361	2,377	1,159	10,991
4	Malaysia	1,776	3,077	1,116	1,214	1,775	705	9,663
5	Hongkong, RRT	657	937	2,248	2,117	2,011	583	8,554
6	Belanda	1,726	1,308	1,475	1,489	943	365	7,307
7	Korea Selatan	1,127	1,213	1,066	2,025	1,605	269	7,305
8	Amerika Serikat	1,300	893	1,162	1,993	1,218	329	6,894
9	British Virgin Islands	624	731	1,157	845	1,043	199	4,599
10	Inggris	1,588	503	307	775	271	24	3,468
15	Taiwan	115	108	149	397	210	22	1,001
	Other country	10,280	11,099	3,039	4,587	3,709	681	33,395
	Total	28,530	29,276	28,964	32,240	29,308	7,195	155,512

Taiwan rank 15 in total investment in Indonesia, with 2.142 projects and absorbs 102.916 local workers.

Taiwan FDI in Indonesia, mostly located in Java region and encouraged to grow in other regions

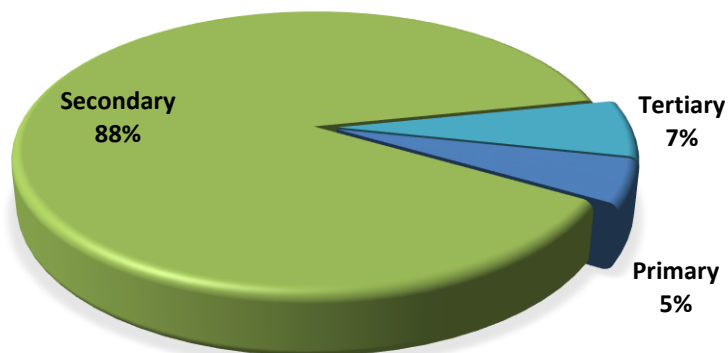
In USD Million

Region	2014	2015	2016	2017	2018	2019Q1	Total	Share %
Sumatera	1.82	2.71	2.41	10.76	3.73	0.24	21.68	2%
Java	111.78	95.75	145.55	372.84	92.81	20.90	839.62	84%
Bali & Nusa Tenggara	0.06	-	0.26	3.02	5.90	0.05	9.29	1%
Kalimantan	0.26	4.56	-	7.63	-	-	12.44	1%
Sulawesi	0.75	4.93	0.85	2.79	107.77	0.92	118.01	12%
Total	114.67	107.95	149.06	397.03	210.22	22.11	1,001.04	



Taiwan FDI in Indonesia by Sector, mostly in Secondary sectors

TOTAL FDI BY SECTOR IN TAIWAN
2014-2019 Q1



88% investment from Taiwan was in secondary sector, such as rubber, textile, basic metal /metal and chemical/ pharmaceutical

In USD Million

#	Sectors	2014	2015	2016	2017	2018	2019 Q1	Total
1	Rubber and plastic industry	10.96	52.32	76.78	242.46	22.00	1.17	405.7
2	Textile Industry	38.85	5.43	8.43	32.62	9.35	0.84	95.5
3	Basic Metal, metal and others	21.35	9.05	14.05	20.29	19.91	1.20	85.8
4	Chemicals and pharmaceutical	0.70	0.81	9.68	12.83	58.53	0.26	82.8
5	Machinery, electronics, medical instruments, electric equipment, optics, watch,	4.32	0.91	13.19	17.82	15.81	4.23	56.3
	Other Sectors	38.50	39.42	26.93	71.00	84.62	14.41	274.9
	Total	114.7	107.9	149.1	397.0	210.2	22.1	1,001.0

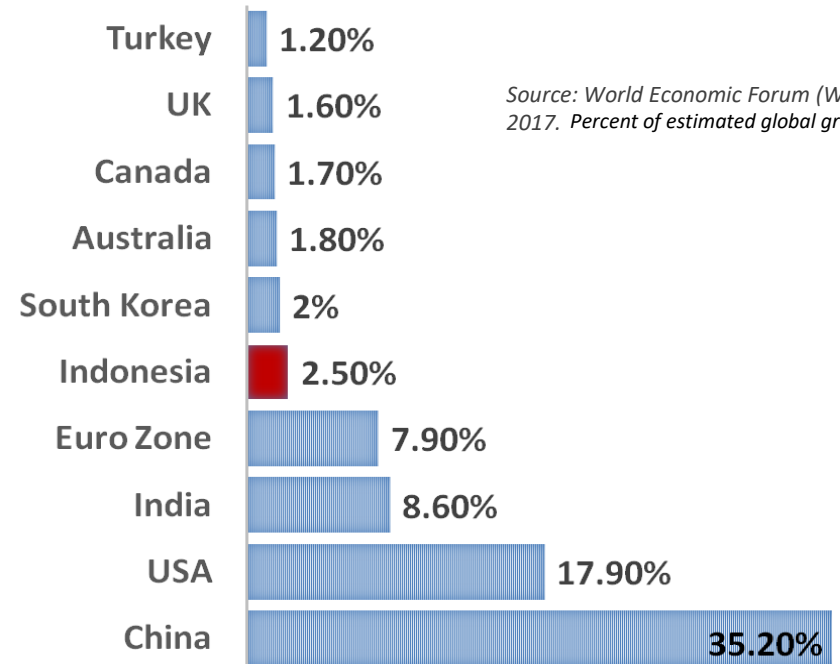
TRILLION DOLLAR CLUB

Countries with a GDP of more than **USD 1 trillion** per year, and the year they joined



Indonesia is the 5th biggest contributor to world economic growth

Over the next 3 years (2017-2019), it is estimated that **\$75 trillion global economy** will expand by another **\$6.5 trillion** in size. Here are the top-5 economies that will generate that growth (%):



Source: World Economic Forum (WEF), 2017. Percent of estimated global growth




Indonesia, why it matters? Economic Fundamental

Indonesia's economy is forecast to be the **world's 10th largest** by 2025

\$1 trillion GDP of more than \$1 trillion (PPP)

 **The largest economy in ASEAN**

 **Only ASEAN Member in the G20**

Indonesia is the **fourth most populous** country in the world

 Population of 260 million

Equal to **40.8%** of ASEAN total population [World Bank, 2018]

2x

"Consuming class" twice the size of the population of Australia

44%

Young and dynamic people
44% of Indonesians are aged under 25

305.7 Million people of Indonesia population in 2035 [CEIC, 2018]

Source: various sources, 2018

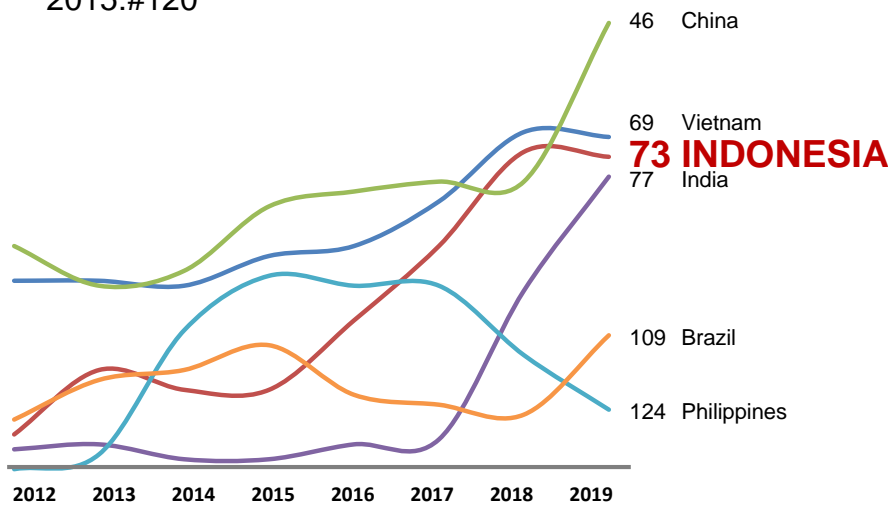


Indonesia has shown progressive achievement in the past few years..



Indonesia's Ease of Doing Business Rank, 2012-2019

2019:#73
2018:#72
2017:#91
2016:#106
2015:#120



Source: EoDB Survey, 2019

Improved areas:

1. Starting business
2. Getting electricity
3. Registering property
4. Getting credit
5. Protecting minority investors
6. Paying taxes
7. Trading across borders

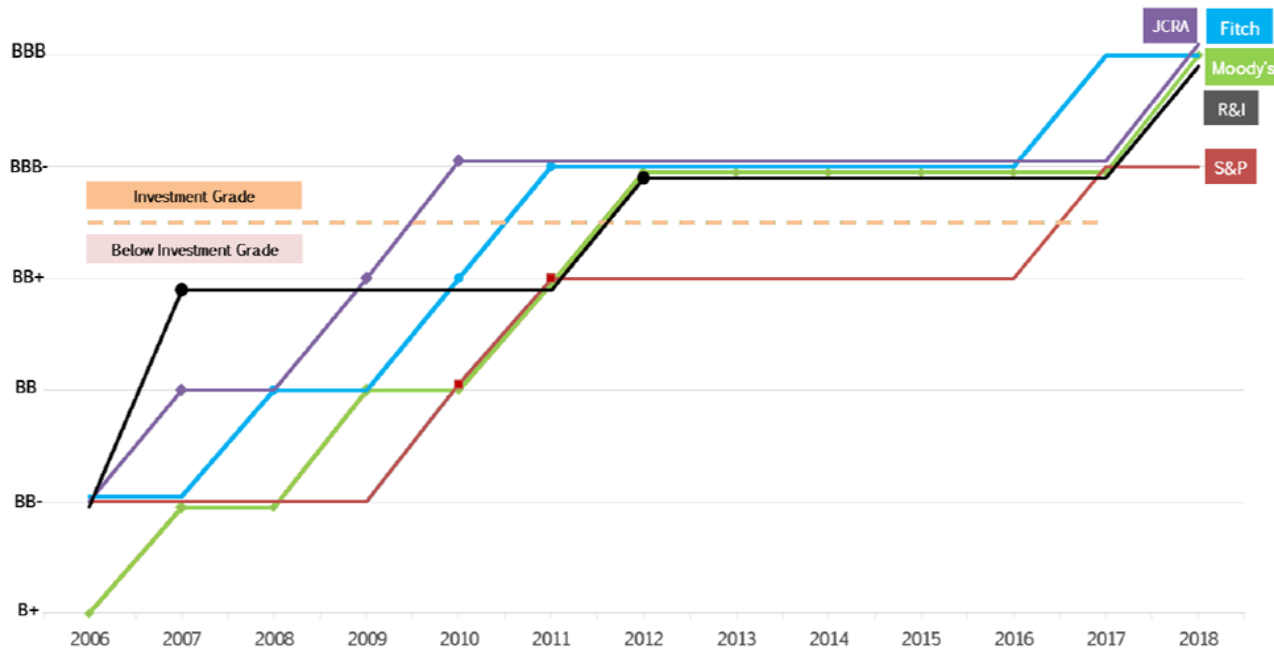
Key Improvements

1. In the last 3 years, Indonesia has climbed 33 positions, which means that Indonesia has become an easier place to do business.
2. Reducing licensing procedures and implementing online system service
3. Reducing number of crossings, applying integrated risk management and using an online system
4. Simplifying procedures and strengthening building inspections.



S&P raises Indonesia's rating to 'BBB' on strong economic prospects on May 31, 2019

Investment Grade Status



FitchRatings

BBB / Stable

S&P Global

BBB / Stable

MOODY'S

Baa2 / Stable

R&I

BBB / Stable

JCR

株式会社日本格付研究所

BBB / Stable

Indonesia in 2050

GDP at PPP Rangings (Projection for 2030 and 2050)

PPP Rank	2016		2030		2050	
	Country	GDP at PPP (2016 US\$bn)	Country	Projected GDP at PPP(US\$bn)	Country	Projected GDP at PPP(US\$bn)
1	China	21,269	China	38,008	China	58,499
2	United States	18,562	United States	23,475	India	44,128
3	India	8,721	India	19,511	United States	34,102
4	Japan	4,932	Japan	5,606	Indonesia	10,502
5	Germany	3,979	Indonesia	5,424	Brazil	7,540
6	Russia	3,745	Russia	4,736	Russia	7,131
7	Brazil	3,135	Germany	4,707	Mexico	6,863
8	Indonesia	3,028	Brazil	4,439	Japan	6,779
9	United Kingdom	2,788	Mexico	3,661	Germany	6,138
10	France	2,737	United Kingdom	3,638	United Kingdom	5,369

Source: How will the global economic order change by 2050, PwC, 2017

Indonesia rises from 8th in 2016 to 4th in 2050.

Rebecca Harding, CEO of Delta Economics predicted that after around 2018, growth could get back on track both in China and in emerging Asia more generally, in part because China will be pushing its productive capacity into other lower cost places like Vietnam, Indonesia, the Philippines and maybe also Myanmar.

According to PwC analysis (PwC, 2015), western companies will likely see a change in the way they do business in the Asian region. Rising costs will mean that many off-shored jobs are likely to exit China over time and move to other cheaper economies such as Vietnam, Bangladesh, Philippines and Indonesia, whilst Chinese exporters will find themselves competing more on the basis of quality rather than price in their key US and EU export market.

World Bank's Economic Growth Projection

Country	2017	2018	2019	2020
China	6.8	6.4↓	6.3↓	6.2↓
Cambodia	6.8	6.9↑	6.7↓	6.7
Philippines	6.7	6.7	6.7	6.5↓
Vietnam	6.7	6.5↓	6.5	6.5
Laos	6.7	6.6↓	6.9↑	6.9
Myanmar	6.4	6.7↑	6.9↑	6.9
Malaysia	5.8	5.2↓	5.0↓	4.7↓
Indonesia	5.1	5.3↑	5.3	5.3
Fiji	3.8	3.5↓	3.3↓	3.2↓
Thailand	3.5	3.6↑	3.5↓	3.4↓

Indonesia in 2045

Demographics

- Population **309 million**
- Working- age population: **52%**
- Urban population: **75%**
- Middle class population: **80%**

Economy

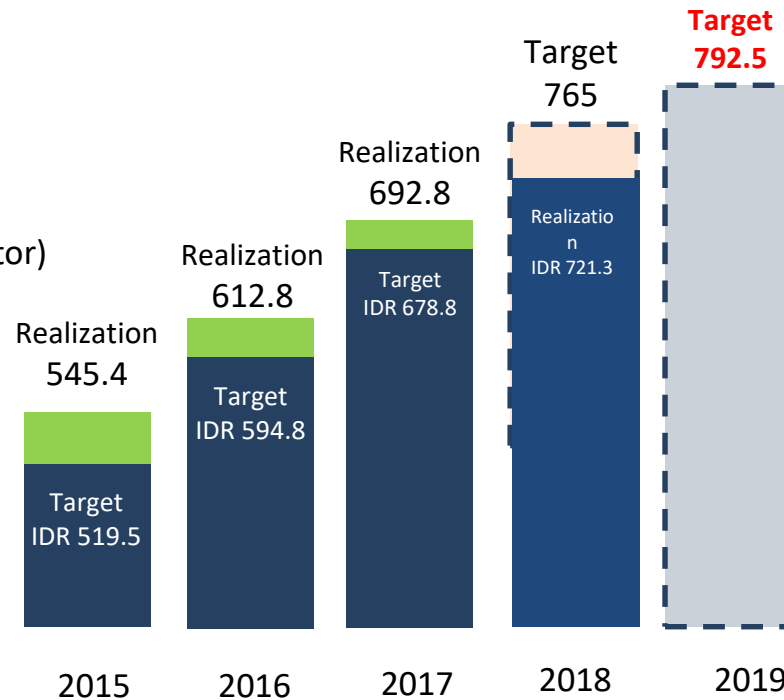
- Income per capita : US\$ 29,300
- Share economy from service sectors: **73%**

Source: World Bank, 2018



Investment Realization Target 2015 – 2019

(in IDR trillion) Excluding oil & gas and financial sector)



Indonesia has been considered as a **secure, stable and reformist** country by International Rating Agencies



Safe
Stable
Reformist

Top Ten Safest Countries

Rank	Country	Index Score
1	Singapore	97
2	Norway	93
3	Iceland	93
4	Finland	93
5	Uzbekistan	91
6	Hong Kong	91
7	Switzerland	90
8	Canada	90
9	Indonesia	89
10	Denmark	88

Source: Gallup World Polls, 2018

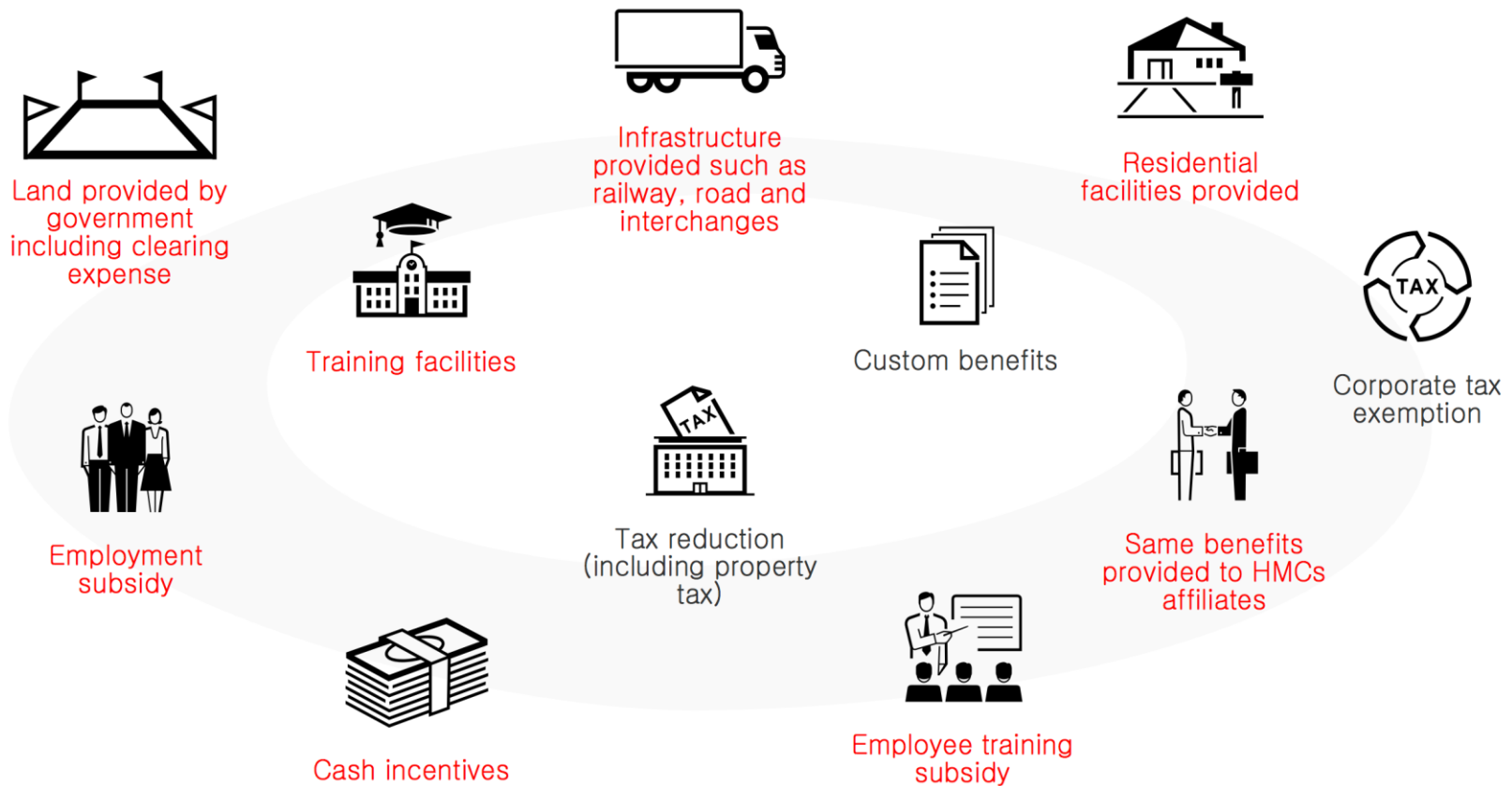
On 27 June 2018, Indonesia has successfully organized 171 regional elections (Pilkada Serentak) in order to choose executive heads in 17 provinces, 115 regencies, and 39 cities. The most talked-about regions is West Java, East Java, & Central Java. The previous simultaneous elections were in 2015 with 269 regions and in 2017 with 101 regions.

2. Investment Reforms



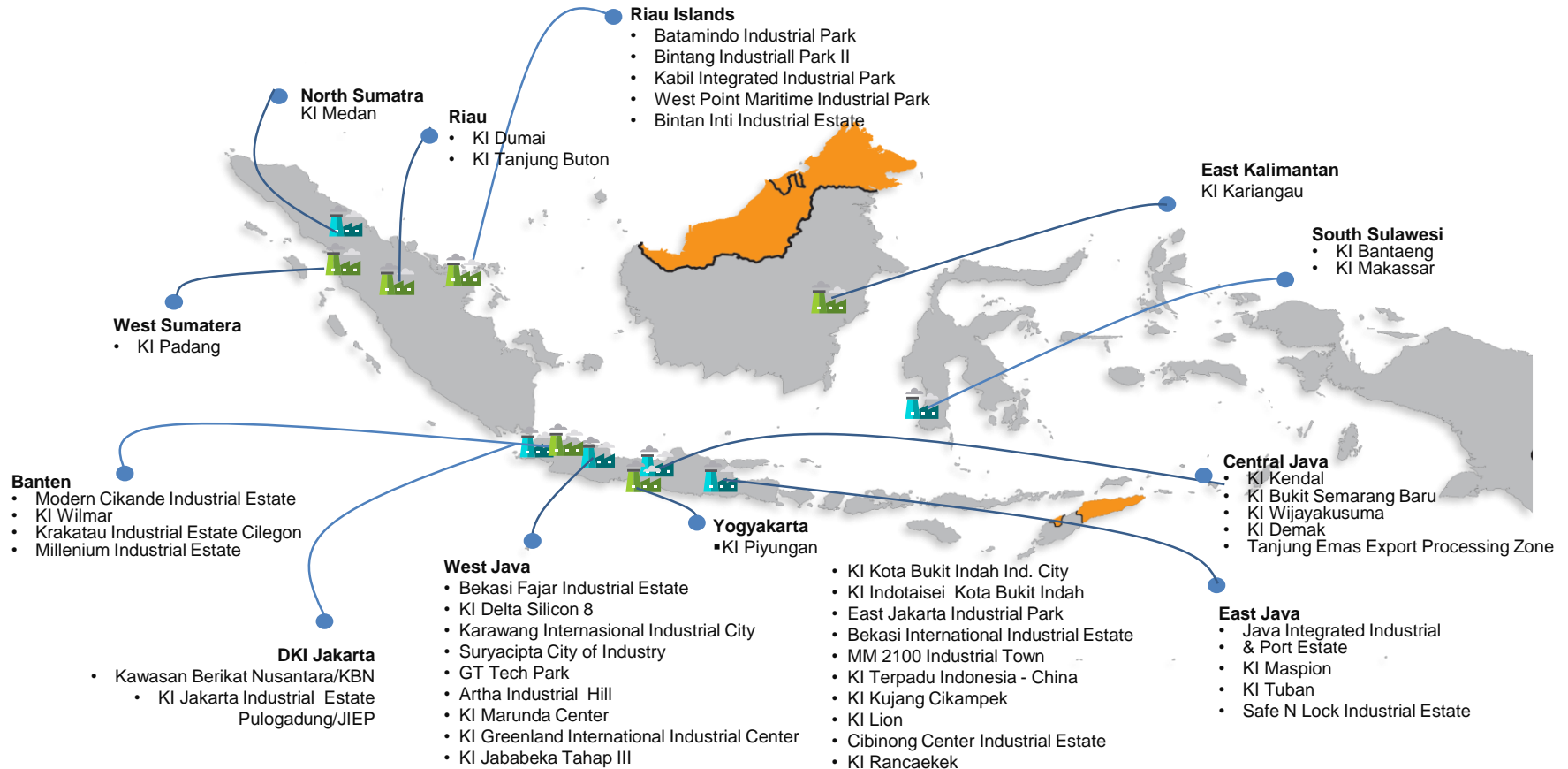


Government is Formulating some Incentives to Support The Development of Industrial Cluster



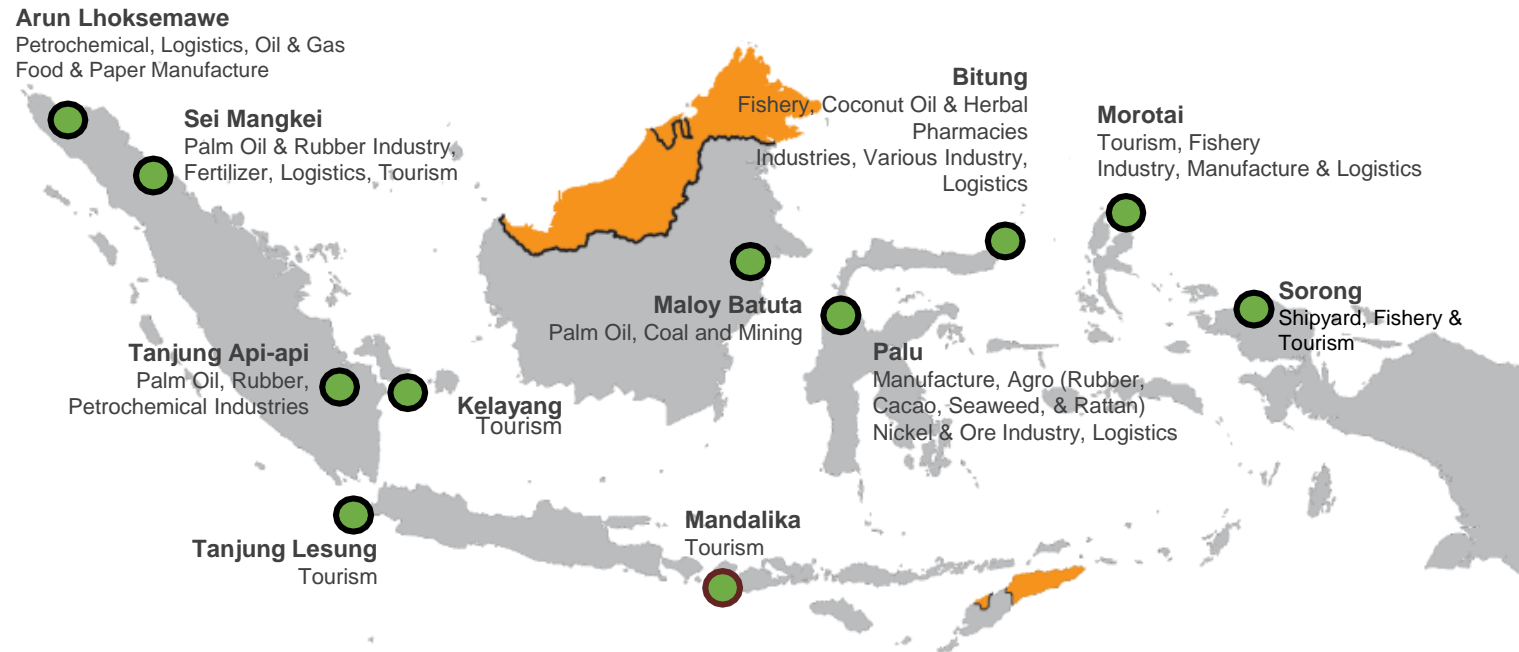


47 Industrial Estates are Ready with Direct Constructions (KLIK)





11 Special Economic Zones (SEZ)



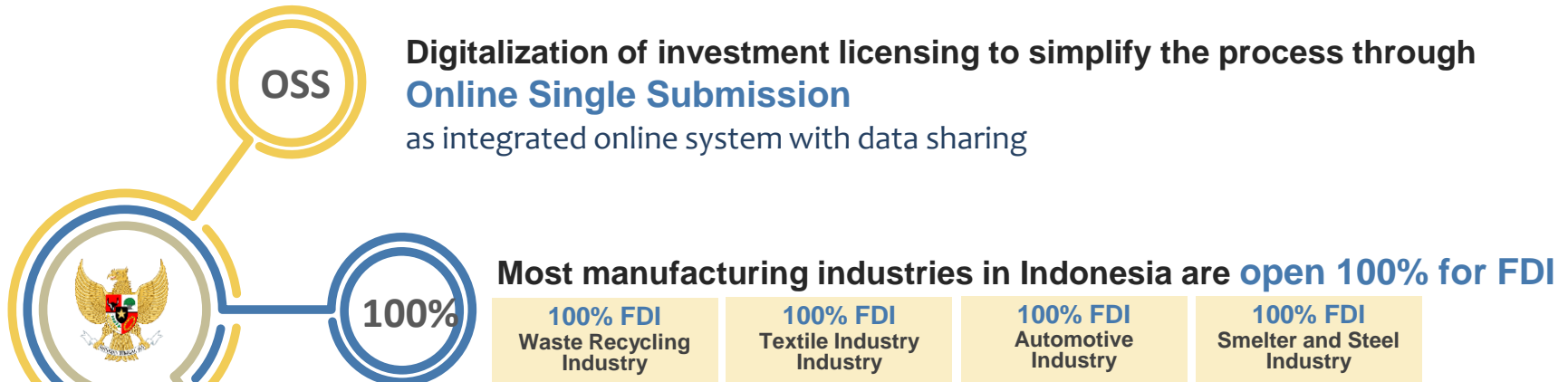
Tax Incentive:

- Income tax reduction from 20% up to 100% for periods of max 25 years
- Free VAT for import on raw materials

Facility:

- Property ownership and residence permit for foreigner
- The ease of investment licensing, land, immigration, work integrated in SEZ

Government Continues to Reform Economic Policy



Government Incentives

- Green Line Facility**
New Facility: Status upgrade
 From **RED** to **GREEN**
 line for new companies under construction
- Tax Allowance**
 30% of investment value, 5% per year for 6 year (total 30%), 145 Business Fields,
- Tax Holiday**
 100% single rate, 5-20 Year, minimum investment value of Rp. 500 Billion for 18 Pioneer Industries
- Mini Tax Holiday**
 50% single rate, 5 Year, Investment value >Rp. 100 Billion – ≤Rp. 500 Billion
- Super Deduction Tax***
 Proposed by the Ministry of Industry for companies / industries related to training for vocational programs and generating innovation/R&D



- A. NEW INVESTOR
(New Registration)
- B. EXISTING INVESTOR
(Re-registration)



Obtaining NIB
(Nomor Induk Berusaha)
*the single identity used in
OSS system*





Based on <i>Ministry of Finance Regulation No. 150 of 2018</i>		TAX HOLIDAY	MINI TAX HOLIDAY												
Investment Value		Investment > IDR 500 Billion (around US\$ 35.2 million*)	Investment IDR 100 to < IDR 500 Billion												
Industry Group		Applied to 18 Pioneer Industry groups (169 KBLI)													
Income Tax Reduction Rate		100% Reduction Rate (single rate)	50% Reduction Rate (single rate)												
Concession Period	<table border="1"> <thead> <tr> <th>Period</th> <th>Investment Value</th> </tr> </thead> <tbody> <tr> <td>5 years</td> <td>IDR 500 Billion up to < IDR 1 Trillion</td> </tr> <tr> <td>7 years</td> <td>IDR 1 Trillion up to < IDR 5 Trillion</td> </tr> <tr> <td>10 years</td> <td>IDR 5 Trillion up to < IDR 15 Trillion</td> </tr> <tr> <td>15 years</td> <td>IDR 15 Trillion up to < IDR 30 Trillion</td> </tr> <tr> <td>20 years</td> <td>≥ IDR 30 Trillion</td> </tr> </tbody> </table>	Period	Investment Value	5 years	IDR 500 Billion up to < IDR 1 Trillion	7 years	IDR 1 Trillion up to < IDR 5 Trillion	10 years	IDR 5 Trillion up to < IDR 15 Trillion	15 years	IDR 15 Trillion up to < IDR 30 Trillion	20 years	≥ IDR 30 Trillion	5 Years Concession Period	
Period	Investment Value														
5 years	IDR 500 Billion up to < IDR 1 Trillion														
7 years	IDR 1 Trillion up to < IDR 5 Trillion														
10 years	IDR 5 Trillion up to < IDR 15 Trillion														
15 years	IDR 15 Trillion up to < IDR 30 Trillion														
20 years	≥ IDR 30 Trillion														
Transition		50% CIT Reduction for the Next 2 Years	25% CIT Reduction for the Next 2 Years												

*1 USD : IDR 14,200

GENERAL CRITERIA

1. The taxpayer (company) is **incorporated in Indonesia**
2. Fulfill **Debt Equity Ratio** requirement for income tax purposes as stipulated on MoF Regulation No. 105/2018
3. For first time application (never had TH granted or rejected by the MoF)
4. Obtain a **Tax Clearance Certificate (SKF)** issued by DGT

HOW TO APPLY

1. Submit through Online Single Submission (OSS)
2. Along with taxpayer's application for New Business License (NIB) to BKPM
3. Investor should apply within 1 year after the NIB is issued by BKPM



18 Group Sectors Eligible to Apply for Tax Holiday

1. Upstream **base metal industry** (iron steel or not steel)
2. **Refining industry** / refinery for oil and gas)
3. Petroleum, natural gas or coal based **petrochemical industry**
4. **Organic basic chemical industry** sourced from agricultural, plantation or forestry products
5. **Inorganic basic chemical** industry
6. **Main pharmaceutical raw material** industry
7. Manufacture of **irradiation, electromedical or electrotherapy equipment**
8. Manufacture of **main components of electronic or telematics equipment**, such as semiconductor wafers, backlights for Liquid Crystal Display (LCD), electrical drivers, or displays
9. Manufacture of **machinery and engine main components**
10. Manufacture of **robotic components that support machinery** for manufacturing industries
11. Manufacture of the **main components of electric power generation** machines
12. Manufacture of **motorized vehicles and its main components**
13. Manufacture of **main components for ship**
14. Manufacture of **main component for train**
15. Manufacture of **main component for aircraft** and supporting activities for aerospace industry
16. **Processing industries based on agricultural, plantation or forestry products** that produce pulp, without or along with their derivatives
17. **Economic infrastructure** (including power plant, toll road with low IRR, port with low IRR, oil tanking)
18. **Digital economy** (including hosting activity and its related sector)



Investment Incentives : Tax Allowance

TAX ALLOWANCE

Government Regulation No. 9 of 2016

30 % of investment value

Reduction of corporate net income tax for 6 years, 5% each year.

14 Business fields

Eligible for tax allowance, expanded from 143 segments in the previous regulation with additional segment: clothing industry.

5

Under **certain requirements** among others: **investment value** or export orientation, **manpower absorption**, local content, and **project location** (especially outside Java island).

SOP to process TA facility is 25 working days

Equitable and Non discriminatory treatment against country of origin

For those taxpayers who have :

- Principal licenses (IP) and its changes **issued by BKPM**;
- Principal Licenses for Expansion (IP-PL) and its changes **issued by BKPM**;
- or
- Investment licenses **issued by other authorized agency**

These three types of license must be issued after **5 May 2015**

Taxpayers who have applied for import duty facility or corporate income tax reduction according to Article 29 of Government Regulation No. 94 of 2010 is **rejected by Ministry of Finance.**

Manufacturing Industry

- Iron and Steel
- Clothing
- Semi conductors
- Electronic components
- Computer
- Communication devices
- Television
- Wheel
- Pharmaceutical
- Cosmetics
- Fish and Shrimp processing

Transportation and Warehouse

- Urban transportation
- Cargo handling

Power Generation

- Geothermal
- Renewable energy

Oil and Gas Industry

- Oil refineries
- Liquefied Natural & Petroleum Gas
- Lubricants

Notes:

Certain business fields and location are based on Attachment I and II of Government Regulation No. 18 of 2015 Jo. No. 9 of 2016

NOTE

- The Government under Ministry of Finance is now finalizing the new regulation for tax allowances, tax holidays, tax deductions for small and medium enterprises (SMEs), as well as incentives for companies that carried our research and development (R&D) activities.
- The government would expand the number of business sectors that would be eligible for the incentives.
- There will be simpler procedures to obtain the incentives.



Investment Incentives : Import Duty Facility

IMPORT DUTY FACILITY

(MoF Regulation No.110/PMK.011/2005 MoF Regulation No.76/PMK.011/2012, MoF Regulation No.66/PMK.010/2015 and Chairman of BKPM Regulation No. 16/2015)

- Exemption of import duty on **imported capital goods** (machines) for **2 years** during construction period.
- Exemption of import duty on **imported goods and material for production for 2 years** during initial production (or 4 years for companies using locally-produced machines min.30% from total value of machines for production).
- Equitable and Non discriminatory treatment against country of origin

GREEN LINE ACCELERATION FACILITY

Four customs checking status:

- **Red line** is for new companies. Physical & document checks before transported from ports.
- **Yellow line** Document check before goods transported from ports.
- **Green line** Document check after goods transported from ports.
- **Main Partner Priority** for companies with proven track record. No checking required.

Acceleration and certainty in custom clearance process

Faster & Certain

- *Capital goods do not require screening.*
- *Cutting the processing time from 3-5 days to only **30 minutes**.*

Simple requirements

- *Projects under construction*
- *Obliged in reporting quarterly investment activities (LKPM)*
- *Recommendation from BKPM*

New Facility: Status upgrade

From **RED** to **GREEN** line for new companies under construction

Super Deduction Tax for Vocational Training and R&D

Proposed by Ministry of Industry

Incentive for Human Resources Development:

Reduction of Corporate Gross Income

Max of **200%**

of cost for training/education

Incentive for R&D Development:

Reduction of Corporate Gross Income

Max of **300%**

of cost for research & development

Source: Government Regulation No.45 Year 2019

36 eligible competencies for super deduction tax (proposed):

- Electronic industry
- Electrical installation
- Machinery
- Welding
- Foundry
- Industrial Mechanical Maintenance
- Metal Instrumentation
- Metal Fabrication
- Control Process
- Mechanical Control
- Automation
- Mechatronics
- Chemical Industry
- Chemical Analysis
- Maintenance & Repair of Audio & Video
- Maintenance & Repair of Heavy Equipment
- Maintenance & Repair of Automotive Light Vehicle
- Maintenance & Repair of Automotive Motorbikes
- Design & Repair of Autotronic
- Repairation of automotive body
- Automotive component industry
- Furniture
- Furniture Design
- Shipbuilding
- Ship construction
- Ship welding
- Ship electricity
- Ship machinery installation
- Textile design, craft & production
- Yarn Making
- Fabric making (weaving and knitting)
- Garment
- Chemical Textile
- Warehousing Logistic
- Transportaion Logistic
- Warehousing and distribution management

3. Investment Opportunities



6 (Six) Investment Priority Sectors



Regarding investment, 6 (six) priority sectors driven by the Indonesian Government are infrastructure, manufacturing industry, maritime, agriculture, tourism, and lifestyle industries



Infrastructure

Electricity, road, railway, airport, seaport, etc

Including



Special Economic Zone (SEZ)



Industrial Estate (IE)



Manufacturing Industry

Labor intensive, export orientation, import substitution, and downstream industries



Maritime

Including fisheries and cold storage



Agriculture



Tourism

"10 New Bali"



Lifestyle Industry

e.g: creative economy, digital industry



Education

Vocational & RnD

Digital economy and Education will be the catalyst for pushing 6 (six) priority sectors towards Indonesia 4.0

Investment Opportunities in Manufacturing

Presidential Regulation No.44 Year 2016 about Negative Investment List

100% Open to FDI

Manufacturing

- *Textile & Apparel*
- *Footwear*
- *Chemicals*
- *Metals*
- *Computer & Electronic*
- *Machinery*
- *Transport equipment*

Supports

- *Large source of raw materials*
- *Competitive workers*
- *Large domestic market*
- *Trade agreements to access global market*
- *Tax incentive*
- *Lower energy costs*
- *Bonded zones*

Manufacturing Industry

2014

2019
(projection)

Contribution to GDP

20.7%

21.6%

Growth

4.7%

8.6%

New medium-scale industries
(2015-2019)

9.000 units

[Source: Ministry of Industry RI, 2015]

E-commerce: the new big deal in the 4th industrial era

People Connecting to the Internet
Year 2017



132,7
Million

E-Commerce penetration (Buyers vs Population)
Year 2017



11%

E-Commerce Market Value
Year 2017 (USD)



\$7.056
Billion

People Purchasing via E-Commerce
Year 2017



28.07
Million

Indonesia's e-commerce market is on track to be one of the largest in Asia.



E-Commerce

Potential of Transaction in Indonesia:

2013	2016	2020
US\$ 8 bn	US\$ 20 bn	US\$ 130 bn

Players



Financial Technology (Fintech)

US\$ **14.5** bn Transaction in Indonesia 2016
 (projection)
 US\$ **56.98** Nominal of transaction per population 2014

Players



On Demand Services

112.6 mn Internet users in 2017

92.0 mn Mobile social users in 2017

Players



Internet of Things (IOT)

Market opportunity in Asia Pacific

2015 → **2020**
 US\$ **250** bn → US\$ **583** bn

Players



Beside payment system, digitalization is also growing and reach the financial services sector such as lending and investment, although fintech players in the payment system is still dominant



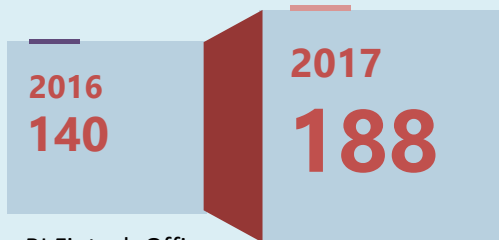
Transaction value (USD) (Grow 38%)



Source: Statista; *projection

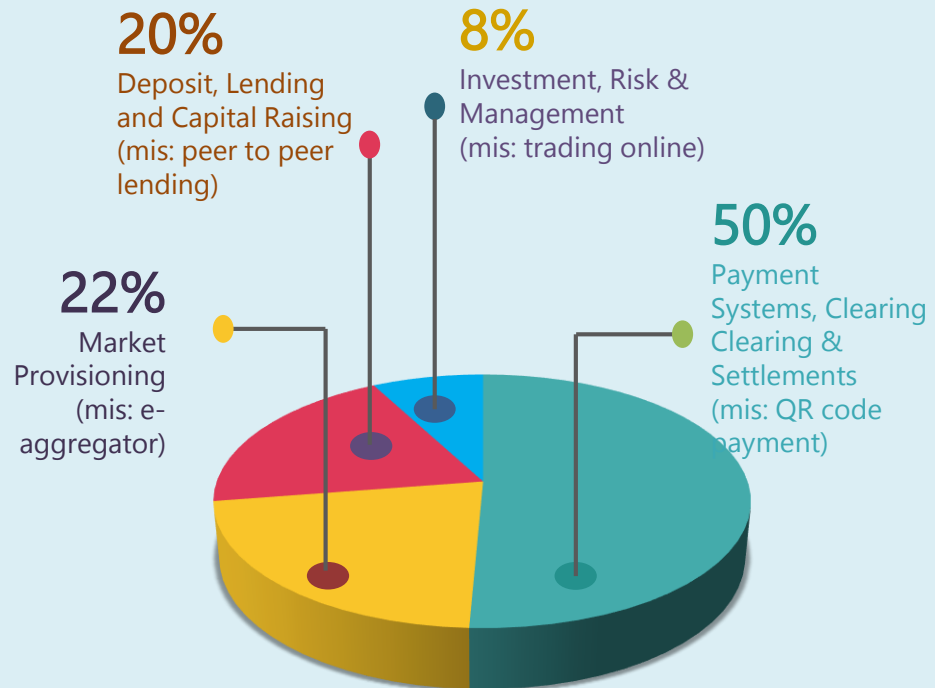


Number of Players (Grow 34%)



Source: BI Fintech Office

Fintech Players Proportion per 2016

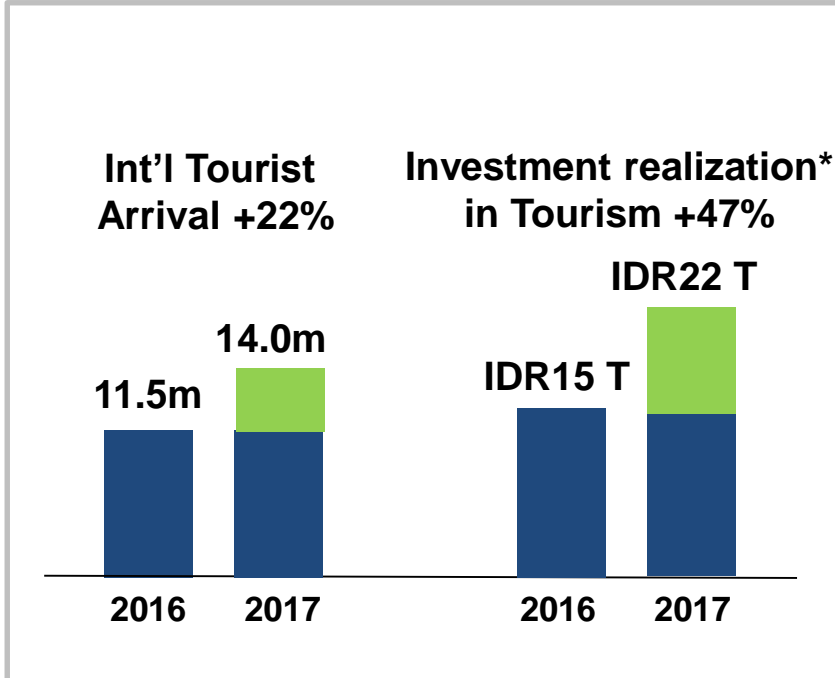




Eligible to apply Super Deduction Tax for Vocational Training and R&D

Int'l tourists arrival grew at +22%, investment in tourism up +47%

Indonesia



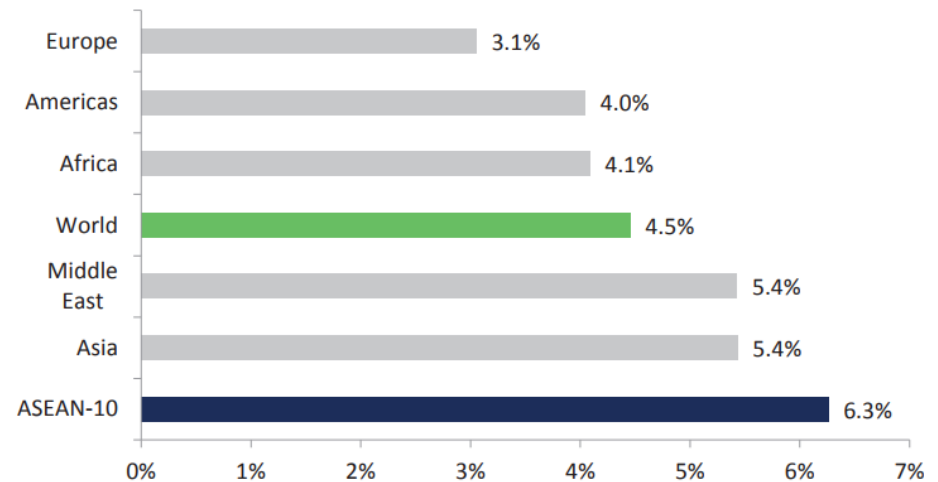
Source: Ministry of Tourism & BKPM, 2018

* KBLI 5511, 5512, 5513, 5519, 5590, 5610, 5621, 5629, 5630, 6812, 7911, 7912, 7991, 7999, 9321, 9322, 9323, 9324, 9329

* Exchange rate 2016: IDR 13,900; 2017: IDR 13,400

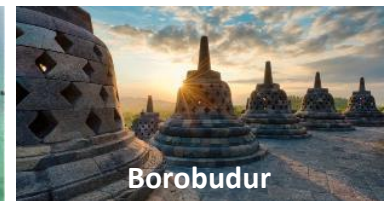
Annual investment growth in tourism in SE Asia surpasses Asia, 2016-2026 (estimation)

Source: WTTC, 2016

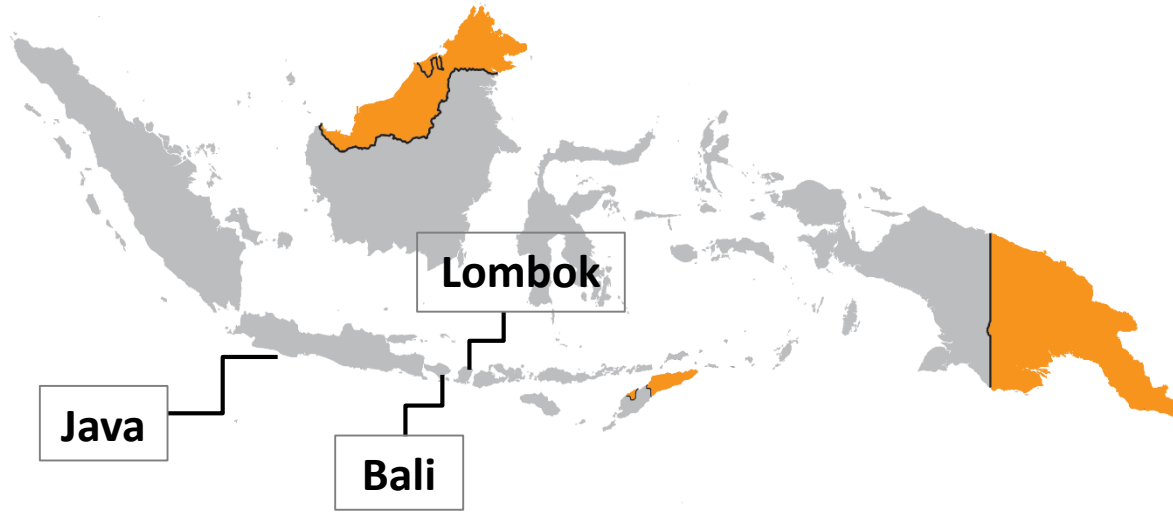


“78 percent of foreign tourist in Indonesia are from Asia Pacific Region. Most foreign tourist during 2008-2017 originated from Singapore, Malaysia, Australia, Japan, and China.”

Indonesia Tourism Development focus on 10 New Tourism Destinations



Java as the best islands in the world, followed by Bali & Lombok



Top 15 Best Islands in the World

1. **Java, Indonesia**
2. **Bali, Indonesia**
3. **Lombok, Indonesia**
4. Maldives
5. Waiheke, New Zealand
6. Palawan, Philippines
7. Mauritius
8. Cebu, Philippines
9. Paros, Greece
10. Tasmania, Australia
11. Galapagos Island, Australia
12. Cook Islands
13. Orkney Islands, Scotland
14. Maui, Hawaii
15. Azores, Portugal

Source: American Travel Publication Travel + Leisure, 2018.

Java for its ancient culture, breathtaking vistas, and UNESCO World Heritage



Borobudur



Bromo



Sangiran



Prambanan



Borobudur

Top 10 Best Hotel in the World

1. **Four Seasons Resort Bali at Sayan, Indonesia**
2. Ballyfin, County Laois, Ireland
3. Frangipani Beach Resort, Anguilla
4. Inkaterra La Casona, Cuzco, Peru
5. Inverlochy Castle Hotel, Torlundy, Scotland
6. **The Mulia, Bali, Indonesia**
7. Tierra Patagonia Hotel & Spa, Torres del Paine, Chile
8. Temple House, Chengdu, China
9. **Nihi Sumba Island, Indonesia**
10. Nayara Springs, Arenal Volcano National Park, Costa Rica

**LETS INVEST
IN
INDONESIA**

Thank You
Xie Xie

**For further consultation, facilitation, &
licensing services in Taipei, please contact:**

Mochammad Firdaus
Director of Investment Division

*Indonesia Economic & Trade Office (IETO)
6F, No. 550, Rui Guang Road, Neihu District, Taipei,
114, Taiwan, ROC*

P. (+886-2) 8752-6084
F. (+886-2) 8752-3706
E-mail : mfirdaus@bkpm.go.id

**Badan Koordinasi
Penanaman Modal (BKPM)**
Indonesia Investment
Coordinating Board

Jln. Jend. Gatot Subroto No. 44
Jakarta 12190 - Indonesia

t . +62 21 525 2008

f . +62 21 525 4945

e . info@bkpm.go.id

www.bkpm.go.id



18th ASIAN GAMES
**Jakarta
Palembang
2018**



ANNUAL MEETINGS
2018 | indonesia
INTERNATIONAL MONETARY FUND
WORLD BANK GROUP