



**INFORMATION**

**Investment Realization in Second Quarter of 2021 by BKPM**

The Investment Coordinating Board (Badan Koordinasi Penanaman Modal/BKPM) has released the achievement of investment realization in the second quarter (April-June) for 2021 amounting to IDR 223.0 trillion, or an increase of IDR 16.2% compared to the same quarter of last year, and increased 1.5% compared to the first quarter of 2021. By that, the total investment realization data for January-June of 2021 has reached a total amount of IDR 442.8 trillion.

The Chairman of BKPM, Bahlil Lahadalia through the press release on July 27<sup>th</sup>, 2021 conveyed that the achievement of investment realization from January to June has contributed to 49.2% to the target of 2021, which was adjusted to IDR 900 trillion and it has successfully absorbed 311.922 Indonesian workers. Besides that, the achievements of the second quarter compared to the same period in 2020 showed that Foreign Direct Investment (FDI) has grown by 19.6%, and Domestic Direct Investment (DDI) also has grown by 12.7%. Meanwhile, the total realization based on FDI surprisingly increased by 4.5% compared to the first quarter of 2021.

This achievement is believed to be a positive impact of the enactment of Law No.11/2020 concerning Job Creation (Omnibus Law) and its technical guidelines, particularly PP No.5/2021 concerning the Risk-Based Business Licensing Implementation, in which the regulation has enabled investors to keep their investments activities in progress, both during preparation or construction and also production stage.

Based on the data, the total investment realization of FDI and DDI in the second quarter of 2021 outside Java Island has reached 51.0%, and the total realization of investment from January to June outside Java Island has reached 51.5%.

Moreover, a significant contribution came from DDI, which amounted to IDR 106.2 trillion or 47.6% of the total achievement. This number had successfully created jobs for 165,684 Indonesian workers, or 53.1% of the overall job creation. In addition, the most significant contributor for DDI came from the Housing, Industrial Estate, and Office Building sector (19.3%), and East Java Province contributed as the most significant source by location (13.1%).

On the contrary, the realization of FDI was IDR 116.8 trillion, or 52.4% of the total realization, and it was able to absorb 146,238 Indonesian workers. In addition, the most significant contributor to the FDI realization came from the Metal, Except Machinery, and Equipment Industry sector (22.1%), the largest investment realization was West Java Province (19.8%), and the most active country to invest came from Singapore (26.4%).

Reference:

- Investment realization in Q2 2021 and the Investment Realization FDI & DDI Quarter II (April-June) 2021 by BKPM

If you require a copy of the reference document above, please do not hesitate to contact [research@ibai.or.id](mailto:research@ibai.or.id).

Thank you for your attention and hope this information would be valuable for you.

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