



The Ministry of Investment (Badan Koordinasi Penanaman Modal/BKPM) published the INVEST Magazine Green Investment Vol. 1 Year 2022 on 19 February 2023. The report highlighted that Indonesia has experienced robust economic growth in the first quarter/Q1 of 2022, surpassing expectations by reaching 58,4% of the target. Despite global uncertainties, the country has maintained an inflation rate of 4,35% in June 2022 (YoY). According to the Asian Development Bank (ADB), Indonesia's economy is projected to grow by 5,4% in 2022 and 5,0% in 2023, showcasing its strong economic foundation.

There are several points highlighted in the report as follows:

### 1. Commitment to Green Economy

Demonstrating its commitment to sustainability, Indonesia has set ambitious goals for its energy sector. The country aims to have 23% of its energy mix sourced from renewables by 2025 and is dedicated to achieving net-zero emissions by 2060 which aims to focus on green investment aligns with Indonesia's vision for a sustainable future.

### 2. 47 Projects with Promising Returns

The Indonesian government, through the BKPM, has unveiled 47 sustainable investment projects valued at IDR 155,12 trillion. These projects span various sectors such as tourism, economic zones, industry, and infrastructure. With a pre-feasibility study already conducted for each project, they are readily available for investor participation. The projects are distributed across 33 provinces including Java, Sumatra, Kalimantan, Sulawesi, Bali, Nusa Tenggara, Maluku, and Papua.

The investment projects encompass diverse sectors, with 12 projects in tourism worth IDR 5,78 trillion, 14 projects in economic zones worth IDR 48,25 trillion, 15 projects in the manufacturing industry worth IDR 51,92 trillion, and 6 projects in infrastructure worth IDR 49,17 trillion. The Minister of Investment, Bahlil Lahadalia encourages investors to seize these opportunities, promising streamlined licensing processes and incentives. Investors are only required to bring capital, technology, and a portion of the market. As Indonesia continues to advance its development, particularly in infrastructure and other sectors, the government's proactive approach in offering these projects is expected to attract significant investor interest.

### 3. Top 5 Indonesia Investment Realization

Indonesia's Foreign Direct Investment (FDI) and Domestic Direct Investment (DDI) during the first Semester 1 of 2022 from January to June reached 584.6 trillion. That means the growth of investment realization in Indonesia reached more than 30% compared to Semester 1 of 2021.

The top 5 realizations in the first semester were dominated by the sectors of:

1. The primary metal industry, metal goods, non-machinery, and equipment;
2. Mining
3. Transportation, warehouses, and telecommunications;
4. Housing, industrial estates, and offices
5. The food industry

The top 5 realizations based on the locations were dominated by:

1. West Java - IDR 83,5 trillion;
2. DKI Jakarta - IDR 80,5 trillion
3. East Java - IDR 53,5 trillion;
4. Central Sulawesi - IDR 52,1 trillion;
5. Riau - IDR 44,4 trillion

#### Reference:

- INVEST Magazine Green Investment Vol. 1 /2022

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