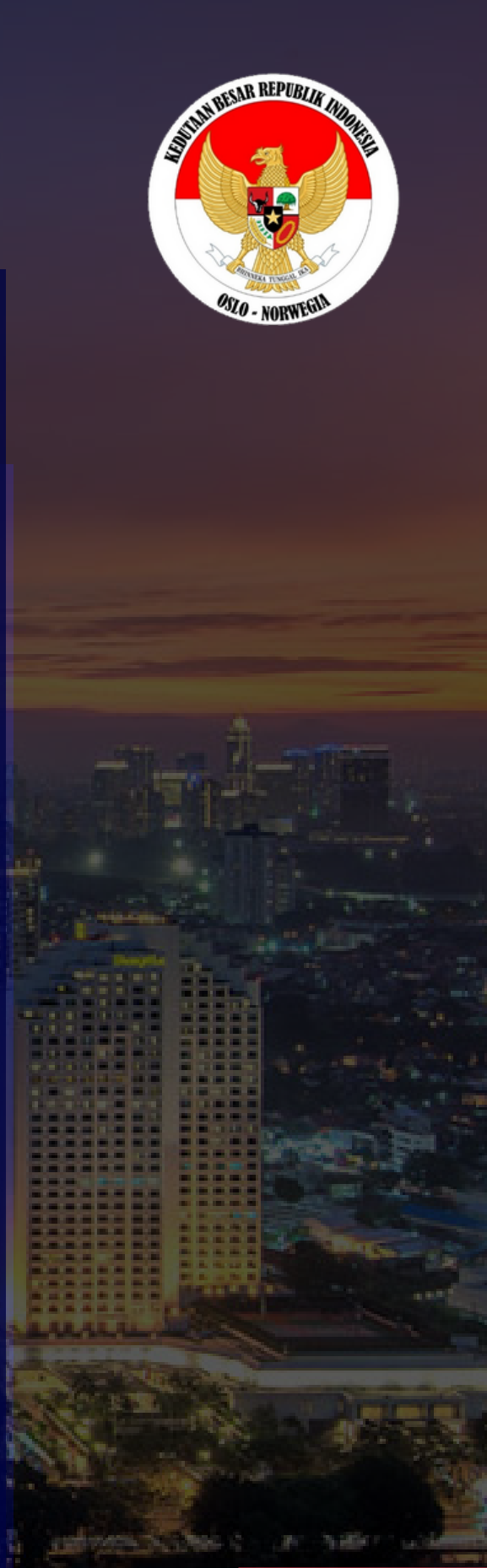




INDONESIAN EMBASSY IN OSLO

# Investment Opportunities in Indonesia

FOR OSLO WEST ROTARY CLUB

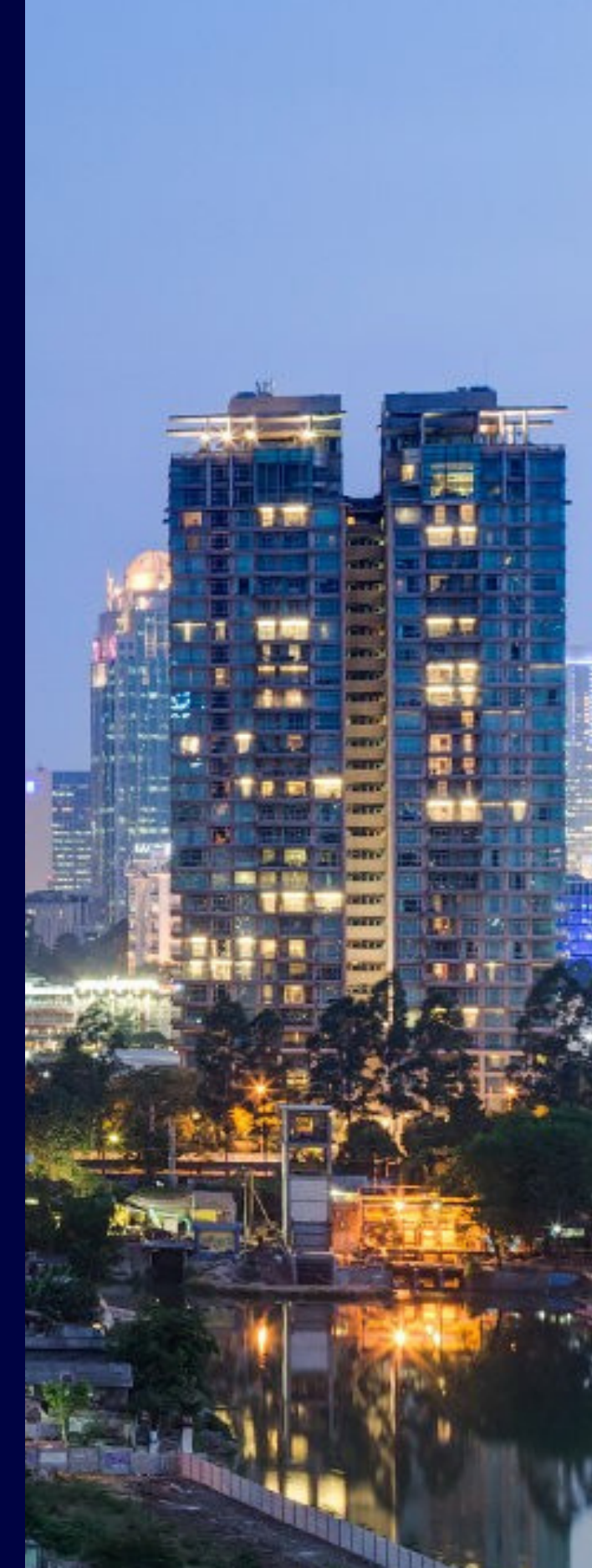




First Thing First

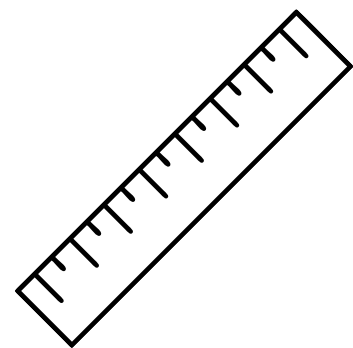
# INDONESIA?

INDONESIAN EMBASSY IN OSLO

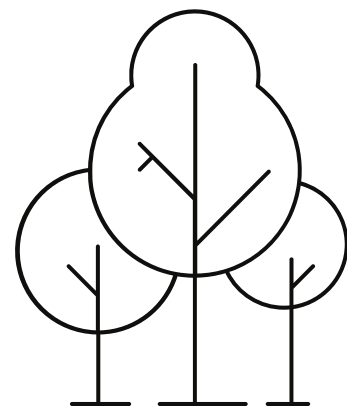


# The Emerald of the Equator

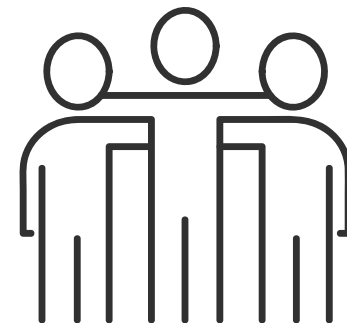
## Facts & Figures



The largest archipelago in the world



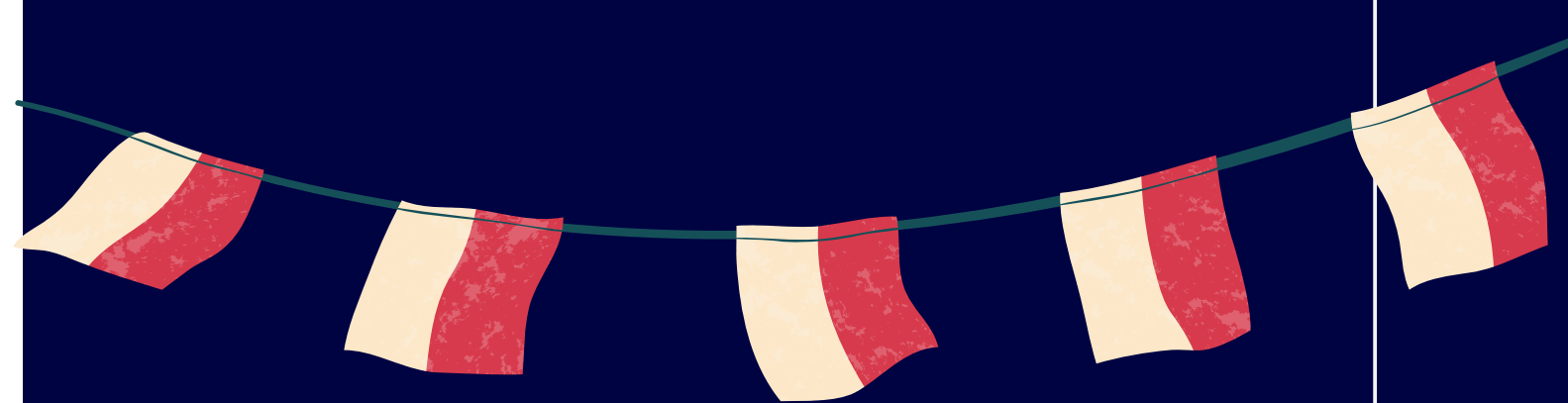
Third largest rainforest in the world



The 4th largest population in the world



Annual average GDP growth of over 5%





# Indonesia's Key Sectors

## **AGRICULTURE**

The agriculture sector contributes to around 13% of the GDP and employs over 27% of the workforce.

## **INDUSTRIES**

The industrial sector comprises about 40% of GDP which includes the textile industry, chemical industry, automotive industry, electronics and mining, oil and gas.

## **SERVICE**

The services sector (financial institutions, transportation, and communication) contributes to 44 % of the GDP.



# Why Invest in Indonesia

Abundant natural resources, a young and technically trained workforce, and a large and growing domestic market, combined with an improving investment climate and a higher global profile, are just a few of Indonesia's salient strengths.

# A Sound Economy

## Indonesia's Edge in the Global Economy



### KOMODO'S RESILIENCE

One of the emerging market economies in the world, with the 15th largest economy in terms of nominal GDP.

It is predicted to be the 4th largest economy by 2045.

Forecasts for Indonesia have projected growth of over 6% for this year.



### STRONG DEMOGRAPHIC

The population stands at around 270 million today and is projected to be 310 million in 2045.

By 2030, the productive age group will amount to 70% of the population



### GLOBAL TRUST

Indonesia has an "investment grade" rating, with the sovereign credit rating of "BBB" with a "stable outlook" according to Fitch Ratings and S&P.

the ease of doing business in Indonesia has gradually increased, now ranked 73 from 190 countries. (World Bank)

# INDONESIA - EFTA CEPA

Indonesia - EFTA has signed CEPA  
(Comprehensive Economic  
Partnership Agreement) on 16  
December 2018 (Pending Ratification)

## NEW POTENTIAL

Thousands of tariffs will be eliminated for trade between Indonesia and Norway. It will open new potential trade and investment

## GLOBAL CHAINS

With the CEPA, Indonesia hopes to become part of the global supply chain for Norway and the other EFTA States.

## SPECIAL TREATMENT

When CEPA comes into effect, investors from Norway will be given national treatment.

Indonesia has liberated sectors and sub-sectors for investments which include agriculture, fisheries, forestry, manufacture for food, textiles, chemical industries, and also the energy sector



# Indonesia's Omnibus (The Job Creation) Law

## Major Breakthrough

The Law aims to simplify the regulatory framework and harmonize existing laws related to the business and investment environment.



# Cutting the Red Tape

The government will issue implementing regulations for the Law, which include simplification of doing business, procedures for land acquisition, and risk-based method for environmental impacts which support Indonesia's target to reduce emissions by 29% by 2030.



# Investment Priority List

The government will issue the investment priority list. Key areas that will be included are the healthcare sector, infrastructure, and the green economy (including EV and green energy).

# Norwegian Investment in Indonesia

Norway for the last 20 years has been outward-oriented, with the total over \$215 billion last year.

But most of this still goes to Europe and North America



The total amount of FDI from Norway to Indonesia in the last five years only totaled \$64,2 million.

Last year, it was only around \$7 million, dropping from \$16,8 million in 2019.

Most of the investment still goes to the island of Java, with a total of \$31,5 million



# Sovereign Wealth Fund

Portfolio investments from Norway's Sovereign Wealth Fund to Indonesia shows promising numbers.



# The Government Pension Fund Global's Portfolio in Indonesia

## \$1,86 BILLION

the Wealth Fund has invested in 79 listed Indonesia Corporations worth around \$1,86 billion (2019)

Over \$3 billion has been invested in Indonesian Government issued Bonds.



## WIDE PORTFOLIO

State owned banks Banks : Mandiri, BNI, BRI, BTN,

-

State owned construction companies: Adhi Karya, WIKA, Waskita

-

Telecommunication companies: Telkomsel, Indosat, XL Axiata

-

Minerals and Oil and Gas: Antam, El Nusa, PT Timah, Pertamina, PGN

-

Food Industry: Indofood, Mayora, Sido Muncul.

## NEW OPPORTUNITY

The Indonesian Government is also in the process of establishing a Wealth Fund, mainly to invest in infrastructure projects in Indonesia.

Investment sources (seed capital) will not only come from the State, but also from investment partners abroad.

# Norway's Country Partner Strategy 2021-2023

## Prospering Together

Indonesia is one of the countries that prioritized bilateral development cooperation in Norway's Country Partner Strategy 2021-2023

Among the sectors that were included in the country partner strategy:

- Sustainable Forests and Green growth
- Ocean Management and fisheries management
- Energy security and a more climate-friendly energy mix

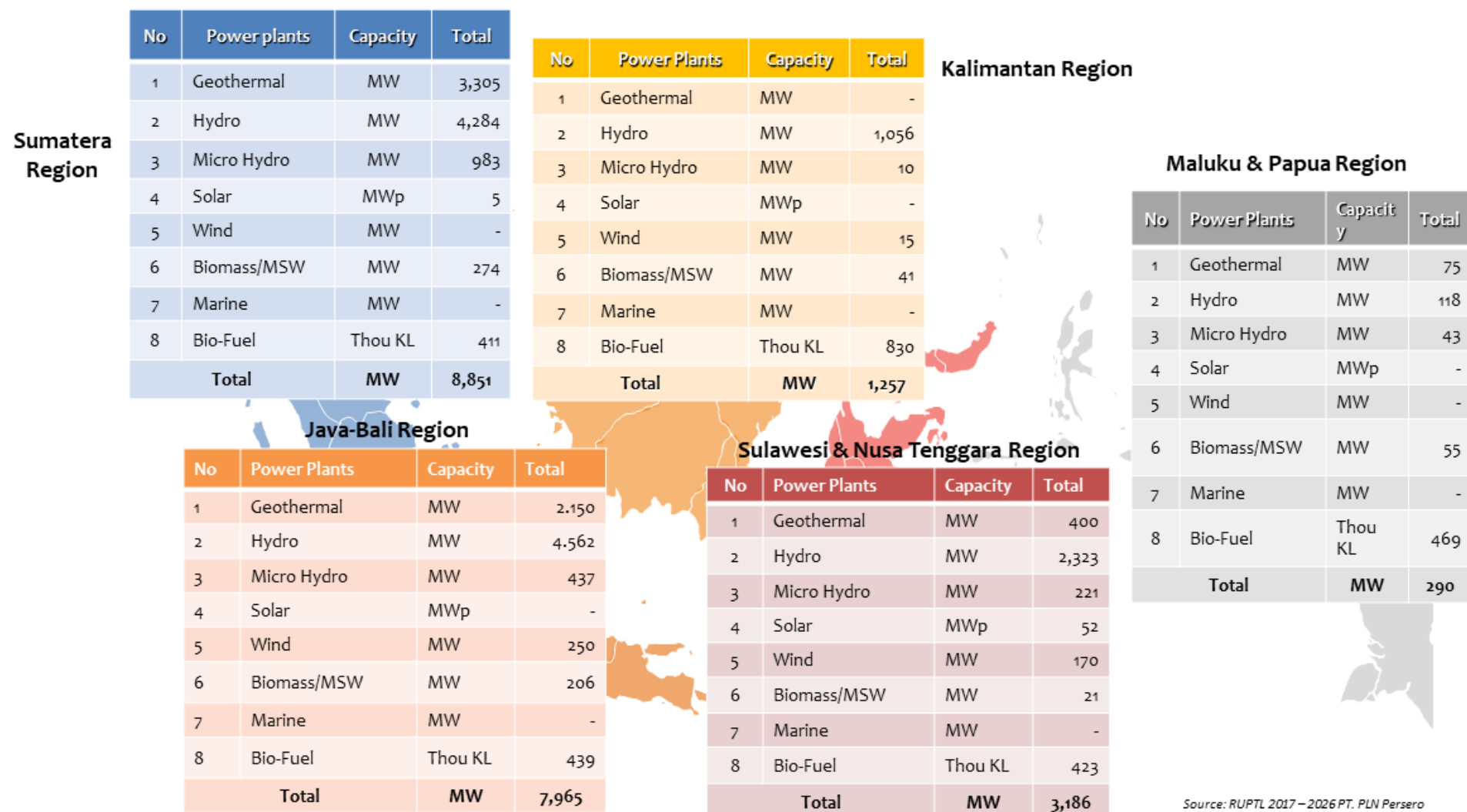


# Potential Sectors for Investment

Considering Norway's partnership strategy with Indonesia and Norway's technological capabilities, there are several potential sectors for investment from Norway



## 21.6 GW RE POTENTIAL SPREADS IN INDONESIA



Source: RUPTL 2017 – 2026 PT. PLN Persero

# RENEWABLE ENERGY

## Investment for the Future

98% of Norway's energy Norwegia comes from renewable energy.

Potential investments from Tinfos and SN Power in Hydro Power and Scatec Solar for Solar Energy.

Indonesia has a lot potential in Renewable energy

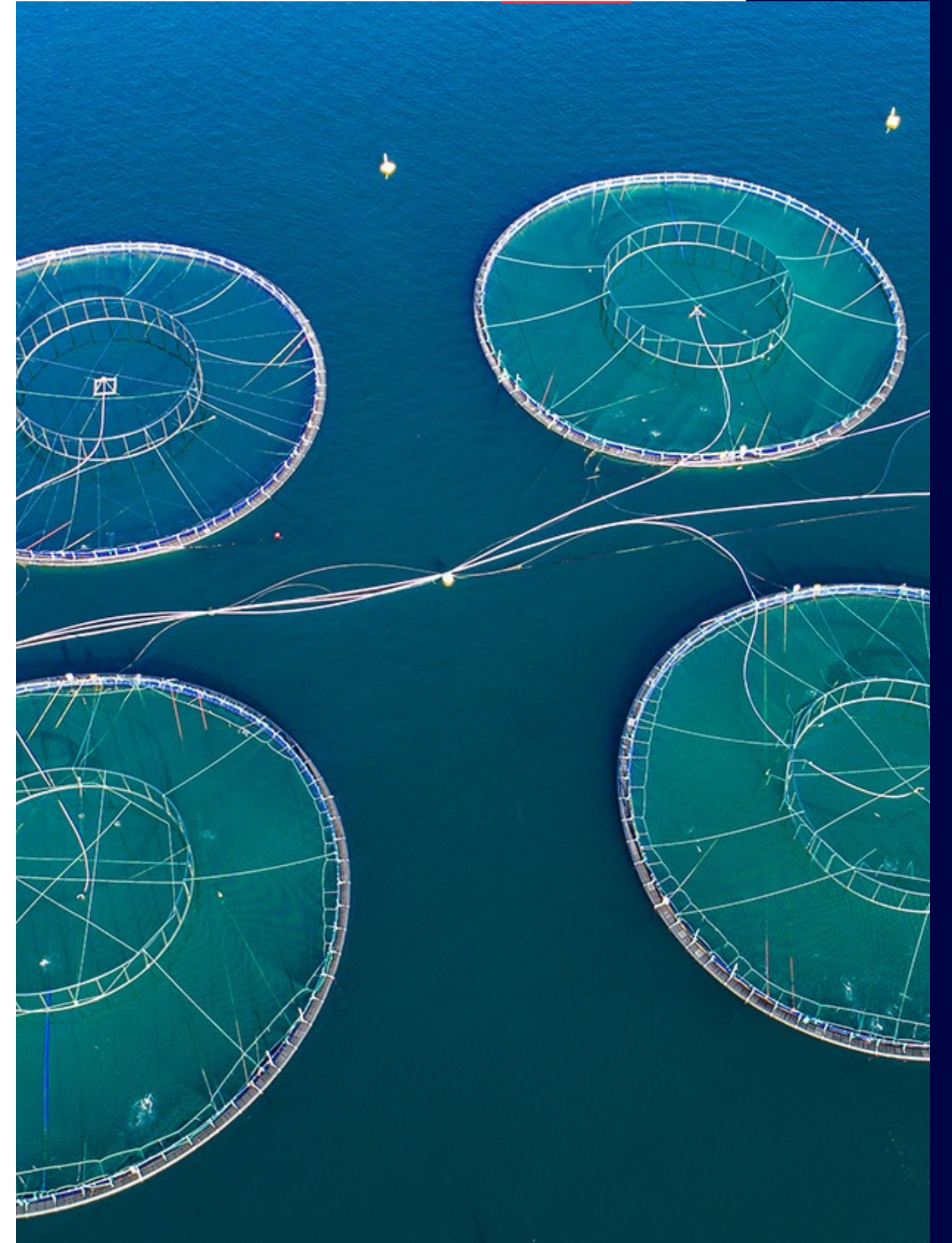


# AQUACULTURE

## Fishy Business

Norway has over 40 years of experience and expertise in this sector. Sterner and Salmar have potential cooperation with Indonesian companies

Indonesia is in the golden belt of fisheries industries because of its climate and geographical advantages





A photograph of a recycling facility. In the foreground, there are large, tall piles of sorted plastic waste, primarily blue and green bottles. In the background, there is industrial machinery, including a conveyor belt system and a large green machine. The scene is brightly lit, likely by natural light from windows on the right side of the frame.

# WASTE MANAGEMENT

Various Indonesian Cities have expressed interest to increase their waste management capacities, which can learn and benefit from Norway.

Companies that have the potential for cooperation include Tomra and ROAF.

# TERIMA KASIH

For questions or more info

## ADDRESS

Fritzners gate 12, 0264 Oslo

## PHONE NUMBER

+47 22 12 51 30

## EMAIL ADDRESS

[oslo.kbri@kemlu.go.id](mailto:oslo.kbri@kemlu.go.id)