

## **Chairman BKPM to Anticipate Negative Impact of COVID-19**

The impact of coronavirus outbreak in coronavirus or COVID-19 to Indonesian economy is undeniable. In one particular occasions, Finance Minister Sri Mulyani Indrawati has said that Indonesia's economic growth may be adversely affected by the COVID-19 as it affected the global economic growth. The virus is predicted to negatively impact Indonesian economic in revising 0.3 to 0.6 percentage point of growth.

At the export and import standpoint, the figures has shown the slight reduction in January if we compared with the same period last year. As from the investment perspective, based on the BKPM data, the investment realization the February level not yet shown any negative impact. "Up to February data, the investment realization figures on the right track. My hope that the impact of coronavirus outbreak will be over soon," said Chairman BKPM Bahlil Lahadalia.

Bahlil predicted the negative impact of COVID-19 to investment figures will come from China and other major contributors of FDI in Indonesia such as Japan, Singapore and South Korea which heavily affected with the outbreak. "They (Chinese Investors) is quite aggressive. We offered the investment opportunities to all countries, but the Chinese is among the aggressive ones," he asserted.

In 2019, China investment realization to Indonesia reach US\$4,74 billion. The number is doubled from the position in 2018 US\$2,37 billion. In total, investment realization last year reach IDR 809,6 trillion increase IDR 88,3 trillion or 12.24 percent from 2018 reach IDR 721,3 trillion. The investment come from FDI IDR 423,1 trillion and Domestic Direct Investment IDR 386,5 trillion.

Bahlil said the negative impact will influence the achievement of investment realization target on 2020 at IDR 886 trillion. He said in near and mid term the figures still show promising trend, but in the long-run, the investment agency will need to be prepared and anticipate. "In the last week of April, we will announce the investment realization figures of January-March," he added.

Under his leadership, BKPM has succeed to execute approximately IDR 200 trillion investment from the IDR 708 trillion list of projects that stalled.

BKPM will continue to optimize the recorded interest of investor to invest in Indonesia from latest event, such as the Presidential visit to South Korea last November and the state visit to UAE last January. Other promotional events that has deliverables was the investment promotion held in Davos back to back with World Economic Forum. (\*)