

Economic and Social Commission for Asia and the Pacific

First Session of the Committee on Trade, Investment, Enterprise and Business Innovation (CTIEBI-1)
Bangkok, 22-24 February 2023

Indonesia – Statement on Agenda Item 4 : Mobilizing Impact Investment and Foreign Direct Investment for Sustainable Development

Thank you, Mr. Chairman.
Distinguished ESCAP Member Delegates,
Good Morning to all of you

1. According to UNCTAD, the pandemic of COVID-19 led to a 35% decrease in global Foreign Direct Investment in 2020. In the case of Indonesia, however, FDI grew steadily from 2020 to 2022, with a total increase of around 16 billion US dollars. Nevertheless, the crisis caused by the Covid-19 outbreak has reversed the progress in bridging the investment gap required to reach the Sustainable Development Goals by 2030.
2. To address this issue and following the Secretariat's note, Indonesia believes it is necessary to implement legislation and policies which encourage the development of investments that contribute to sustainable development, including fiscal and non-fiscal incentives.
3. In addition, to achieve tangible results in light of sustainable development, the Indonesian government has already established fifty-four sustainable investment projects, each with its feasibility study, which our agencies are actively promoting with the hope that these efforts could contribute to sustainable development goals.
4. Regarding the digital economy, we welcome and value the secretariat's initiative to publish a digital FDI guidebook, which includes recommendations for improving the ease of doing business through the development of online one-stop shops. Similarly, the Indonesian government has reformed the investment licensing procedure by instituting a one-stop shop called Online Single Submission. This system integrates many licensing systems; hence, the licensing process will be faster, simpler, and more convenient.
5. The Indonesian government continues to foster the growth of local digital startups. Nowadays, many digital-based enterprises in Indonesia are expanding internationally and growing in size. One of the Indonesian transportation startup companies has become a major participant in South East Asia. Hence, we would encourage ESCAP to maintain its support for investment promotion and facilitation of FDI in the digital economy and our joint efforts to advance these fields.
6. Additionally, regarding FDI and climate change, we support the concept that FDI plays a significant role in mitigating climate change, notably through establishing projects that employ clean technology and optimize natural resources. In recent years, Indonesia has actively promoted value-added investment projects, such as the downstream sector for electric vehicles, and built a full ecosystem for electric vehicles from upstream to downstream, including mining, refining, and recycling.
7. Furthermore, it is time for us to recall the G20 Indonesian Presidency Leaders Declaration that the leaders recognize the need to promote value addition through sustainable and inclusive investment in highly productive sectors such as downstream manufacturing, digital trade, and services and to foster linkages between foreign investors and local enterprises, particularly SMEs.

8. Indonesian Government also would like to reminisce about the achievement of the Indonesia Ministry of Investment and UNCTAD in compiling best practices from G20 Members in developing investment promotion strategies to support sustainable development known as the Bali Compendium. This document serves as a basis for policymakers, especially from G20 member countries, to develop investment promotion strategies and promote investment for sustainable development.
9. Subsequently, the Government of Indonesia, through the ministry of investment, also pays attention to the importance of sustainable investment, especially those that support a green economy, by issuing Indonesian Sustainable Investment Guidelines for all stakeholders in the investment sector.
10. Regarding Indonesia's Chairmanship in ASEAN in 2023, we also want to inform all colleagues that we plan to convene the ASEAN Investment Forum at the sideline of the ASEAN Summit in early September 2023 in Jakarta. We expect that the Forum will be attended by ASEAN Ministers in charge of investment, government agencies, private sectors, and international organizations to exchange views and discuss strategies to attract more FDI to support sustainable development and showcase sustainable investment opportunities. We look forward to support and close collaboration from ESCAP and all member states in this Forum.

I thank you, Mr. Chairman