

Foreign direct investment growth in Indonesia slows in Q4

- Foreign direct investment (FDI) into Indonesia rose 2.1 percent on an annual basis in the fourth quarter of 2016 in rupiah terms, slowing significantly from the 7.8 percent pace the previous quarter, the investment board said on Wednesday.
- Indonesia received 101.3 trillion rupiah or \$7.5 billion worth of FDI during October-December, excluding investment in banking and the oil and gas sector, according to the board's deputy chairman Azhar Lubis.
- Total FDI in 2016 was 396.6 trillion rupiah, 8.4 percent above the 2015 total.
- The fourth-quarter increase was the smallest in at least five years, according to Thomson Reuters data.
- The investment board used a rupiah exchange rate of 13,500 a dollar for its FDI conversion, the rate assumed as the 2016 average in the government's budget.
- But the average rupiah trading rate was 13,307 per dollar in 2016, according to data from Indonesia's finance ministry.
- The biggest beneficiaries of FDI in October-December were the base metal, machinery and electronics sector and mining. Singapore was the biggest source of investment. (\$1 = 13,356 rupiah)