ABSTRACT

The underlying contention of this paper is that BKPM lacks a clear investment promotion strategy. There is no shared vision as to investment priorities, appropriate tools and techniques or feasibility of execution in the prevailing political, regulatory, economic and financial environment. That BKPM’s regional offices duplicate this shotgun approach in carrying out their investment promotion activities adds to inefficiency. BKPM needs to become the premier source of Indonesia’s investment policy. Integrating strategic analysis from multiple organizational levels into one blueprint for proactive and accountable investment promotion would heighten policy effectiveness and control costs.

Although it is a less frequent concern in developing countries like top Asian (South Korea, Japan, Singapore, Malaysia and Taiwan), the common grievance when it comes to investments is that some are crowding out others. Competition for economic opportunities will only increase when BKPM has a focused investment promotion strategy to specific country with mutual relationship in industrial sector. BKPM needs to determine the social economic optimal balance between supply and demand of the country, large and medium- to- small sized investors and investments across various sectors and geographies. (BKPM, 2010)