

## **UOB and Indonesia's Investment Coordinating Board sign MOU to facilitate investments into Indonesia**

*First-of-its-kind collaboration that enables Chinese investors to apply for a Principle Licence through UOB*

**Singapore and China, 4 December 2015** – United Overseas Bank (UOB) and Indonesia's Investment Coordinating Board (BKPM) today signed a Memorandum of Understanding (MOU) aimed at increasing foreign direct investments (FDI) into, and trade with, Indonesia. The MOU marks BKPM's first collaboration with a non-Indonesian bank in Southeast Asia.

BKPM is an investment agency under the direct supervision of the President of the Republic of Indonesia, Mr Joko Widodo that supports FDI into Indonesia as well as Indonesian companies venturing overseas.

As part of the collaboration, BKPM will enable UOB's clients to apply for their Indonesia Principle Licence through UOB without having to travel to Indonesia. This is a first-in-the-market service provided by UOB through BKPM's The Indonesia Investment Promotion Centre (IIPC) Singapore. The Principle Licence is the first licence a foreign company must obtain to incorporate an entity in Indonesia. UOB will also support Indonesian investors who are looking to expand overseas via BKPM's IIPC<sup>1</sup>.

Mr Sam Cheong, Head of UOB Foreign Direct Investment Advisory Unit, said that Indonesia is a major investment destination for both global and Chinese companies. In 2014, Indonesia was the second largest recipient of FDI inflows into ASEAN, receiving US\$28.5 billion investments.<sup>2</sup> In particular, China's FDI into Indonesia has increased more than four times over the past three years, growing from US\$141 million in 2012 to US\$800 million in 2014<sup>3</sup>.

"Huge business opportunities are arising from increased trade connectivity within the region, which will be further boosted by the upcoming implementation of the ASEAN Economic Community (AEC). In addition, under China's One Belt One Road (OBOR) initiative, we expect trade and investment between China and

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<sup>1</sup> BKPM's Indonesia Investment Promotion Centres are located in Singapore, Tokyo, London, Abu Dhabi, New York, Seoul, Sydney and Taipei.

<sup>2</sup> "Domestic and Foreign Direct Investment Realisation in Quarter IV and January – December 2014", January 2015, BKPM

<sup>3</sup> 2015, BKPM

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## News Release

Southeast Asia to continue growing. With more than 200 branches and offices in Indonesia, UOB's timely collaboration with BKPM will make it more convenient for companies to capitalise on these trends.

"Our clients are already tapping on the large-scale infrastructure projects and increasing trade flows along the OBOR to deepen their presence in this region. Being the largest economy in Southeast Asia, Indonesia is also attracting many of our Chinese clients who are also eager to harness the tremendous market potential to diversify their customer base and to upgrade their manufacturing capabilities", he said.

Under the auspices of the MOU, BKPM will assist UOB's clients to seize business opportunities in Indonesia through the Bank's FDI Advisory Unit<sup>4</sup>, which was specially set up to help companies realise their regional expansion ambitions. Through this unit, businesses will have access to the Bank's full suite of corporate and personal banking products and tap on UOB's network with various government agencies, business associations and professional service providers in the region.

### **MOU underscores UOB's existing partnerships which enable Chinese companies to tap on opportunities in Indonesia**

Since the set-up of UOB FDI Advisory Units four years ago, UOB has helped nearly 700 clients expand in the region. The MOU with BKPM adds to the existing partnerships and close ties that UOB has with regional trade promotion agencies and industry partners. These include the renewed MOU with the China Council for the Promotion of International Trade in 2014<sup>5</sup> to increase foreign investment and trade between China and Southeast Asia. Such partnerships will further enable Chinese companies to tap on the strengths of UOB FDI Advisory Units as they seek business expansion in Indonesia.

Recently, UOB also collaborated with BKPM to host an event in Shanghai for the Bank's clients, where more than 100 participants attended and held one-on-one consultation sessions with BKPM representatives to understand better the investment opportunities in Indonesia.

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<sup>4</sup> UOB is the only bank in Southeast Asia with established FDI Advisory Units that support companies in expanding across markets. The nine UOB FDI Advisory Units are located in mainland China, Hong Kong, India, Indonesia, Malaysia, Myanmar, Singapore, Thailand and Vietnam.

<sup>5</sup> During the period of the first MOU signed in 2012, UOB and CCPIT have helped more than 1,000 Chinese companies explore business expansion opportunities in Southeast Asia.

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Mr Franky Sibarani, Chairman of BKPM, said, “We are delighted to offer investors a smoother path for investing in Indonesia. This MOU brings together the complementary strengths of UOB’s long-established regional network and BKPM’s as leading government agency for FDI to help regional businesses expand into the country. This will help to promote investments in Indonesia across major sectors such as the infrastructure, maritime, import substitution, export oriented, agriculture, downstream mining, industrial estate and tourism industries.”

– Ends –

### **About United Overseas Bank (China)**

United Overseas Bank (China) Limited (UOB (China)) is a wholly-owned subsidiary of the United Overseas Bank Limited (UOB), a leading bank in Asia. Headquartered in Shanghai, UOB (China) was incorporated in the People’s Republic of China on 18 December 2007 and commenced operations on 2 January 2008.

With a stable and far-sighted approach, UOB (China) has grown its network to 17 branches and sub-branches in the major cities across China.

As UOB (China) continues to grow its business, it is also committed to its people and the community. Since 2012, UOB (China) has participated in the annual UOB Heartbeat Run/Walk to raise funds for underprivileged children and various education initiatives in China.

For more information about UOB (China), please visit [www.UOBChina.com.cn](http://www.UOBChina.com.cn)

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