**Table 1**

**FDI Inflows in Indonesia Province**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| No | County | Investment (USD 000) | | | |
| 2010-2011 | 2012-2013 | 2014-2015 | 2016-2017 |
| 1 | Jakarta Timur City | 145,849.66 | 345,968.45 | 260,354.00 | 1,034,848.56 |
| 2 | Jakarta Pusat City | 4,537,384.82 | 2,029,201.35 | 1,994,634.16 | 1,809,368.60 |
| 3 | Jakarta Barat City | 275,493.25 | 111,369.52 | 355,988.99 | 679,024.82 |
| 4 | Jakarta Utara City | 948,403.85 | 754,590.83 | 861,413.18 | 720,285.70 |
| 5 | District of Bogor | 690,465.77 | 465,816.59 | 485,762.32 | 692,090.51 |
| 6 | District of Sukabumi | 104,249.32 | 129,419.66 | 602,315.26 | 102,348.75 |
| 7 | District of Cianjur | 20,676.49 | 128,257.80 | 155,920.32 | 84,969.47 |
| 8 | District of Bandung | 78,711.23 | 93,014.60 | 112,646.44 | 76,781.56 |
| 9 | District of Subang | 71,769.23 | 104,361.76 | 668,389.77 | 137,126.36 |
| 10 | District of Purwakarta | 481,772.38 | 1,065,007.42 | 595,719.68 | 321,151.92 |
| 11 | District of Karawang | 904,523.96 | 4,623,028.58 | 3,243,900.89 | 2,847,152.06 |
| 12 | District of Bekasi | 1,728,168.22 | 3,934,493.58 | 4,499,099.43 | 4,992,450.04 |
| 13 | District of Bandung Barat | 7,379.53 | 21,037.90 | 59,161.07 | 71,780.34 |
| 14 | Bandung City | 106,873.66 | 129,134.29 | 572,502.69 | 138,600.26 |
| 15 | Bekasi City | 215,492.81 | 221,748.76 | 105,993.25 | 304,279.89 |
| 16 | District of Boyolali | 3,970.05 | 3,349.59 | 83,765.86 | 31,732.43 |
| 17 | District of Semarang | 8,789.49 | 12,615.76 | 91,317.26 | 53,715.12 |
| 18 | Semarang City | 77,878.09 | 119,353.81 | 385,554.30 | 302,314.15 |
| 19 | District of Pasuruan | 354,323.81 | 474,170.29 | 158,469.81 | 679,017.35 |
| 20 | District of Sidoarjo | 1,440,088.6 | 11,424,122.9 | 5,546,959.3 | 8,329,454.8 |
| 21 | District of Mojokerto | 82,418.90 | 437,005.45 | 531,533.32 | 277,807.15 |
| 22 | District of Gresik | 575,775.08 | 1,558,540.79 | 445,239.47 | 892,849.91 |
| 23 | Surabaya City | 277,735.94 | 311,905.14 | 432,628.44 | 594,710.13 |

*Souce: Statistics Indonesia, 2010-2017*

**Table 2**

**FDI and DDI by Sub Sector Industry**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Industry | FDI Number | % | DDI Number | % |
| Metal products, machinery & equiptment | 814 | 9.95% | 361 | 11.20% |
| Chemicals, pharmaceuticals | 1,020 | 12.46% | 528 | 16.38% |
| Food & beverage | 1,502 | 18.35% | 1,286 | 39.90% |
| Transport equipment | 829 | 10.13% | 134 | 4.16% |
| Electronics and electric equipment | 1,010 | 12.34% | 241 | 7.48% |
| Non-metallic minerals | 306 | 3.74% | 223 | 6.92% |
| Rubber, Rubber products and plastics | 650 | 7.94% | 456 | 14.15% |
| Paper product & printing | 344 | 4.20% | 223 | 6.92% |
| Leather | 268 | 3.27% | 25 | 0.78% |
| Wood, wood products | 203 | 2.48% | 291 | 9.03% |
| Textile | 739 | 9.03% | 190 | 5.90% |
| Others | 499 | 6.10% | 154 | 4.78% |
| Total | 8,184 | 100.00% | 3,223 | 100.00% |

*Source: Indonesia Investment Coordinating Board (2013-2017)*

**Table 3**

**Summary Statistics and Regression Table**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Variable | Observation | Mean | Std. Dev. | Min | Max |
| Foreign-owned firm (specific industry)  agglomeration | 1993 | 52.56371 | 116.37 | 0 | 813 |
| Domestic firm (specific industry) agglomeration | 1993 | 23.88 | 39.44 | 0 | 198 |
| Service agglomeration | 1993 | 414302.10 | 224170.10 | 140670 | 967429 |
| Regional GDP | 1993 | 121628.20 | 100518.30 | 18161 | 354947 |
| Regional Minimum Wage | 1993 | 3020706 | 681546 | 1519289 | 3919292 |
| High education level | 1993 | 0.18 | 0.11 | 0.05 | 0.44 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Variable | Observation | Mean | Std. Dev. | Min | Max |
| Road density | 1993 | 1600.67 | 3546.78 | 0.0001765 | 11515.71 |
| Population density | 1993 | 5498.20 | 6257.73 | 583.69 | 18947.87 |
| population | 1993 | 2120453 | 1030142 | 911961 | 543572 |

*Source: calculated by the author*

**Table 4**

**Distribution of Foreign Manufacturing Firms by Each Sub-Sector, 2010-2017**

|  |  |  |
| --- | --- | --- |
| No. | Sector | Number of Foreign Firm |
| 1. | Textile | 530 |
| 2. | Motor vehicle | 390 |
| 3. | Machine and equipment | 518 |
| 4. | Food and Beverages | 213 |
| 5. | Chemical | 339 |
|  | Total | 1993 |

*Source: calculated by the author*

**Table 5**

**Distribution of Foreign Manufacturing Firms by Each County and Sub-Sector,**

**2010-2017**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| No. | County | Textile | Motor vehicle | Machine | Food | Chemical | Total foreign firm | |
| 1. | Bandung City | 5 | 0 | 0 | 5 | 15 | 20 |
| 2. | Bekasi City | 14 | 6 | 20 | 6 | 8 | 54 |
| 3. | Jakarta Barat City | 0 | 2 | 3 | 3 | 4 | 12 |
| 4. | Jakarta Pusat City | 0 | 2 | 1 | 4 | 0 | 7 |
| 5. | Jakarta Timur City | 3 | 8 | 18 | 16 | 18 | 63 |
| 6. | Jakarta Utara City | 64 | 10 | 1 | 7 | 8 | 90 |
| 7. | District of Bandung | 78 | 0 | 10 | 5 | 11 | 104 |
| 8. | District of Bandung Barat | 6 | 0 | 0 | 2 | 3 | 11 |
| 9. | District of Bekasi | 37 | 185 | 311 | 47 | 115 | 695 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 10. | District of Bogor | 60 | 3 | 8 | 24 | 17 | 112 |
| 11. | District of Boyolali | 5 | 0 | 0 | 1 | 0 | 6 |
| 12. | District of Cianjur | 16 | 0 | 0 | 0 | 2 | 18 |
| 13. | District of Gresik | 3 | 3 | 11 | 7 | 37 | 61 |
| 14. | District of Karawang | 35 | 139 | 78 | 14 | 47 | 313 |
| 15. | District of Mojokerto | 4 | 1 | 4 | 11 | 3 | 23 |
| 16. | District of Pasuruan | 11 | 1 | 2 | 20 | 15 | 49 |
| 17. | District of Purwakarta | 64 | 31 | 17 | 1 | 11 | 124 |
| 18. | District of Semarang | 23 | 1 | 0 | 2 | 3 | 29 |
| 19. | District of Sidoarjo | 4 | 0 | 4 | 18 | 12 | 38 |
| 20. | District of Subang | 41 | 0 | 0 | 0 | 0 | 41 |
| 21. | District of Sukabumi | 36 | 1 | 17 | 5 | 0 | 59 |
| 22. | Semarang City | 21 | 0 | 6 | 11 | 0 | 35 |
| 23. | Surabaya City | 0 | 0 | 7 | 4 | 10 | 21 |
|  | Total foreign firms | 530 | 393 | 518 | 213 | 339 | 1993 |

*Source: calculated by the author*

**Table 6**

**Correlation Matrix of Independent Variables**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Variables | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| FDI Agglomeration (1) | 1.0000 |  |  |  |  |  |  |  |  |
| DDI Agglomeration  (2) | 0.3866 | 1.0000 |  |  |  |  |  |  |  |
| Service Agglomeration (3) | 0.1417 | 0.1649 | 1.0000 |  |  |  |  |  |  |
| RGDP (4) | 0.1198 | 0.0384 | 0.5620 | 1.0000 |  |  |  |  |  |
| Regional Minimum Wage (5) | 0.3210 | 0.2208 | 0.3918 | 0.4889 | 1.0000 |  |  |  |  |
| High Education (6) | 0.1849 | 0.1840 | 0.8426 | 0.2219 | 0.4889 | 1.0000 |  |  |  |
| Road Density (7) | -0.1257 | -0.1738 | 0.1870 | 0.7291 | 0.2219 | 0.4406 | 1.0000 |  |  |
| Population Density (8) | -0.1552 | -0.1842 | 0.4591 | 0.7469 | 0.3325 | 0.6302 | 0.7971 | 1.0000 |  |
| Population (9) | 0.2551 | 0.2612 | 0.8566 | 0.1988 | 0.3740 | 0.6080 | -0.1035 | 0.0737 | 1.0000 |

*Source: calculated by the author*

**Table 7**

**Test Results**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Test | Type | Statistics | Pr>Chisq | Label |
| Test0 | Wald | 763.71 | <.0001 | FDI\_agglomeration |
| Test1 | Wald | 187.94 | <.0001 | DDI\_agglomeration |
| Test2 | Wald | 2.05 | 0.1520 | Service\_agglomeration |
| Test3 | Wald | 0.52 | 0.4702 | RGDP |
| Test4 | Wald | 120.30 | <.0001 | Regional\_min\_wage |
| Test5 | Wald | 6.91 | 0.0086 | High\_education |
| Test6 | Wald | 98.62 | <.0001 | Road\_density |
| Test9 | Wald | 45.97 | <.0001 | Pop\_density |
| Test8 | Wald | 0.28 | 0.5989 | Population |

**Table 8**

**Test Results by Each Sub-Sector Industry**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Test | Type | Statistics | Pr>Chisq | Label |
| Test0 | Wald | 86.94 | <.0001 | FDI\_food = FDI\_textile = FDI\_motorveh = FDI\_chemical = FDI\_machinery |
| Test1 | Wald | 20.37 | 0.0004 | DDI\_food = DDI\_textile = DDI\_motorveh = DDI\_chemical = DDI\_machinery |
| Test2 | Wald | 14.74 | 0.0053 | Service\_food = Service\_textile = Service\_motorveh = Service\_chemical = Service\_machinery |
| Test3 | Wald | 10.24 | 0.0365 | RGDP\_food = RGDP\_textile = RGDP\_motorveh = RGDP\_chemical = RGDP\_machinery |
| Test4 | Wald | 109.09 | <.0001 | MinWage\_food = MinWage\_textile = MinWage\_motorveh = MinWage\_chemical = MinWage\_machinery |
| Test5 | Wald | 1.51 | 0.8249 | Higheduc\_food = Higheduc\_textile = Higheduc\_motorveh = Higheduc\_chemical = Higheduc\_machinery |
| Test6 | Wald | 38.84 | <.0001 | Roaddens\_food = Roaddens\_textile = Roaddens\_motorveh = Roaddens\_chemical = Roaddens\_machinery |
| Test9 | Wald | 7.48 | 0.1127 | Popdens\_food = Popdens\_textile = Popdens\_motorveh = Popdens\_chemical = Popdens\_machinery |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Test8 | Wald | 14.15 | 0.0068 | Population\_food = Population\_textile = Population\_motorveh = Population\_chemical = Population\_machinery |