

Opportunities and Challenges for Investors Investing in Metro City

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Article Info

Article history:

Received September 2023

Revised September 2023

Accepted September 2023

Keywords:

Opportunities

Challenges

Investments

ABSTRACT

Metro City, as one of the developing cities in Indonesia, offers a variety of attractive investment opportunities. This article discusses the investment opportunities available in Metro City, such as the property sector, industry and promising economic growth potential. However, this article also highlights some of the challenges faced by investors, including regulatory, infrastructure and competition issues. With a deeper understanding of investment conditions in Metro City, investors can take wise steps in exploiting its economic growth potential. The research method used in this research is a qualitative approach whose research design is descriptive, namely providing an accurate picture or explanation of the problems faced. Descriptive research is research carried out to determine the value of independent variables, either one or more variables (independent) without making comparisons, or connecting them with other variables. This research describes the opportunities and challenges for investors investing in Metro City.

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1. INTRODUCTION

The development of a region can be realized by sustainable economic growth in the region, for example by increasing the value of investment that can increase regional income which in turn can build the economic growth of the region [1, p. 2]. The capital market has a very important role in a country's economy because the capital market performs two functions at once, namely the economic function and the financial function.

In the economic function, the capital market provides facilities to bring together two interests, namely the owners of excess funds (investors) and those who need funds (emitters). With the capital market, those who have excess funds can invest these funds in

the hope of obtaining profits (return), while the company (issuer) can utilize these funds for investment purposes without waiting for the availability of the company's operational funds. Financial function, the capital market provides the possibility and opportunity to obtain profits (return) for fund owners, in accordance with the characteristics of the selected investment. [2, p. 1].

The Office of Investment and One-Stop Integrated Services aims to provide convenience such as licensing, security, and legal certainty as well as One-Stop Integrated Services (PTSP) to be able to attract investors to be able to invest in Metro city, so that economic growth in Metro city can increase. In connection with this, the Metro City Investment and One-Stop Integrated Services

Office prepares a strategic plan as a reference in carrying out its duties and functions as well as an accountability material for the performance to be achieved [1].

The Department of Investment and One-Stop Integrated Services (DPMPTSP) of Metro City's programmers and activities are mostly continuous activities that are scheduled regularly from year to year. This is in accordance with the Main Duties and Functions of the Metro City One-Stop Integrated Investment and Services Office (DPMPTSP) which carries out service delivery activities, especially in the field of licensing and regional investment development. Therefore, the policies taken for 2023 are only limited to improving and increasing the performance of both outputs and inputs of planned programmer and activities as well as exploring investment opportunities for the development of regional investment. Another policy taken by the Metro City Investment and One-Stop Integrated Service Office (DPMPTSP) in an effort to improve performance is to come up with service innovations aimed at improving the quality of services provided to the community as well as developing investment cooperation opportunities to improve the investment climate in Metro City.

The Metro City Investment and One-Stop Integrated Service (DPMPTSP) Office has a vision stated in the Metro City Investment and One-Stop Integrated Service (DPMPTSP) Strategic Plan for 2021-2026, namely "Easy Investing and Excellent Licensing Services". Investment is any form of investment activity, both by domestic investors and foreign investors, to conduct business in the territory of the Republic of Indonesia. Licensing Services are activities carried out by the government in order to fulfil the rights of the community and the basic needs of the community in the field of licensing which is the control of the local government which aims to protect the community in accordance with the stipulated Regional Regulations. Prima is intended to fulfil community satisfaction standards which include transparency, efficiency, effectiveness

and timeliness as well as the professionalism of licensing officers in carrying out services in the licensing sector [3].

Based on observations at the Metro City Investment and One-Stop Integrated Service Office, it is said that there are several potential opportunities that can be processed and developed for investors to invest in Metro city. However, the problem being faced is the lack of potential investors to invest in Metro city. Prospective investors only come from the city of Metro, none from outside because the Metro area is still small.



Figure 1. Development of Investment Realization in 2019-2022 (Dinas Penanaman Modal dan PTSP Kota Metro, 2022)

Seen in Figure 1, the development data of domestic investment realization (PMDN) has increased from year to year. But for Foreign Investment (PMA) no one has invested in the city of Metro. From the explanation above, it certainly becomes interesting how the Opportunities and Challenges of Investors Investing in Metro City at the Metro City Investment and One-Stop Integrated Service Office using SWOT Analysis.

2. LITERATURE REVIEW

2.1 Definition of Investment

The term investment comes from the Latin "investire", and in English it is known as "investment". There are several opinions that provide a definition of investment, such as:

- a. Investment is placing money or funds in the hope of obtaining a certain addition or profit from the existence of these funds.
- b. Investment is an activity related to the withdrawal of financial resources used to procure capital goods at the present time,

so that a flow of new products can be produced in the future. [4, p. 2].

2.2 Investment Objectives

To achieve effectiveness and efficiency in decisions, it is necessary to be clear about the expected goals. Likewise, in the investment sector we need to set goals to be achieved. According to Fahmi and Hadi, these objectives are:

- a. The creation of sustainability in the investment.
- b. Creating maximum profit or expected profit.
- c. The creation of prosperity for shareholders.
- d. Contributing to the development of the nation [5, pp. 5–6].

2.3 Benefits of Investment

Judging from the benefits it brings, it is categorized as follows:

1) Investments that are beneficial to the public.

Investments that are beneficial to the public, such as investments in infrastructure (roads, bridges, ports, markets, etc.), investments in the field of natural conversion, waste management, technology, research and development, sports, defense and security, and other investments that benefit the wider community.

2) Investments that benefit specific groups

Investments that bring benefits to certain groups of people, and certain environments such as investments in the religious field, building worship facilities and other religious facilities, the field of education and human resources, certain sports fields, certain infrastructure fields, certain environmental conversion fields, waste management fields in certain neighborhoods, and other investments that are beneficial to society at large. [6].

3) Investments that are beneficial for individuals and households

Investments that bring benefits to individuals or households, in order to fulfil their needs and desires in the future, such as investments for personal or family housing, investments for personal or family education,

investments in religious fields, investments for businesses, and other investments that are beneficial [7].

2.4 Investment Opportunities and Challenges

Juridically, Law No. 32/2000 opens up opportunities and access to investors in the regions, with provisions that oblige Regency and City Regions to organize government affairs that must be carried out, including investment. However, the problem now is whether the regions are ready to fulfil the necessary requirements when viewed from the point of view of investors' interests?

In this connection, there are several obstacles that must be considered and at the same time become a challenge, when pointing to the objective conditions faced by the region, namely:

- a. How the region is able to build and create a conducive climate that allows investors to feel safe to invest in the region. In this case, the condition of stability (social, political, and security) of the region contributes greatly to the region in attracting investors to enter the region [8]. That way, a conducive climate supported by steady regional stability is a good starting point and promotion to invite investors to enter the region.
- b. The quality of services provided by local government officials, especially those related to permit processing, is no less important in attracting investors. A long and tedious or overly bureaucratic chain of licence processing is certainly not an attraction for investors who require fast, effective and low-cost services.
- c. The ability of the Region to build good governance, openness and transparency. At the very least, endeavour to suppress and reduce practices in all their forms that will clearly impact or cause a high-cost economy. The latter will certainly reduce the attractiveness of the region in the eyes of investors.
- d. The ability of the Region to build an infrastructure network that will facilitate the traffic of people, goods and services to move from one place to another. For

example, good road facilities will facilitate the economic movement of the economy from one place to another, or from one region to another [9] [10]. This condition is certainly one of the important considerations for investors to channel their investment in the Region

- e. The ability of the Region to provide business certainty (law) for investors who will invest. In this case, the Region is required to build and create legal instruments and deregulate or review various regional level regulations that are not in accordance with the vision and mission of the new autonomy, especially those related to regional efforts to support, encourage and provide facilities for investors.

The existence of legal certainty guarantees provided by the Region will greatly contribute to the presence of investors. This is because investors are certainly not willing to take risks if there is no guarantee of legal certainty for them to invest in the region. To overcome these obstacles, in the sense of building and creating the desired conditions, can be achieved through regional legal instruments in the form of *Peraturan Daerah* (Perda) [11].

3. METHODS

The research method used in this research is a qualitative approach method whose research design is descriptive, which provides an accurate description or explanation of the problem at hand. Descriptive research is research conducted to determine the value of independent variables, either one or more variables (independent) without making comparisons, or connecting with other variables. In this study researchers describe or explain how the Opportunities and Challenges of Investors Investing in Metro City [12, p. 74].

There are three stages in this research, namely: 1) Pre-research stage, namely conducting observations and initial interviews related to the issues raised, 2) Research Stage, which is collecting data in the

form of direct interviews and data collection using other techniques that can be a reference in conducting data analysis and drawing conclusions, and 3) The final stage, where the collected data will be processed and analyzed and conclusions drawn.

The data sources used in this research are primary data sources and secondary data sources. Primary data is data sourced from direct observation and interviews with the Metro City Investment and One-Stop Integrated Service Office. While secondary data in this study are in the form of documents and websites of the Metro City One-Stop Investment and Integrated Services Office, namely <https://pmptsp.metrokota.go.id> [1].

4. RESULTS AND DISCUSSION

In an organization or institution, the existence of a vision and mission is important in order to run all activities in the organization or institution. Because the vision and mission will be the basic foundation for the organization, usually the vision and mission are created when the organization is being built. Therefore, vision and mission have an important role in the running of an organization. [13, pp. 74–75]. Based on an interview with Mr N.A, the vision of the Metro City Investment and One-Stop Integrated Service (DPMPTSP) for 2021-2026 is "Easy Investment and Excellent Licensing Services". In realizing this Vision, a Mission is prepared, which is a general formulation of the efforts that will be carried out to realize the Vision. There are 4 (four) Missions of the Investment and PTSP Office of Metro City, namely:

1. Provide convenience and transparency to the public.
2. Simplify licensing and investment service procedures and mechanisms.
3. Provide facilities and infrastructure for licensing and investment services.
4. Increase community participation in development through licensing and investment services.

that is really clear and clean (CNC), really all ready.

2) Challenges (threats) for investors investing in Metro city

In metro city the investors have fulfilled such as good security and then the cost of living here is cheaper, and comfortable. But the first challenge for investors is that one of them is usually more on maybe the lack of consumers, depending on what sector he is interested in. The second one goes back to the first one, which is not yet ready for a really immature study, that is a field or sector that can be developed by investors.

3) Strengths of investors investing in the city of Metro

One of the strengths is the facilities and infrastructure, both roads and other facilities, Metro city has fulfilled. For the road there is no more land so the facilities and infrastructure are good. Then also the trade facilities and infrastructure are all supportive. So, investors come here to do business and set up a business. The licensing process is the preparation file and the readiness of the community as consumers.

4) Weaknesses of investors investing in Metro city

If you look at the most specific weaknesses, there are some national level ones that enter the city of Metro at this time it is still good. However, there is a challenge, namely the lack of consumers because the nature of Metro city consumers is still limited to the region, namely its own people, not from outside people who go to Metro. The area of Metro city is still small and they are more exited to the city of Bandar Lampung. Therefore, the challenge of Metro city is how to attract people to Metro city. However, now from year to year it has been quite crowded since the vision and mission of Metro as a city of education, many people come to study in Metro [14].

CONCLUSION

From the discussion above, we can conclude that to realize the vision and mission of the organization, especially at DPMPTSP Metro city, there are several things that need

to be done, namely realizing investment realization, providing the best licensing services and developing effective and efficient strategic plans. The opportunity for investment in the city of Metro is the city of Education so that many students study in this area, this is certainly an opportunity for investment both in the culinary, tourism and other fields. While the challenge is the lack of investment objects that can attract potential investors, in addition to small profit rewards that make potential investors less interested in investing in Metro City. As for the advantages, one of them is the facilities and infrastructure, both roads and other facilities Metro city has fulfilled. There are no more dirt roads so the facilities and infrastructure are good. Then also the trade facilities and infrastructure have all supported and the weakness of investors investing in metro city is the lack of interest of potential investors to invest.

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