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Cost-Benefit Analysis of Foreign Direct Investment in Indonesia's Telecommunications Sector Under The New Presidential Policy (2024-2029): A Case Study of PT. Comba Telecom Network Indonesia

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ABSTRACT

With an emphasis on PT. Comba Telecom Network Indonesia, this paper investigates the possible effects of President Prabowo Subianto's new policies on foreign direct investment (FDI) in Indonesia's telecommunications industry. In light of Indonesia's changing regulatory environment, the study assesses the advantages and disadvantages of expanding a business internationally using a Cost-Benefit Analysis (CBA) approach. The results show that although foreign direct investment (FDI) has many advantages, including access to international markets, knowledge transfer, and capital infusion, it also has a number of hazards, including uncertainty in regulations, protectionist measures, and economic nationalism. By offering useful information to investors, decision-makers, and scholarly scholars, the study adds to the larger conversation on foreign direct investment in emerging nations. Under Indonesia's new political leadership, the research's implications go beyond the telecom industry and provide a model for assessing foreign direct investment in other sectors.

Keywords: Foreign Direct Investment, Cost-Benefit Analysis, Telecommunications Sector, Indonesia, Prabowo Subianto, Policy Analysis

INTRODUCTION

Due to its sizable domestic market, advantageous geographic location, and continuous economic changes, Indonesia has long been regarded as one of Southeast Asia's most alluring locations for foreign direct investment (Al-Haq, 2024; Cook, 2024). Because of its contribution to the nation's infrastructure development and digital transformation, the telecommunications industry in particular has become a crucial destination for foreign direct investment (FDI) (Lin, 2008). However, a new set of economic policies brought about by President Prabowo Subianto's victory in 2024 have the potential to drastically change the investment environment (Soerjosoemanto, 2025). These policies, which prioritize domestic industrial growth and economic nationalism, have sparked concerns about how they can affect foreign direct investment (FDI), particularly in industries like telecommunications that significantly depend on foreign money and knowledge.

The main research question this study aims to answer is: How could President Prabowo Subianto's new policies affect foreign direct investment in PT Comba Telecom Network Indonesia when examined using a Cost-Benefit Analysis framework? Because of its significant contribution to Indonesia's telecommunications infrastructure and its reliance on foreign investment for growth and technological advancements, PT Comba Telecom is an excellent case study. The study's three main goals are to: (1) list the major FDI-related policy changes made under Prabowo's administration; (2) assess the possible costs and benefits of FDI in PT

Comba Telecom using a structured CBA framework; and (3) offer practical suggestions for stakeholders, such as investors, business executives, and legislators.

This study's importance stems from its current analysis of the relationship between Indonesia's economic policies and political transformation. The study provides insights into how industry-specific dynamics interact with more general macroeconomic trends by concentrating on the telecoms sector. Additionally, the use of CBA offers a thorough, quantitative basis for evaluating investment choices, which makes the results very useful for financial analysts and business strategists. By filling in knowledge gaps about how political shifts in emerging markets affect sectoral investment climates, the study also advances scholarly literature.

METHOD

This study uses a qualitative policy analysis Cost-Benefit Analysis technique to answer the research topic. To find important issues pertinent to foreign direct investment, the first phase entails a careful examination of President Prabowo Subianto's campaign promises, early policy directives, and public pronouncements. Desk research from the policymakers' remarks and interviews with industry experts are used to augment this qualitative analysis in order to determine their opinions on the possible effects of these measures.

The application of the CBA framework to PT Comba Telecom Network Indonesia is the subject of the methodology's second part. Benefits and costs are the two main categories into which the CBA parameters fall (Čavlin et al., 2024). On the advantages side, elements like market expansion, technological transfer, and finance access are assessed. For instance, PT Comba might be able to improve its competitive position by using cutting-edge technologies and upgrading its infrastructure thanks to FDI. Political risks, currency volatility, and regulatory compliance are examined from a cost perspective. Given Indonesia's history of enacting regulatory reforms, especially in areas seen strategically significant, it is possible that these factors will have a big impact on the results of investments.

The World Bank reports, Indonesian government publications, and, when available, internal records from PT Comba Telecom are among the several sources of data used in this study. A sensitivity analysis is carried out to evaluate how other scenarios—such as stronger local content laws or more favorable tax incentives—could change the CBA results in order to account for uncertainty in policy implementation. This method guarantees that the results are reliable and flexible enough to be applied to a variety of possible futures.

The study does have several drawbacks, though. Because Prabowo's administration is still in its early phases, one major limitation is the reliance on proposed policies rather than passed legislation. Additionally, some computations must make use of industry averages and guesses due to restricted access to PT Comba's proprietary financial data. Notwithstanding these difficulties, the methodology offers a strong basis for evaluating the possible effects of FDI under Indonesia's new policy framework.

RESULTS AND DISCUSSION

The research shows that, under President Prabowo's policies, FDI in PT Comba Telecom has a complicated interplay of costs and advantages. On the plus side, foreign investment might provide significant advantages, such as much-needed funding for infrastructure development (Novarina, 2025). For example, FDI might supply the substantial money needed for PT. Comba to take part in Indonesia's 5G deployment. Another crucial benefit is technology transfer, since foreign partners frequently provide knowledge that domestic companies do not. This is consistent with research by Lin (2008), who pointed out that FDI in the telecom sector usually results in positive knock-on effects including increased staff upskilling and operational efficiencies.

But the report also points out a number of dangers that can negate these advantages. Operational costs may rise as a result of regulations, especially those pertaining to local content requirements. Similar difficulties were noted by Al-Fadhat & Handana (2023), who noted in their study that protectionist measures can reduce foreign investors' profit margins. The situation is made more difficult by political unpredictability. Even though Indonesia has been comparatively stable lately, changes to the country's investment regulations or methods of enforcement may discourage long-term commitments. The sensitivity analysis emphasizes the necessity for investors to maintain flexibility by showing how even small adjustments to policy assumptions can have a substantial impact on the CBA results.

The table below summarizes the key findings of the CBA, providing a clear overview of the potential impacts:

Table 1: Summary of Cost-Benefit Analysis for FDI in PT. Comba Telecom

Category	Specific Item	Impact	Likelihood
Benefits	Technology Transfer	High	Moderate
Benefits	Market Expansion	Moderate	High
Costs	Regulatory Compliance	Moderate	High
Costs	Political Risk	Low	Moderate

The table shows that even while FDI has many advantages, there are also significant concerns. As an illustration of the difficulties in guaranteeing that information is successfully transferred to local teams, technology transfer is regarded as having a high impact but only a moderate chance. On the other hand, regulatory compliance is both quite likely and has a moderate impact, suggesting that investors will continue to be concerned about this. The fundamental guidelines found in ISO 31000-2018 serve as the foundation for the development of the "high," "moderate," and "low" indicators (Shick, 2025).

These results have significant ramifications for public policy as well as business strategy. According to the findings, companies may be able to reduce some regulatory risks and yet reap the rewards of foreign direct investment by forming alliances with local companies. To keep Indonesia appealing as a place to invest, policymakers should think about ways to improve openness and expedite clearance procedures. Future research topics are also highlighted in the study, including longitudinal evaluations of how FDI results change as Prabowo's policies are fully implemented.

CONCLUSION

With an emphasis on PT Comba Telecom Network Indonesia, this study offers a thorough assessment of the possible effects of President Prabowo Subianto's policies on foreign direct investment in Indonesia's telecom industry. A complex picture is revealed by the cost-benefit analysis. Although foreign direct investment (FDI) has many benefits, such as knowledge transfer and capital infusion, these gains are offset by political and regulatory dangers. The results highlight how crucial strategic planning is for investors, who have to negotiate a complicated and changing governmental environment (Lin, 2008).

In order to reduce risks, the study advises investors to actively interact with local partners and legislators. For instance, joint ventures could give international businesses access to cutting-edge technologies while assisting them in meeting local content criteria (Al-Fadhat & Handana, 2023). To promote investor trust, however, policymakers are urged to give transparency and uniformity in rules first priority (Marota, 2024). Indonesia can achieve a balance between economic nationalism and the requirement for foreign investment to propel growth by tackling these problems.

However, it should be noted that the study has a number of drawbacks. As Prabowo's administration develops, the actual effects could change because the research is predicated on early policy signals rather than fully implemented legislation. Second, there is a chance of inaccuracy when some financial measures are dependent on secondary data. By using primary data from investor surveys or performing longitudinal studies, future study could fill in these gaps.

Notwithstanding these drawbacks, the study provides insightful information to help stakeholders navigate Indonesia's shifting investment environment. It offers an organized method for assessing FDI choices in unpredictable political contexts by utilizing a strict CBA framework. Such studies will be essential to ensure that Indonesia stays a competitive location for international investment as the nation develops under its new leadership.

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