

## ABSTRACT

*The realisation of foreign direct investment (FDI) and domestic direct investment (DDI) from January to December 2022 reached Rp1,207.2 trillion. The largest FDI investment realisation by sector was led by the Basic Metal, Metal Goods, Non-Machinery, and Equipment Industry sector, followed by the Mining sector, and the Electricity, Gas, and Water sector. The uneven amount of FDI investment realisation in each industry and the phenomenon of the COVID-19 pandemic in Indonesia are the main problems in this study. This study aims to identify the factors that influence FDI entry into industries in Indonesia and measure the extent to which these factors influence FDI entry.*

*This study examines the three largest FDI recipient sectors in Indonesia out of 23 industrial sectors according to the Investment Coordinating Board (BKPM). The data used is time-series from 2012 to 2021. In this study, classical assumption tests as well as hypothesis tests are conducted to check whether the research model is good enough to provide strategic options nationally. Furthermore, this study uses ordinary least square analysis method.*

*The results show that the electricity factor has no influence on FDI in the three industries. Then, the HDI factor has a significant negative effect on FDI in the Mining Industry and a significant positive effect on FDI in the Basic Metal, Metal Goods, Non-Machinery, and Equipment Industry. But not for the Electricity, Gas, and Water Industry where HDI has no influence on FDI in Indonesia.*

*Future research is expected to examine further using different industries and the number of samples with a longer data span, and other variables such as gross domestic product (GDP), exchange rates, or inflation to gain a deeper understanding of the factors that influence the entry of FDI in Indonesia.*

**Keywords:** *electricity, foreign direct investment, human development index*