PRESS RELEASE

Ministry of SOEs and Ministry of Investment/BKPM Cooperation Ready to Level Up UMKM and Go Global

Jakarta, 19 August 2021 - The path for Micro, Small and Medium Enterprises to level up and go global is expedited by the Ministry of State-Owned Enterprises (BUMN) and the Ministry of Investment/BKPM. Legal barriers, such as not having a Business Identification Number (NIB), as often the case for UMKM wanting to partner with BUMN and thus hinders expansion, can now be minimized with the cooperation of integrating PaDi UMKM, owned by the Ministry of BUMN, with the Online Single Submission (OSS) System, owned by the Ministry of Investment/BKPM.

Cooperation Agreement (PKS) between the two ministries gives UMKM fostered by BUMN and or registered on the UMKM PaDi (Pasar Digital) platform, access and ease of obtaining a license, large investment facilities, partnership, solutions to business barriers, knowledge of Investment Activity Report (LPKM), and increases capacity and Human Resources (SDM) competencies development.

"I welcome synergy between the Ministry of BUMN and the Ministry of Investment/BKPM with much enthusiasm because this signifies the credo of serving and being there for the public, particularly for the small and micro enterprises sector, to continue without pause. Especially during the efforts to aid national economic recovery during the COVID-19 pandemic. Ease and legality for UMKM will speed leveling up and going global," said the Ministry of BUMN, Erick Thohir, in Jakarta, Thursday (19/8).
"Legality will spur the development of better governance or management, and better opportunities so as to increase job creation and grow local economies, and also strengthen national economy," he adds.

The same sentiment is expressed by the Minister of Investment/Chairman of BKPM, Bahlil Lahadalia, who states that the Ministry of Investment/BKPM is ready to facilitate and support UMKM, those fostered by the Ministry of BUMN and well as by other ministries and agencies, to grow by taking advantage of the ease of applying for business licensing through the Ministry of Investment/BKPM OSS System.

"The Ministry of Investment/BKPM will continue to improve synergy with government agencies to support the increase of contribution and collaboration of BUMN with Micro, Small, and Medium Enterprises (UMKM) program. "Business licensing should not be a hassle, everything is done online through OSS, so there should be no legal barriers to business for UMKM. The process becomes certain, easy, efficient, and transparent," said Minister Bahlil.

The Risk-Based Online Single Submission (OSS) System, officially inaugurated by Indonesian President Joko Widodo last week at the office of the Ministry of Investment, is the materialization of the mandate given by Law Number 11 Year 2020 on Job Creation (UU CK) and Government Regulation (PP) Number 5 Year 2021 on Implementation of Risk-Based Business Licensing. Business licensing is categorized by the level of risk. For example, low-risk Micro and Small Enterprises (UMK) will receive the ease of single licensing, where the Business Identification Number (NIB) functions as business legality, Indonesian National Standard (SNI), and Guarantee of Halal Product Certification (SJPH) for products that must meet SNI and halal qualification.
"These facilities are given by the government for low-risk UMK. The lower the business risk, the easier is the business licensing. UMK businesses no longer have to go through much trouble and hassle to obtain licenses."

Thus far, the Ministry of BUMN has done various initiatives to develop and empower UMKM by building infrastructures, providing funding and market access, and an empowerment program through products and services owned by BUMN. The already launched UMKM Digital Market (PaDI) is proof of government partiality in expanding the market and increasing UMKM global competitiveness.

"The collaboration with the Ministry of Investment/BKPM will also increase the accuracy of UMKM data in PaDi, which will simplify giving special incentives to UMKM, and also in evaluating, monitoring, and composing UMKM development policies. The breakthrough is beneficial to strengthen UMKM's role and contribution towards the Gross Domestic Product (PDB) and also employment," added Minister Erick.

The PKS is a continuation of the signing of the Memo of Understanding on Coordination of Task and Functions Within the Ministry of BUMN and Ministry of Investment/BKPM on 30 March 2020.

With this cooperation, the Ministry of Investment/BKPM supports the increase of contribution and collaboration of BUMN with the UMKM program. In addition to UMKM, this cooperation can also benefit BUMN and BUMN subsidiaries.