PRESS RELEASE

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Ministry of Cooperatives and SMEs and BKPM Synergize to Develop MSMEC

Jakarta, 17 September 2020 – Ministry of Cooperatives and Small Medium Enterprises (Kemenkop UKM) together with the Indonesia Investment Coordinating Board (BKPM) signed a Memorandum of Understanding on Program and Policy Sinergy to Develop Micro, Small and Medium Enterprises and Cooperatives (MSMECs). The signing was done by Minister of Kemenkop UKM Teten Masduki and BKPM Chairman Bahlil Lahadalia online on Thursday morning (17/9) from their respective offices.

"This move is the basis for each party to synergize programs and policies to increase partnership cooperation between investors, both foreign investors, and large-scale domestic investors, with MSMEs and cooperatives. We provide data and information regarding profiles of MSMEs and cooperatives with potential for partnership with investors," said Minister of Cooperatives and SMEs Teten Masduki.

The Scope of this Memorandum of Understanding includes the exchange of data and information; facilitation of investment partnership; and capacity building of micro, small and medium enterprises and cooperatives (MSMEs). In terms of data and information exchange, BKPM is expected to provide investors' data and profile
information, both foreign investors and large-scale domestic investors, in partnership with MSMEs players. Furthermore, BKPM also provides business licenses data in the MSMEs sector issued through the Online Single Submission (OSS) system.

Moreover, continued Teten, the synergy also comprises consultations and guidance in drafting of partnership agreements individually and jointly. "Particularly, on the financing, technology, and legality aspects for MSMEs and cooperatives through workshop forums, OSS clinics, technical orientations and guidance, or capital investing seminar conducted by both parties," stated Teten.

BKPM Chairman welcomes the cooperation and collaboration with Kemenkop UKM at this appropriate moment. The two institutions have been working together for a while, but now cooperation is being done more intensively and formalized by the MoU.

"This cooperation is a concrete step by the government in executing the President's directives. Now, every investor coming to Indonesia, by law, must partner with a domestic business or MSMEs. That is non-negotiable," explained Bahlil.

With this cooperation, the government gives the room for MSME to play a more significant part in the nation's economy through three things, uncomplicated permit applications based on Presidential Instruction (Inpres) Number 7 the Year 2019 on Acceleration of Ease of Doing Business; Key Performance Indicator (KPI) BKPM which require large investments both foreign and domestic to partner with MSMEs; and the opportunity to develop entrepreneurship through MSMEs.
"Every investment entering a region not only has to increase economic growth but must also cultivate new business," stated Bahlil.

This Memorandum of Understanding regulates, among others, partnership facilitation activities between Foreign Investor (PMA) and large-scale Domestic Investor (PMDN) with MSMEs. The facilitations encompass matchmaking activities such as seminars, market sounding, business forums, or mission/delegation visits of government agencies, foreign companies, and MSMEs.

In addition to partnership facilitation, Kemenkop UKM and BKPM are committed to building MSMEs and cooperatives capacity regarding investment licensing procedures and regulations, as well as business management. (*)


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