Press Release

Government Continues to Improve Ease of Doing Business

Jakarta, 11 April 2016 — The Government of Indonesia always seeks to take various measures to improve the ease of doing business in Indonesia. The Coordinating Ministry for Economic Affairs along with Indonesia Investment Coordinating Board (BKPM) have been in synergistic steps to encourage the relevant line ministries and institutions to mutually ameliorate the ease of doing business in Indonesia which has to do with the annual survey of the Ease of Doing Business (EODB) conducted by The World Bank.

The Chairman of Indonesia Investment Coordinating Board Franky Sibarani emphasized that one of the key measures to underpin the improvement of ease of doing business is policy deregulation followed by efforts to disseminate the messages to the respondent and public accordingly. “One of the improvements that ought to be carried out by the government is to harmonize 40 regulations, which 29 of them have been synchronized,” said Franky in his official statement to media, Monday (11/4).

According to Franky, such improvements are expected not only to boost local business contributions to Indonesia’s economy but also to increase export volume which will lead to the expansion of jobs creation. “All these efforts would eventually be of beneficial for the people. The improvement of ease of doing business by streamlining the licensing process is a part of President Joko Widodo’s Nawa Cita (nine agenda),” he added.

Furthermore, Franky pointed that the government works to carry out improvement on the ground of ease of doing business is intended to encourage local business involvement and also to drive Indonesia’s economic growth. “Such improvements are necessarily undertaken by looking toward the end-to-end process so as to simplify procedures, to shorten the licensing and non-licensing procedures as well as to achieve business cost efficiency,” said Franky.

BKPM today (11/4) hosted investment dialogue forum on “The Ease of Doing Business Improvements, for Who?” taking place in Nusantara Room BKPM, Jakarta with a number of prominent speakers from the Coordinating Ministry for Economic Affairs, BKPM, economist and also the representative from relevant business association.

The forum is intended to obtain important perspectives from relevant stakeholders with regard to the improvements performed by the government. One of the indicators of EODB, that is starting a business, the government has carried out several improvements where the procedures, time and cost are taken into account. For instance, it previously required 13 procedures in 48 days that cost around IDR 5.7
million. Later, the improvements are expected to cut the procedures, time and cost significantly that it will only require 7 procedures in 10 days and the total cost of around IDR 2.7 million.

The Expert Staff of the Coordinating Minister for Economic Affairs Bambang Adi Winarso explained that the government has developed and created a website (http://eodb.ekon.go.id/) which provides in-depth yet concise information regarding improvement measures taken by the government.

On the other hand, Director of Research CORE Indonesia M. Faisal put the emphasis on the need of the government to focus carrying out improvements on two indicators namely starting a business and enforcing a contract. “The first indicator Indonesia is ranked 173th and the latter is 170th,” he added.

The improvements on those two indicators are expected to support the target given by President Joko Widodo to reach rank 40. Faisal also added that stand-alone EODB is not enough to measure conducive business environment in a country. “Such indicator seems bias and less representative. Besides, the ease of doing business particularly for investors need to take into account the quality of the investment and working climate for the workers,” he explained.

Director of Deregulation BKPM Yuliot argued that from the perspective of BKPM, the survey of EODB is perceived as something that has strategic values since it is used by many countries across the globe to assess the business climate in a country. “The improvements in such survey are intended to attract the investors to invest in Indonesia,” he said.

Lastly, the Chairman of the Association of Indonesia Small Medium Enterprises (Akumindo) Ikhsan Ingratubun expected that the improvements on such survey is utterly reflected on the ease of doing business in Indonesia accordingly. “So, it is clear that the improvements of ease of doing business is for the utmost wealth of the people of Indonesia,” said Ikhsan.

--End--