



PRESS RELEASE

Jakarta, 6 January 2021

NIB Submissions Dominated by the SMEs Throughout 2020

Jakarta, 6 January 2021 - The Indonesia Investment Coordinating Board (BKPM) recorded that the number of applications for Business Identification Number (NIB) through the Online Single Submission (OSS) system throughout 2020 reached 1,519,551 NIB. The application for Micro-Small NIB dominated by 81 percent or 1,229,417 NIB. Seeing this data, BKPM will continue to encourage ease of doing business for Micro, Small and Medium Enterprises (MSMEs), which are the largest investors in Indonesia.

BKPM spokesperson, Tina Talisa, said that the COVID-19 pandemic that happened in almost all countries in the world, including Indonesia, have indeed resulted in a global economic contraction. Consumption and investment are the two factors that most influence Indonesia's economic growth.

"As directed by the President, BKPM is given the responsibility in managing investment in the real sector (except upstream oil and gas and financial services) and MSMEs. The 81 percent figure for the Micro-Small NIB issued by BKPM through OSS is a very positive signal. The persistence of the MSME actor shows that they are indeed economic hero investors," said Tina.

Tina added that this is in line with Law No. 11 of 2020 on Job Creation (CK Law). It is stated in article 13 in Part Five concerning the Simplification of Investment Requirements in Certain Sectors where the Central Government and Local Governments provide facilities, empowerment, and protection for cooperatives and MSMEs in investment based on the norms, standards, procedures, and criteria set by the Central Government.

The CK Law regulates risk-based business licensing. In the future, the business is divided into three categories, namely low risk, medium risk, and high risk. The entire business licensing process will be electronically centralized through Online Single Submission (OSS) to provide convenience, speed, certainty, and transparency for businesses.

"We know that the CK Law is a regulatory breakthrough made by the government to increase Indonesia's competitiveness. It also regulates how the government provides convenience, protection, and strengthening of MSMEs. Later, after the new OSS is implemented, businesses with low risk only need NIB, they don't need a permit," explained Tina.

Based on data from the BKPM Investment Control and Command Center (Pusat KOPI), during the January-December 2020 period, there were 1,670,685 Business Licenses (Izin Usaha/IU). Meanwhile, the Operational/Commercial Licenses (IOK) reached 221,275 IOK. The application for IOK was dominated by Trade, namely, 31,431 IOK, followed by Health 21,816 IOK, Food and Drug Supervisory Agency (BPOM) 14,565 IOK, Transportation 12,446 IOK, and Energy and Mineral Resources (ESDM) 10,689 IOK. (*)

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