PRESS RELEASE

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BKPM: MSMEs in Java and Outside Java Almost Balanced in Partnership between Large Investors and MSMEs

Jakarta, 20 January 2021 - Collaboration between large investors and Micro, Small, and Medium Enterprises (MSMEs) is an implementation of a quality investment. This is also a special direction from the President of the Republic of Indonesia Joko Widodo to the Indonesia Investment Coordinating Board (BKPM), which has been conveyed on various occasions. Through the partnership program, it is expected that MSMEs can “upgrading the level” and improve the quality of MSMEs to become more competitive.

Of the 196 MSMEs that participated in the partnership program, most were dominated by the service sector (41%). Then the other sectors are food and beverage providers (27%), logistics (14%), stationery and uniform providers (9%), building raw materials (6%), distribution (2%), and office inventory (1%). While from the distribution, the location of the MSMEs area is almost equal, namely 57.1% are located on Java Island and 42.9% are located outside Java.

"This is the first step. Hopefully, we can run this program consistently and continue to improve. This purpose is to make the economic growth even better. This is important for us to develop in the form of social justice for all Indonesian people and to achieve the welfare of the nation and state," said Chairman of BKPM Bahlil Lahadalia.

Bahlil said that the partnership program is a mandate from Law Number 11 of 2020 on Job Creation (CK Law) article 90 which states that the Central Government and Regional Government in accordance with their authority are obliged to facilitate partnerships between Medium and Large Enterprises (UB) with Micro and Small as well as Cooperatives, in a supply chain that aims to improve competence and business levels.

"This is part of our joint efforts. Good economic growth must be followed by growth in economic equity. This is a form of response that there is no more incoming investment in our country that does not involve local talent and MSMEs in improving the regional and national economy," said Bahlil.

One of the partners in the partnership program is UD Anggun Tani from Buleleng, Bali. During this pandemic, business activities declined due to reduced market operations, mainly as a result of the decline in the tourism sector in Bali.

“During this pandemic, our vegetable production is very abundant because there is no market, so we cannot sell. With a partnership program from BKPM, I can make products of higher value so that we are helped," explained UD Anggun Tani manager Ketut Sudiarta.

Meanwhile, one of the DDI representatives, PT Pan Brothers, collaborated with 13 MSMEs to support their business. Starting from the procurement of labor, suppliers of material goods, suppliers of food to suppliers of raw materials. "We hope this program is real and has a positive impact on Indonesia's national economic growth, especially the acceleration of the economy," said Vice CEO of PT Pan Brothers, Anne Patricia.

The partnership between FDI/DDI and MSMEs was signed and attended online by the President of the Republic of Indonesia, Joko Widodo, Monday morning (18/1). In this program, BKPM has succeeded in realizing collaborative partnerships between 56 large enterprises consisting of 29 foreign direct investment (FDI) and 27 domestic direct investment (DDI) with 196 MSMEs spread throughout Indonesia. The potential value of this partnership is IDR 1.5 trillion.

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