



## **BKPM: Micro-Business Interests Remain High during the Pandemic**

Jakarta, 19 October 2020 – The pandemic period that has lasted for approximately eight months has not diminished the enthusiasm of micro-entrepreneurs to start doing business. BKPM data shows that during September, it managed to break the record for achievement throughout 2020. Business Identification Number (NIB) applications for micro-businesses were recorded at 170,152, or the equivalent of 86% of the 197,322 NIBs issued through the Online Single Submission (OSS) system.

Previously in August, there was also a surge in NIB applications for micro-businesses, reaching 104,240 NIB, an increase of 114% compared to the previous month. The total NIB reached 82% of the total submissions of 126,878 NIB in August 2020.

BKPM spokesperson, Tina Talisa, conveyed that the rapid application of NIB for micro-entrepreneurs during this pandemic was a form of Indonesia's economic strength, which 60% of Gross Domestic Product (GDP) was supported by Micro, Small and Medium Enterprises (MSMEs).

"As the BKPM Chairman has often expressed, MSMEs contribute greatly to Indonesian economic growth. According to the mandate given by the President, BKPM continues to serve MSMEs. Through the Job Creation Law (CK Law), the state provides protection and strengthen the MSMEs," said Tina.

The Job Creation Law is a policy breakthrough to provide fast, easy, and efficient business licensing. The CK Law provides special treatment to MSME actors, including ease of licensing. MSMEs only need to have NIB which is processed within 3 hours via OSS. Apart from that, the state also protects MSMEs.

"The CK Law provides a very strong and good emphasis. It is clearly stated that foreign investors are prohibited to be shareholders of MSMEs. So FDI can only do large-scale businesses. And foreign investors must be partnering with MSMEs. This is a concrete form of the state being present for MSMEs," said Tina.

At the beginning of the pandemic, the number of NIB for micro-businesses decreased for three consecutive months, from 36,337 NIB in March 2020 to 28,435 NIB in April 2020 and touched the lowest figure in May 2020 with only 15,845 NIB issued by BKPM. . However, the micro sector has proved highly resilient to the pandemic. This is evidenced by the jump in the NIB in the micro sector in June 2020 which reached 35,283 NIB, an increase of 123% from the previous month. This figure continues to increase every month until it reaches almost 200 thousand NIB in September.

Based on data from the BKPM Investment Control and Command Center (Pusat Kopi BKPM), from January to September 2020, 792,044 NIB have been issued. Of the total NIB, the micro sector reached 70% or 512,246 NIB. (\*)

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