

Retail Business is Encouraged to be a Driving Force for Economic Recovery

The Ministry of Trade is optimistic that retail business can be a driving force for economic recovery in the "new normal" era. They ask the retail business to run their business activities while still paying attention to the health protocols, both for workers and consumers. The Minister of Trade, Agus Suparmanto, explained that the government will continue to save lives and it will be the topmost priority. However, the national economy must also be saved while maintaining public health.

The contribution of the trade sector in general, and retail business in particular, to the Indonesian economy, remains important even though its growth has slowed during the pandemic. In the first quarter of 2020, the contribution of the wholesale and retail sector to the national Gross Domestic Product (GDP) was 10.68 percent, not much different from the previous quarter for the past five years. Domestic consumption has contributed more than 50 percent to GDP over the past five years. Besides, in the first quarter of 2020, the contribution of consumption to GDP rose to 58.14 percent. "Seeing the contribution of the trade sector and the importance of consumption in maintaining economic growth, the Government continues to make maximum efforts to keep the retail business vigorous amid the COVID-19 pandemic," Agus explained.

Agus revealed these trading activities will not return their revenue by 100 percent. However, with the existence of trade activities, at least the businesses still get income. For this reason, the Government will provide incentives for retail business during the COVID-19 pandemic. "We have proposed to the Coordinating Minister for Economics Affairs to provide incentives for the retail business based on input from related businesses. Hopefully, the proposed incentives can be realized immediately," explained Agus. (*)