



MINISTRY OF MSME
REPUBLIC OF INDONESIA

Addressing The Cost of Development Finance: Case of Indonesia's MSMEs

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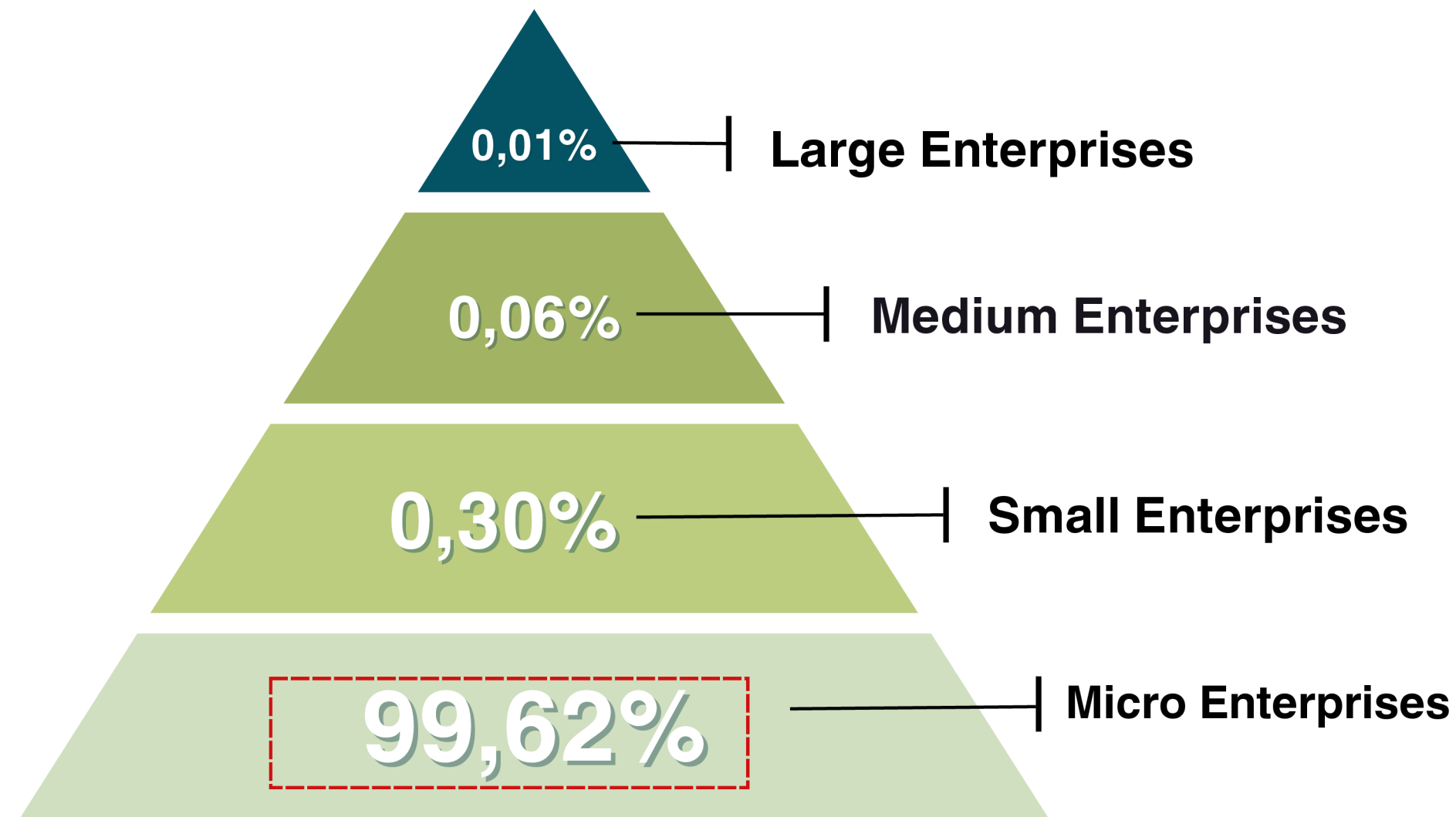
Indonesia MSMEs Sector Landscape



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Structure of Business Actors



The business sector in Indonesia is dominated by **micro** enterprises, employing up to **109.8 million workers**.

MSME Contributions



60,51%

Contribution MSMEs in Indonesia's GDP



97%

Workforce in MSME Sector



4,1%

Participation Ratio of MSMEs in GVC



15,7%

Contribution of MSMEs to exports



Women in MSMEs Sector Outlook

Women's participation in MSME



64,2 million
total Indonesian MSMEs



64,5%

37 million
businesses

MSMEs In Indonesia are **managed by women**

Economic Challenges & Women in MSMEs



USD 1,7 Trillion

Fincial gap in Womentrepreneurs



740 Million

Women Entrepreneurs worldwide don't have bank account



2,4 Billion

Women in business around the world lack the same economic rights as men.



Strengthening the MSME Financing Scheme

People's Business Credit (KUR) Scheme



 **IDR 280 Trillion**
total allocation for 2024

  **IDR 246 Trillion**
realization as of October 2024

Access to Non-Bank Financing



Securities Crowdfunding

Platforms allow MSMEs to raise small amounts from many individuals and can be donation-based, rewards-based, or equity-based.



Peer-to-Peer (P2P) Lending

MSMEs are connected to lenders through online platforms that offer flexible terms and interest rates tailored to their risk profiles, making it ideal for businesses with limited credit history.



Venture Capital (VC) and Angel Investors

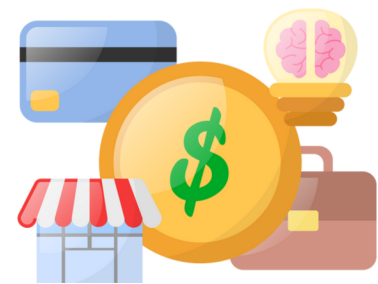
Offers equity financing to high-growth potential MSMEs, along with mentorship and networking opportunities, in exchange for a share of ownership in the business.



The Ease of Doing Business

Government Regulation No. 7 of 2021

on the Ease, Protection, and Empowerment of Cooperatives and MSME



40%

allocating of government
procurement to MSME products



Facilitating Certifications

to help MSMEs meet national and international
standards



120 MSMEs gained
Indonesia National Standard (SNI)

Cumulative data 2014-2022 (BSN, 2022)



30%

dedicating of public
infrastructure for MSME spaces.



4,7 MSMEs are gaining
million Halal certification

Cumulative data in October (digitalisasi.isef.co.id)



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Thank You