



Opening Remarks

by

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for

Micro, Small and Medium Enterprise (MSME) Day 2024

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Excellencies,
distinguished colleagues,

1. Thank you for participating at today's MSME Day.
2. Indonesia is pleased to co-host this event.
3. I also wish to thank co-organizers... UNCTAD, UNDESA, UNIDO, ITC, and UN Global Compact... for their excellent work.
4. This event is timely... to underline **the importance of MSMEs to safeguard economic progress and resilience** – at all levels.
5. Indonesia has experienced this first hand... on many occasions...
 - ➔ for instance, during the Asian Financial Crisis 1997-1998
 - ➔ and more recently, the COVID-19 pandemic
6. Our MSMEs have served as a **powerful driver** for Indonesia's **resilience, rebound, and recovery**
7. Indeed, MSMEs are **the backbone of our economy**...
 - ➔ with approximately **64.2 million units** currently operating...
 - ➔ **64%** of them are owned by women...
8. With **61% contribution to our GDP**... MSMEs are expected to **generate no less than US\$ 900 billion** to our economy this year...
9. MSMEs have also proven to be **an engine of job creation** ...
 - ➔ absorbing around **97% of workforce**...
 - ➔ providing livelihoods for around **117 million people**.
10. Indonesia has thus consistently put priority on **empowering MSMEs**... through many forms of incentives and support.

11. As we move forward, several **key areas** need to be underlined.

12. First, **enhancing financial inclusion**.

13. Providing MSMEs with **access to financial services** is crucial...

→ helping them transition from informal to formal sector...

→ hence, empowering and at the same time providing security to their businesses.

14. Indonesia has one of the most ambitious financing schemes for MSMEs in the world.

→ One of our Banks, for instance... the BRI... has become **the world's largest and longest-running microfinance provider...** with total loans of more than **US\$ 67 billion** last year.

→ Another company that provides venture capital, PNM... has launched a scheme dedicated to women entrepreneurs... providing **financing to more than 17 million women small business owners** last year.

15. Second, **embracing digitalization**.

16. The COVID-19 pandemic has exemplified... how accelerating digital transition...

→ has proven to enhance MSMEs productivity, expand their market reach, and improve their competitiveness

17. Digitalization also helps MSMEs **form a stronger foundation to access regional and global value chains**.

18. In ASEAN, digital economy is **expected to reach USD 1 trillion by 2030... serving a lucrative market** of more than 700 million people.

→ Even more... with the recently concluded **ASEAN Digital Economy Framework Agreement...**

→ the Boston Consulting Group has projected the size could further double to **USD 2 trillion.**

19. Helping MSMEs to **adapt, reskill and upskill** their digital capacity is thus critical.

20. To this, our **tailor-made programs for MSMEs include...**

→ business incubators

→ digital partnership programs with industries...

→ and digital trainings.

21. Third, **nurturing entrepreneurship in the young generation.**

22. Indonesia's youth population represents a **vast potential...**

→ with approximately 64,5 million individuals between 16-30 years old...

→ constituting almost 25% of our population.

23. To foster entrepreneurship among this demographic, Indonesia has implemented some programs...

→ including integrating **intellectual property rights** into high school curriculum...

→ and **promoting creative economy** as a new source of growth

→ to harness the **youth's energy and innovative ideas** to drive economic growth and job creation.

24. To conclude, I wish to underline that... **investing in MSMEs... equals, investing in economic resilience and inclusive growth.**

25. As we celebrate MSME Day, let us recommit ourselves to fostering an enabling national and international environment

- ➔ to help the MSMEs thrive
- ➔ and continue to be the engines to turbocharge SDGs attainment.

26.Thank you.