Opening Remarks

by
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for

Micro, Small and Medium Enterprise (MSME) Day 2024

New York, 27 June 2024
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.