

The use of customs law and regulation to support the development of small and medium enterprises: Evidence from Indonesia

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Abstract

Small and medium enterprises (SMEs) have proven to be a reliable reflection of the national economy of many countries, including Indonesia. SMEs in Indonesia are well known for the uniqueness of their local crafts, but often face obstacles in business management. Hence, the Government of the Republic of Indonesia has introduced several packages of economic policies aimed at SME development. As a result, advanced and developed opportunities are provided to the SMEs. Furthermore, the Ministry of Finance, through its Customs Department, issued policies in its 2015 economic policy package to support SMEs to grow and to seize market opportunities at domestic, regional and international levels. As part of this policy package, SMEs were also provided with a relaxation of the provisions of the Import Facility for Export Purpose (IFEP) requirements, including the removal of cash guarantee or bank guarantee preconditions. However, this article identified that the facilities were only conferred to SMEs with industrial characteristics. Additionally, SMEs do not possess a Customs Identity Number (Nomor Induk Kepabeanan (NIK)), which is a requisite to import raw materials. As a result, an initiative has been introduced in the form of a collaboration between SMEs and the bonded logistic centre (BLC)—(known as SMEs–BLC) to provide an opportunity for SMEs to export their products through ‘bonded landfill’ arrangements.

1. Introduction

The Indonesian economy went through a difficult period over recent years, during which most of the economic sectors experienced an economic downturn. However, while many industries and trade sectors weakened, others survived or were almost unaffected, particularly the SMEs. Based on this premise, the Government of the Republic of Indonesia issued a complex economic policy package that included policies aimed at developing SMEs.

As a backbone of the Indonesian economy, and with a proven ability to maintain economic stability during crises, SMEs have the capacity to absorb up to 97 per cent of all workers in Indonesia. Unfortunately, large foreign companies, which only absorb 3 per cent of the Indonesian workforce, control almost half (43%) of the national Gross Domestic Product (GDP) (Lembaga Pengembangan Perbankan Indonesia, 2015). Despite their limited capacity compared to large companies, Indonesian SMEs contribute significantly to the stability for the labour market in Indonesia. Furthermore, since 60 per cent of the large companies are foreign-owned (Chandra, 2016), if these companies left Indonesia, the Indonesian economy would be weakened. Hence, there is a need to re-strengthen the foundation of SMEs. Contrary to popular

perception, SMEs provide more jobs than the big corporations in developed countries. For example, SMEs provide 60–70 per cent of jobs in OECD countries (OECD, 1998, pp. 3, 7), indicating that SMEs in developed countries play a more significant role in the economy than in developing countries.

In order to advance and develop SMEs, market opportunities need to be exploited. Economic globalisation, especially through the implementation of the ASEAN Economic Community, creates such market opportunities for SMEs. ASEAN’s market comprises of approximately 600 million people, with 24 per cent from the middle-class group (2010 figures), which, according to the Asian Development Bank, will increase to 65 per cent by 2030 (Ratnasari, 2016, p. 57). One such market opportunity is in high-end consumer products, such as eyelashes and wigs. These products, some of which were worn by Hollywood artists, are produced by the small and medium industries in Purbalingga, Central Java. This is clear evidence that these products meet the quality standards that enabled them to penetrate the international market.

However, SMEs also face problems in terms of business management. Most SMEs have difficulties in raising capital, obtaining raw materials, assembling good professional and management teams, maintaining competitiveness against rapid business competition, building on innovation, developing strategies to deal with government policies that do not support SMEs, and keeping up with rapidly changing consumer tastes. To help overcome these problems, the Director General of Customs and Excise, as authorised by the Ministry of Finance, issued a policy as part of the 2015 economic policy package. The policy is a form of government support for SMEs to grow and is designed to enable SMEs to be competitive in local, national and international markets.

This paper looks at the ‘bonded landfill’ concept. Bonded landfill refers to an area in which imports are stockpiled so that they can be used in the processing and production of exported goods. Based on this concept, the initiatives taken by the Indonesian Government in developing Indonesian SMEs, particularly in terms of exports, will be examined.

2. Characteristics of SMEs

Before proceeding with the development of SMEs, the characteristics of small and medium enterprises need to be understood. Table 1 highlights the varying perceptions of what constitutes a SME by different international institutions.

Table 1: Characteristics of SMEs according to international institutions

Institution	Max no of employees	Max turnover or income	Max assets
World Bank	300	\$ 15,000,000*	\$ 15,000,000
MIF-IADB ¹	100	\$ 3,000,000**	–
ADB (Africa) ²	50	–	–
ADB (Asia) ³	There is no official definition. The definition of each member country is adopted.		
UNDP ⁴	200	–	–

Source: Gibson & Van Der Vaart, 2008, p. 5.

*With 1 USD equal to Rp. 13,000.00, 15 million dollars is equivalent to 195 billion rupiah.

** With 1 USD equal to Rp. 13,000.00, 3 million dollars is equivalent to 39 billion rupiah.

Based on the tabulated characteristics and requirements, there is naturally some confusion about what constitutes an SME. The World Bank considers companies with assets worth of 194 billion rupiahs and employees of less than 300 people as SMEs, even though they may have significant strength in the market despite the quantum of their assets and employees being slightly lower than the specified thresholds. Therefore, it is important to know how Indonesian law defines SMEs.

Article 6 of Law No. 20 of 2008 on Micro, Small and Medium Enterprises, specifies that:

(1) Microenterprises:

- (a) Have a net worth of at most Rp50,000,000.00 (fifty million rupiahs), excluding land and building of business premises; or

Have sales proceeds of at most Rp300.000.000,00 (three hundred million rupiahs).

(2) Small enterprises:

- (a) Have a net worth of more than Rp50,000,000.00 (fifty million rupiahs) up to a maximum of Rp500,000,000.00 (five hundred million rupiahs) excluding land and building of business premises; or
- (b) Have annual sales of more than Rp300,000,000.00 (three hundred million rupiahs) up to a maximum of Rp2,500,000,000.00 (two billion five hundred million rupiahs).

(3) Medium enterprises:

- (a) Have a net worth of more than Rp500,000,000.00 (five hundred million rupiahs) up to a maximum of Rp10,000,000,000.00 (ten billion rupiahs) excluding land and building of business premises; or
- (b) Have annual sales of more than Rp2,500,000,000.00 (two billion five hundred million rupiahs) up to a maximum of Rp50,000,000,000.00 (fifty billion rupiahs).

It is important to note that the nominal value mentioned above can be amended in accordance with the needs of economic development, as regulated by Presidential Regulations.

Comparing the criteria of SMEs under Indonesian law with those prescribed by the World Bank, a company with assets of approximately 194 billion rupiahs is still a small-to-medium-sized business. However, in Indonesia a company with such value is not considered to be an SME. By the virtue of Law No. 20 of 2008, business entities whose assets do not exceed 10 billion rupiahs are regarded as SMEs.

3. The importance of SMEs to the Indonesian economy

The SME sector has an important role in encouraging the growth of the Indonesian economy. With the existence of SMEs, unemployment (i.e. the unabsorbed labour force) is reduced. During the 1998 Indonesian economic crisis, only the SMEs sector survived the collapse. This affirmed the position of SMEs as one of the main pillars (Soko Guru) of the people's economy.

The contribution of the SME sector to the gross domestic product (GDP) and the country's foreign exchange earnings is also unquestionable. SMEs have become the main focus of Indonesia's economic development and the current Indonesian government has shown renewed interest in giving preference for SMEs as part of its economic and development policy goals.

In line with the spirit of *Nawacita*, which represents the nine priority areas developed by the Jokowi Administration, the government seeks to improve people's productivity and competitiveness internationally. It also aims to foster economic independence with the strategic sectors of the domestic

economy (Kompas, 2014). The government policies that support SMEs are seen as precursors to the presence of healthy and strong SMEs in Indonesia, thus becoming the main pillar of the economy. The policies focus on providing support to the various barriers faced by SMEs, such as technological limitations, financial constraints and limited access to raw materials.

Apart from major stakeholders, SMEs also play an important role in boosting economic growth, high employment opportunities and distribution of income. In order to improve the role of SMEs in Indonesia, various policies on macroeconomic aspects need to be implemented. The government's SME-development agenda can have a significant impact on economic growth, employment and establishing a more equitable income distribution in Indonesia by providing larger economic stimulus to the sector. The stimulus in question can include providing fiscal facilities; easing licensing requirements for SMEs; and providing special programs for SMEs in government, private and foreign investment projects.

4. Customs support in the development of SMEs

The Customs Department, which falls under the jurisdiction of the Ministry of Finance, issued a policy, as part of that was included in the 2015 economic policy package, to promote the growth of SMEs. The package included incentives in the form of the Import Facility for Export Purpose (Kemudahan Import Tujuan Eksport (KITE)) for SMEs, which abolished the requirement for cash guarantee, bank guarantee or customs bond. This facility was previously applicable to small and medium industries (SMIs) only.

On the other hand, the three types of companies commonly found in Indonesia are the trade, service and manufacturing companies (the latter being better known as 'industry'). To date, the Import Facility for Export Purpose (KITE) has only been made available to manufacturing importers who intend to manufacture new goods from imported materials with the added value before they are exported. However, if the goods are not exported, a fine along with tax will be imposed (Regulations No. 253 and 254/2011) (Hukumonline, 2012). Through these regulations, the KITE-SME facility aims to increase economic growth to strengthen the foundation of the economy by supporting the development of export-oriented SMEs. The facility is also expected to create export products with national branding and strengthen Indonesia's competitiveness in the ASEAN Economic Community.

Under the provisions of the Customs Act, not all SMEs that manufacture goods from imported materials can access the available facilities. In order to determine future applications of the facility, the Customs Department conducted several public hearings in Bali, Semarang (Central Java), Tumang (Riau) and Boyolali (Central Java). Based on the outcome of these hearings, many SME products are exported by another party on their behalf, while other SMEs use express delivery services to export their goods. Furthermore, SMEs must pay import duties and import taxes for the imported raw materials they require to produce their goods. Ideally, if the country is seeking to prioritise the growth of its export-oriented SMEs, import duty should not be imposed on these SMEs.

On the other hand, the Bonded Logistics Centre (Pusat Logistic Berikat (PLB/BLC)) was established by the government as mandated by Article 44(1a) of the Customs Act. This bonded stockpiling base was developed to improve national competitiveness, lower logistics costs, reduce the burden of stockpiling, and reduce dwell time in ports. The BLC is expected to meet government and business needs in creating conducive economic conditions in the following manner:

- Bring the businesses closer to raw materials in the country to reduce the price of raw materials and factory production costs. Domestic businesses will also benefit from this as they can obtain raw materials at a cheaper price and within a shorter time period. This will enable the production to reach and compete in the international market more quickly.
- Attract investment, where BLC expects foreign companies to establish a branch or open a representative company in Indonesia. This promises state revenue from taxation.

- Reduce the burden of accumulation and decrease dwell time in ports. With BLC, businesses are expected to use the storage facility to stockpile goods and not accumulate goods at the port. Reducing the accumulation of the goods at the port will result in the minimisation of dwell time because the goods can be immediately shifted to the BLC from the port.

Hence, by addressing these needs, SMEs are empowered to increase their exports as the common drawback for most SMEs is the acquisition of raw materials from foreign sources. Furthermore, most SMEs do not possess the Customs Identity Number (Nomor Induk Kepabeanan (NIK)), which is required to import raw materials. Therefore, a collaboration (PLB (BLC)-IKM) was made between SMIs (Industri Kecil dan Menengah (IKM)) and the BLC. Among the earliest PLB-IKMs founded is in the centre of Bali. The purpose of developing this bonded logistics centre, among other things, is to lower logistics costs so that the national manufacturing companies can obtain their raw materials from a domestic warehouse company rather than having to import raw materials from abroad. Another goal is to ensure raw materials are available quickly and cheaply. Additionally, with shorter port dwelling time, Indonesia can aspire to become a regional distribution centre in Southeast Asia. Indonesia could become the transit point for ASEAN countries contributing to the receipt of income tax (pajak penghasilan) for business enterprises from warehousing companies.

Due to the globalisation of world trade, market penetration becomes competitive and the cost of expensive logistics makes it difficult for entrepreneurs to enter the international market. Therefore, the Indonesian export products need to be improved to be able to compete. This can only be done by increasing the efficiency of production and distribution of goods; enhancing the quantity/quality of goods; accelerating the flow of goods into and out of Indonesia; and by ensuring that the promotional and marketing activities are supported. Improving the quality and production efficiency can be achieved if the supply of raw materials for the domestic industries is available quickly and on time. The above is also achievable if the final product is not burdened with customs, excise and taxation duties.

The above-mentioned acts alongside amendments to the existing provisions on bonded shelter are a part of the policy package issued by the Indonesian government to create conducive economic conditions for their SMEs. The determination of premises as a BLC, and the granting of a license to the BLC organisers for a specified period of time is stipulated by Decree of the Minister of Finance. Therefore, in order to obtain the designation as a BLC and the operator license, the interested party must meet the following requirements:

- Provide proof of ownership or control of a region, place or building that has clear boundaries, along with a map of location/place and layout plan/plan that will be used as a BLC
- Have a business place permit, environmental document, and other necessary permits from the relevant technical institutions
- Report the business to be confirmed as a taxable person for VAT purposes and submitted the last annual income tax form for the last fiscal year for those who are required to submit an annual tax return.

The building, place or area that will become BLC must meet the following minimum requirements:

- is accessible by container transporter and/or other means of transportation
- has clear boundaries and areas
- has a place for physical inspection of imported goods and/or exported goods
- has a place for hoarding, loading, unloading, importing and discharging goods to and from outside customs areas or elsewhere in customs areas

- has a place or area of transit for goods which has been registered to its customs notification prior to the expenditure of goods (except in cases where BLC candidate will have to accumulate goods with certain characteristics, e.g. liquid, gas).
- has a clear layout and boundary to perform each activity.

The activities that may be exercised in a BLC are:

- packing or repackaging
- sorting
- standardising (quality control)
- merging (kitting)
- packing
- tuning
- consolidating export destination goods
- providing export destination goods
- reinstalling and/or repairing
- painting, and other strategic industrial maintenance
- blending
- labelling in Indonesian
- sticking excise tape or other customs marking marks on excisable goods
- auctioning capital goods of origin outside the customs area
- exhibiting imported goods and/or the origin of any other place within the customs area
- inspecting by relevant technical institution or institution in fulfillment of import and/or export restriction provisions
- inspecting for the issuance of Certificate of Origin (SKA) by the relevant technical agency in the framework of import and/or export
- performing other simple activities which may be stipulated by the Director General of Customs and Excise.

PLB-IKM is a breakthrough initiative to expand the function of the bonded warehouse as a provider of raw materials and receiver of production output for consolidation or export. The items in the SME list will be granted a suspension only when they are exported, with benefits including no upfront payment and waived taxes. However, if the SMEs change their mind and fail to export, they will have to pay the taxes. PLB-IKM also serves as a place of exhibition.

To get a better perspective on the issues faced by SME operators, hearings, workshops and surveys were conducted by the Indonesian Customs. Based on the results, two queries were resolved: how to get the cheap raw materials efficiently, and how to rejuvenate its machines for SMEs. However, the other apparent problem was found to be the capital. The Indonesian Customs, in collaboration with the Indonesia Export Financing Agency (LPEI) under the Ministry of Finance, created a consortium of

SMEs. The SME consortium represents a business entity that can be established by the SME association under one centre. Once the consortium is established by banks or LPEI, they can provide financial support by borrowing/crediting capital or for purchasing raw materials. So, in addition to BLC there is also a consortium for the provision of raw materials. The reason for not using BLC-IKM in Indonesia is that BLC entrepreneurs only exist in Bali, while SMEs are found throughout Indonesia. Therefore, for areas where there is no BLC, a consortium of SMEs will be formed, and the raw materials will be provided.

In order to supervise this facility, the Indonesian Customs uses an IT inventory system. In contrast to large companies that already possess their own equipment, SMEs will be asked to fill out a report as part of a raw material management module so that there is a record of activities. The modules will be associated with CEISA (Customs-Excise Information and Automation), a customs-excise information technology and information system for KITE facilities. With this technology the SMEs are just required to key in live input data to the system.

In addition to the formation of BLC as a new form of bonded landfill, the government is constantly developing and improving the provision related fiscal incentives to encourage investment interests. Some of these are as follows:

- Harmonising fiscal incentives (customs and/or excise tax treatments) provided through existing facility schemes, such as excise exemption in the bonded shelter and no VAT subjected to the submission of goods discharged from BLC to the facility receiving company. The objectives of aligning the fiscal facility are to reduce the high factory production prices in Indonesia and to smooth over the flow of goods effectively and efficiently. These would increase the need for raw materials for domestic industries and enhance the competitiveness of national products in the domestic, regional and global markets.
- Adding the place of origin and disposal destination of the goods sent in the bonded landfill so that the goods stockpiled in the bonded shelter can also come from the special economic zones (Kawasan Ekonomi Khusus (KEK)), free trade zones and free ports (free zone). The goods may also be for the purpose of a KEK and/or a free zone. This is done to harmonise facilities provided to stakeholders by providing convenience to the company that uses facilities in the procurement or supply of goods for the needs of the industry (supply chain).
- Adding the location of duty-free shops at the arrival terminals of the international airports at the customs area. The information is intended to provide convenience to travellers who are entitled to purchase imported goods at the customs shop and is expected to be a part of the government's efforts to improve the economy through tourism.

Apart from the above-mentioned problems, the need for machines is also a factor contributing to the difficulties faced by SMEs in production. Machines used by most SMEs are old and not equipped with the latest technology. Expenses associated with machinery include procurement, maintenance, upgrading and diversification. In fact, the customs law has a specific role with regards to the machinery concerning rehabilitation, diversification and the industry, as well as duty-free facilities for raw materials and for machinery.

5. Latest trends in import–export figures

Refurbished economic policies were implemented by the Ministry of Finance, through Customs, in 2015. Therefore, it is relevant to compare the export and import data for 2015 and 2016.

Table 2: Imports by 2015

Month	Value (US \$)	Weight (kg)
January	12,612,648,838	11,995,411,291
February	11,510,111,399	12,134,877,571
March	12,608,691,718	12,815,242,585
April	12,626,278,785	13,205,353,501
May	11,613,585,485	11,452,923,855
June	12,978,091,752	12,789,548,820
July	10,081,863,504	9,777,959,395
August	12,399,248,090	12,392,071,524
September	11,558,601,330	12,517,106,390
October	11,108,916,259	11,725,231,343
November	11,519,468,515	12,396,999,154
December	12,077,298,548	13,890,623,811
Total	142,694,804,223	147,093,349,240

Source: BPS (Badan Pusat Statistik, 2015).

Table 3: Exports by 2015

Month	Nilai/Value (US \$)	Weight (kg)
January	13,244,876,798	43,443,195,035
February	12,172,802,863	39,768,342,677
March	13,634,041,965	48,209,231,343
April	13,104,596,804	44,113,167,148
May	12,754,659,044	41,543,644,059
June	13,514,101,879	40,886,554,951
July	11,465,779,764	40,908,711,755
August	12,726,037,507	41,703,962,148
September	12,588,359,371	41,130,727,934
October	12,121,740,572	43,492,324,676
November	11,122,182,554	41,572,222,679
December	11,917,112,382	42,889,680,221
Total	150,366,291,503	509,661,764,626

Source: BPS (Badan Pusat Statistik, 2015).

Table 4: Imports by 2016

Month	Value (US \$)	Weight (kg)
January	10,466,995,371	11,170,356,250
February	10,175,631,438	12,777,162,927
March	11,301,709,941	14,280,888,506
April	10 813,624,836	12,028,222,569
May	11,140,679,613	13,132,879,687
June	12,095,220,496	13,501,715,838
July	9,017,159,102	10,138,881,648
August	12,385,153,588	14,001,735,399
September	11,297,511,237	12,809,168,012
October	11,507,180,543	12,391,159,183
November	12,669,434,720	12,804,703,935
December	12,782,515,616	12,988,497,126
Total	135,652,816,501	152,025,371,080

Source: BPS (Badan Pusat Statistik, 2015).

Table 5: Exports by 2016

Month	Value (US \$)	Weight (kg)
January	10,480,584,793	39,337,444,244
February	11,312,036,578	38,294,637,870
March	11,810,032,191	43,027,260,113
April	11,475,850,260	39,171,200,196
May	11,514,324,050	40,622,301,548
June	12,974,447,405	44,698,807,002
July	9,530,763,081	39,029,224,415
August	12,748,346,481	45,794,031,993
September	12,568,504,138	44,141,784,993
October	12,742,630,019	47,376,224,320
November	13,503,594,905	46,605,885,965
December	13,828,711,909	45,544,615,771
Total	144,489,825,811	513,643,418,430

Source: BPS (Badan Pusat Statistik, 2015).

Based on the tabulated data, the total value for imports in 2015 and 2016 was 142 billion USD and 135 billion USD, respectively. While exported goods recorded a 150 billion USD and 144 billion USD for 2015 and 2016, respectively. Indonesia enjoyed a trade surplus of about 8 billion USD in 2015 and about 9 billion USD in 2016.

There was an increase in trade surplus of approximately 1 billion USD from the previous year (2015), with 8–9 billion USD in 2016. However, there was a decline in the export value from USD 150 billion (2015) to USD 144 billion (2016). Similarly, there was a significant decline in the import value from 142 billion USD (2015) to 135 billion USD in 2016. This significant drop suggests an increase in economic resilience and independence, which is mainly indicated by the decline in the value of imported goods from abroad.

More comprehensive research on the effectiveness of the above-mentioned policies, especially in terms of the interaction between those policies and the increase of the share of SME products in Indonesian exports, should be documented. Law, which is a tool to foster cost-effective production, is expected to provide significant returns in achieving the national objectives, especially from an economic point of view.

5. Conclusion and recommendations

The Indonesian Government has taken measures in the form of government support to the growth of SMEs. Such measures include the 2015 economic package in which SMEs are given relaxation from KITE. Such relaxation eliminates the obligation to risk collateral in the form of cash or bank guarantees. This facility is only applicable to businesses classified as small and medium industries (SMIs).

The KITE-SME facility aims to strengthen the foundation of the economy and increase national economic growth. It is expected that such facilities can support the development of export-oriented SMEs. The facility is also expected to create export products with national branding and strengthen Indonesia's competitiveness in facing the ASEAN Economic Community. In order to improve national competitiveness, logistics costs were lowered, the burden of stockpiling was reduced, and port dwelling time was reduced. Furthermore, as mandated by Article 44 paragraph (1a) of the Customs Act, the government developed another form of a bonded stockpiling base (BLC), which is expected to meet the needs of businesses and the government in creating conducive economic conditions.

This article shows that the KITE-SME facilities can only be utilised by export-oriented SMEs. Many SMEs in Indonesia are not export-oriented, but depend on imported goods as raw materials, such as the tempe and tofu industries. These industries, whose basic ingredients are soybean, depend on inputs which are not produced adequately within the country. Therefore, other facilities that can facilitate such SMEs should be considered. This is because the strong economic structure of a country is not only determined by the amount of foreign exchange received. Instead, it is also reflected on how well a country meets its needs, either through own production or through importation. The need for raw materials by SMEs cannot be considered less important than the state's fiscal and monetary needs, especially when micro and very small enterprises are taken into account. At the same time, consumers need to have access to important goods such as clothing and imported food. Therefore, although it becomes inevitable for the raw materials to be imported, the need for their consumption by everyone, including the poor, should still be satisfied.

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List of statutes and regulations

Law Number 17 of 2006 concerning Amendment to Law Number 10 of 1995 concerning Customs

Law Number 20 Year 2008 regarding Micro, Small and Medium Enterprises

Law Number 39 Year 2009 on Special Economic Zones

Law Number 36 Year 2000 on Stipulation of Government Regulation in Lieu of Law Number 1 of 2000 on Free Trade Zone and Free Port of Becoming Law as amended by Law Number 44 Year 2007 on Stipulation of Government Regulation in Lieu of Law Number 1 Year 2007 concerning Amendment to Law Number 36 Year 2000 on Stipulation of Government Regulation in Lieu of Law Number 1 Year 2000 on Free Trade Zone and Free Port to Law

Regulation of the Government of the Republic of Indonesia Number 85 of 2015 on Amendment to Government Regulation Number 32 Year 2009 on Bonded Hoarding Places

Regulation of the Minister of Finance of the Republic of Indonesia No. 272 / PMK.04 / 2015 on Bonded Logistics Centers

Notes

- 1 The Multilateral Investment Fund (MIF) is an independent fund administered by the Inter-American Development Bank (IDB), created in 1993 to support private sector development in Latin America and the Caribbean.
- 2 AfDB (African Development Bank) is a multinational development bank supported by 78 member countries from around the world. In addition to Africa, member states are from North and South America, Europe and Asia.
- 3 The Asian Development Bank (ADB) is a regional development bank established to promote social and economic development in Asia.
- 4 United Nations Development Program (UNDP) is a global development network of the United Nations. UNDP advocates change and connects countries with the knowledge, experience and resources to help people build a better life. It provides expert advice, training and grants to developing countries, with an emphasis on aid to underdeveloped countries.

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