

Commemorating Three Years of Indonesia-UK Regulatory Reform Cooperation, Government Encourages the Improvement of the Investment Ecosystem and Business Activities



**COORDINATING MINISTRY FOR ECONOMIC AFFAIRS
REPUBLIC OF INDONESIA**

PRESS RELEASE

HM.4.6/66/SET.M.EKON.3/02/2023

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Jakarta, February 21st, 2023

Business licensing reform is an important momentum for implementing regulatory reform in Indonesia. The focus is on improving the investment ecosystem and business activities by using risk-based business licensing to encourage simplification of requirements and processing business licensing while at the same time promoting quality public services. It is also hoped that the business licensing reform will support trimming the bureaucratic chain in licensing, bolstering the ease of doing business. This ease of doing business will encourage an increase in investment realization, whereby the Government of Indonesia, in 2023, targets investment realization to reach IDR 1,250 – 1,400 trillion.

As a long journey, business licensing reform requires systematic implementation, harmonization of regulations, adjustments to the implementation of new business licensing processes and changes in conceptual understanding and capacity building related to the implementation of risk-based business licensing.

The Coordinating Ministry for Economic Affairs as the coordinator of preparations for regulatory reform to improve the investment ecosystem and business activities has collaborated with the United Kingdom (UK)

Government since 2019 in making business licensing reform a success. Several cooperation programs with the UK Government include technical assistance in formulating risk-based business licensing policies and improving the implementation of risk-based supervision in the field, besides benchmarking the implementation of risk-based licensing and supervision from the UK Government.

The cooperation between Indonesia and UK in regulatory reform for three years ended with the launch of a self-learning material video for risk-based business licensing, Tuesday (21/02), at the Office of the Coordinating Ministry for Economic Affairs. In addition, a panel discussion was held in parallel with the theme "Three Years of Implementing Regulatory Reforms to Improve Investment Ecosystems and Business Activities in Indonesia: Opportunities & Challenges".

"The Indonesian Government realizes that the implementation of risk-based business licensing policies, basic requirements, and investment requirements still faces various obstacles and challenges, both in terms of synchronizing business license regulations and improving the Online Single Submission (OSS) system. Furthermore, there are problems in implementing risk-based examinations, increasing government officials capacity, and increasing public understanding of risk-based policies," said Secretary of the Coordinating Ministry for Economic Affairs Susiwijono Moegiarso.

Cooperation between the Coordinating Ministry for Economic Affairs and the UK Government has played a very significant role in the success of regulatory reform in improving the investment ecosystem and ease of doing business in Indonesia, and it is hoped to develop good cooperation to encourage further ease of doing business and a conducive investment climate in Indonesia.

"The UK government has worked for years to create a regulatory environment where businesses can invest and thrive while protecting citizens and the environment. We aim to share best practices at national and regional levels, clarifying and making it easier for businesses to comply with the regulations – giving the greatest benefit for everyone," said the Chief Executive of the Office of Product Safety and Standards UK Department for Business and Trade Graham Russell.

Furthermore, Graham Russell said his party was enthusiastic about helping the Government of Indonesia focus on business licensing and inspections to reduce risk. "I know that this means change for every official and business involved. It's great to see the incredible progress. The changes are already starting to increase the number of registered start-ups significantly. And as implementation progresses, I hope it will enhance the Government's achievements in boosting growth," said Graham Russell.

Then the British Deputy Ambassador to Indonesia and Timor Leste Matthew Downing, on that occasion, said that the UK Government had earned an international reputation as a good place to establish and develop a business due to a stable and predictable regulatory environment, competitive products, labor market, and dynamic financial sector.

Regulation is essential to the functioning of the economy, and all countries need a regulatory environment that is predictable and consistently applied so that businesses have the confidence to succeed. This UK-Indonesian regulatory reform project aims to help people and businesses achieve better results for themselves.

"The success of this project was made possible through our strong partnership with Indonesia. Over the last three years, we have worked closely together to leverage cutting-edge technology, modernize our strategy, ease regulatory burdens, and cut bureaucracy. I am pleased to celebrate this great achievement with our Indonesian partners," concluded Matthew Downing. (dep5/ltg/dft/iqb)

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