

Micro Financing: Peoples Entrepreneurs Credit (KUR) of Small and Medium Enterprises in Indonesia

**Workshop on Enhancing the Competitiveness of
SMEs in the OIC Member States**

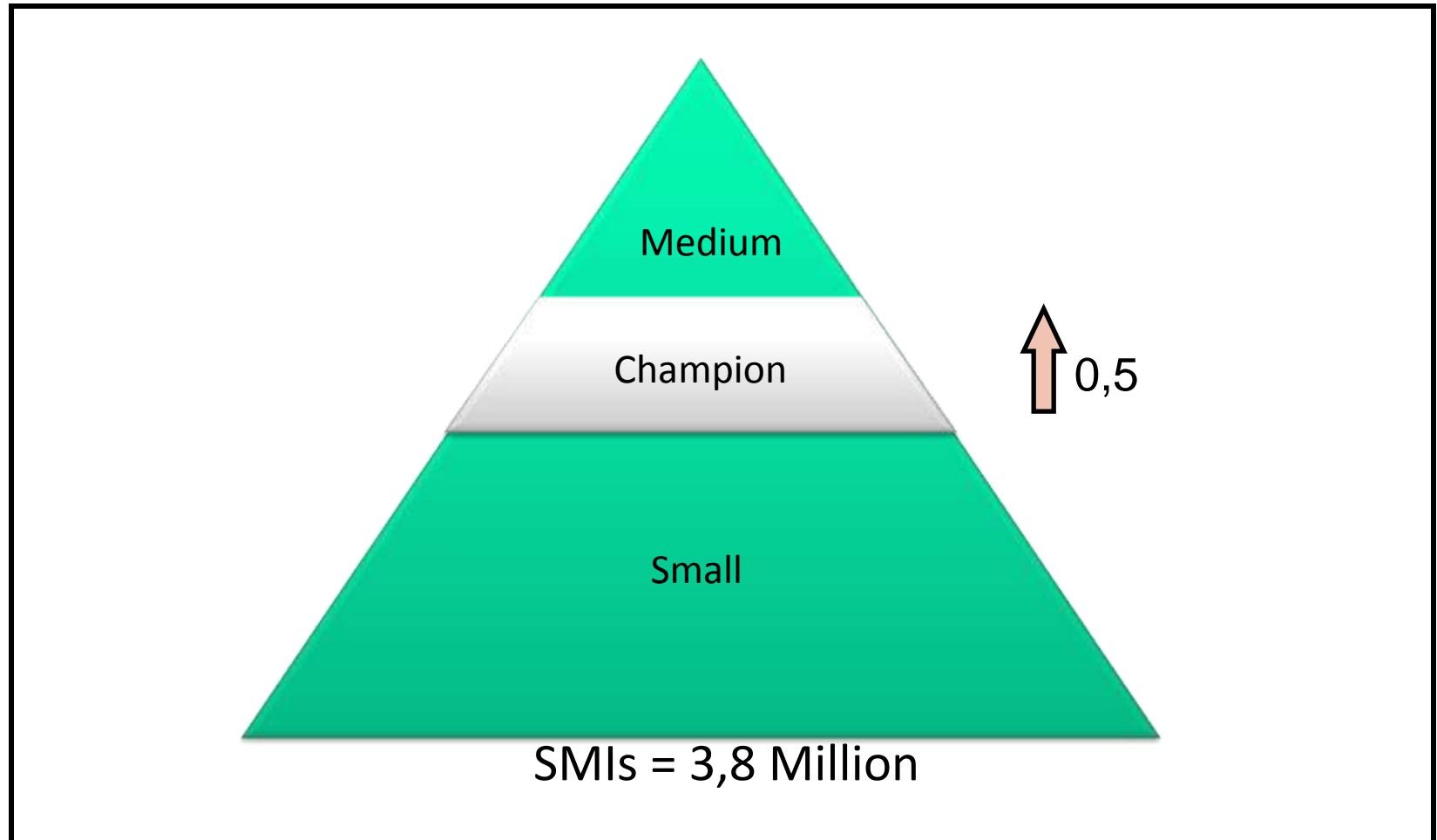
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Ministry of Industry
Republic of Indonesia**

Agenda

- Policies
- KUR Scheme
- Propose

SME's Population

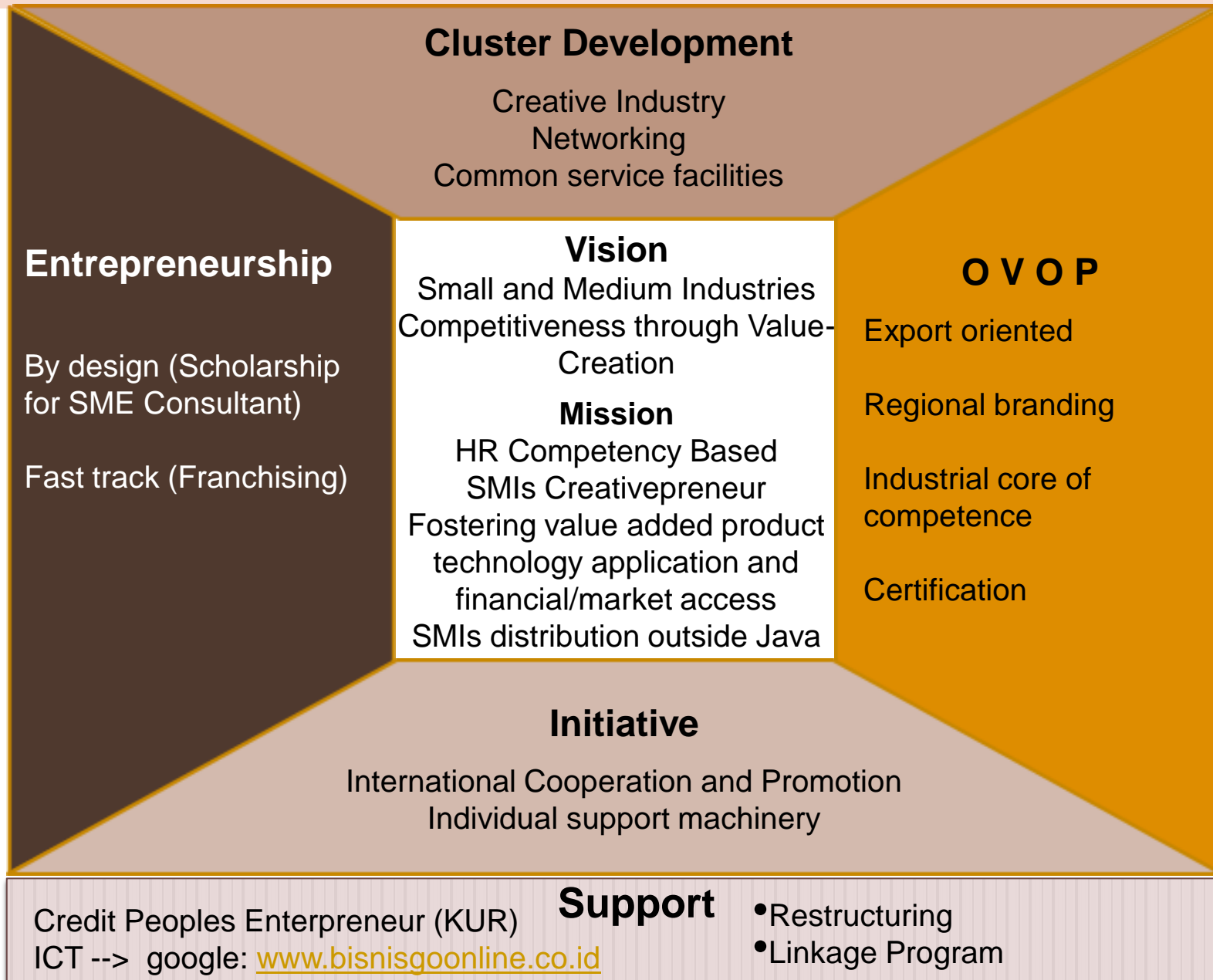


SMEs : 58 Million

SMEs limitation

- HR-wise
- Capital (Finance)
- Technology
- Marketing
- Infrastructure

The Four Pillars of SMI Development



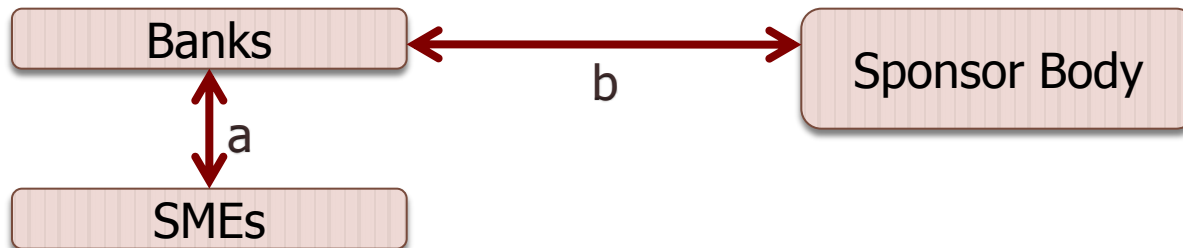
Micro Financing (KUR)

Presidential Decree No.06/2007 : SMEs Development,
covers :

- Financial access
- Entrepreneurs development
- Market access
- SMEs regulations reform

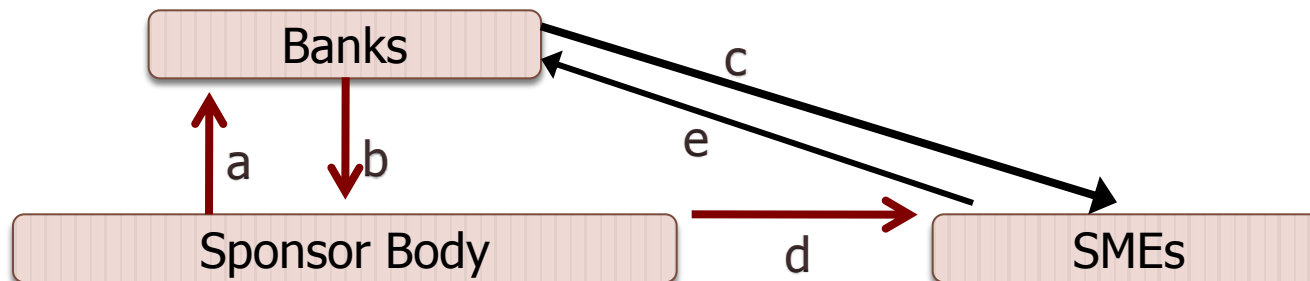
KUR Scheme

1. Direct



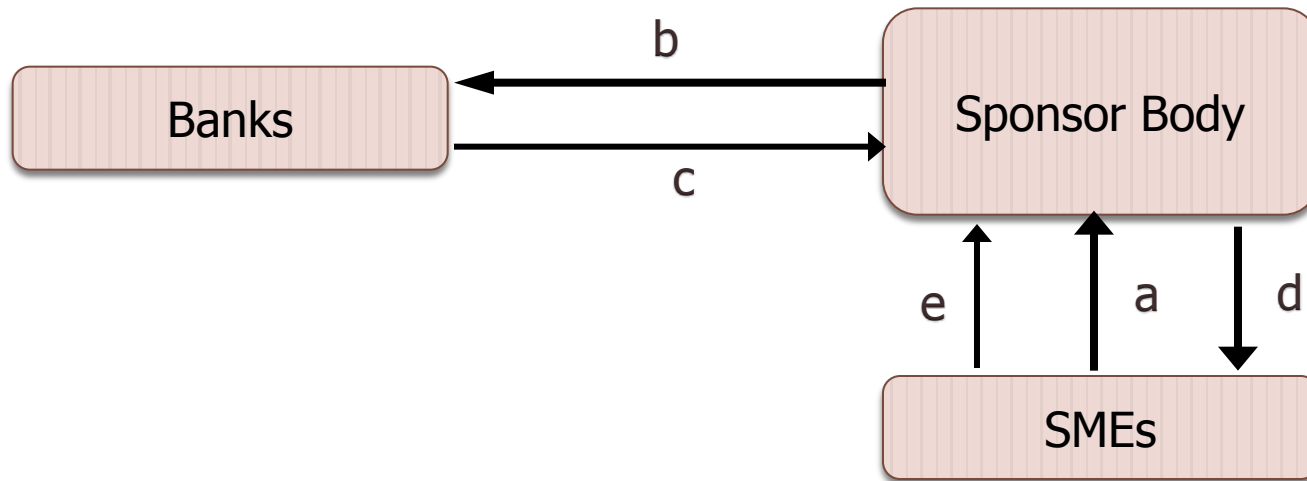
2. Indirect (Linkage)

a. Channelling



KUR Scheme

b. Executing



Stakeholders

Government

1. Ministry of Coordinating Economy
2. Ministry of Finance
3. Ministry of Agriculture
4. Ministry of Forestry
5. Ministry of Marine & Fishery
6. Ministry of Industry
7. Ministry of Cooperatives & SMEs
8. Ministry of Trade
9. Ministry of State Owned Enterprises
10. Ministry of Labor

Sponsor Body

1. PT. Askrindo
2. Perum Jamkrindo

Supervision

1. Bank Indonesia
2. B P K P

Banks :

1. Bank BRI
2. Bank Mandiri
3. Bank B N I
4. Bank BT N
5. Bank Bukopin
6. Bank Syariah Mandiri
7. Bank DKI
8. Bank Nagari
9. Bank Jabar Banten
10. Bank Jateng
11. BPD DIY
12. Bank Jatim
13. Bank NTB
14. Bank Kalbar
15. BPD Kalsel
16. Bank Kalteng
17. Bank Sulut
18. Bank Maluku
19. Bank Papua

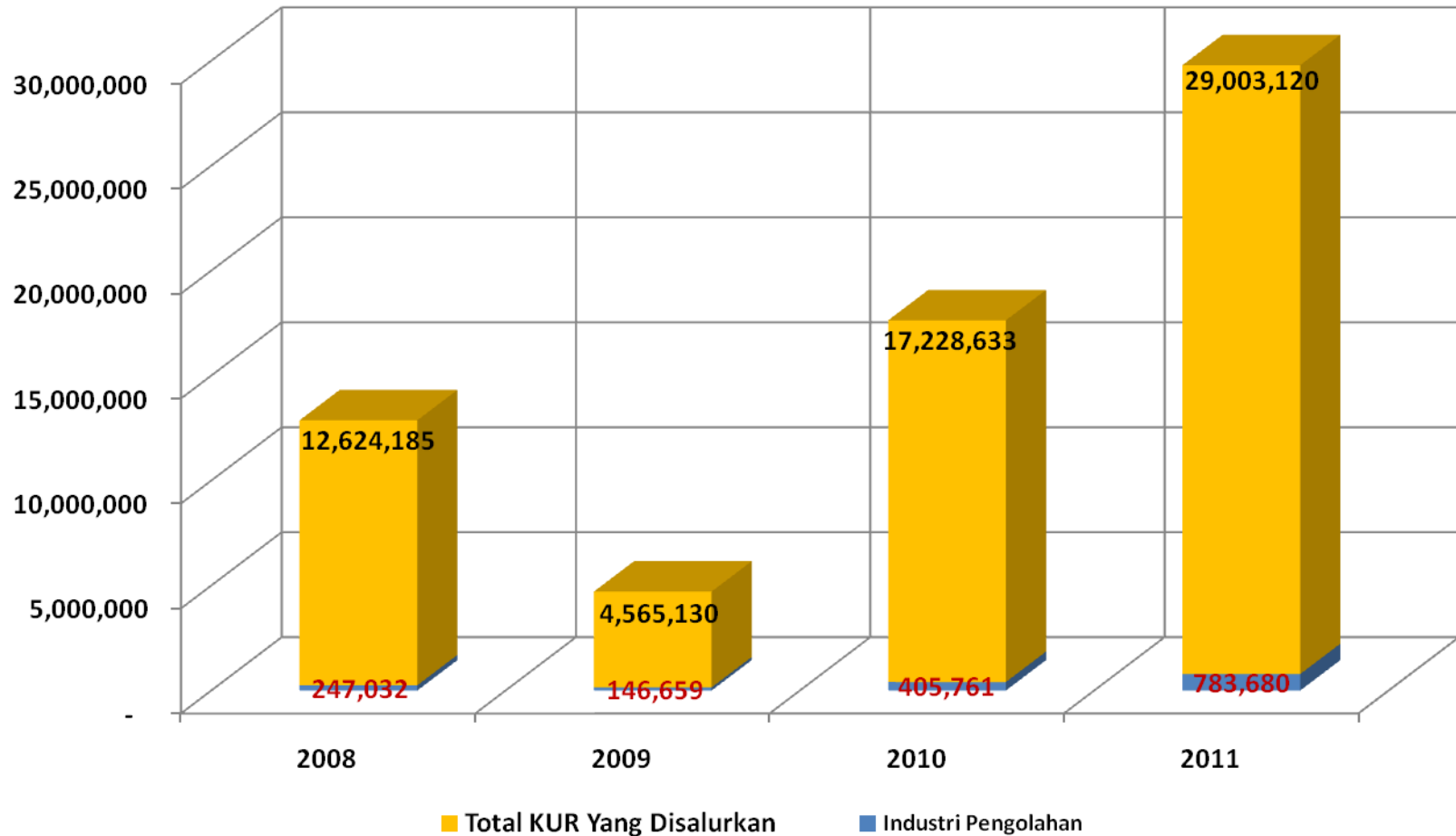
KUR Scheme

- KUR Micro :
 - Maximum USD 2000
 - Interest maximum 22% / year
 - Collateral is not needed (100% guaranteed by sponsor body)
- KUR Retail :
 - USD 2,000 – USD 50,000
 - Interest rate max 13% / year
 - Debtor information system – confirmation
 - Collateral is needed (80% guaranteed by sponsor body)

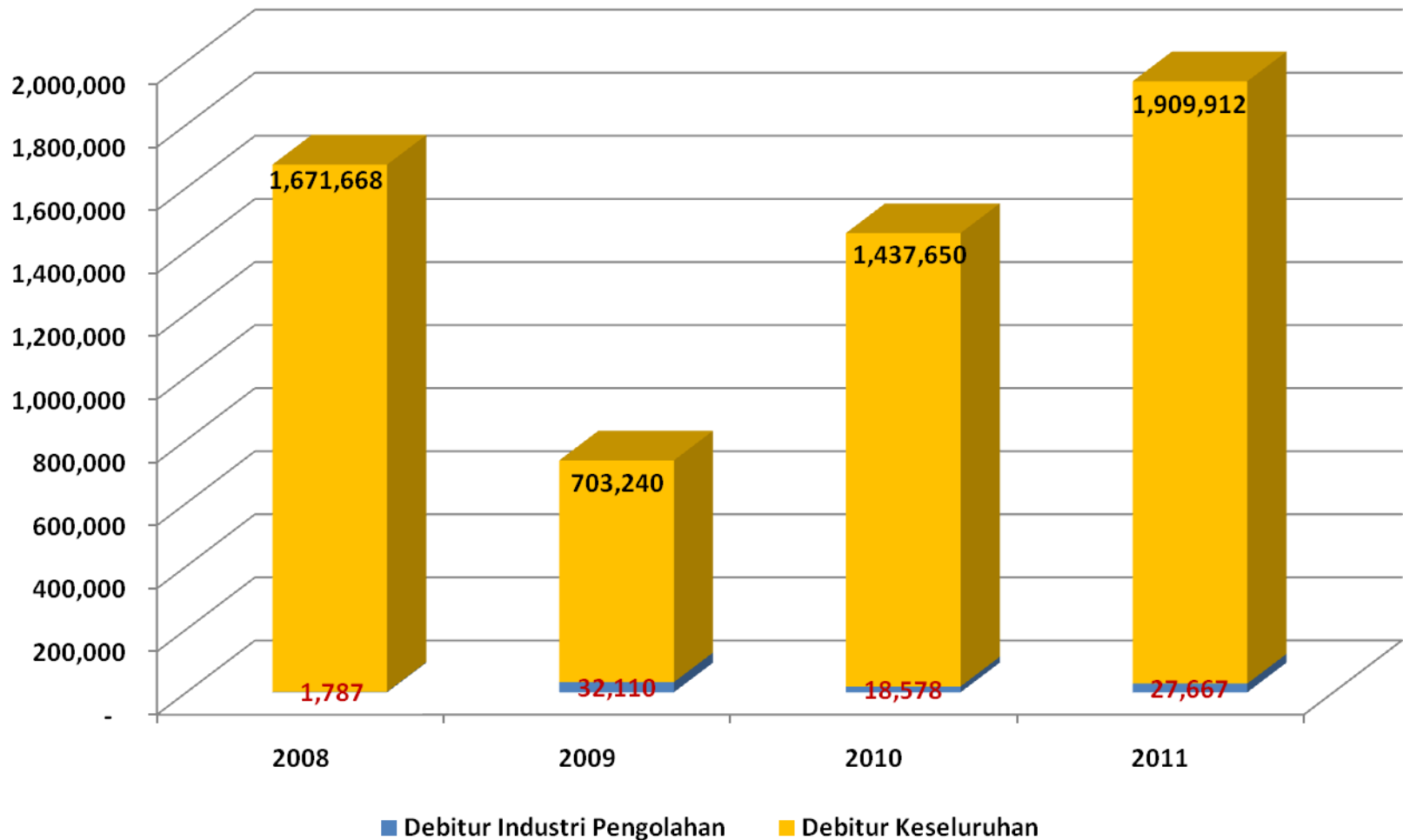
KUR Scheme

- KUR for production : 3 to 6 years
- KUR for investment : 5 to 10 years
- KUR based on commodity (ie : agriculture 10-20 years)

KUR : 2008 - 2011



Number of KUR-SMEs



KUR Absorption (March 31st 2012)

NO	BANK	REALISASI PENYALURAN KUR				NPL (%)
		Budget (IDR Million)	Outstanding (IDR Million)	Customer	Credit Average (IDR Mill / customer)	
1	BNI	7,416,535	3,984,975	97,946	75.7	1.48
2	BRI (KUR Ritel)	10,308,757	4,859,324	67,721	152.2	3.24
3	BRI (KUR Mikro)	33,167,496	11,097,422	5,679,513	5.8	2.47
4	BANK MANDIRI	7,244,360	4,711,262	153,950	47.1	1.27
5	BTN	2,213,584	1,381,236	12,862	172.1	5.10
6	BUKOPIN	1,096,374	392,804	7,762	141.2	9.45
7	BANK SYARIAH MANDIRI	1,771,688	1,254,797	20,854	85.0	3.64
8	BNI SYARIAH	-	-	-		
9	BPD	6,690,299	4,528,302	85,330	78.4	3.59
TOTAL		69,909,094	32,210,123	6,125,938	11.4	2.69

KUR – Sector Economy (per March 31 ‘12)

NO	Sector	TOTAL		
		Budget (IDR Million)	Outstanding (IDR Million)	Customer
1	Agriculture	11,089,783	5,716,153	826,398
2	Fisheries	745,398	423,361	6,061
3	Mining	46,870	29,448	682
4	Industry	1,735,338	1,009,952	87,262
5	Electricity, Gas and Water	27,857	17,627	350
6	Construction	1,336,393	641,641	6,546
7	Trade	41,268,042	17,898,609	4,329,323
8	Accommodation Services	341,180	222,476	15,392
9	Transportation	674,393	424,475	15,186
10	Financial Services	583,583	342,553	2,056
11	Rental Services	2,061,492	1,287,476	98,131
12	Government Administration	8,356	2,134	30
13	Education Services	22,994	17,219	155
14	Health Services	129,255	84,501	1,050
15	Public Services	1,412,085	714,061	84,436
16	Personel Services	30,746	18,095	245
17	International Agency	-	-	-
18	Others	8,395,329	3,360,343	652,635
Total		69,909,094	32,210,123	6,125,938

Ministries should...

- Set policies of the priority sectors
- Identify a KURable SMEs (Feasible not yet Bankable)
- Assist SMEs to get KUR
- Facilitate SMEs with off taker companies

With the support of Local Government.

Propose

- Diversity of SMEs OIC Member States
- Micro financing system for OIC member countries ?
- WG SMEs of OIC
- Banks? IDB?
- Q & A ?

Thank You

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