

## EASE OF DOING BUSINESS: BKPM TO THE FORE



### IN AN ENVIRONMENT

where key ministries and government agencies appear to be living in their own cocoon, issuing contradictory ministerial policies with little regard for the overall vision of the country, it is indeed refreshing to see a government agency that has come to the fore as the champion of

investors and in achieving the government's stated vision. I am of course talking about BKPM, the government's investment coordination authority, led by the former Trade Minister and private equity scion, Tom Lembong.

Most of us are familiar with the President's instruction to BKPM to ensure new business permits are issued within three hours—like most I was skeptical of this lofty goal and assumed it was more an aspirational request that BKPM is unlikely to meet. My views changed recently from the direct experience of a classmate of mine from my military college days, who runs a very successful Fintech company in the region who had decided to expand to Indonesia.


This award-winning company in the RFID and other financial and telecom technologies sector has been exploring expanding into the Indonesian market to grow the availability of generic ATM machines across the archipelago. Unlike most countries, generic ATM machines in In-

donesia are still in the embryonic stage and my friend was informed that he would need nine different permits and licenses to establish his operations in Indonesia.

When I heard nine permits would be required, I was very skeptical that such a feat could be achieved in three hours. But I was wrong. I received a call from my friend after his appointment with BKPM; he was beaming that his firm had in fact received all nine permits and licenses, all within the stipulated three hours. Even better, BKPM officers guided his team through every step of the way and the availability of the legal notaries in-situ and the pro-activeness of the BKPM officers ensured the achievement of such a feat.

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Late last year the World Bank increased the ranking of Indonesia in the Ease of Doing Business (EODB) ranking from 106 to 91 out of 190 countries surveyed globally. This 15-place jump was the highest jump for any country surveyed and it was a reflection of the government's multipronged efforts to ensure the statutory climate and regulatory process needed for investments in Indonesia is

made simpler and easier. The Coordinating Ministry of Economic Affairs, led by Dr. Darmin Nasution, has been the prime architect behind these reforms, introduced via a series of economic reform packages. These reform packages, now numbering up to 15 packages, have drastically changed the EODB and luckily for my friend BKPM has manifested these reforms and is living up to its stated aim of approval in three hours. Take a bow BKPM, that is indeed a major achievement for the country and Indonesia's constant aim to do better. I hope this example will serve as a motivation for other ministries still dragging their feet when it comes to introducing investor-friendly reforms. 



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