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PRESS RELEASE

COLLABORATION STRENGTHENING TO ADVANCE MSME DEVELOPMENT

MSME Funding Reaches Rp1,948.72 trillion

Jakarta, 11 August 2026. Indonesia Financial Services Authority (OJK) continues to optimize its support to the Micro Small Medium Enterprises (MSME) by fostering closer collaboration with ministries, government institutions, and the financial services industry to align and integrate MSME development programs.

Strengthening collaboration and policy synergy is essential to advancing the MSME sector, as the government, ministries and institutions, and the financial services industry have implemented various policies and programs to support MSMEs. Greater connectivity among these initiatives is expected to expand inclusive and innovative access to financing while enabling MSMEs to strengthen their capacity, scale up their businesses, and contribute more significantly to the national economy.

This is the conclusion drawn from the 2026 UMKM Finance Summit “MSME Funding Access and Ecosystem Development through Policy Cooperation Between Stakeholders to Create National Economic Resilience”, held by OJK in Jakarta, on Tuesday.

Chairperson of the Board of Commissioners of OJK Friderica Widyasari Dewi said in her remark that MSME ecosystem and funding development is included as one of OJK’s flagship programs. This resolute requires involvement from all financial services sectors, not only the banking sector, in providing wide-ranging support for Indonesian MSME development.

Friderica highlighted that OJK has placed MSME ecosystem development among its policy priorities, including through the expansion of financing access under POJK Number 19 of 2025 on Easy Financing Access for Micro, Small, and Medium Enterprises (POJK UMKM), which is designed to simplify and facilitate the financing process for MSMEs.

According to Friderica, OJK will soon initiate a working group with Coordinating Ministry of Economic Affairs, Ministry of MSME, and related ministries/institutions and the financial services industry to further accelerate and improve MSME financing effectiveness.

As of June 2026, the total cross-sector MSME funding amounted Rp1,948.72 trillion, a 2.18 percent year on year growth. The development is supported by all financial services sectors, from the 12.25 percent year on year growth from capital market sector, 7.03 percent year on year growth from Financing Institutions, Venture Capital Companies, Microfinance Institutions, and Other Financial Service Companies (PVML) sector, and 1.21 percent year on year growth from the banking sector.

In the same period, MSME funding remains dominated by the banking sector by 82.44 percent, followed by the PVML sector by 17.50 percent and by the capital market sector by 0.06 percent. Meanwhile in June 2026, the MSME credit in banking reached Rp1,519.35 trillion.

OJK views the challenges facing MSME development as extending beyond the availability of financing to include the need for stronger linkages among the various components of an integrated MSME ecosystem. Many MSMEs continue to face constraints related to business capacity and legality, financial recordkeeping, market information, and access to supply chains. Accordingly, financing needs to be complemented by capacity building, business development, market access, and digitalization, with approaches tailored to the business cycle and characteristics of each MSME.

Coordinating Minister of Economic Affairs Airlangga Hartarto also expected an increase in MSME funding and levelling up while maintaining funding quality.

"The Government is committed to supporting all efforts to facilitate MSMEs in moving up the value chain, thereby improving people's welfare," Airlangga stated.

MSME Funding Policy Strengthening

Chief Executive of Banking Supervision of OJK Dian Ediana Rae explained how OJK continuously nurtures cooperation with various ministries/institutions and the financial services industry for a more structured, continuous, and result-oriented MSME development.

As a follow-up to the 2026 UMKM Finance Summit, OJK will establish the MSME Financing Effectiveness Acceleration and Improvement Working Group, involving ministries and institutions as well as relevant stakeholders.

"The MSME Funding Effectivity Acceleration and Improvement Working Group is expected to facilitate the collectives to coordinate the cross-ministries/institutions policy to create an effective MSME empowerment and funding ecosystem and to map the cross-ministries/institutions policies in identifying collaboration opportunities and regulatory obstacles when funding and empowering MSMEs," Dian said.

POJK UMKM encourages banks and non-bank financial institutions to provide easier, quicker, more precise, and more inclusive financing while practising good governance and risk management, Dian highlighted.

The regulation also provides greater flexibility to develop financing schemes tailored to MSMEs' characteristics and business cycles, including supply chain financing and the use of information technology throughout the financing process.

The funding approaches are continuously promoted for business potentials, cash flow, transaction, and MSME participation in a business ecosystem and independence from additional collateral availability.

"Simultaneously, OJK continues to build a data ecosystem through an integrated MSME financing information system development, MSME funding dashboard optimization, MSME funding index methodology and dissemination, and periodic MSME funding report publication," Dian said.

Cross-Sector Cooperation Strengthening

During 2026 UMKM Finance Summit, OJK and the Ministry of MSME also signed a Memorandum of Understanding as a form of collaboration strengthening in MSME development and empowerment. Chairperson of the Board of Commissioners of OJK Friderica Widyasari Dewi and Minister of MSME Maman Abdurrahman signed the MoU.

The collaboration focuses on MSME policy and funding cooperation, government program credit optimization, business feasibility improvement, integration of empowerment programs, market and supply chain access expansion, and ecosystem development through digitization, downstreaming, innovation, intellectual property, and inclusive and sustainable financing.

Minister of MSME Maman Abdurrahman underlined that increasing funding shall align with other aspect enforcement within the MSME ecosystem, particularly on market access. Therefore, funded production capacity enhancement may lead to healthy and sustainable business growth.

“If we want to see how the economy grows in the MSME sector, we must see it from other aspects outside financing. Complexity that promotes MSME growth must be perceived from various related aspects, such as the market,” Maman said.

Vice Chairman of the Commission XI of House of Representatives of the Republic of Indonesia (DPR RI) Muhammad Hanif Dhakiri also emphasized MSME development policy orchestration and paradigm shift from MSME funding in order for the financial system to be able to read MSME characteristics and economic value, including cash flow, transaction, data, and MSME interconnectivity uses in the business ecosystem.

“It is not only about ‘bankable MSME’, but our financial system must also be MSME-able too. Funding should follow the economic activities instead of waiting for loan proposals,” Hanif said.

Minister of Housing and Residential Areas Maruarar Sirait reiterate policies that advocates the public and MSME as well as stakeholders to upskill MSMEs.

“Serving the nation means being able to create greater opportunities and prosperity for others, including by helping MSMEs strengthen their capabilities and move up the value chain. I believe this is achievable through OJK’s people-oriented policies. I extend my appreciation to OJK,” Maruarar expressed.

The 2026 UMKM Finance Summit discussed MSME funding policy strengthening, empowerment strategies, digitization, market access, industry downstreaming, intellectual property development, and international best practice for an unyielding MSME ecosystem. The forum also highlighted diverse perspectives on effective, inclusive, and sustainable MSME funding ecosystem from the government, Bank Indonesia, the banking industry, and the World Bank Group.

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