

ABSTRACT

The Small Medium Enterprises (SMEs) can be regarded as the backbone of the Asian economies, with SMEs making up 98% of Asian business and 66% of the national labor force on average during 2007–2012. During the recent year, the growth of the SMEs sector has been prevalent and in some countries found that the domestic market growth has slowed down. Thus, the international market has become an attractive opportunity for new markets to be exploited. This study aimed to focus on the conditions for the SMEs, if the business in that sector is aiming for foreign market. In this study, the use of secondary research and data from websites such as the World Bank. Specifically this thesis research focuses on the comparison of Indonesia and Japanese SMEs. Information that is regarding the trade barriers, financing capabilities and government interventions are compared. The result is that Indonesian SMEs as it is still a developing country, and has less contribution of export compared to Japan. Furthermore, Japan has more support systems that are able to encourage SMEs in Japan to contribute more to the export volume and maintain the growth of the industry.

Keywords: Japan, Indonesia, Small Medium Enterprises (SMEs), Government Intervention