Dear

Editor-in-Chief

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Universitas Muhammadiyah Yogyakarta

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I would like to submit a manuscript entitled "The Short- and Long-run Impacts of Worker and Total Sales of SMEs on Economic Growth in Central Java Province during 2009:1-2020:4" to be considered for publication as an original article in the.

This study attempts to examine the impact of workers and total sales of SMEs on economic growth in Central Java Province throughout 2009:1 – 2020:4. The ARDL Bound Test is employed. The findings reveal that worker and total sales have a positive, significant, and linear impact on economic growth in the short-run. Total sales also have a positive, significant, and linear impact on economic growth in the long-run. Conversely, there is no evidence of workers' impact on economic growth. In addition, workers and total sales have a long-run cointegration on economic growth. Therefore, the local government of Central Java Province should emphasize the contribution of SME workers and total sales to stimulate economic growth in the long-run.

This study contributes significantly to the existing literature in several ways. First, studies on the impact of SME workers and total sales on local economic growth in the short- and long-run have yet to be widely carried out by previous research. Second, the Central Java Province is one of the provinces in Indonesia that has developed SMEs significantly and sustainably. Third, the policymakers in Central Java Province can design SME businesses by increasing skills and labor productivity to support economic growth inclusively. Besides, facilitating an increase in SMEs' total sales (output) can be carried out through business (product) innovation and sustainable business strategies. Surya et al. (2021) found that economic growth supported by technological innovation will contribute to business productivity and improve people's welfare. Therefore, the government should pay more attention to technological innovation to create better business productivity. Specifically, four factors that can determine the productivity of the SME businesses in Makassar City include: (a) technological innovation, (b) business diversification, (c) product marketing, and (d) business stability. They also mentioned that SMEs' technical quality is relatively low due to: (a) limited capabilities and expertise, (b) high business operational costs, and (c) asynchronous market guarantees for technology-based business development.

We declare that this manuscript is original, has not been published before and is not currently being considered for publication elsewhere.

Sincerely yours

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