



THE ROLE OF GOVERNMENT IN ZAKAT DEVELOPMENT IN THE ERA OF 4.0 INDUSTRIAL REVOLUTION

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AGENDA



1. What is Industrial Revolution 4.0 ?



2. How is the Indonesian Government preparing for the Industrial Revolution 4.0 ?



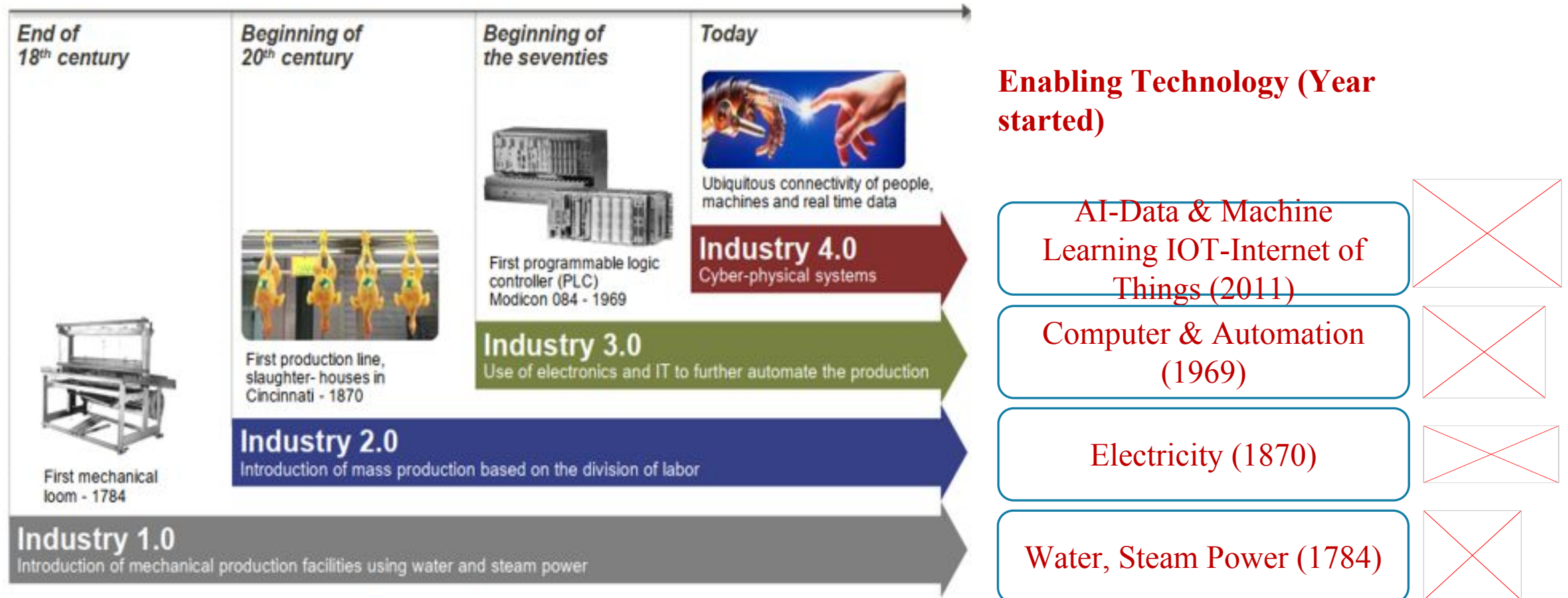
3. What can we do to support the development of Zakat in the Industrial Revolution 4.0 ?



4. Q & A

1. WHAT IS INDUSTRIAL REVOLUTION 4.0 ?

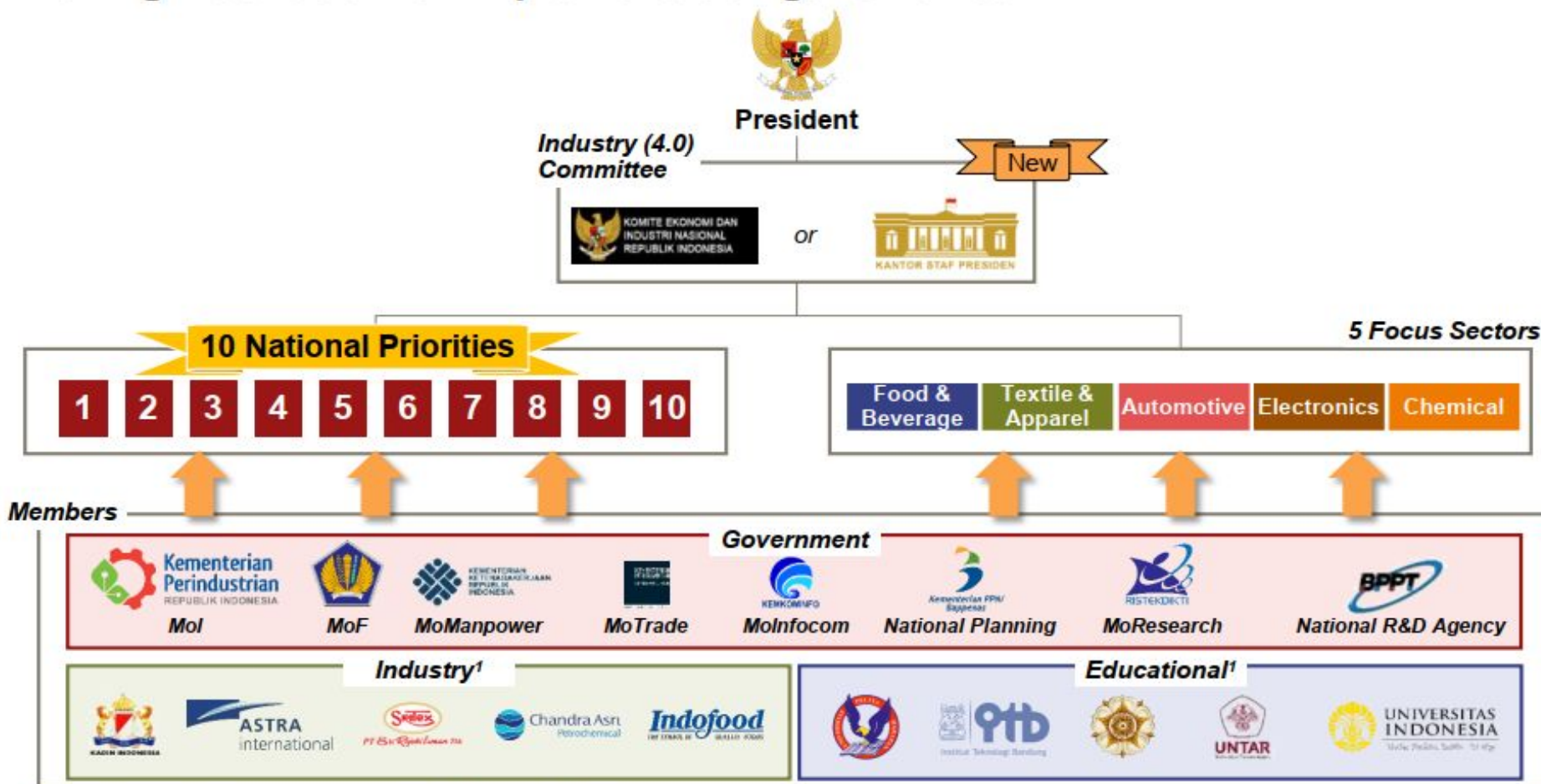
Industry 4.0 is the global trend in the manufacturing industry. Started with water and steam power industry in the *first industrial revolution*, mass production and assembly lines using electricity in the *second*, adoption of computers and automation in the *third*, and advanced data, machine learning and networks in the *fourth industrial*



Source: Kementerian Perindustrian, Making Indonesia 4.0

2. HOW IS THE INDONESIAN GOVERNMENT PREPARING FOR THE INDUSTRIAL REVOLUTION

“Making Indonesia 4.0” implementation governance



“Starting from today, I declare Making Indonesia 4.0 as one of the National Agenda of the Republic of Indonesia, and the Ministry of Industry as the leading sector in this Agenda” – Presiden Jokowi, 2018

Kemenperin Retweeted

Sekretariat Kabinet @setkabgoid

‘Mulai hari ini, Making Indonesia 4.0 saya tetapkan sebagai salah satu agenda nasional bangsa Indonesia dan Kementerian Perindustrian akan menjadi Leading Sector untuk agenda ini,’ tutur Presiden, di JCC, Rabu (4/4) @Kemenperin_RI.
setkab.go.id/luncurkan-maki...

Source: Kementerian Perindustrian, Making Indonesia 4.0

2. HOW IS THE INDONESIAN GOVERNMENT PREPARING FOR THE INDUSTRIAL 4.0

5 Focus Sectors – Indonesia 4.0

Focus Sectors Aspiration

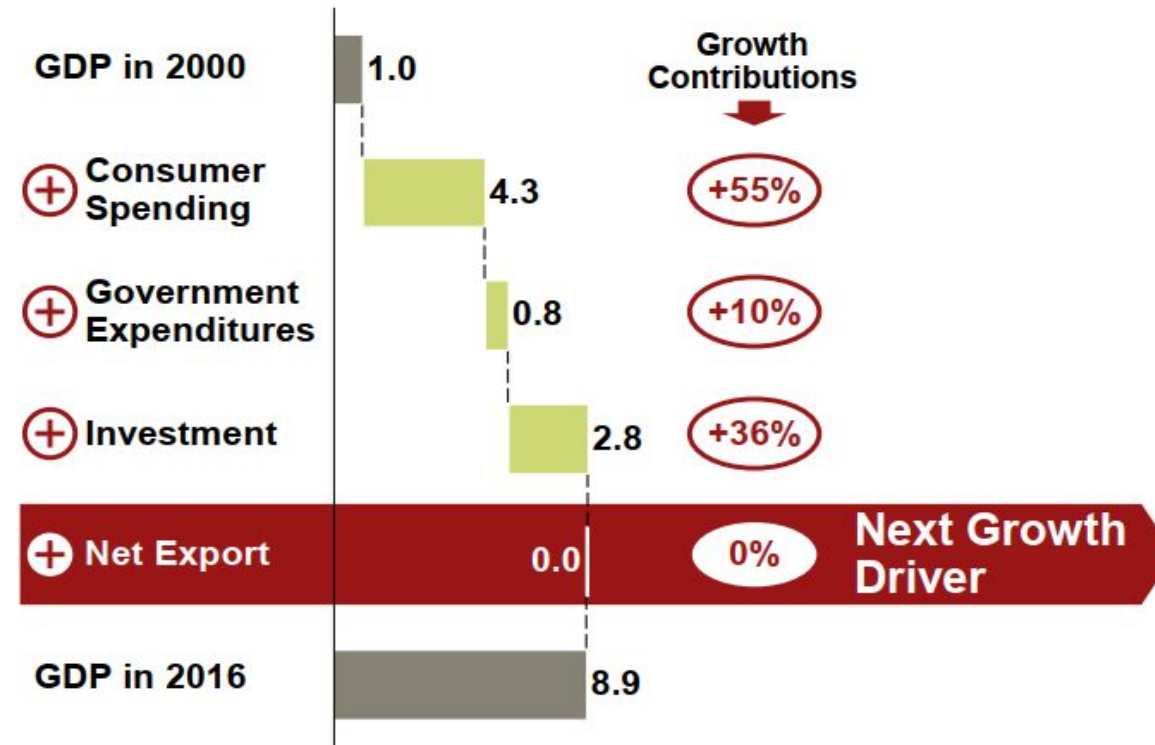
| | | | |
|---|---|------------------------------|---|
| 1 |  | Food & Beverages | Founding an ASEAN F&B powerhouse |
| 2 |  | Textile & Apparel | Becoming a leading “functional” clothing producer |
| 3 |  | Automotive | Establishing export leadership in ICE and EV |
| 4 |  | Chemicals | Developing leading biochemical manufacturers |
| 5 |  | Electronics | Nurturing highly capable domestic champions |

The five sectors account for:

- 60% of manufacturing GDP
- 65% of manufacturing exports
- 60% of manufacturing workers

Indonesia has an aspiration to be global top 10 economy by 2030; next growth engine must be net export

Factors contributing to Indonesia's GDP growth (Index: 2000 = 1)



Global GDP ranking¹ (Nominal)

| | | |
|----|---|-------------------|
| 1 |  | USA |
| 2 |  | China |
| 3 |  | Japan |
| 4 |  | Germany |
| : | | |
| 10 |  | Indonesia in 2030 |
| : | | |
| 16 |  | Indonesia in 2016 |

GOVERNMENT PREPARING FOR THE INDUSTRIAL REVOLUTION

4. Indonesia has set 10 National Priorities for “Making Indonesia 4.0”

10 National Priorities

1 Reform Material Flow

- Enhance **domestic upstream material production**; e.g. 50% of petrochemical is imported

2 Redesign Industrial Zones

- Build a **single nationwide industry zoning roadmap**; resolve zoning inconsistency challenges

3 Embrace sustainability

- Grab **opportunities under global sustainability trend**; e.g. EV, biofuel, renewables

4 Empower SMEs

- Empower **3.7 million SMEs¹ by technologies**; e.g. build SME e-commerce, technology bank

5 Build Nationwide Digital Infrastructure

- Advance **network and digital platform**; e.g. 4G to 5G, Fiber speed 1Gbps, Data center and Cloud

6 Attract Foreign Investments

- Engage **top global manufacturers** with attractive offer and accelerate **technology transfer**

7 Upgrade Human Capital

- Redesign **education curriculum** under 4IR era
- Create professional **talent mobility program**

8 Establish Innovation Ecosystem

- Enhance **R&D centers** by government, private sector and universities

9 Incentivize Technology Investment

- Introduce **tax exemption/subsidies** for technology adoption and **support funding**

10 Reoptimize Regulations & Policies

- Build more **coherent policies/regulations** by **cross-ministry collaborations**

Source: Kementerian Perindustrian, Making Indonesia 4.0

2. HOW IS THE INDONESIAN GOVERNMENT PREPARING FOR THE INDUSTRIAL REVOLUTION 4.0



Kata Sambutan oleh Airlangga Hartarto
Menteri Perindustrian Republik Indonesia

Fourth Industrial Revolution ("4IR") atau Revolusi Industri 4.0 tidak hanya berpotensi luar biasa dalam merombak industri, tapi juga mengubah berbagai aspek kehidupan manusia. Kita telah melihat banyak negara, baik negara maju maupun negara berkembang, yang telah memasukkan gerakan ini ke dalam agenda nasional mereka sebagai salah satu cara untuk meningkatkan daya saing di kancah pasar global. 4IR sudah pasti akan menuju Indonesia dan kita siap untuk mengimplementasikannya.

Bagi Indonesia, fenomena 4IR memberikan peluang untuk merevitalisasi sektor manufaktur Indonesia dan menjadi salah satu cara untuk mempercepat pencapaian visi Indonesia untuk menjadi 10 ekonomi terbesar di dunia. Hingga tahun 2016, industri manufaktur berkontribusi sebesar 20 persen PDB Indonesia dan membuka lebih dari 14 juta



- ❑ **Making Indonesia 4.0 : Indonesia's roadmap to become one of the top 10 global economy in the world by 2030.**
- ❑ **Opportunity for Indonesia to revitalize manufacturing industry and increase economic competitiveness.**
- ❑ **Declining Trend in Manufacturing Industry contribution to Indonesia's GDP :**
 - ❑ 2001 contributed 26% to GDP;
 - ❑ 2016 contributed 20% to GDP (14 million jobs);
 - ❑ ~2030 predicted will keep declining, if no action taken by the government;
 - ❑ The next 15 years ~2030 Golden era productive age population boom in Indonesia;
 - ❑ Indonesia growth engine is by increasing Net Export through 5 focus industry sectors.

Source: Kementerian Perindustrian, Making Indonesia 4.0

THE DEVELOPMENT OF ZAKAT IN THE INDUSTRIAL REVOLUTION 4.0

1. Avoid “New Technology Adoption Risks” and “Pilot Trap” by:

- Having a clear Zakat Vision & Mission in the Industrial Revolution 4.0 (4IR);
- Sourcing Innovative Technology Partnership (*i.e. Software as a service, Platform as a service, Digital Banking/Financial technology partnership*);

2. Clear Zakat Vision & Mission in the Industrial Revolution 4.0 (4IR)

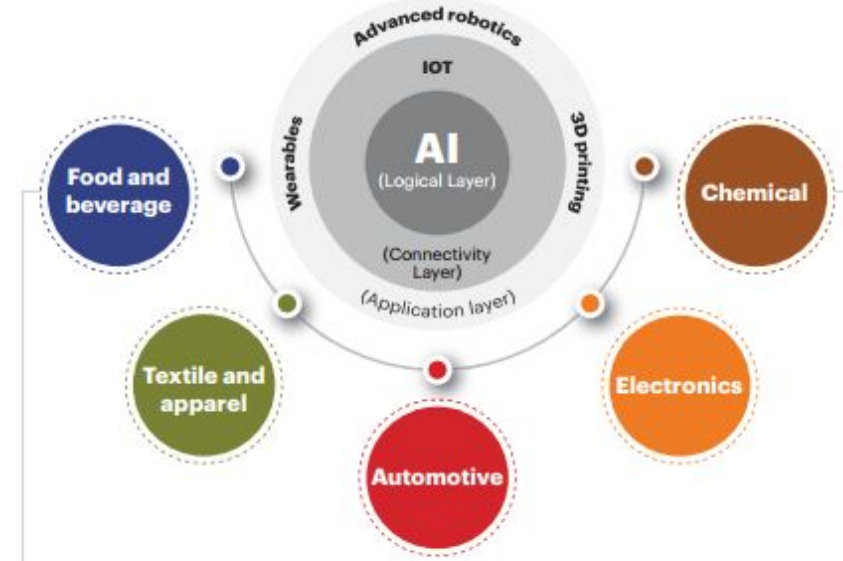
- Promote Innovative Zakat Sourcing;
- Promote Innovative Zakat Collection;
- Promote Innovative Zakat Distribution;
- Promote Improved Zakat Transparency & Accountability;
- Promote Innovative Technology & Digital Partnership;

3. Identify & Attain clear Executive Sponsorship

4. Identify & Manage Relationship with Key Stakeholders (Government, Financial Technology partners, providers, advisors)

5. Create Enabling Organization Structure to support Zakat Vision & Mission in the 4IR

- Strategic Committee;
- R & D – Innovative Lab;
- Technology & Digital - PARTNERSHIP with the right Government, Digital Banking, Financial Technology Providers and Industry Partners;



Q & A

Thank you.

Alhamdulillah.

Wassalam Wr. Wb.