

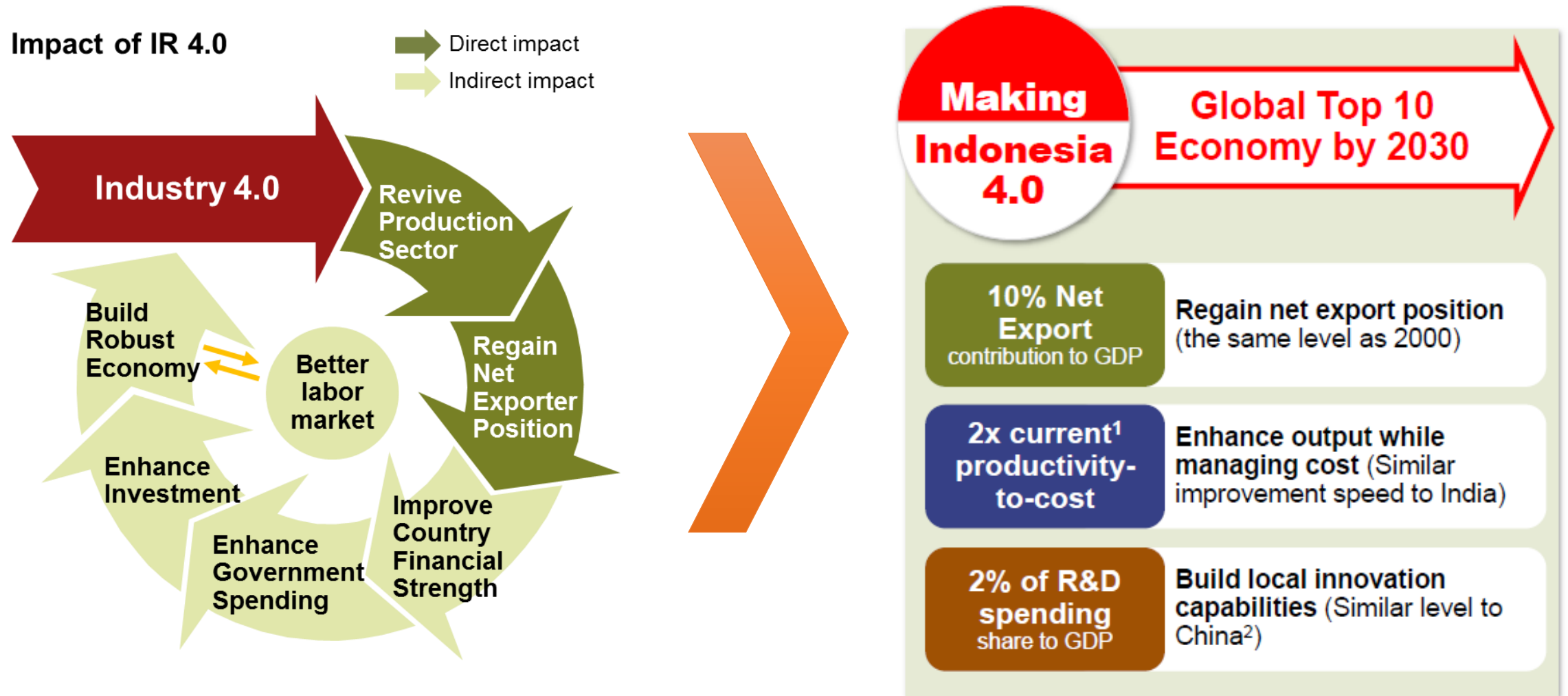
The Transformation of Industrial Policy: Making Indonesia 4.0

Digitilize Indonesia 2019

Jakarta, 31 October 2019

The Indonesian Industrial Revolution 4.0 can be a game changer for Indonesia's economic growth

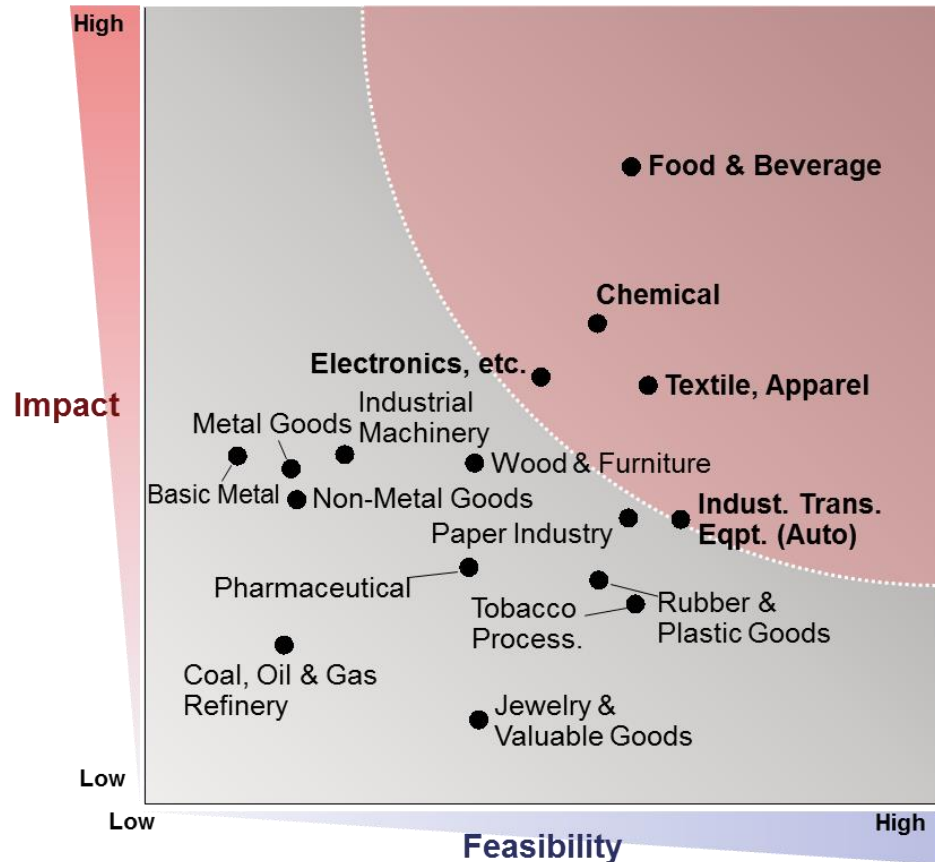
Implications of Indonesian economy / industry environment for IR4.0








1. Gross Capital Formation
Source: The World Bank; A.T. Kearney

5 Sectors Focusing on Industry 4.0

After assessing the potential impact and feasibility, Ministry of Industry consider the following sectors for Industrial Revolution 4.0 implementation



5 priority sectors for 4IR implementation

	Food & Beverage	Textile & Apparel	Automotive	Electronics	Chemicals
					
Mfg. GDP	29%	7%	9%	6%	6%
Mfg. Exports	24%	15%	7%	9%	9%
Mfg. Workers	33%	20%	2%	2%	2%

~70%
mfg. GDP

~60%
mfg. exports

65+%
mfg. workers

10 Strategic Initiatives of 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

Directorate General of Metal, Machinery, Transportation, and Electronic Industry

Industrial Development (DG. ILMATE)

Metal Industry

Machinery Industry

Transportation Industry

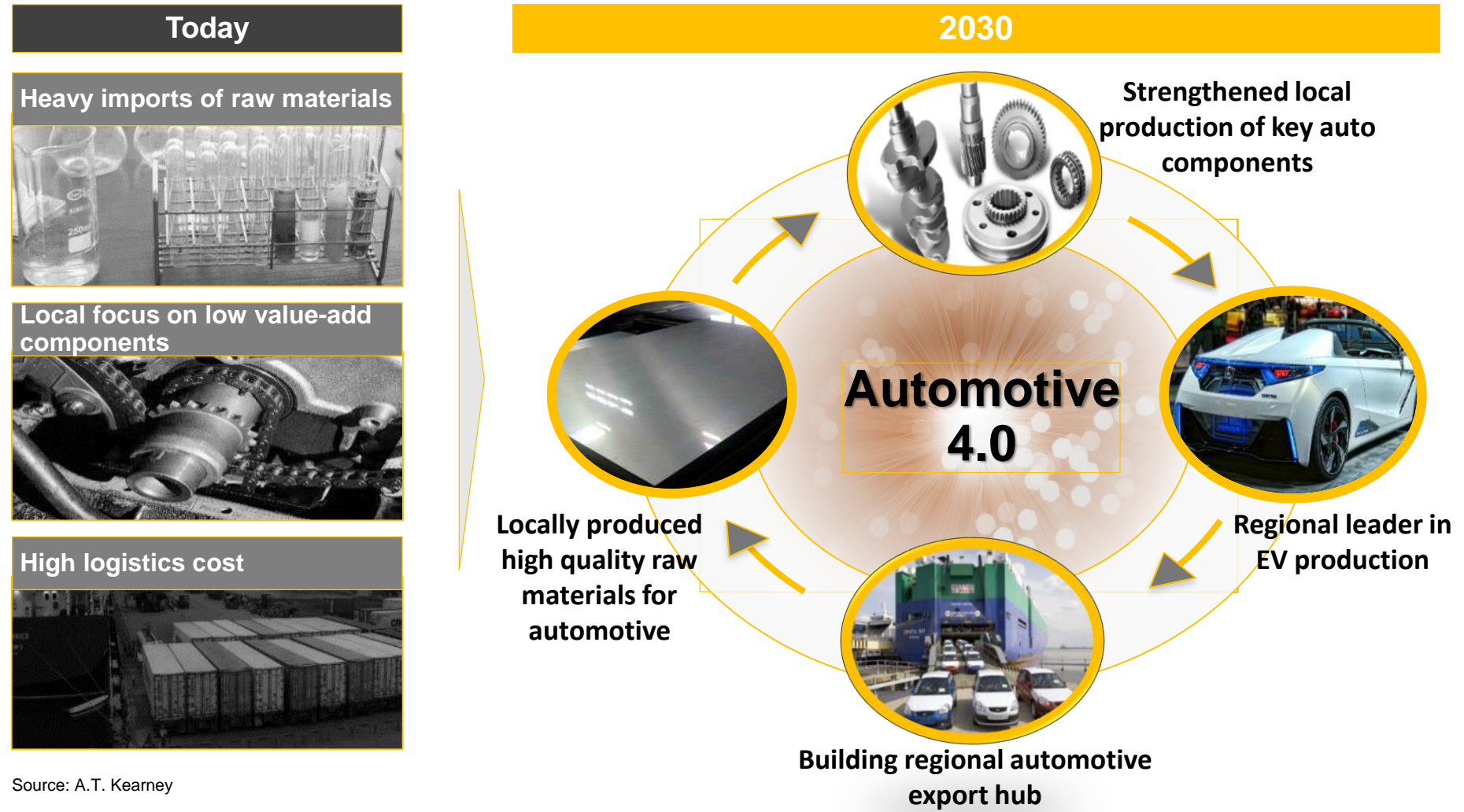
Electronics Industry



Challenges in Automotive Industry

Indonesia needs to overcome the challenges in automotive sector and change the face of the sector

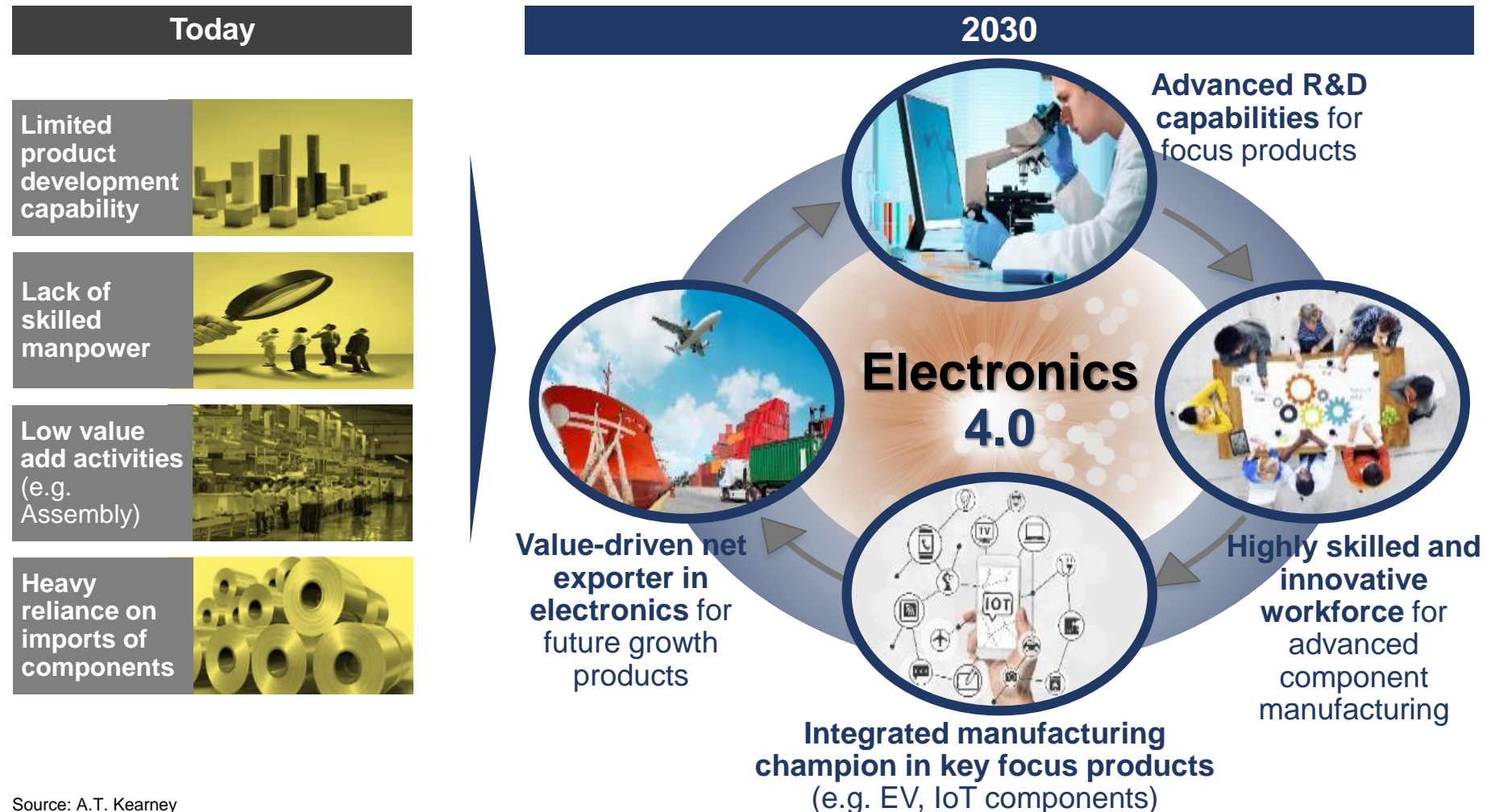
Automotive in Indonesia – Today to 2030



Challenges in Electronics Industry

Indonesia needs to overcome the challenges in electronics sector and change the face of the sector

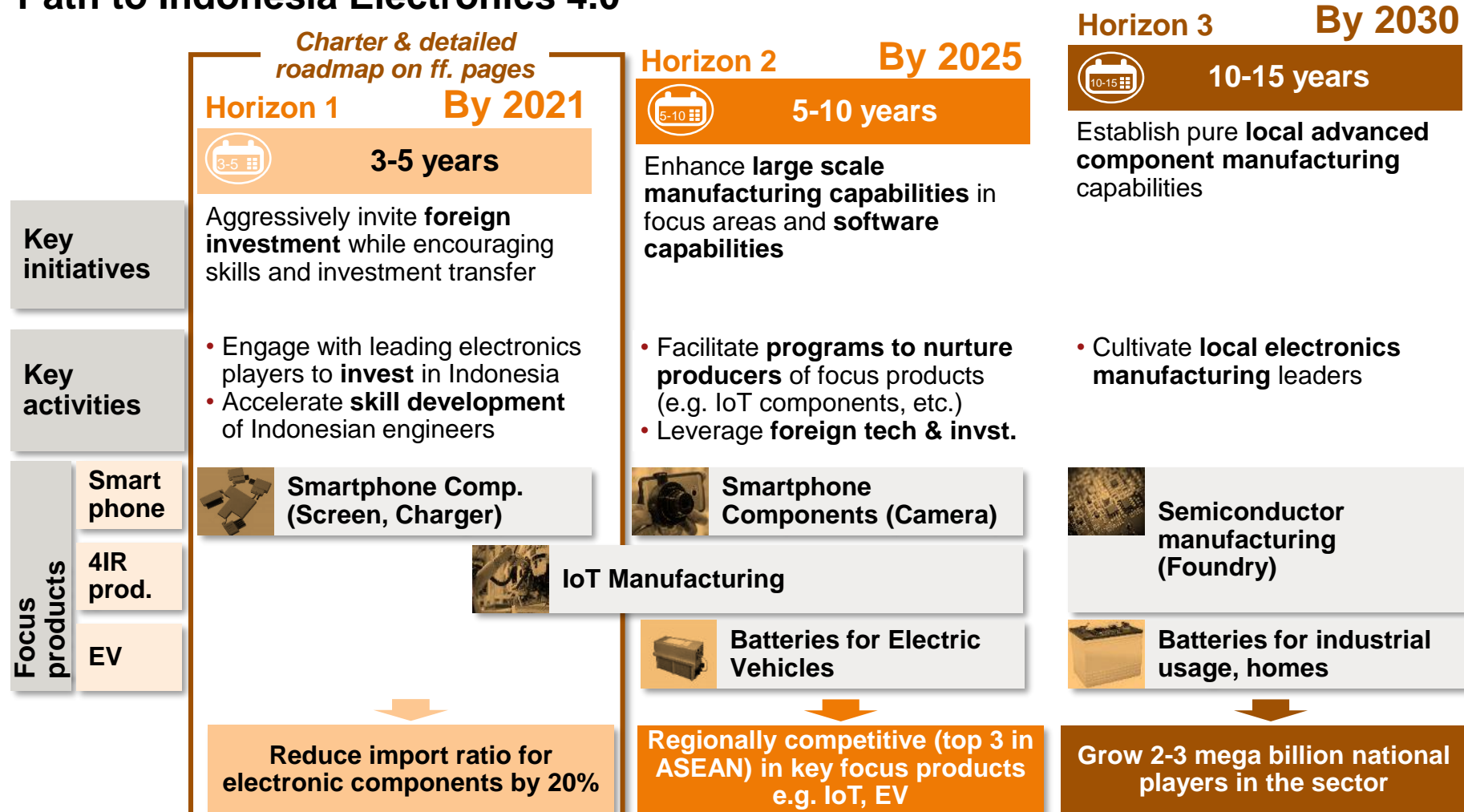
Electronics in Indonesia – Today to 2030



Roadmap of Electronics Industry

Indonesia's electronics sector needs to transform from low-tech assembly to high-tech high-value component manufacturing

Path to Indonesia Electronics 4.0



Industrial Estate Development



- ✓ Pembangunan 14 Kawasan Industri Prioritas dalam RPJMN 2015-2019, KI Kendal, KI Tanjung Buton, Dumai, KI Tanah Kuning (Kaltara), KI JIPE (Gresik), dan KI Terpadu Wilmar (Serang, Banten) telah ditetapkan sebagai Proyek Strategis Nasional (Perpres No.58 Tahun 2017)
- ✓ Proyek Strategis Nasional harus beroperasi Tahun 2019

Industrial Estate Development

N o	Industrial Estate / Special Economic Zone	Area (Hectare)	Focus
1	Teluk Bintuni, West Papua	2,344 Ha	Petrochemical and fertilizer industry
2	Palu, Central Sulawesi (SEZ)	1,500 Ha	Agro Industry and Rattan Industry
3	Morowali, Central Sulawesi	2,000 Ha	Ferronickel, Stainless Steel and other downstream industry
4	Konawe, South East Sulawesi	5,500 Ha	Ferronickel industry
5	Bitung, North Sulawesi (SEZ)	534 Ha	Agro Industry and Logistic
6	Buli, East Halmahera	300 Ha	Ferronickel industry
7	Bantaeng, South Sulawesi	3000 Ha	Ferronickel industry
8	Ketapang, West Kalimantan	1,000 Ha	Alumina industry
9	Batu Licin, South Kalimantan	530 Ha	Iron and Steel industry
10	Mandor, West Kalimantan	306 Ha	Rubber Processing Industry
11	Sei Mangkei, North Sumatera (SEZ)	1,933 Ha	CPO Processing Industry
12	Tanggamus, Lampung	3,500 Ha	Maritime Industry
13	Kuala Tanjung, North Sumatera	1,000 Ha	Alumina industry
14	Jorong, South Kalimantan	6,370 Ha	Agro industry and iron and steel industry
15	Kendal, Central Java	2,200 Ha	Wood, Food, Garment Industry and Smelter
16	Java Integrated Industrial and Ports Estate (JIPE), East Java	2,933 Ha	Manufacturing Industry
17	Dumai, Riau	2,382 Ha	CPO Based Industry
18	Wilmar, Banten	1,408 Ha	Manufacturing Industry
19	Tanjung Buton, Riau	600 Ha	Agro Industry
20	Tanah Kuning, North Kalimantan	569 Ha	Energy Intensive Industries

Total area of industrial estate:
42.988 Ha

Total Electricity Demand
(estimated) :
8.825 MW

Thank
You!