

WIEF Foundation presents



9TH WIEF GLOBAL DISCOURSE 4IR: Seizing Possibilities for The Future

30 October 2019
Radisson Blu Dhaka Water Garden,
Dhaka, Bangladesh

Organiser



Joint Organiser

SEACO
South East Asian Co-operation
FOUNDATION

4IR: Transforming Production

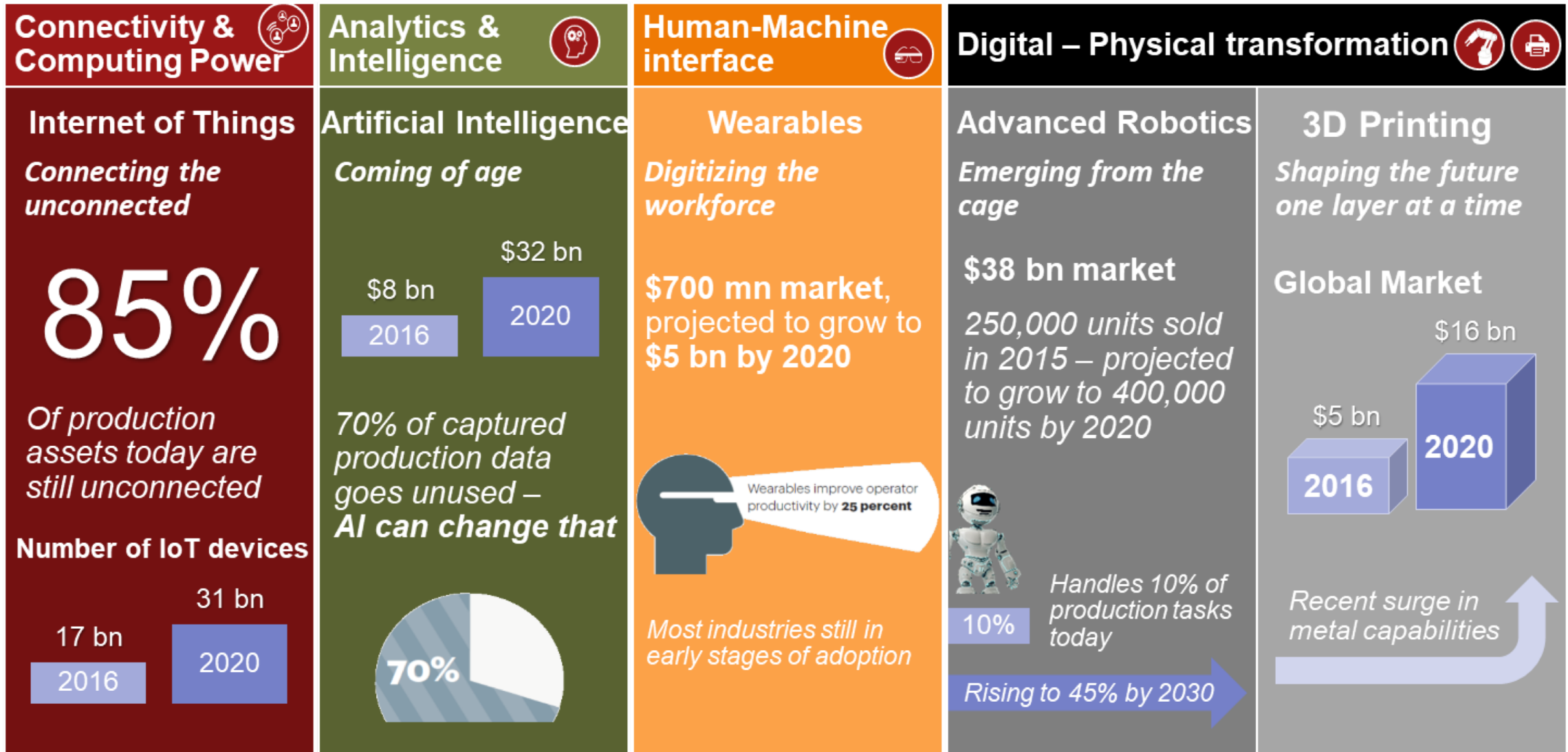
Dr Hasan Shafi
Partner
A.T. Kearney

Transforming production

Key messages

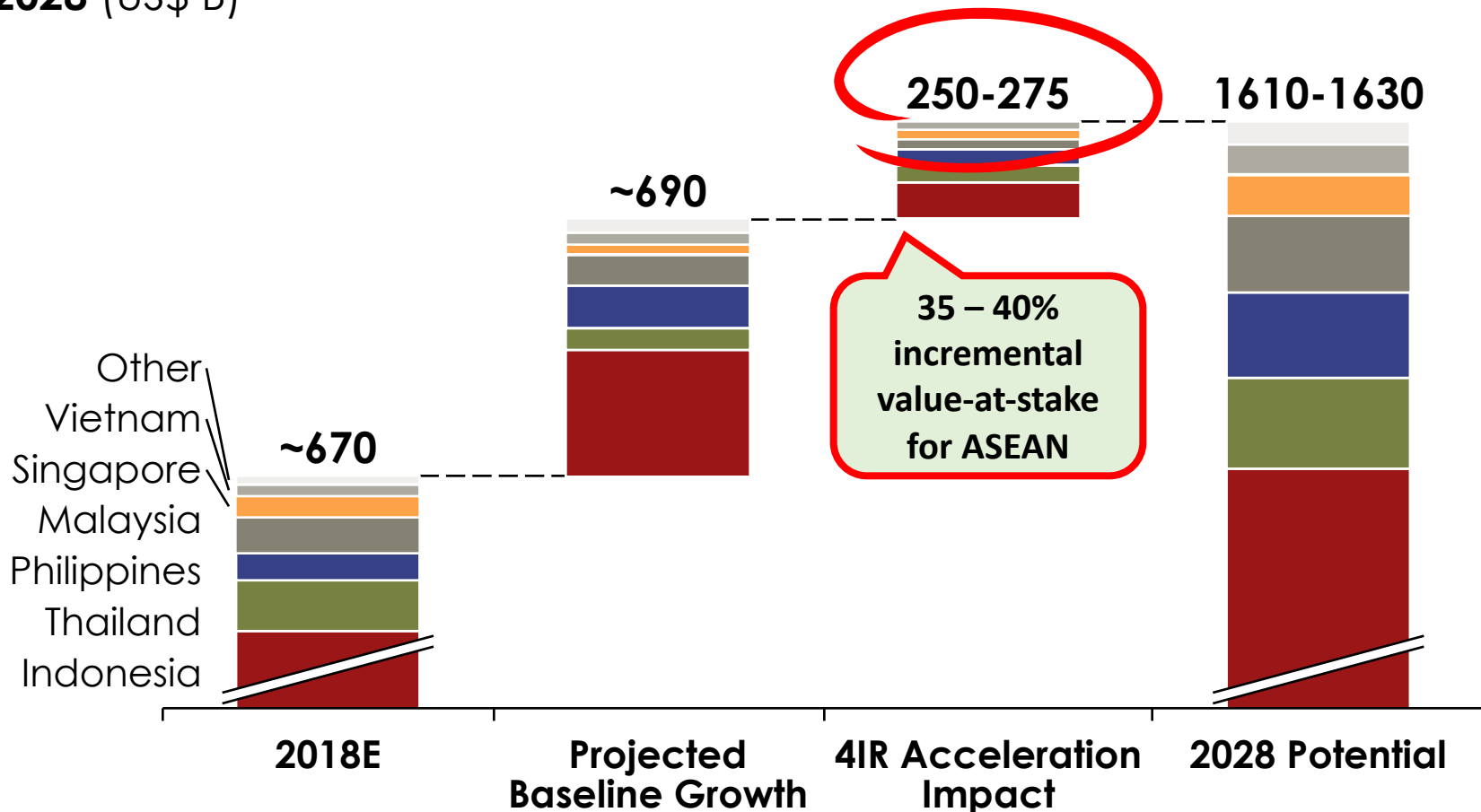
- 1 Significant manufacturing value add (MVA) opportunity
- 2 Countries, with different starting points, must have clear aspirations
- 3 Policies need to be holistic, sustainable and enable collaboration
- 4 Companies transform with clear North Star, taking small steps, moving fast
- 5 Future proof through capability building and life-long learning

5 key technologies in various stages of readiness



35 – 40% incremental MVA opportunity from 4IR

ASEAN MVA¹ and 4IR Value-at-Stake 2028 (US\$ B)



Implications for Bangladesh

Significant MVA potential for Bangladesh

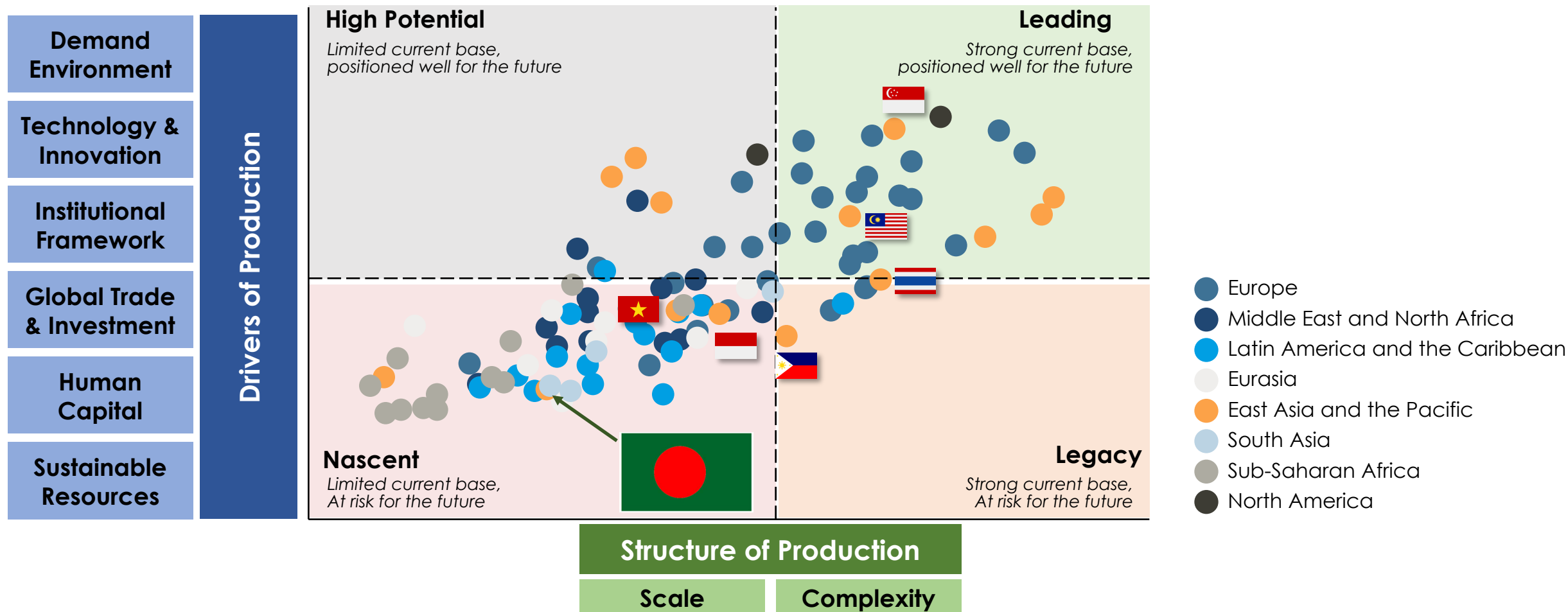
- Robust GDP growth >7%
- >50% contributor for industries
- Double digit growth rates for industry, incl. manufacturing

However, country at nascent stage for 4IR readiness

1. MVA = manufacturing value add
Source: Industry 4.0: The Future of Productivity and Growth in Manufacturing Industries, Industry 4.0 – Opportunities and Challenges of the Industrial Internet, S&P Capital IQ, Oxford Economics, UNIDO, UNDP, Bangladesh Bank, A.T. Kearney analysis

Will require leapfrogging from nascent readiness

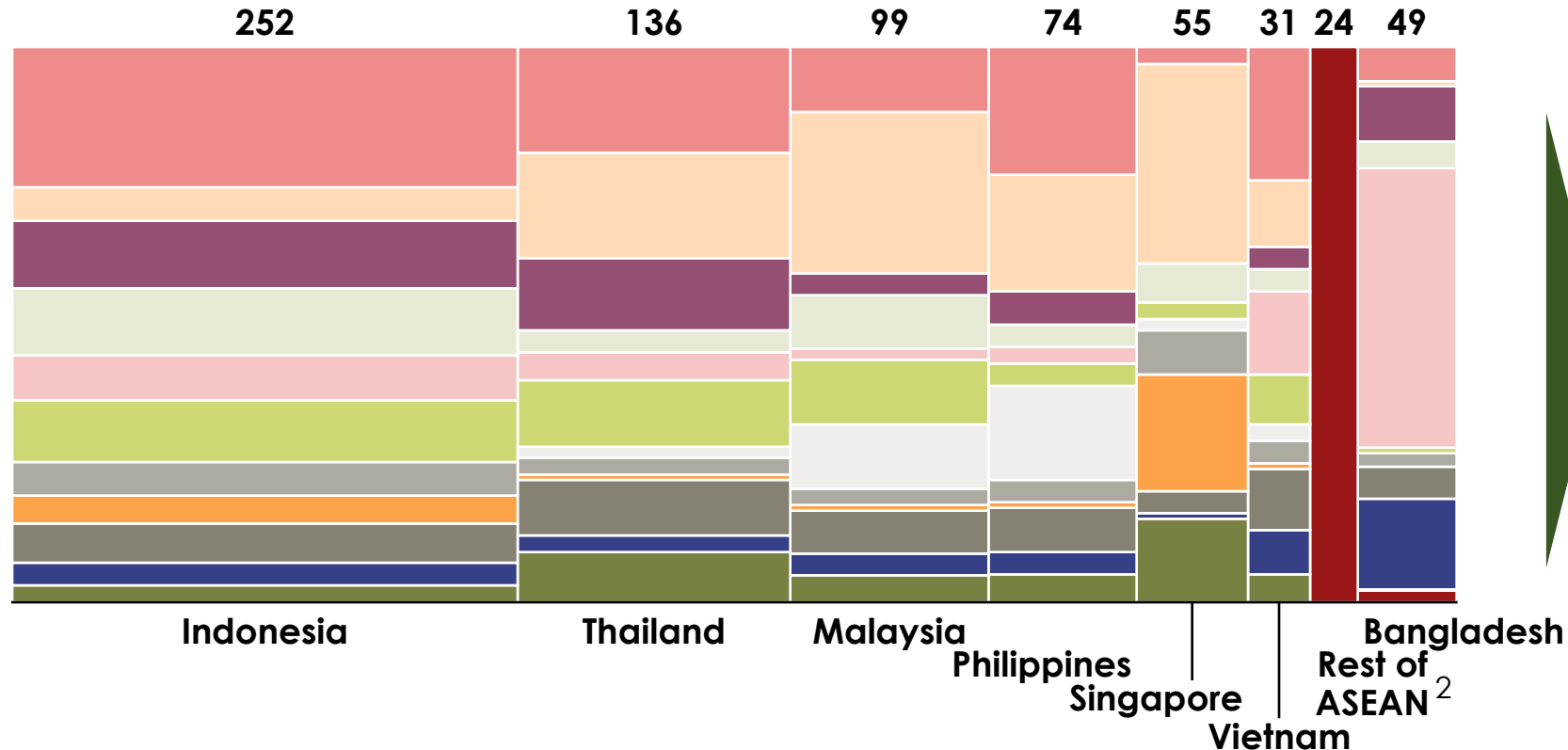
WEF Country 4IR Readiness Framework



Note: Average performance of top 75 countries is at the intersection of the 4 quadrants to create the archetype borders
Source: A.T. Kearney in collaboration with the World Economic Forum, Readiness for the future of production report 2018

Decide on the core and adjacent sectors

Manufacturing¹ MVA by Country by Industry – ASEAN and Bangladesh
(US\$ B, 2018E)



Implications for Bangladesh

Clearly identify key strategic industry sectors for 4IR

- Traditional core sectors
- Adjacent sector for regional supply chain
- Sectors of the future

Factor in national priorities (e.g. GDP growth, manufacturing share) **and expected key outcome** (e.g. labour force upskilling, job creation)

Food, beverages, and tobacco	Chemicals	Refined petroleum and coke	Metals and metal products	Unclassified
Electrical and electronic	Textiles, apparel, and leather	Transportation equipment	Nonmetal products	
Motor vehicles and parts	Other consumer goods	Pharma, drugs, and medicines	Machines and equipment	

1. Manufacturing is based on the ISIC classifications, outputs from vertically integrated companies measured at their final output 2. Rest of ASEAN includes: include Brunei, Cambodia, Lao and Myanmar

Sources: IHS Markit, UNIDO. A.T. Kearney Analysis

4IR case study: Indonesia country strategy



Aspiration

Aspiration
statement
2030

*"To become a **global top 10 economy** in 2030 by **regaining net export advantage**, driving share of **GDP** from manufacturing, and **competing in productivity**, as a result from advancement in technology and innovation"*

Aspiration
elements

①

**Undisputed
global leader**



By 2030...
(Aspirational)

Top 10 largest
economy¹

②

**Revive net
export
advantage**



**10% net
export**
contribution to GDP

③

**APAC
productivity-
to-cost
champion**



2x current²
productivity –to-
cost

④

**Inspiring the
Manufacturing
Tech
Revolution**

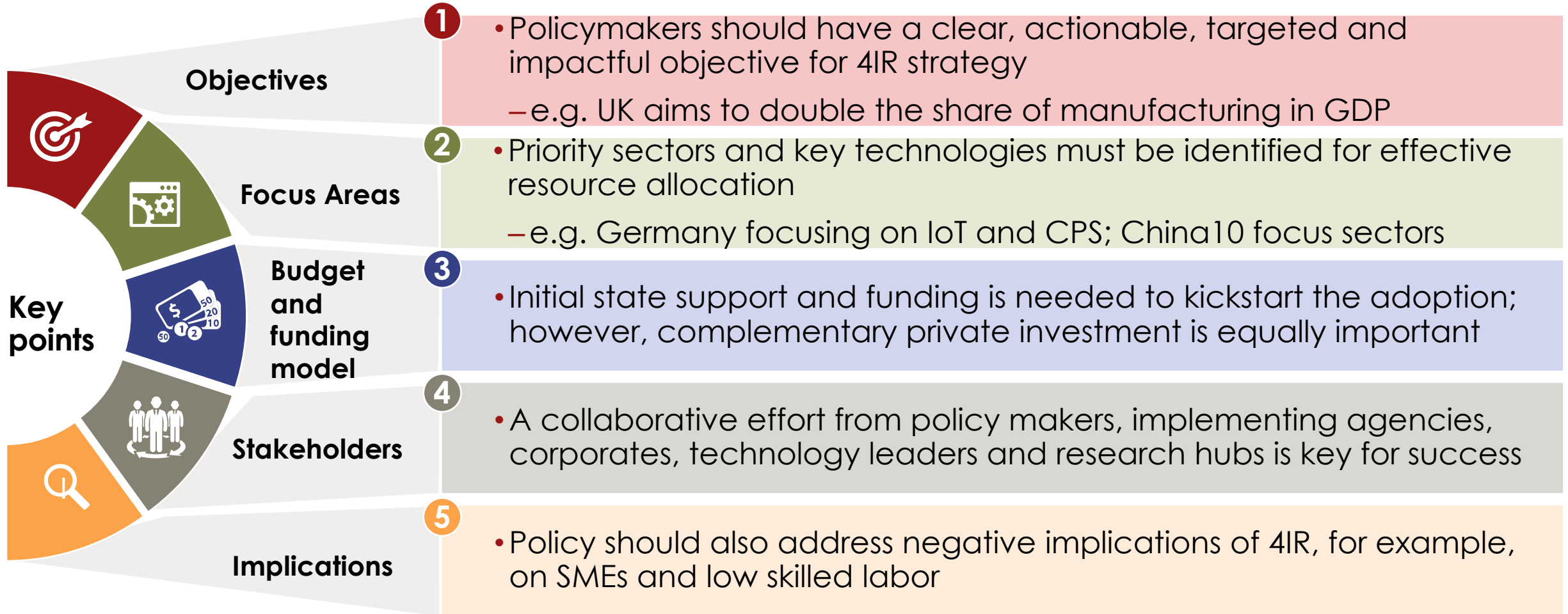


2% of R&D
spending share to
GDP

https://www.youtube.com/watch?v=HQ_H974C5Ss

5 lessons are learnt from global policies

Lessons learnt for Bangladesh





Thank you