

Maybank Indonesia Shariah Thought Leader Forum 2021

**From Niche to Mainstream:
Accelerating Sharia Economy
and Finance in Digital Era**

Jakarta, 27 May 2021

IMANSYAH

**Deputy Commissioner of OJK
Institute and Digital Finance**



Potentials of Sharia Fintech in Indonesia



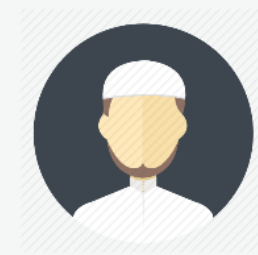
17,504
Islands

World's largest archipelago, with limited infrastructure and vast number of unbanked people and MSMEs, which remain underserved.



202,6 Million
Internet Users

As of Jan 2021, 202.6 million people, or 73,7% of the population are connected to the Internet and more likely use fintech services



229 Million
Moslem

The Moslem population in Indonesia is around 229 million people (more than 85% of the total population in Indonesia)



World's 4th
Largest country

With a population of **274.9 Million** Indonesia is the 4th largest country after China, India and the United States.



76.9% Index
of Financial Inclusion

The financial inclusion index continues to improve, but still lags behind neighboring countries (Singapore: 98%, Malaysia: 85%, Thailand 82%), which means there is still a room for fintech to jump in and boost the financial inclusion degree



Halal Travel
Destination

Indonesia is The World's Best Halal Tourism Destination based on Global Muslim Travel Index (GMTI) 2019 standard



World's 16th
largest economy

Indonesia is the 16th largest economy in the world, and could become the **7th largest economy** by 2030.



74% MSMEs
lack access

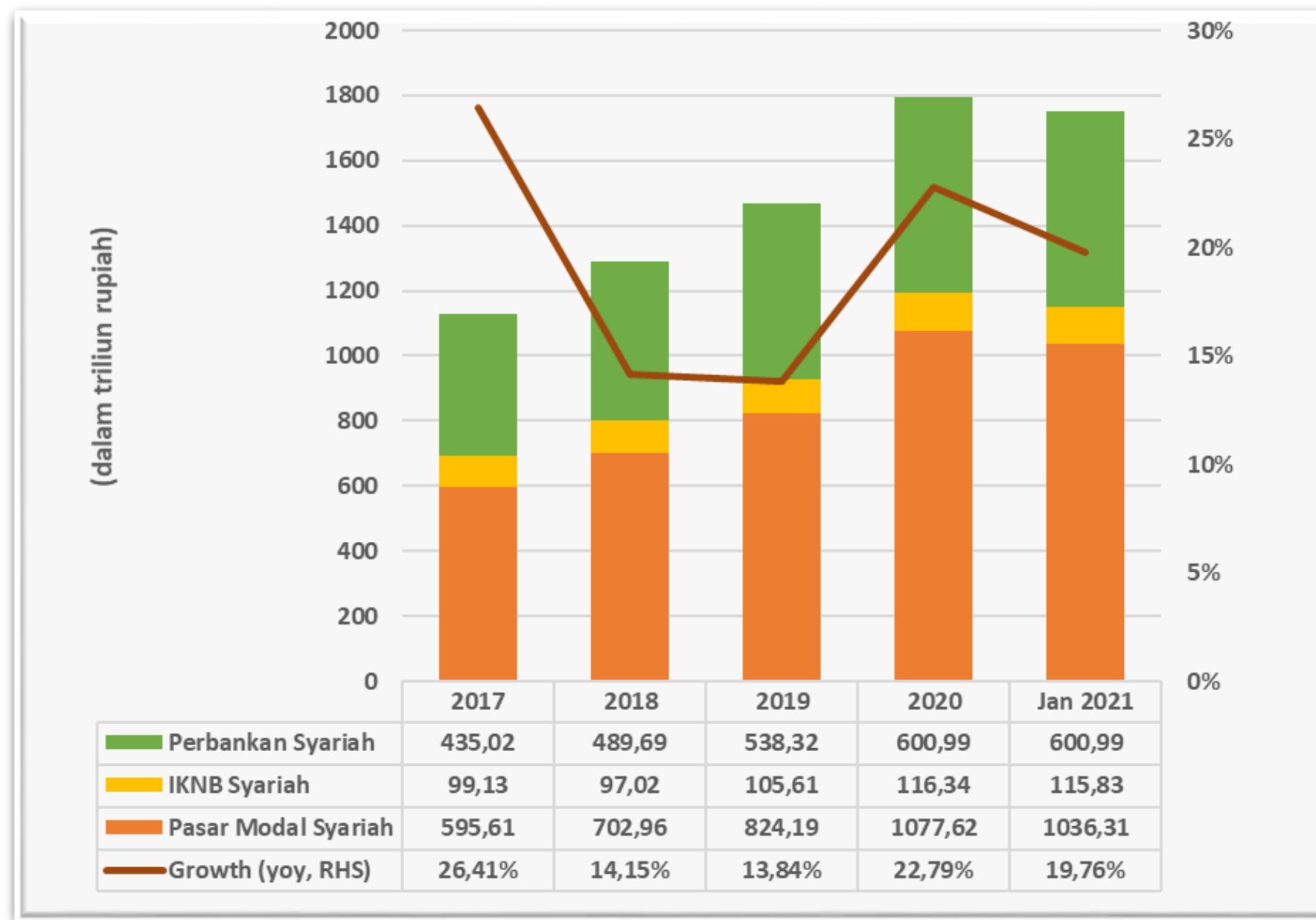
Lack of access to credit is the major obstacle for 74% of MSMEs. Fintech could potentially fill in the financing gap, as it provides a more cost effective and efficient channel to reach remote areas unserved by traditional financial institutions.



\$ 3 Trillion
Sharia Economics

Indonesian sharia economic potential is still large, reaching USD 3 trillion

Current Developments of Indonesian Sharia Finance

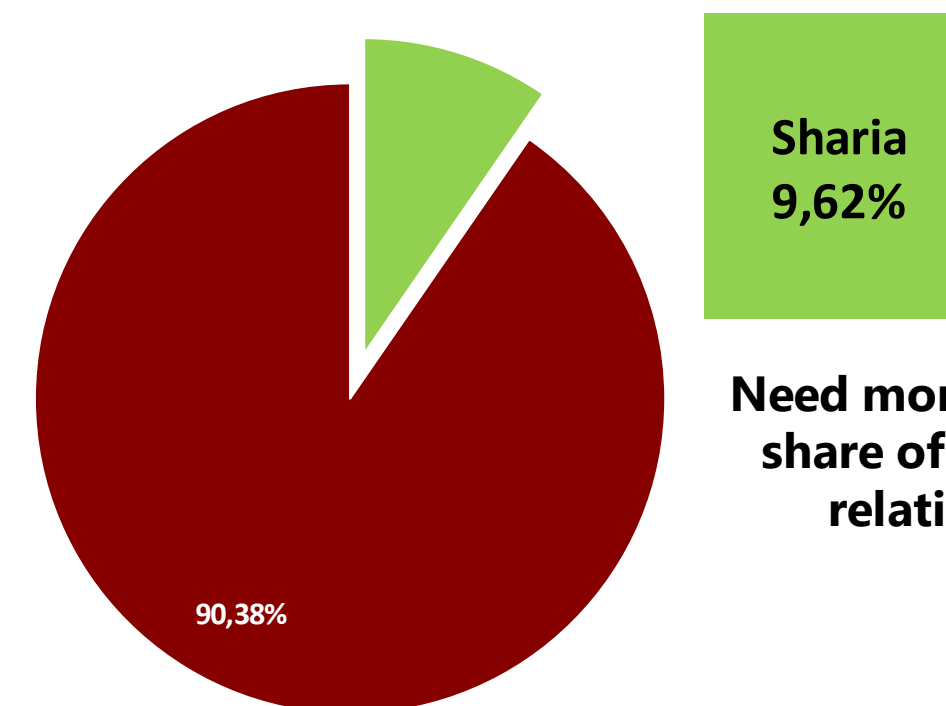


Indonesia's Total Sharia Financial Assets

(in trillion Rupiah)

Industry	Total Assets (in trillion Rupiah)		Market Share (%)
	National	Sharia	
	Rp T	Rp T	
Banking	9.177,07	600,99	6,55%
IKNB	2.653,40	115,83	4,37%
Capital Market	6.400,16	1036,31	16,19%
Total	18.230,62	1.753,13	9,62%

As of January 2021, Indonesia's total sharia financial assets (excluding Sharia Stocks) reached **IDR 1.753,13 trillions**



Need more efforts to increase the market share of the Indonesian Sharia Finance relatively to the total of national financial market,.....

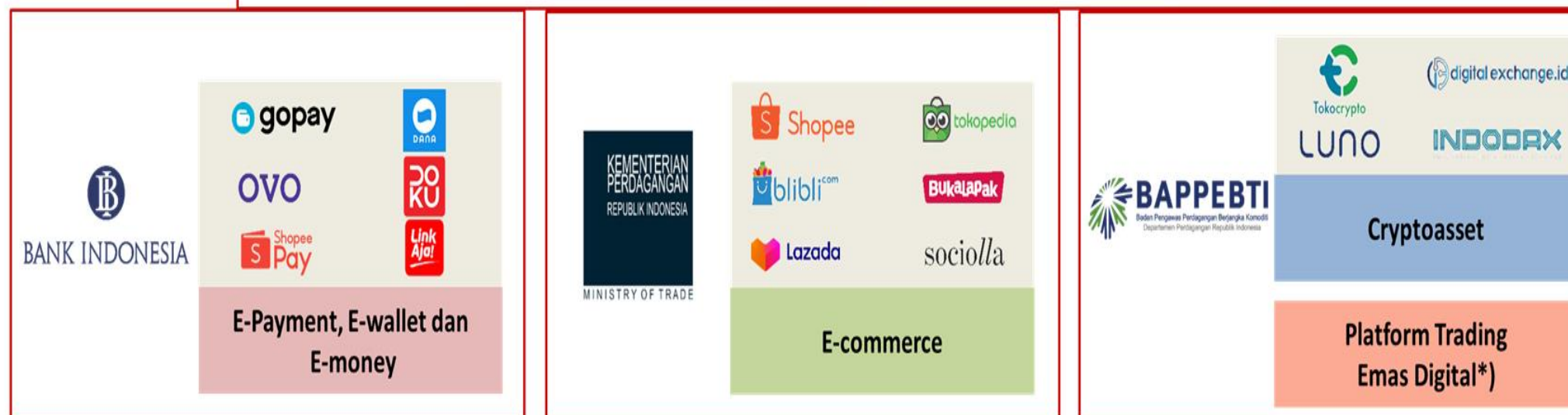
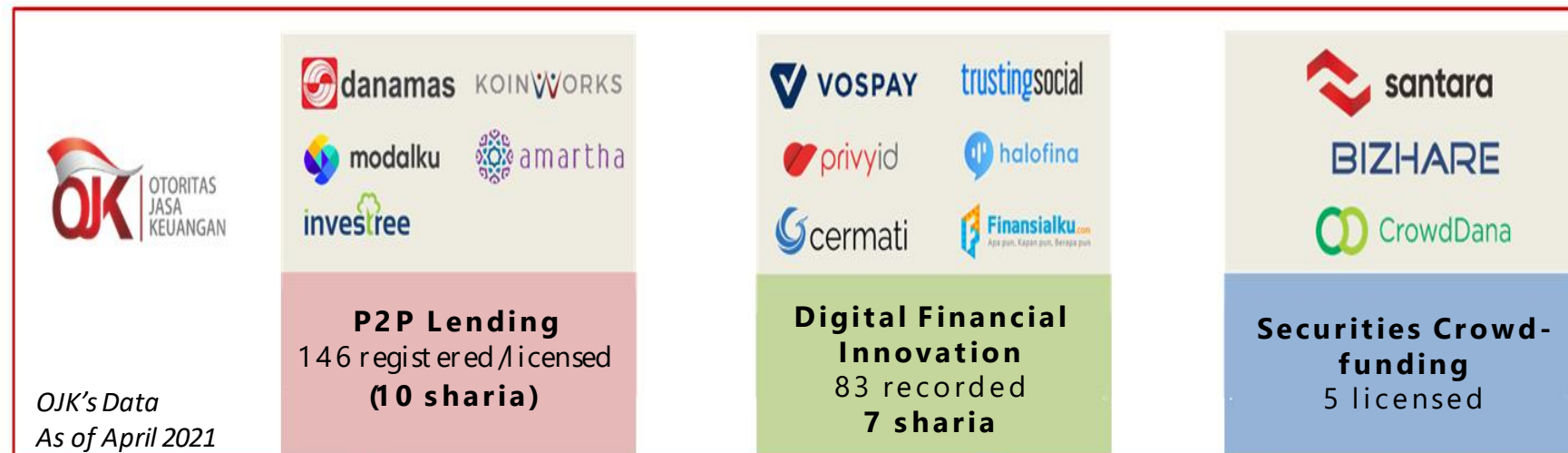
#4 Global Islamic Economy Indicator Score (2020/21)

#2 Islamic Finance Country Index (2020)

#2 Islamic Finance Development Indicator (2020)

The Digital Economy Ecosystem and Challenges of Sharia Fintech in Indonesia

**TOTAL : 381
PLAYERS**



Limited Technological Infrastructure



12,548

Regions in Indonesia do not yet have a 4G network

16.1%

Contribution of internet penetration rate in Eastern Indonesia

Low Financial Literacy (especially for Sharia products)



38%

Financial Literacy Index

36%

Digital Financial Literacy Index

Lack of Fintech Talent



90%

Fintech expressed a lack of suitable talent

71%

Fintech conveyed the lack of HR skills for *Tech & Software*. The highest percentage of skill gaps is in Data and Analysis (23%).

Need more efforts to increase the sharia fintech market share in the digital economy system in Indonesia. To this, developing a full-fit strategy is required....

Developing Strategy Sharia Fintech & Sharia Financial Industry

Sharia Economy Ecosystem



#1# Building an Islamic Inclusive Financial Services Board (IIFSB) based in Indonesia as a global center for the development of Islamic social finance

#2# Formulating regulations and policies based on sharia principles that can work as a catalyst in encouraging sharia economic development

#3# Strengthening the identity of sharia financial services institutions through sharia values, developing uniqueness of highly competitive sharia products and digitizing sharia financial services institutions

#4# In collaboration with the Indonesian Sharia Fintech Association (AFSI), developing and improving the governance and capacity of sharia fintech in Indonesia

#5# Introducing digital platforms to MSMEs both for financial or marketing sharia products

#6# Creating a good ecosystem to enable fintech, MSMEs, and the Sharia Financial Industry to collaborate

#7# Marketing of sharia products through online marketplace, for example Sharia Insurance (Takaful), retail sukuk, and sharia mutual funds



New Identity in Islamic Banking

- Unique business model and products
- Optimize economic and sharia finance ecosystem
- Integrated commercial finance and social functions
- High competence of HR
- Sophisticated IT

THANK YOU!

Let's Talk and Discuss



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