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Headline: Fintech 'crucial to Singapore's status as Asian finance hub'

Fintech 'crucial to Singapore's status as Asian finance hub'

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The explosion of financial technology, or fintech, will allow millions of unbanked Asians to have easy access to financial services – and Singapore has a role to play in spearheading this revolution.

In fact, fintech will be a crucial differentiator for Singapore to remain a regional financial hub, said Mr S. Iswaran, the Minister for Trade and Industry (Industry).

He told a conference on fintech

and financial inclusion yesterday: "From alternative payment solutions to peer-to-peer lending, fintech has helped shape a more innovative and inclusive financial system."

To help companies here gain a slice of this growing pie, the Government is helping small and medium-sized enterprises adopt fintech, especially e-payments, with a view to more active participation in e-commerce.

The Singapore Government also hopes to take the lead in developing a regional e-payments strategy so that companies can tap the region's growing middle class and large con-

sumer base, Mr Iswaran noted.

"This will empower small businesses across the entire region which seek to serve the broad population base of over 600 million in Asean and perhaps through further linkages beyond, and that, I think, is going to be a powerful driver of growth."

The Government will help local merchants establish strategic partnerships with major payment players which can help them reach out to a wide network of Asean cities.

It will also support the development of payment solutions for the unbanked in the region, Mr Iswaran

said, part of the overall strategy to make Singapore a fintech hub.

Singapore has to create a regulatory environment that balances the stability of the financial system with providing an environment conducive for fintech innovation. It also has to nurture a strong pool of talent to meet the evolving needs of the fintech industry.

Other speakers at the conference organised by the Sim Kee Boon Institute for Financial Economics (SKBI) at the Singapore Management University also touched on the issue of financial inclusion.

Ms Maria Paula Oliveira, Experian Asia Pacific's director of strategic projects and planning, cited Vietnamese start-up Mobivi, which allows people without credit cards to buy household appliances via interest-free instalment plans. The monthly instalments, which are deducted from their salary, can then be used to build up their credit score, so they can later get access to loans.

DBS Group chief executive Piyush Gupta said Asia holds "multiple and profound" opportunities, not just for financial services but for research too. Mr Gupta, who is also

the chairman of the SKBI's advisory board, said Singapore can play a key role in this aspect too. "Society and humanity will change dramatically in the next five, 10 years in terms of what is socially acceptable," he said. Issues of data privacy and security, data access, how to use information for the betterment of society and how to collaborate across industries will all have to be grappled with, he added. "There is no better country than Singapore to pull these pieces together."

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