

Opening Address by SMU Chairman Piyush Gupta

OECD-SMU-ECGI Conference - *The Future of Capital Markets: Global & Asian Perspectives*

7 July 2026

Good morning, distinguished guests, colleagues, ladies and gentlemen.

It is a great pleasure to welcome you to this conference jointly organised by Singapore Management University, the OECD, and ECGI.

This conference brings together three institutions that are different in many respects, but united by a common purpose: making society better off. The OECD contributes evidence-based policy analysis; ECGI advances leading research on corporate governance and capital markets, bringing together some of the world's foremost experts in law, economics and finance, including five Nobel Prize Laureates; and SMU serves as a bridge between academia, policymakers, and industry through transformative education and impactful research.

Together, we share a conviction that stronger capital markets can help finance innovation, support entrepreneurship, create jobs, expand opportunities for households, and ultimately contribute to more prosperous, resilient, and inclusive societies. That shared conviction is what brings us together today and makes this dialogue so important.

Capital Markets: The Engine of Growth, Innovation and Inclusion

We gather at a moment when the role of capital markets has never been more important.

In a world facing geopolitical uncertainty, technological disruption, demographic change, and the transition towards more sustainable economies, capital markets are not simply financial infrastructures. They are among the most powerful institutions we have for promoting economic growth, supporting innovation, and expanding opportunity.

At their core, capital markets perform a fundamental economic function. They mobilise savings and channel them towards productive investment. They connect savers with entrepreneurs, investors with innovators, and capital with opportunity.

By doing so, they enable companies to pursue value-creating projects that generate jobs, wealth, and long-term economic growth.

But capital markets are not only engines of growth.

They are also engines of innovation.

Innovation requires long-term, patient, and risk-tolerant capital. The companies that develop breakthrough technologies, invest heavily in research and development, and transform industries often possess brilliant ideas long before they possess collateral or stable cash flows.

Equity markets provide exactly the type of financing these firms need.

They allow businesses to invest in technology, R&D, human capital, and new business models. They support entrepreneurship and help innovative firms grow from promising start-ups into globally competitive enterprises.

This role is becoming even more important as economies increasingly rely on artificial intelligence, digitalisation, advanced manufacturing, biotechnology, and other innovation-driven sectors.

Capital markets also play a broader social role.

They help households build financial security, accumulate wealth, and prepare for retirement. They enable citizens to participate in the success of the corporate sector and share in the value created by economic growth.

In this way, well-functioning capital markets can contribute not only to prosperity, but also to greater inclusion and broader wealth creation.

Capital markets are therefore not merely about finance.

They are about innovation.

They are about productivity.

They are about opportunity.

And ultimately, they are about the future prosperity of our societies.

Asia's Capital Market Moment

If capital markets are becoming increasingly important globally, nowhere is this story more compelling than in Asia.

As we recently learned from the OECD's Asia Capital Markets Report 2026 — which will be presented later today — Asia is now home to 56 percent of the world's listed companies and an extraordinary 52 percent of global venture capital activity.

These numbers tell an important story.

They tell the story of a region that has become one of the world's most important centres of entrepreneurship, innovation, investment, and capital formation.

They tell the story of capital markets that have evolved from supporting domestic economic development to shaping the future of the global economy.

Across Asia, we see clear evidence of this momentum.

Japan, Hong Kong, India and Mainland China are home to some of the largest stock exchanges in the world.

Korea has emerged as one of the best-performing stock markets globally and has become an important reference point for efforts to enhance corporate value, strengthen governance, and improve market attractiveness.

Singapore has established itself as one of the world's premier financial centres, and its stock market has recently become Southeast Asia's largest by market capitalisation, reinforcing its role as a gateway for global capital into the region.

The momentum behind this has been striking. The Straits Times Index crossed the 5,000 mark for the first time in February 2026 and went on to set successive record highs, rising by more than 20 percent over the past year. This reflects a deliberate and sustained programme of reform.

Acting on the recommendations of the Equities Market Review Group established by the Monetary Authority of Singapore, the authorities launched a S\$5 billion Equity Market Development Programme (then extended to S\$6.5 billion) to deepen participation in Singapore equities, a commitment since expanded and expected to draw in additional private capital towards around S\$13 billion over time. Public market activity has responded in step. Initial public offerings raised over S\$2 billion in 2025, with net institutional inflows recorded for nine consecutive months following the first set of measures, and turnover in small and mid-cap companies rising sharply.

Yet the greater opportunity may lie further ahead, and it is not only to win the established game of listings and trading, in which larger centres are already deeply entrenched, but to help define the next generation of markets.

Technology is beginning to reshape market architecture itself. Tokenisation, pursued with ambition, allows us not merely to digitise existing instruments but to create entirely new

market spaces, from programmable green bonds with embedded sustainability metrics to platforms for financing small and medium enterprises across the region.

At their best, such tools do more than lower costs; they allow disclosure, compliance, and investor protection to be built into the architecture of markets rather than added afterwards.

Examples of such use of technology are already in evidence. Switzerland's SIX Digital Exchange modernises market operations by moving things like shareholder voting on chain for instant tamper-proof results.

Blockchain can also transform the traditional prospectus from a static PDF into a dynamic, living document where smart contracts automatically update the ledger the moment an ESG metric or credit rating shifts — this is already fast picking up, from the EU's Distributed Ledger Technology (DLT) Pilot Regime to our own Project Guardian at MAS.

Realising this will require our legal foundations to evolve in step, with clear answers on settlement finality, the status of records held on a distributed ledger, and accountability when systems fail; the jurisdictions that build that architecture first will hold an advantage rather than carry a burden.

There is a regional dimension too: the long-held vision of a more integrated ASEAN capital market, never fully realised, may prove most achievable not by reviving old trading links but by building shared, technology-enabled infrastructure for the era ahead.

Across Asia more broadly, venture capital ecosystems continue to support innovation at an unprecedented scale, helping finance the next generation of technology companies and growth enterprises.

The message is unmistakable.

Asia is no longer simply participating in global capital markets.

Asia is increasingly shaping them.

And as global economic growth becomes ever more dependent on innovation and productivity, the importance of Asian capital markets will only continue to increase.

Unlocking Asia's Next Capital Market Opportunity

Yet, despite strong economic growth, world-class companies, and increasingly sophisticated financial systems, significant opportunities remain.

As the OECD emphasises in its 2026 Asia Capital Markets Report, nearly 40% of Asian listed companies trade below book value, while payout ratios remain modest by global standards. The undervaluation of companies is not merely a capital markets issue. It is an economic issue.

When companies are undervalued, capital markets become less effective at performing their core function. Firms face greater difficulties raising capital to finance innovation, job creation and growth.

Investors receive lower returns, reducing incentives to participate in public markets and limiting their ability to build long-term wealth and prepare for retirement.

Lower valuations also make public markets less attractive both for promising companies seeking to scale and for global investors looking for compelling investment opportunities.

In short, undervalued capital markets risk becoming underutilised capital markets.

The OECD report also highlights a second — and to some extent related — challenge: the relatively limited role played by institutional investors in many Asian markets.

Institutional investors account for only 21 percent of market capitalisation in Asia, compared with 47 percent globally. Institutional investor participation remains underdeveloped in several jurisdictions, limiting the pool of long-term capital that can support market depth, liquidity, stewardship, and sustainable value creation.

These findings remind us that Asia's capital market story is not only one of success.

It is also one of untapped potential.

Potential to enhance valuations.

Potential to deepen liquidity.

Potential to broaden investor participation.

Potential to strengthen trust and confidence.

To realise this potential, we need to strengthen institutional investor bases and find new ways to mobilise household savings towards productive investment.

We need to encourage broader participation by retail investors while maintaining the highest standards of investor protection and market integrity.

We need to improve governance, stewardship, transparency, and disclosure.

We need to strengthen liquidity and improve the attractiveness of public markets.

And we need to embrace technology.

Technology has the potential to make capital markets more efficient, more resilient, more transparent, and more inclusive.

From digital market infrastructure to artificial intelligence and advanced analytics, technological innovation can reduce frictions, improve price discovery, strengthen supervision, and enhance the overall functioning of markets.

The challenge before us is not simply to grow capital markets.

It is to make them better.

Better at allocating capital.

Better at supporting innovation.

Better at creating value.

And better at earning and maintaining the trust of investors.

Why This Conversation Matters Now

This is precisely why today's conference is so important. Stronger capital markets do not emerge by accident.

They require thoughtful regulation.

They require sound institutions.

They require evidence-based policymaking.

And they require continuous dialogue between academia, regulators, policymakers, investors, exchanges, and industry leaders.

The questions before us are therefore both timely and consequential.

How do we sustain the momentum that Asian capital markets are experiencing?

How do we preserve investor confidence in an increasingly uncertain world?

How do we enhance valuations and liquidity?

How do we attract long-term capital?

How do we ensure that innovation and technological change strengthen rather than weaken trust in our financial systems?

How do we respond to the rapid growth of private markets and the changing relationship between public and private capital?

And how do we ensure that capital markets continue to serve the broader interests of society?

These are not questions that any single institution can answer alone.

They require rigorous research.

They require interdisciplinary thinking.

They require evidence-based policymaking.

And they require collaboration.

This is exactly the spirit that motivates the partnership between SMU, the OECD, and ECGI.

It is also the spirit behind the Singapore Capital Market Initiative that is being launched today by SMU.

There has rarely been a more important moment for academic and policy engagement on these issues.

Events like this matter because they create a space where academics, regulators, policymakers, investors, and market participants can come together to exchange ideas, challenge assumptions, and identify solutions.

Better markets require better research.

Better policies require better evidence.

And stronger capital markets require collective thinking and collective action.

A Collective Responsibility

As we begin today's discussions, I would encourage all of us to think not only about the challenges facing capital markets, but also about their enormous potential.

The future of economic growth will depend increasingly on our ability to finance innovation.

The future of innovation will depend increasingly on our ability to allocate capital effectively.

And the future of capital markets will depend increasingly on our ability to build confidence, strengthen trust, and create institutions that are resilient, inclusive, and forward-looking.

This is a collective responsibility.

One that belongs to academics, regulators, policymakers, investors, market participants.

And to all of us gathered here today.

Through evidence-based research, policy-oriented analysis, and open dialogue, we can help shape stronger capital markets and, in doing so, contribute to stronger economies, more innovative societies, and greater prosperity for future generations.

Thank you once again for joining us.

I wish you an engaging, insightful, and productive conference.

Thank you very much.

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