Keynote address by PM at Singapore FinTech Festival

Deputy Prime Minister of Singapore Tharman Shanmugaratnam, a voice of influence in the world of finance, Mr. Ravi Menon, Managing Director of Monetary Authority of Singapore, a leading institution in fintech, Tens of thousands of participants from over one hundred countries,

Namaskar!

It is a great honour to be the first Head of Government to deliver the keynote address at Singapore Fintech Festival.

This is a tribute to the youth of India with its eyes firmly fixed to the future.

It is an acknowledgement of the financial revolution sweeping through India and transforming the lives of 1.3 billion people.

This is an event of finance and technology and, it is also a festival.

This is the season of the Indian Festival of Lights – Deepawali. It is celebrated all over the world as a victory of virtue, hope, knowledge and prosperity. The Diwali lights are still on in Singapore.

The Fintech Festival is also a celebration of belief.

Belief in the spirit of innovation and the power of imagination.

Belief in the energy of youth and their passion for change.

Belief in making the world a better place.

And, it is no surprise that in just its third year, this Festival is already the world's largest.

Singapore has been a global hub for finance and, it is now taking a leap into the digital future of finance.

It was here, in June this year, that I launched India's RuPay card and the first international remittance mobile app using India's world class Unified Payment Interface or UPI.

Today, I will have the honour to launch a global platform to connect fintech firms and financial institutions, beginning with ASEAN and Indian banks and fintech companies.

India and Singapore are also working to connect Indian and ASEAN small and medium enterprises, anchored on an Indian platform, and expand it globally.

Friends,

I have heard of an advice going around in start-up circles.

● To increase your Venture Capital or VC funding by 10 percent, tell the investors you run a "platform", not a regular business.

● If you want to increase your VC funding by 20 percent, tell the investors that you are operating in the "fintech space".

● But, if you really want the investors to empty their pockets, tell them that you are using "blockchain" .

It tells you of the excitement and promise of emerging technologies to transform the world of finance.

Indeed, history has shown that finance is often the first to embrace new technology and connectivity.

Friends,

We are in an age of a historic transition brought about by technology.

From desktop to cloud, from internet to social media, from IT Services to Internet of Things,we have come a long way in a short time. There is daily disruption in businesses.

The character of the global economy is changing.

Technology is defining competitiveness and power in the new world.

And, it is creating boundless opportunities to transform lives.

I had said at the United Nations in 2014 that we have to believe that development and empowerment can spread with the same speed at which Facebook, Twitter or mobile phones have spread.

Across the world, that vision is rapidly changing into reality.

In India, it has transformed governance and delivery of public services. It has unleashed innovation, hope and opportunities. It has empowered the weak and brought into

mainstream those who were on the margins .It has made economic access more democratic.

My government came to office in 2014 with a mission of inclusive development that would touch the lives of every citizen – the weakest in the remotest village.

That mission needed a solid foundation of financial inclusion for all – a task that was not easy in a country of India's size.

Yet, we wanted to achieve this in months, not years that conventional wisdom suggested.

With the power of fintech and the reach of digital connectivity, we have started a revolution of unprecedented speed and scale.

To begin with financial inclusion has become a reality for 1.3 billion Indians. We have generated more than 1.2 billion biometric identities – called Aadhaar or foundation – in just a few years.

With our Jan DhanYojana, we aimed to give a bank account to every Indian. In three years, we have opened 330 million new bank accounts. These are 330 million sources of identity, dignity and opportunities.

Less than 50 percent of Indians had bank accounts in 2014; now, it is nearly universal.

So today, more than a billion biometric identities, more than a billion bank accounts and more than a billion cell phones give India by far the biggest public infrastructure in the world.

More than Rupees 3.6 lakh crore, or 50 billion dollars of benefits from government have reached the people directly.

No longer must a poor citizen in a remote village travel long distances or pay off middle-men to get her rights.

No longer can fake and duplicate accounts bleed government finances. We have saved over Rupees 80,000 crore, or 12 billion dollars in prevented leakages.

Now, millions who lived on the edge of uncertainty receive insurance in their accounts; and, have access to the security of pension in old age.

A student can get her scholarship directly into her account. No longer will she be lost in end-less paper chase.

Banking has come to doorsteps even in remote villages through 400,000 micro ATMs based on Aadhaar.

And now, this digital infrastructure has helped launch the world's largest healthcare scheme this year. 'Ayushman' will provide affordable health insurance to 500 million Indians.

It has also helped us extend 145 million loans for small entrepreneurs through Mudra scheme. In four years, they amount to Rupees 6.5 lakh crore, or 90 billion dollars. Nearly 75 percent of these loans have gone to women.

Just a few weeks ago, we launched the India Post Payments Bank. Over 150 thousand post offices across India and 300,000 postal service employees are using technology to provide house to house banking.

Of course financial inclusion also needs digital connectivity.

More than 120,000 village councils in India have already been connected by nearly 300,000 kilometres of fibre optic cables.

Over 300,000 Common Service Centres have brought digital access to villages. They give our farmers better access to land records, credit, insurance, market and the best price. They deliver health services and hygiene products to women.

None of this would have been as effective without the other big change brought about by fintech – the digitisation of payments and transactions in India.

India is a nation of diverse circumstances and challenges. Our solutions must also be diverse. Our digitization is a success because our payment products cater to everyone.

For those with mobile and internet, the BHIM-UPI is the world's most sophisticated, simple and seamless platform for payments between accounts, using a virtual payment address.

For those who have a mobile, but no internet, there is U.S.S.D. system in 12 languages.

And, for those who have neither mobile nor internet, there is Aadhar Enabled Payment System, which uses biometrics. And, it has already registered a billion transactions and grown six-fold in two years.

RuPay is bringing payment cards within the reach of all. Over 250 million of these are with those who did not have a bank account 4 years ago.

From cards to QRs and wallets, digital transactions in India are growing rapidly. Today, 128 banks in India are connected to UPI.

Transactions on UPI grew 1500 times in the last 24 months. Every month, the value of transaction is growing by over 30 percent.

But, more than the pace, I am inspired by the opportunities, efficiency, transparency and convenience that digital payment is generating.

A shopkeeper can go online to reduce his inventory and speed up collections.

For a fruit grower, a farmer or a rural artisan , the markets are direct and closer, earnings are higher,and payments are faster.

A worker collects wages or remits money home quickly without giving up a day's work.

Every digital payment saves time. It adds to a huge national saving. It is increasing productivity of individuals and our economy.

It also helps improve tax collection and inject fairness in the economy.

Even more, digital payments are a gateway to a world of possibilities.

Data Analytics and Artificial Intelligence are helping us build a whole range of value added services for people. This includes credit to those with little or no credit history.

Financial inclusion also extends to micro, small and medium enterprises.

They are all coming on the nation-wide Goods and Services Tax digital network, launched just over a year ago.

Banks are reaching out to them with credit. Alternative lending platforms are offering innovative financing models. They no longer have to look at informal markets for credit at high interest rates.

And, just this month, we committed to approve loans up to Rupees 1 crore, or one 150,000 dollars for Micro, Small and Medium Enterprises within 59 minutes – without even visiting a bank. This is driven by an algorithm that uses GST returns, Income Tax returns and bank statements to make credit decisions. In just a few days, 150,000 such enterprises have come on board for loans.

This is the power of fintech to drive enterprise, employment and prosperity.

Digital technology is introducing transparency and eliminating corruption through innovations such as the Government e-Marketor GEM. It is an integrated platform for purchases by government agencies.

It provides everything – search and comparison, tender, online ordering, contract generation and payment.

It already has 600,000 products. Nearly 30,000 buyer organisations and more than 150,000 sellers and service providers are registered on the platform.

Friends

There is an explosion of fintech innovation and enterprise in India. It has turned India into a leading fintech and Startup nation in the world. The future of fintech and Industry 4.0 is emerging in India.

Our youth are developing apps that are making the dream of paperless, cashless, presence-less, and yet safe and secure, transactions possible for all. That is the wonder of India Stack– simply the largest set of Application Programming Interface in the world.

They are using Artificial Intelligence, Blockchain and machine learning to create solutions for banks, regulators and consumers.

And, they are also embracing our nation's social missions – from health and education to micro credit and insurance.

This enormous talent pool in India benefits from the ecosystem created by initiatives such as Digital India and Startup India, and by supportive policies, incentives and funding programmes.

It also helps that India has the largest data consumption in the world and the cheapest rates for data. And one of the top nations in fintech adoption. So, I say this to all the fintech companies and startups – India is your best destination.

The economies of scale achieved in India by the LED bulb industry allowed this energy efficient technology to become more affordable globally. Likewise, India's vast market can enable fintech products to achieve scale, reduce risks and costs, and go global.

Friends.

In short, the Indian story shows six great benefits of fintech: Access ,inclusion; connectivity; ease of living; opportunity; and, accountability.

Across the world, from the Indo-Pacific to Africa to Latin America, we see inspiring stories of extraordinary innovation changing ordinary lives .

But, there is much to be done.

Our focus should be development of all, through , that is, development of the most marginalised.

We must bring the unbanked 1.7 billion people in the world into the formal financial market.

We must extend the security of insurance and pension to more than a billion workers in the informal sectors worldwide, who still do not have it.

We can use fintech to ensure that no dream remains unfulfilled, and no enterprise remains still born, because of lack of access to finance.

We must make banks and financial institutions more resilient in managing risks,fighting frauds and dealing with disruption of traditional models.

We have to use technology to improve compliance,regulation and supervision, so that innovation flourishes and risks are contained.

We must use fintech tools to combat money laundering and other financial crimes.

The emerging world of finance will succeed in our inter-connected world when our data and systems are trusted and secure.

We have to make our globally wired system safe from cyber threats.

We must also ensure that the pace and the push of Fintech work to the advantage of the people, not to their disadvantage; that technology in finance ensures improvement of the human condition through direct contact with the most marginalized.

We also need to enhance awareness of the masses and educate them about the opportunities which inclusive policies and use of technology open up for them.

For this,fintech will need to be not merely a mechanism but a movement.

And, we have to address the inevitable questions of data ownership and flow, privacy and consent; private and public good; law and ethics.

Finally, we must invest in creating skills for the future. And, be prepared to back ideas and invest for the long term.

Friends.

Each era is defined by its opportunities and challenges. Each generation has its responsibility to shape future.

This generation will shape the future in the palm of every hand in the world.

At no time in history were we blessed with so many possibilities:

to make opportunities and prosperity a reality in a lifetime, for billions.

to make the world more humane and equal –between rich and poor, between cities and villages, between hopes and achievements.

Just as India will learn from others, we will share our experience and expertise with the world.

Because,what drives India also holds hope for others. And,what we dream for India is what we also wish for the world.

This is a common journey for all.

Like the festival of light that calls us to spread light over darkness,hope and happiness over despair,this festival calls us to come together in pursuit of a better future for humanity.

Thank you.