



Asian Development Bank



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## High-Level Policy Dialogue on Regional Cooperation to Support Innovation, Inclusion, and Stability in Asia

**Focal Persons:** Hoe Ee Khor (AMRO), Cyn-Young Park (ADB), Peter Jacobs (Bank Indonesia)

**Date / Time / Venue:** 11 October 2018 / 3 p.m. to 5 p.m. / Sahadewa Room, Grand Bali Nusa Dua, Indonesia

Technology has been a driving force for economic growth and development in Asia. In the late 20th century, the advent of digital technology presents immense opportunities and challenges to many developing economies in Asia. Now, new innovations such as 3D-printing, Internet of Things, Artificial Intelligence, and robotics are introducing sweeping changes that could affect industrial and business models. In the realm of finance: e-commerce, mobile-enabled payment system, distributed ledger technology (DLT), blockchains, virtual currencies, machine learning, and big data are expanding the market reach of small business as it transforms the financial landscape with huge potential benefits as well as costs. On possible benefits: FinTech could enhance access to finance and bring down the relevant cost. The diffusion and application of digital-finance technology could raise access to credit in rural areas and agriculture, greatly improving living standards. It could also increase access to education. Merger between technology and finance will also help expand the market reach of small business. However, the potential risks are many including cyber fraud, data breaches, money laundering, and terrorism financing.

How Asia embraces these new technologies will determine the economic future of the region. Depending on how these innovations are taken and handled, new windows of opportunity or windows of destruction will open, dividing the winners and losers. Generally, technology development and innovation diffusion can only happen effectively when you have a flexible policy environment, where regulation, which is necessary in some cases, does not discourage entry of new ideas, new technologies and startups. There are also innovation-related uncertainties—from both the supply and demand sides—that need to be managed. Supply-side uncertainties relate mostly to private-public cooperation or joint R&D projects. On the demand side, standard setting, which defines the issue of competition, is a key source of technological uncertainty.

And it is the role of governments to provide the policy and regulatory environment upon which this technological advancement will thrive. It is also their role to construct sufficient policy and regulatory requirements to ensure that the disruptive force of technological advancements can be channeled to promote competition, productivity, and innovation while maintaining financial stability. Key challenges to the region's policy makers are how to manage the stable yet productive transformation brought upon by the new technology by considering all options to maximize the benefits and mitigate the costs.

**Asia's Future—Harnessing Technology to Promote a Stronger and More Inclusive Asia:** A high-level panel will gather the region's policy makers and international experts to discuss the role of national policies and regional cooperation to harness the potential of new technology in promoting financial inclusion and stability in Asia. In particular, the panel will aim to answer the following questions:

1. What are the new opportunities and challenges associated with rapid technology-driven transformation in the region's financial systems and markets? What are the key policy and regulatory issues to unlock the technology potential and minimize the adverse consequences?
2. How can Asia harness the technology potential to enhance financial inclusion and help meet its long-term development needs? In particular, how can policy makers ensure FinTech solutions to assist those currently excluded from financial services and help them engage in economic activities and enjoy the growth benefits? What are the barriers and challenges to doing so?
3. What is the role of the private sector, financial regulators, and policy makers in promoting innovation and facilitating the use of financial technology? Financial technologies are not without risks. How can they all work together to safeguard financial stability and security during the revolutionary transformation?
4. What is the role of international organizations and MDBs in shaping a more consistent, harmonized, and sufficient regulatory framework and creating an enabling environment, including international rules and standards?



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### AGENDA

2:30 p.m. – 3 p.m.	Registration
<b>Opening Session</b>	
3 p.m. – 3:05 p.m.	<b>Welcome Remarks:</b> <b>Junhong Chang</b> , Director, ASEAN+3 Macroeconomic Research Office
3:05 p.m. – 3:10 p.m.	<b>Opening Remarks:</b> <b>Mirza Adityaswara</b> , Senior Deputy Governor, Bank Indonesia
3:10 p.m. – 3:15 p.m.	<b>Introduction of the Moderator and the Panel</b>
<b>Moderator: Tanya Beckett</b> , <i>BBC World News</i>	
3:15 p.m. – 4:50 p.m.	<b>Panelists:</b> <b>Takehiko Nakao</b> , President, Asian Development Bank <b>Datuk Nor Shamsiah Mohd Yunus</b> , Governor, Bank Negara Malaysia <b>Ravi Menon</b> , Managing Director, Monetary Authority of Singapore <b>Veerathai Santiprabhob</b> , Governor, Bank of Thailand <b>Diwa Guinigundo</b> , Deputy Governor, Bangko Sentral ng Pilipinas <b>Neav Chanthana</b> , Deputy Governor, National Bank of Cambodia <b>Mary Ellen Iskenderian</b> , President and CEO, Women’s World Banking
4:50 p.m. – 5 p.m.	<b>Photo Session</b>