

Blockchain Cryptocurrency & Future Finance CBDC & Effects on Int'l Monetary System

VUCA CBDC DCEP LIBRA USD IMF SWIFT INCLUSION DISRUPTION

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Academic Role

- ❑ Senior Lecturer,
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Industry Role

- ❑ Vice President
Blockchain Association Singapore
- ❑ Industry Mentor
Longhash Blockchain Accelerator
- ❑ Inclusive Finance Investor
Infocorp (SENC): early investor
DRC: industry mentor, investor
Jupiter Chain: early investor
- ❑ Lihe Zaobao Forum Article Writer

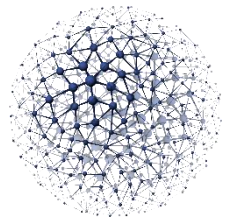
Previous Responsibility

- ❑ Strategy Professor of Practice
Director of Executive Education
International Business School (IBSS)
Xi'an Jiaotong Liverpool University (XJTLU)
- ❑ Senior Lecturer
Organisation & Strategy Division
Academic Director, Executive Education
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Singapore Management University (SMU)
- ❑ Director, Executive Education
Shanghai Advanced Institute of Finance (SAIF)
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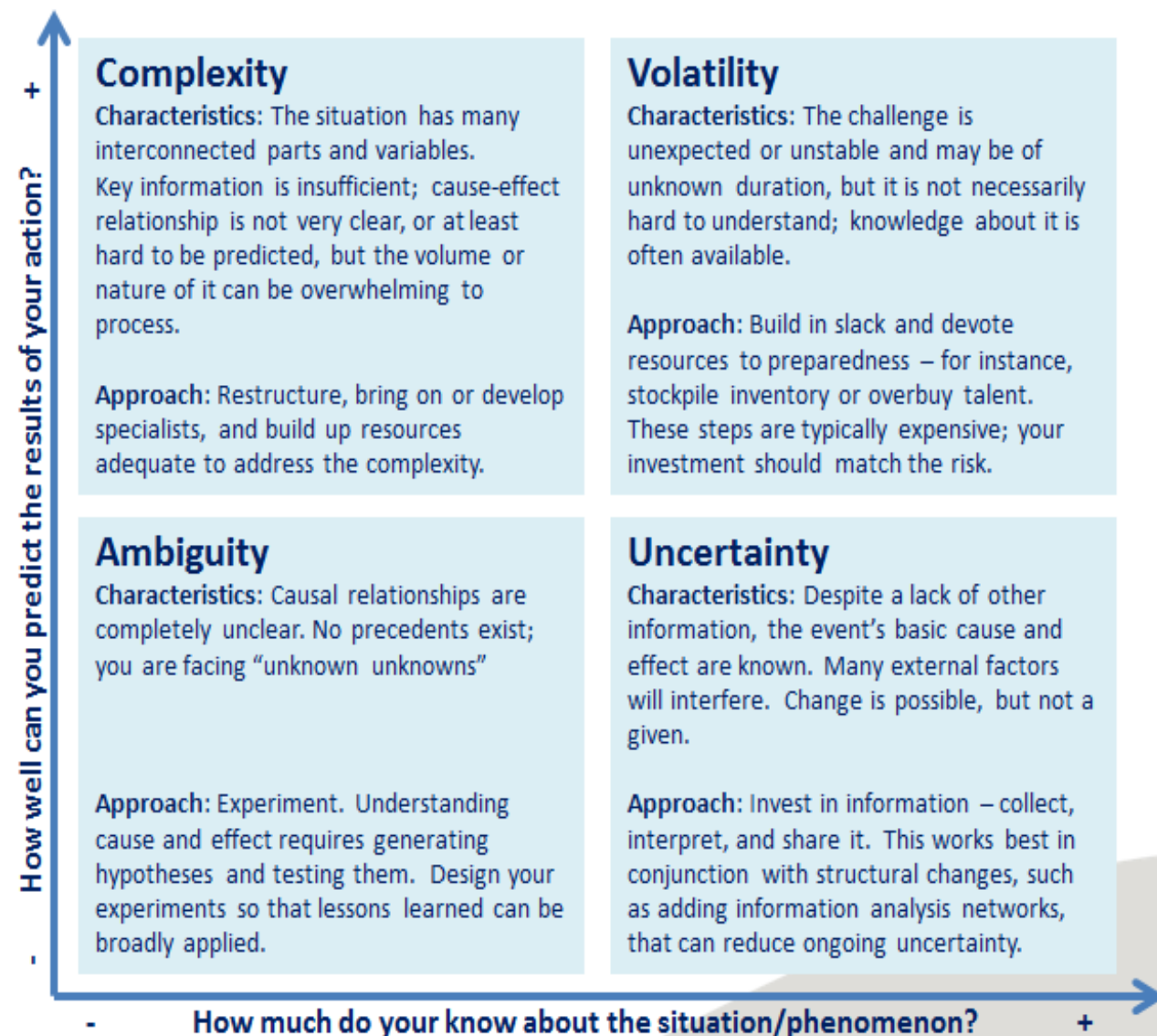
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+86 181 0184 6845

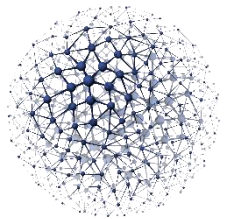


An Era of Turbulence

VUCA

- ❖ Volatility
- ❖ Uncertainty
- ❖ Complexity
- ❖ Ambiguity

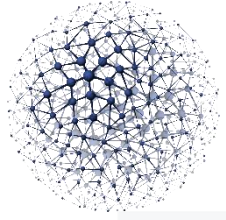




ABCDEFG – Q Disruption

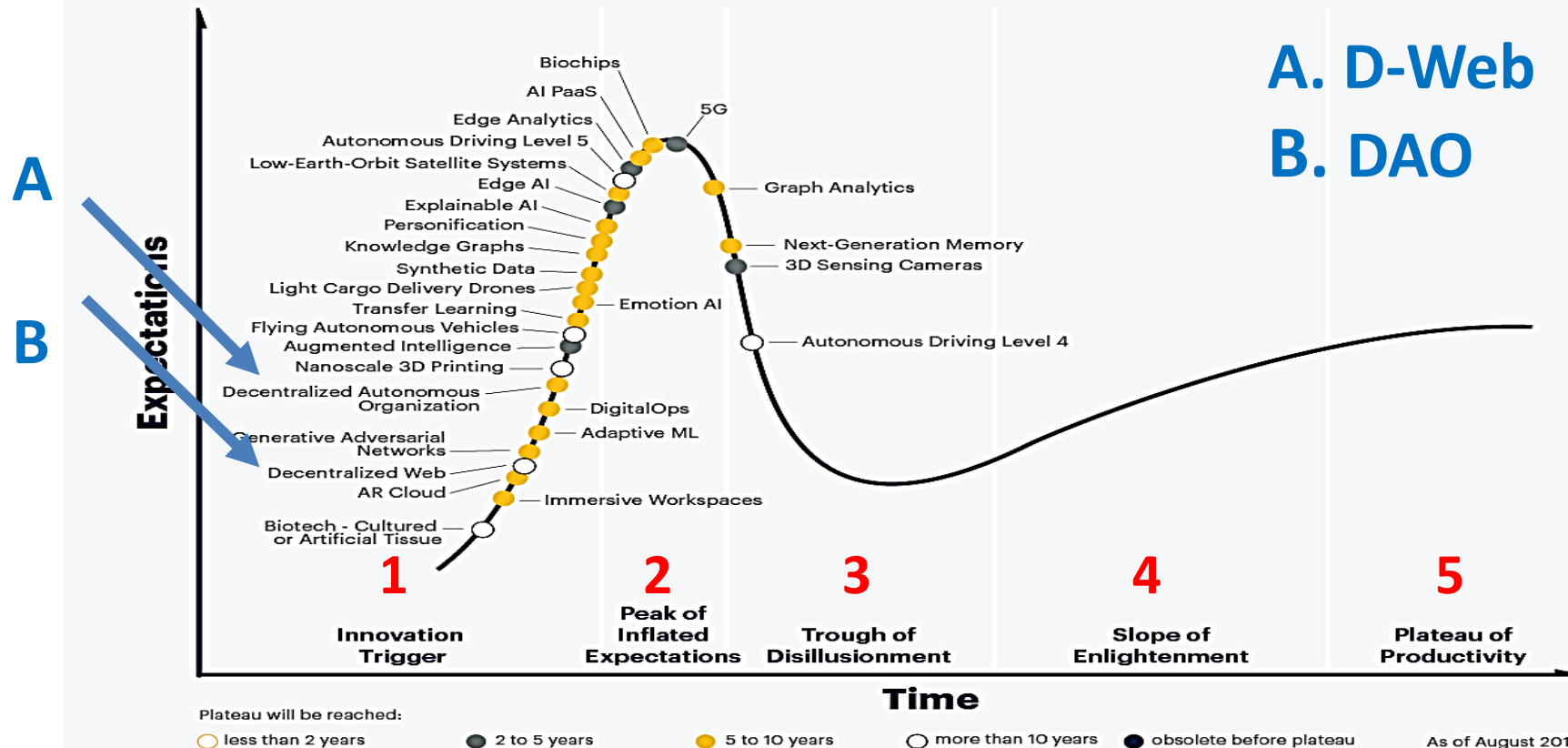


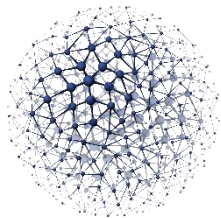
- ❖ AI
- ❖ Blockchain
- ❖ Cloud Computing and Cyber Security
- ❖ Data Analytics and Digital Devices
- ❖ Environmentally Friendly Tech
- ❖ Financial Inclusion Tech
- ❖ 5G
- ❖ Quantum Computing



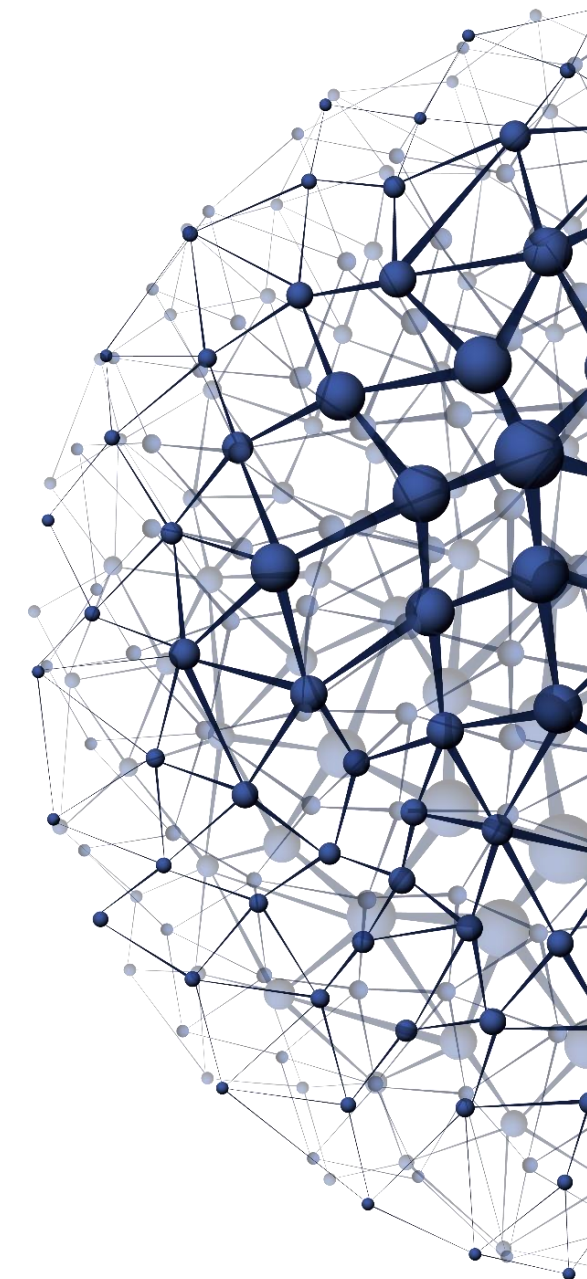
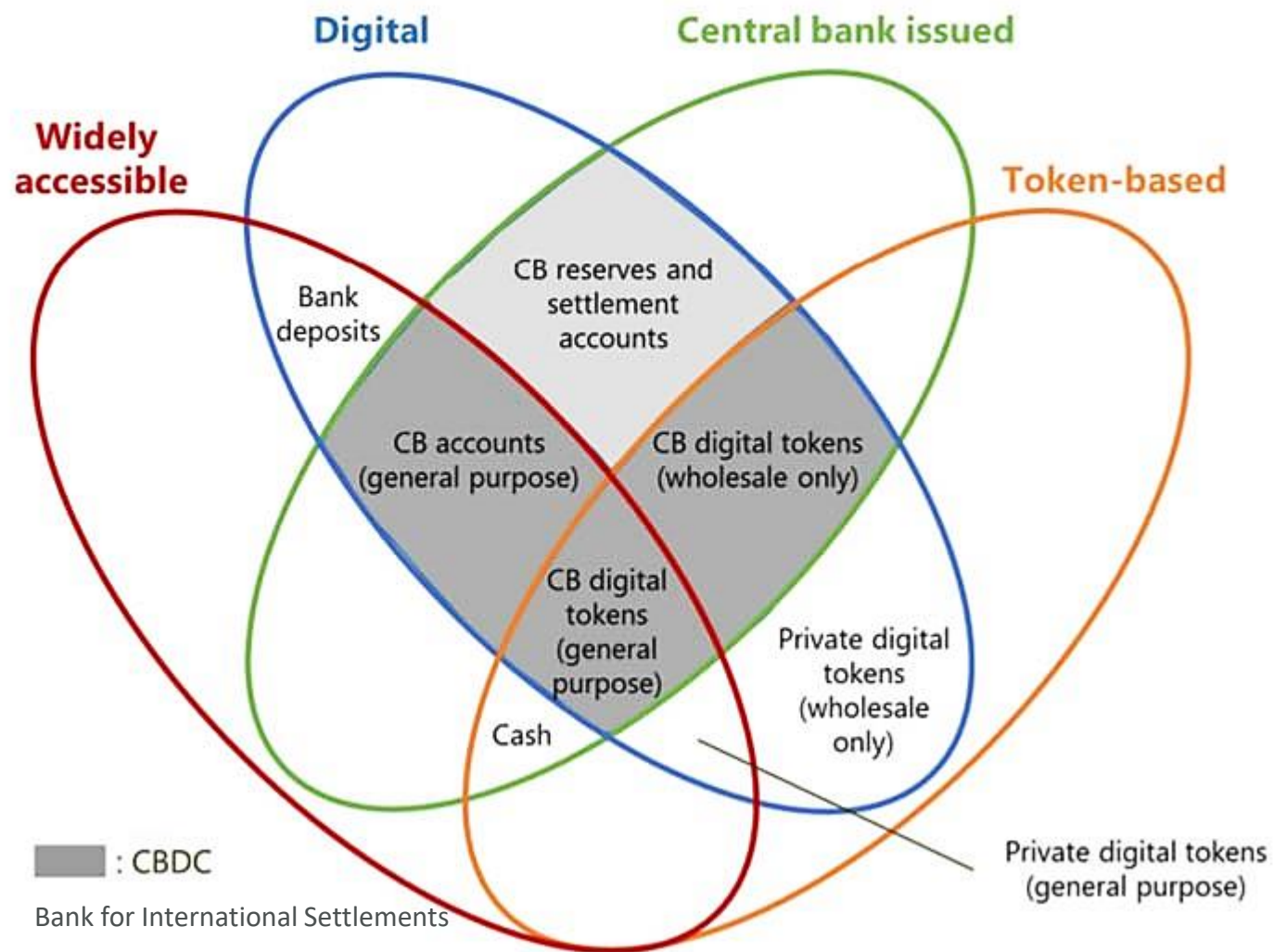
Disruptive Technologies & Impact

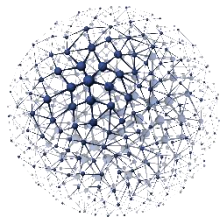
Gartner Hype Cycle for Emerging Technologies, 2019





The Money Flower (BIS)





IMF & World Bank: Learning Coin

❖ Financial Times, April 13, 2019

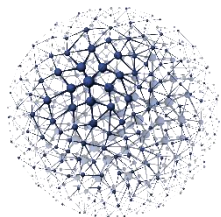


The screenshot shows the Financial Times website with a subscription promotion. At the top, the Financial Times logo and 'myFT' are visible. Below the navigation bar, a message reads: 'Become an FT subscriber to read:'. A large quote is displayed: 'IMF and World Bank explore crypto merits with blockchain project'. To the right of the quote, there are two devices showing the Financial Times website: a tablet and a laptop. Below the quote, a section titled 'Make informed decisions with the FT' contains the text: 'Keep abreast of significant corporate, financial and political developments around the world. Stay informed and spot emerging risks and opportunities with independent global reporting, expert commentary and analysis you can trust.'

From Facebook to Facebank, June 18, 2019



- ❖ Facebook: 2.2B global users, in which only 180M in US
- ❖ Wechat and Alipay only shares 1.1B users
- ❖ **Facebook will be in a blue ocean without any global competitor ...?**



China President Xi's Speech on Blockchain

Oct. 26, 2019 Renmin Ribao

1. Digital Finance
2. IoT
3. Smart Manufacturing
4. Supply Chain Management
5. Digital Asset Transaction
6. Social Inclusion



习近平在中央政治局第十八次集体学习时强调
把区块链作为核心技术自主创新重要突破口
加快推动区块链技术和产业创新发展

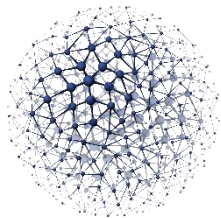
- 要强化基础研究,提升原始创新能力,努力让我国在区块链这个新兴领域走在理论最前沿、占据创新制高点、取得产业新优势
- 要抓住区块链技术融合、功能拓展、产业细分的契机,发挥区块链在促进数据共享、优化业务流程、降低运营成本、提升协同效率、建设可信体系等方面的作用

新华社北京10月25日电 中共中央政治局10月24日下午就区块链技术发展现状和趋势进行第十八次集体学习。中共中央总书记习近平在主持学习时强调,区块链技术的集成应用在新的技术革新和产业变革中起着重要作用。我们要把区块链作为核心技术自主创新的重要突破口,明确主攻方向,加大投入力度,着力攻克一批关键核心技术,加快推动区块链技术和产业创新发展。

浙江大学教授、中国工程院院士陈伟就这个问题作了讲解,并谈了意见和建议。中共中央总书记习近平在主持学习时发表了讲话。他指出,区块链技术应用已扩展到数字金融、物联网、智能制造、供应链管理、数字资产交易等多个领域。目前,全球主要国家都在加快布局区块链技术发展。我国在区块链领域拥有良好基础,要加快推动区块链技术和产业创新发展,积极推进区块链和经济社会融合发展。

习近平强调,要强化基础研究,提升原始创新能力,努力让我国在区块链这个新兴领域走在理论最前沿、占据创新制高点、取得产业新优势。要推动协同攻关,加快推进核心技术突破,为区块链应用发展提供安全可靠的技术支撑。要加强区块链标准化研究,提升国际话语权和规则制定权。要加快产业发展,发挥好市场优势,进一步打通创新链、应用链、价值链。要构建区块链产业生态,加快区块链和人工智能、大数据、物联网等前沿信息技术的深度融合,推动集成创新和融合应用。要加强人才队伍建设,建立完善人才培养体系,打造多种形式的高层次人才培养平台,培育一批领军人才和青年拔尖人才。

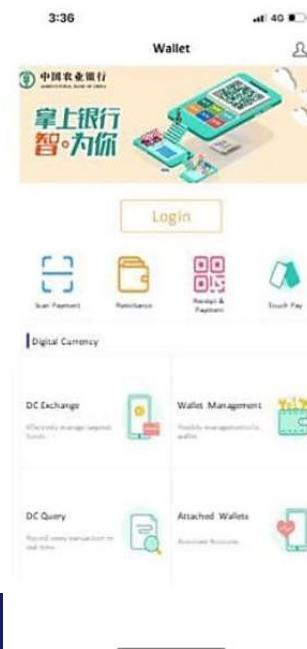
习近平指出,要抓住区块链技术融合、功能拓展、产业细分的契机,发挥区块链在促进数据共享、优化业务流程、降低运营成本、提升协同效率、建设可信体系等方面的作用。要探索“区块链+”在民生领域的运用,积极推动区块链技术在教育、就业、养老、精准脱贫、医疗健康、商品防伪、食品安全、公益、社会救助等领域的应用,为人民群众提供更加智能、更加便捷、更加优质的公共服务。要推动区块链底层技术服务和新型智慧城市建设和结合,探索在信息基础设施、智慧交通、能源电力等领域的推广应用,提升城市管理的智能化、精准化水平。要利用区块链技术的智能化、精准化水平,提升城市管理的智能化、精准化水平。要利用区块链技术的智能化、精准化水平,提升城市管理的智能化、精准化水平。



China's CBDC

- ❖ DCEP: Digital Currency Electronic Payment
- ❖ April 2020, Start testing in four cities
 - ❖ Xiong An
 - ❖ Chengdu
 - ❖ Shenzhen
 - ❖ Suzhou
- ❖ April 2020, ABC tested DCEP Wallet
- ❖ August, the other four largest banks testing DCEP Wallets

ABC DCEP Wallet

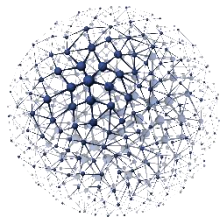


Alipay



Bank of China
Mobile Banking





China's CBDC: DCEP

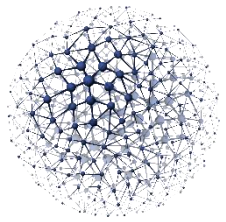
- ❖ **Estimated launch: 2022**
- ❖ **Initial Objective: Payment to replace M0**
- ❖ **Long Term Objective:**
 - ❖ **Institutional Settlement**
 - ❖ **Replace SWIFT**
- ❖ **Further RMB internationalization**
- ❖ **Strengthen "Belt & Road"**
- ❖ **Crypto & Data Law**



China aims to launch digital yuan by 2022 Winter Olympics

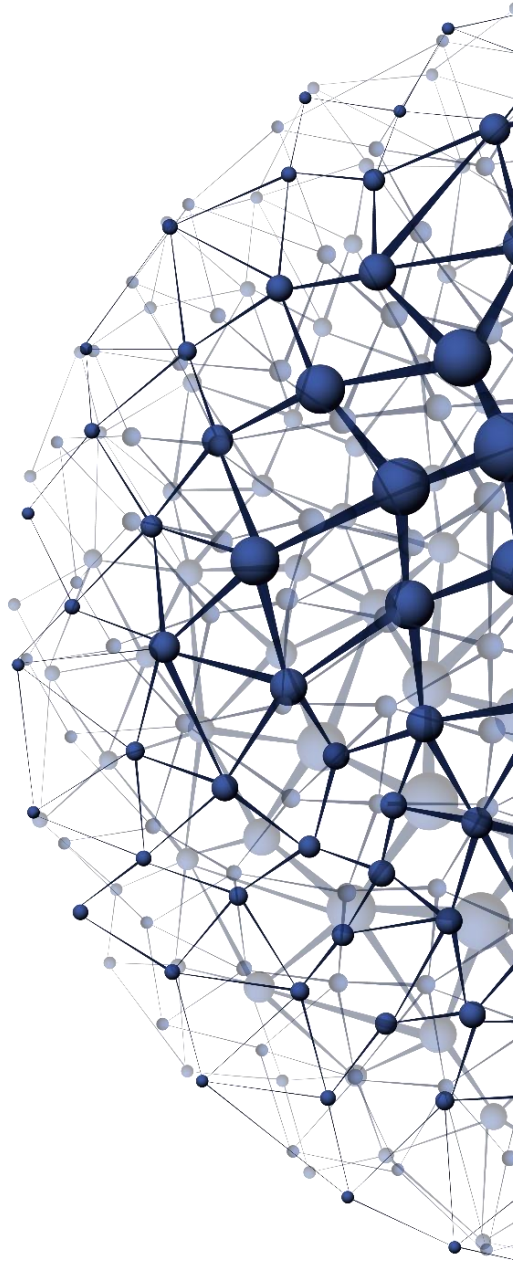
Opening seen for Alipay and WeChat Pay rival as virus further dims cash's shine

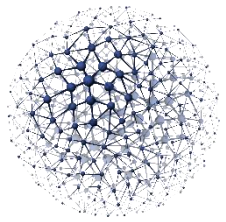




Effects of DCEP

- ❖ A new concept of M0.5
- ❖ Precisely trace and track economic activities
- ❖ Significantly revise GDP growth
 - ❖ UK: GDP revision of +3%
 - ❖ What about China?
- ❖ Challenge USD's global dominance
 - ❖ Belt & Road Initiatives
 - ❖ Global trade





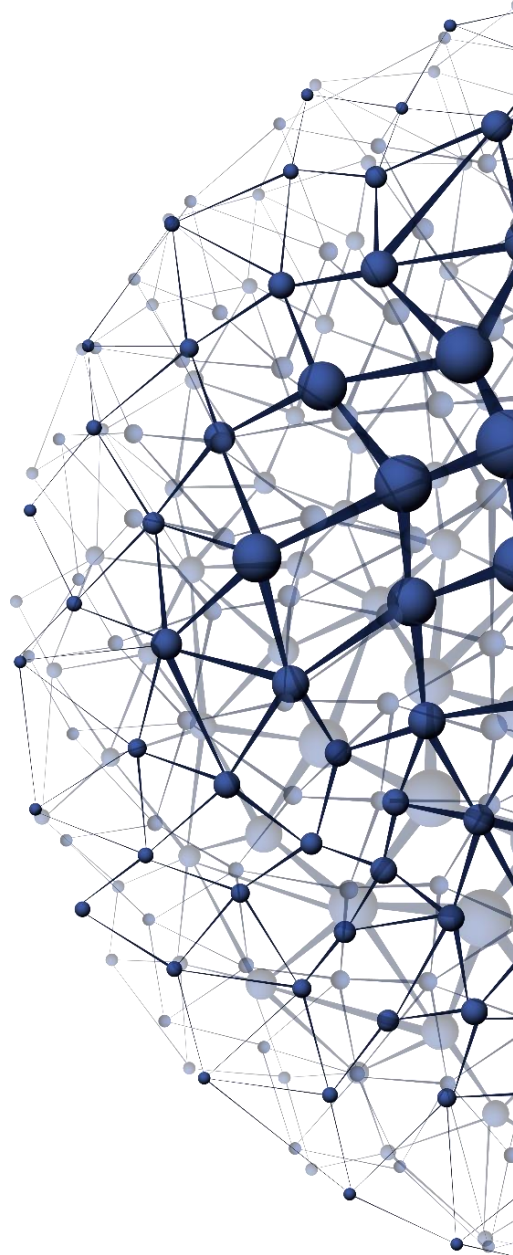
International Monetary Pricing

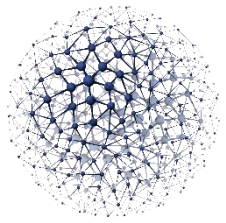
❖ Supply & demand

1. International Trade
2. Commodity
3. Petrodollars

❖ The internationalisation challenge


1. Belt & Road Initiatives
2. Financial Inclusion





Impact of Financial Inclusion

- ❖ Global unbanked adult: 1.7B (World Bank, Global Findex)
 - ❖ 225M in China: the world's largest unbanked population
 - ❖ 190M in India
 - ❖ 100M in Pakistan
 - ❖ 95 M in Indonesia
- ❖ 53% population in SEA are unbanked (EDB, 2019)
- ❖ Only 5 percent microenterprises have access to term loans;
1 percent to working capital loans from banks (Accenture, 2015)
- ❖ More than 80% of retail banking customers bank online (Accenture, 2015)
- ❖ 25% of US household are either unbanked or underbanked (CNBC, 2019)
- ❖ China's mobile payment penetration 86% (PWC, 2019)



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