‘FinTech, high savings can boost economy’

KUALA LUMPUR: The new wave of financial technology (FinTech) coupled with high savings rate in Asia can help boost the region’s economy, said Khazanah Research Institute trustee Tan Sri Andrew Sheng.

He said FinTech gives faster access to funds and being a net lender, the technology is revolutionising the approach to financial services.

"The whole idea of FinTech is to raise the equity-based capital for young people to start new businesses as well as create jobs and services, which could eventually drive economic growth," he told reporters after the launch of the "World In 2050 Publication", here, yesterday.

Sheng said FinTech developments, such as blockchain, artificial intelligence and biometric applications, are expanding the frontiers of banking.

He said the increasing risks and uncertainties in the 21st century from geopolitics, technology, climate change and social inequities required higher equity-based business models that are radically different from the debt-driven models of the 20th century.

The "World In 2050 Publication" is a book that debates on what kind of economic and social outlook the world would be like 34 years from now.

It is published by the Oxford University Press and edited by chief executive of Emerging Markets Forum Harinder S. Kohli. Bernama
KUALA LUMPUR, 14 Jun (Bernama) -- Gelombang baharu teknologi kewangan (FinTech) ditambah dengan kadar tabungan tinggi di Asia boleh membantu meningkatkan ekonomi rantau ini, kata pemegang amanah Khazanah Research Institute Tan Sri Andrew Sheng.

Beliau berkata FinTech memberikan akses lebih pantas kepada dana dan sebagai pemberi pinjaman bersih, teknologi itu merevolusikan pendekatan kepada perkhidmatan kewangan.

"Gagas FinTech adalah untuk mengumpulkan modal berasaskan ekuiti bagi golongan muda untuk memulakan perniagaan baharu, serta mewujudkan peluang pekerjaan dan perkhidmatan, yang kelaknya boleh memacu pertumbuhan ekonomi," katanya kepada pemberita selepas berucap pada pelancaran buku "World In 2050 Publication" di sini, Selasa.

-- BERNAMA
Khazanah Research Institute trustee Tan Sri Andrew Sheng says Asian region is set to become a ‘New Economy’. Pix by SURIANIE MOHD HANIF.

KUALA LUMPUR: The Asian region is well-positioned towards a migration to become a ‘New Economy’ due to its nature of being a net lender rather than a net borrower, says Khazanah Research Institute trustee Tan Sri Andrew Sheng.

Speaking at the Emerging Markets Forum today, Sheng said the increasing risks and uncertainties in the 21st century from geopolitics, technology, climate change and social inequities require a higher equity or knowledge-based model, which was radically different from a 21st century debt-driven model.

“Asia is in the midst of a very exciting transformation into the New Economy. Being a net lender to the world and having a good manufacturing base, Asia can shift to an equity-based model and knowledge or services-based economy based on its savings,” he said in a ceremony held in conjunction with the launch of ‘The World in 2050’ book.
The book, published by Oxford University Press and edited by Harinder S. Koli, is jointly-authored by 26 authors, debating on how the world economy looks like in 34 years' time.

The book took a long-term perspective of the economic and social outlook of the world in 2050, focusing on cross-cutting inter-generational issues that often get overshadowed by short-term crises and political preoccupations of the day.

It also argued that for a prosperous economic order, convergence of large developing economies led by East Asia and India with the developed world is crucial given the former's share in the global GDP.
KUALA LUMPUR: The new wave of financial technology (fintech) coupled with high savings rates in Asia can help boost the region’s economy, Khazanah Research Institute trustee Tan Sri Andrew Sheng said.

He said fintech gave faster access to funds and being a net lender, the technology was revolutionising the approach to financial services.

“The whole idea of fintech is to raise the equity-based capital for young people to start new businesses, as well as create jobs and services, which could eventually drive...
economic growth,” he told reporters after speaking at the launch of the World In 2050 Publication in Kuala Lumpur on Tuesday.

He said fintech developments such as blockchain, artificial intelligence and biometric applications were expanding the frontiers of banking. “Hence, Malaysia can benefit much from fintech as the country has one of the highest savings rates (in the region) at 40%.

“With higher savings not only in Malaysia but also in most Asian countries, business models can shift from debt-based models such as borrowing from banks to an equity-based model like crowdfunding.

“When we save a lot, where does the money go? Some people might invest in the US dollar, but if we give our young people a chance and invest in their start-ups, maybe this is where the new transformation will come from,” he said.

Sheng said the increasing risks and uncertainties in the 21st century from geopolitics, technology, climate change and social inequities required higher equity-based business models, which is radically different from the debt-driven models of the 20th century.

The World In 2050 Publication is a book that debates on what kind of economic and social outlook the world would be like 34 years from now.

It is published by the Oxford University Press and edited by chief executive of Emerging Markets Forum Harinder S. Kohli. – Bernama
Jumlah simpanan Asia tinggi

Tabungan kuku beri kelebihan laksana pembiayaan ekuiti

Oleh Mahanum Abdul Aziz
mahanum_aziz@bh.com.my

Asia berada pada kedudukan yang baik untuk beralih kepada pembiayaan menerusi ekuiti kerana ia mempunyai jumlah tabungan yang tinggi, kata Lembaga Penyelidikan Amanah Institut Penyelidikan Khusus (KRI), Tan Sri Andrew Sheng.

Katanya, kerugian kekangan global, peningkatan China dan teknologi mengubah persekitaran industri kekangan global yang memperluas model dipasokan harga disokong pelengkapan kualitatif (QE) adalah halup, tidak sembuh dan tidak manis.

Katanya, model pembiayaan kewangan sepatutnya mengadapai 'yangguan' daripada peraturan yang keketatkan, peraturan yang sokongan bakalan, perubahan gaji halup, perubahan iklim yang pesat, ketidakseimbangan sosial dan teknologi.

Pentingkan risiko
Beliau berkata, peningkatan risiko dan ketidakpastian pada abad ke-21 daripada geopolitik, teknologi, perubahan iklim dan ketidakseimbangan sosial memerlukan model berasaskan ekuiti/pengetahuan yang sebagat berbeza berbanding model dipasokan harga yang tidak sembuh dan tidak manis.

Asia berada pada pertengahan transformasi kepada ekonomi baru.

"Dengan menjadi pemain baru, Asia boleh beralih kepada model berasaskan ekuiti dan ekonomi baru.

Pelancaran buku World in 2050

Sheng (dari kiri), Harinder, Nor Mohamed dan Charon pada pelancaran buku World in 2050 di Kuala Lumpur, semalam.

[FOFO: SURIAH MOHD. RANIBI]
World growth forward can’t be fuelled by debt, says analyst

BY KAMASUL ANWAR

KUALA LUMPUR: Since the global financial crisis that precipitated in 2007, the world’s debt has grown at an average of 5.3% per year – far outpacing the world’s output. The developed countries’ ultra-loose monetary policies and asset-pumping initiatives introduced since then produced anemic recovery at best, and inflated asset prices in the rest of the world.

These are not new arguments against debt-fuelled growth and quantitative easing (QE). But Khazanah Research Institute (KRI) trustee Tan Sri Andrew Sheng proposed a radical one for Asia going forward: do away completely with debt. The only way forward to grow is through equity, as there are more risk-sharing, better resilience and identification of ownership.

Sheng said the debt-driven model, supported by QE, is fragile, concentrated, unequal and unsustainable. In financial sector, for example, with central banks of Group of Seven (G7) countries introducing near-zero or negative interest rate policies, they are destroying banks’ business models as non-leveraged returns are near zero. “[so] who will pay the 1% to 1.5% management fee?” he asked.

Stock markets, meanwhile, are heavily concentrated on institutions and can be more expensive for companies to secure an initial public offering than raising debt. Price discovery can also be distorted by share buy-backs and low dividends relative to income, he said.

Sheng, who is a frequent contributor to The Edge weekly, also said a rise in crowdfunding and financial technology could eventually disrupt the current financial sector. Asia, with its high savings, could ride on the new trend and find new businesses to participate in the growth.

“Increasing risks and uncertainties in the 21st century from geopolitics, technology, climate change and social insecurities require a higher equity- or knowledge-based model. This is radically different from a 20th century debt-driven model,” said Sheng.

Sheng was speaking at the launch of the World in 2050 book, jointly hosted by KRI and the Emerging Markets Forum (EMF). The book gathers 26 authors from different disciplines and cultures, including Sheng and former International Monetary Fund managing director Michael Camdessus, to debate what kind of economic world we would have 34 years from now.

It is published by Oxford University Press and edited by EMF chief executive Harinder’s Kohli, who gave a presentation of 16 megatrends crucial to long-term prospects for economies worldwide.

These include demographics, urbanisation, globalisation and international trade, globalisation of financial markets, the rise of a massive middle class, competition for natural resources, climate change, technological progress, threat from violent non-state actors and the rise of emerging-market economies.

By 2050, Kohli said, Asia could account for half of global gross domestic product (GDP) and the centre of gravity of the global economy will swing back to the continent, as it was before the Industrial Revolution. But this is because of the sheer size of Asia: On a per capita basis, GDP of the G7 of US$77,900 will still be more than double Asia’s.

He said Asia’s growth will come from three “basic forces”: a relatively young demographic — although that won’t be the case come 2040 — a decent investment growth rate and increasing productivity.

“But things like corruption and governance could act as brakes on the basic forces. To an extent, they could discourage investment. They discourage productivity, and they discourage efficiency,” he said.

Global debt had increased by US$7 trillion since 2007, outpacing world growth

<table>
<thead>
<tr>
<th>Type</th>
<th>Compound annual growth rate (%)</th>
<th>2000-07</th>
<th>2007-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household</td>
<td>8.5</td>
<td>2.8</td>
<td></td>
</tr>
<tr>
<td>Corporate</td>
<td>5.7</td>
<td>5.9</td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>5.8</td>
<td>9.3</td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td>9.4</td>
<td>2.9</td>
<td></td>
</tr>
</tbody>
</table>

* 2014 data for advanced economies and China; 2015 data for other developing economies.

Source: KPMG Global, National sources, World Economic Outlook, IMF, HSBC, McKinsey Global Institute analysis.

Total debt as % of GDP

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP</th>
<th>Debt as % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>142</td>
<td>56</td>
</tr>
<tr>
<td>2007</td>
<td>269</td>
<td>56</td>
</tr>
<tr>
<td>2014</td>
<td>269</td>
<td>56</td>
</tr>
</tbody>
</table>

* 2014 data for advanced economies and China; 2015 data for other developing economies.
Peralihan ekonomi
Revolusi teknologi kewangan bantu tingkat dana pelaburan

Seifyan Rizai Ishak
srfyurizai@metro.com.my
Kuala Lumpur

Asia dilihat berada di keadaan yang terbaik dalam perubahan ke-Ekonomi Baru di mana kita boleh berlaku kepada model berasaskan ekuiti dan ekonomi berasaskan perkhidmatan serta pengetahuan berdasarkan kumpulan yang menjadi pembari pinjaman kepada dunia dan memiliki asas pembuatan yang baik. Pemegang Amanah dan Pembayar Institut Kajian Khazanah, Tan Sri Andrew Sheng berkata, peningkatan risiko dan ketidakpastian dalam abad ke-21 dalam pelbagai aspek seperti geo-politik, teknologi, perubahan iklim dan ketidaksamaan sosial memerlukan model berasaskan ekuiti dan pengetahuan yang lebih tinggi tentang berbanding model diproduksi. "Asia adalah rantaipembari pinjaman kerana ia memiliki populasi muda dengan simpanan tinggi seperti di Malaysia" -Andree Sheng


Beliau berkata, dunia kini dalam era maklumat di mana sumber informasi yang cepat, mutakhir dengan data baru boleh mengubah kewangan dan ekonomi selain menjadi pencah kepada pelaksanaan serta membuat polisi lebih cepat. Menurutnya, kewangan kini tidak boleh lagi dilaksanakan melalui hutang dan hanya ekuiti boleh menjadi langkah terbaik di mana ia lebih bersifat perlaksanaan risiko, daya tahan lebih baik dan pengeluaran pemliikan. "Itu juga boleh menjadi komitmen kepada kecukupan, kestabilan, daya tahan dan kemampuan untuk tempoh yang panjang," katanya.
Fintech, higher saving rates help boost Asia's economy

KUALA LUMPUR: The new wave of financial technology (FinTech) coupled with high saving rates in Asia can help boost the region’s economy.

“This whole idea of FinTech is to make the equity-based capital for young people to start new businesses, as well as create jobs and services, which could eventually drive economic growth,” he told reporters after speaking at the launch of the “World in 2050” publication here on Tuesday.

He said FinTech developments such as blockchains, artificial intelligence and biometric applications are redefining the frontiers of banking. Hence, Malaysia can benefit much from FinTech as the country has one of the highest saving rates in the region at 40 per cent.

With higher savings not only in Malaysia but also in most Asian countries, business models can shift from debt-based models such as borrowing from banks to equity-based models like crowdfunding.

“When we save a lot, where does the money go? Some people might invest in the US dollar, but if we give our young people a chance and invest in their start-ups, maybe this is where the new transformation will come from,” he said.

Sheng said the increasing risks and uncertainties in the 21st century from geopolitics, technology, climate change and social inequalities required higher equity-based business models, which is radically different from the debt-driven models of the 20th century.

The “World in 2050 Publication” is a book that debates on what kind of economic and social outlook the world would be like 34 years from now. It is published by the Oxford University Press and edited by Chief Executive of Emerging Markets Forum Harinder S. Kohli.
FinTech, Higher Saving Rates Help Boost Asia's Economy

KUALA LUMPUR, June 14 (Bernama) -- The new wave of financial technology (FinTech) coupled with high saving rates in Asia can help boost the region's economy, Khazanah Research Institute trustee Tan Sri Andrew Sheng said.

He said FinTech gives faster access to funds and being a net lender, the technology is revolutionising the approach to financial services.

"The whole idea of FinTech is to raise the equity-based capital for young people to start new businesses, as well as create jobs and services, which could eventually drive economic growth," he told reporters after speaking at the launch of the "World In 2050 Publication" here Tuesday.

-- BERNAMA
New wave of fintech, higher saving rates help boost Asia’s economy

KUALA LUMPUR: The new wave of financial technology (FinTech) coupled with high saving rates in Asia can help boost the region’s economy, Edinburgh Research Institute trustee Tan Sri Andrew Shapter said.

The wave of FinTech is not just about reaching out to fund raisers and investors, the technology is transforming the approach to financial services.

“The whole idea of FinTech is to make the equity-based capital for young people to start new businesses, particularly in the Islamic and small and medium size enterprises, which will eventually drive economic growth,” he told reporters after speaking at the launch of the “World In 2050 Publication” yesterday.

He said FinTech developments such as blockchain, artificial intelligence and machine learning applications are expanding the boundaries of banking.

“Hence, Malaysia can benefit much from FinTech in the country scenario which is now taking shape in the region at meek pace.”

With higher savings not only in Malaysia but also in other Asian countries, business models can shift from debt-based models such as traditional banking to equity-based models, which is radically different from the status quo of the 20th century.

“World In 2050 Publications” is a book that debates on what kind of economy and social outlook will the world have in the next 50 years. It is published by the Oxford University Press and edited by Chief Executive of Emerging Markets Forum Alexander S. Booth.

— Bernama
New Wave Of Fintech, Higher Saving Rates Help Boost Asia’s Economy

KUALA LUMPUR: The new wave of financial technology (FinTech) coupled with high saving rates in Asia can help boost the region’s economy, Khazanah Research Institute trustee Tan Sri Andrew Sheng said.

He said FinTech gives faster access to funds and being a net lender, the technology is revolutionising the approach to financial services.

“The whole idea of FinTech is to raise the equity-based capital for young people to start new businesses, as well as create jobs and services, which could eventually drive economic growth,” he told reporters after speaking at the launch of the “World In 2050 Publication” yesterday.

He said FinTech developments such as blockchain, artificial intelligence and biometric applications are expanding the frontiers of banking.

“Hence, Malaysia can benefit much from FinTech as the country has one of the highest saving rates (in the region) at 40 per cent.

“With higher savings not only in Malaysia but also in most Asian countries, business models can shift from debt-based models such as borrowing from banks to an equity-based model like crowdfunding.

“When we save a lot, where does the money go? Some people might invest in the US dollar, but if we give our young people a chance and invest in their start-ups, maybe this is where the new transformation will come from,” he said.

Sheng said the increasing risks and uncertainties in the 21st century from geopolitics, technology, climate change and social inequities required higher equity-based business models, which is radically different from the debt-driven models of the 20th century.

The “World In 2050 Publication” is a book that debates on what kind of economic and social outlook the world would be like 34 years from now. It is published by the Oxford
University Press and edited by Chief Executive of Emerging Markets Forum Harinder S. Kohli. — Bernama
Fintech, higher saving rates help boost Asia’s economy

THE new wave of financial technology (fintech) coupled with high saving rates in Asia can help boost the region’s economy, Khazanah Research Institute trustee Tan Sri Andrew Sheng said.

He said fintech gives faster access to funds and being a net lender, the technology is revolutionising the approach to financial services.

“The whole idea of fintech is to raise the equity-based capital for young people to start new businesses, as well as create jobs and services, which could eventually drive economic growth,” he told reporters after speaking at the launch of the “World In 2050 Publication” in Kuala Lumpur yesterday.

He said fintech developments such as blockchain, artificial intelligence and biometric applications are expanding the frontiers of banking.

“Hence, Malaysia can benefit much from fintech as the country has one of the highest saving rates (in the region) at 40%.

“With higher savings not only in Malaysia but also in most Asian countries, business models can shift from debt-based models such as borrowing from banks to an equity-based model like crowdfunding."

“When we save a lot, where does the money go? Some people might invest in the US dollar, but if we give our young people a chance and invest in their start-ups, maybe this is where the new transformation will come from,” he said.

Sheng said the increasing risks and uncertainties in the 21st century from geopolitics, technology, climate change and social inequities require higher equity-based business models, which are radically different from the debt-driven models of the 20th century.

The “World In 2050 Publication” is a book that debates on what kind of economic and social outlook the world would be like 34 years from now.

It is published by the Oxford University Press and edited by CEO of Emerging Markets Forum Harinder S Kohli. — Bernama
Perniagaan orang muda bantu negara

"Kebanyakan teknologi terkini lebih digunakan oleh golongan ini. Jika kita wujudkan perseteruan yang dapat membangunkan perniagaan perniagaan orang muda, ia akan memberi manfaat kepada Malaysia kerana mereka lebih mendalami trend permintaan pasaran.

"Idea-idea baharu mencetuskan inovasi. Ia merupakan satu daripada alternatif yang boleh dibangunkan Malaysia untuk keluar daripada perangkap penapatan menengah," katanya kepada pemberita selepas majlis pelancaran buku bertajuk World In2050, di sini hari ini.

"Turut hadir ialah Pengerusi KRI, Tan Sri Nor Mohamed Yakcop, Pengarah Urusan KRI, Datuk Charon Mokhzani dan Ketua Eksekutif Forum Pasaran Memban-
gun, Harinder S. Kohli.

Jelas Sheng, kadar simpanan yang tinggi oleh penduduk Malaysia boleh dijadikan aset atau dana untuk dilaburkan di dalam perniagaan-perniagaan golongan muda kerana perniagaan pernu-
laan sukacita mendapakan pembungaan secara pinjaman bank atau tawaran awam permulaan (IPO).

"Banyak perniagaan yang boleh dicuba oleh golongan muda negara ini sama ada produk pengguna, makanan atau teknologi.

"Penghasilan produk-produk teknologi yang menerap ke-
hendak semasa menjadi keku-

Beliau turut mencadang
kan syarikat-syarikat milik atau berkaitan kerajaan yang terlibat di dalam teknologi seperti automotif atau perumahan, melibatkan lebih ramai orang muda un-
tuk meraikan idea-idea yang terkini.

Oleh FADZIL ZAINOL
ekonom@utusan.com.my

KUALA LUMPUR 14 JUN

KEWUDJUDAN lebih banyak perniagaan yang diusahakan oleh golongan muda merupakan alternatif kepada Mal-
aysia untuk mencapai status negara maju dan menyanyai ekono-
mi negara-negara serantau.

Pernegang Amanah Khazanah Research Institute (KRI), Tan Sri Andrew Sheng berkata, ini kera-
na golongan muda merupakan pasaran pengguna terbesar dan lebih menggetahui trend pasaran dan sedikit sekali mempunyai idea perniagaan yang mempunyai nilai tambah lebih baik.

Katanya, perniagaan mengikut trend semasa dapat mengubah struktur ekonomi Malaysia khus-
sunya untuk menjadi sebuah negara berpendapatan tinggi dan maju.
<table>
<thead>
<tr>
<th>Publication</th>
<th>New Sarawak Tribune</th>
<th>Section /Page No.</th>
<th>Business / Front Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Wed, 15th June 2016</td>
<td>Lead Article</td>
<td>No</td>
</tr>
<tr>
<td>Headline</td>
<td>Fintech, Higher Saving Rates Help Boost Asia’s Economy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fintech, higher saving rates help boost Asia’s economy

**KUALA LUMPUR:** The new wave of financial technology (FinTech) coupled with high saving rates in Asia can help boost the region’s economy, Khazanah Research Institute trustee Tan Sri Andrew Sheng said.

He said FinTech gives faster access to funds and being a net lender, the technology is revolutionising the approach to financial services.

“The whole idea of FinTech is to raise the equity-based capital for young people to start new businesses, as well as create jobs and services, which could eventually drive economic growth,” he told reporters after speaking at the launch of the “World In 2050 Publication” here yesterday.

He said FinTech developments such as blockchain, artificial intelligence and biometric applications are expanding the frontiers of banking.-Bernama