

ABS Lunar New Year Lunch
Tuesday, 27 February 2018
The Ritz Carlton, The Grand Ballroom

GOH – Ravi Menon, Managing Director of the Monetary Authority of Singapore (MAS)

Ladies and Gentlemen

XIN NIAN KUAI LE (Happy New Year) and WAN SHI RU YI (May all things go your way)

Last year was the year of the fire rooster and we have to admit he played his role well. The markets stayed red hot, and the policy actions reflected the rooster's sense of timeliness.

So in the year of the Earth Dog, what to expect? I know you are expecting dog related jokes/puns, but I mutt decline to hound you with doggone puns! In fact, I am going to keep my comments serious, on the dog's characteristics of dialogue and solidarity.

The global economy remains on a steady growth path – many factors point to an upbeat year ahead including China's plan to generate high single-digit growth, Europe's re-emergence from its sovereign debt woes, and US tax cuts and increased spending. In Singapore, GDP was estimated to grow at 3.6% last year, fastest since 2014, with the service sector (including Finance) growing 2.8% vs 1.4% in 2016. 2018 growth is likely to moderate but remain firm.

What's important is that we remain grounded in the year of the Earth Dog and work hard to lay the ground work so that we will continue to see many more good years to come.

This is particularly apt as both Singapore and our industry undergo a significant transition. For Singapore, this means continuing to lay the ground work to seize the economic opportunities in the dynamic and fast- growing region that we live in. PM Lee in his Chinese New Year message spoke of making full use of new technologies to progress with our partners and neighbours. He also emphasised the need to keep investing in Singapore – to build our city and infrastructure, and upgrade our living environment and economy, so that the next generation can continue to create new possibilities, prosper and flourish. The budget delivered by Finance minister last week outlined how the government is gearing the economy up for a greater emphasis on Asia, new technologies and dealing with an ageing population.

Similarly, our industry is also well advanced in our own transition. As I mentioned in my incoming speech, we are in the midst of a technological driven transformation that is gathering pace, and one that brings with it immense opportunities to be an extraordinary force for good in our line of business – providing hope for financial inclusion at scale, greater customer convenience at lower cost, and a range of data driven services.

Last year, we launched our Industry Transformation Map, with some clear areas of focus, and a pathway to encourage innovation. This included some very important industry projects like the drive for cashless/e-payments, the industry KYC utility and the National Trade Platform.

At the same time, much work remains to be done, working closely with our partners and regulators, to ensure that the sector stays robust, and the people in this room, and our broader community, continue to share in its prosperity. This requires thoughtful regulation, driving more private-public partnerships and ensuring a level playing field for traditional and new players to avoid destructive competition. We need to have the courage to move forward, but stay mindful that sometimes too much of a good thing can be bad.

I know that everyone is waiting to 'woof' down the rest of the lunch so let me end by once again wishing everyone a very PAWsperous new year and a PAWsitive year ahead. Thank you.