



# INCLUSIVE INCLUSION

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**Asia-Pacific Financial Inclusion Summit**

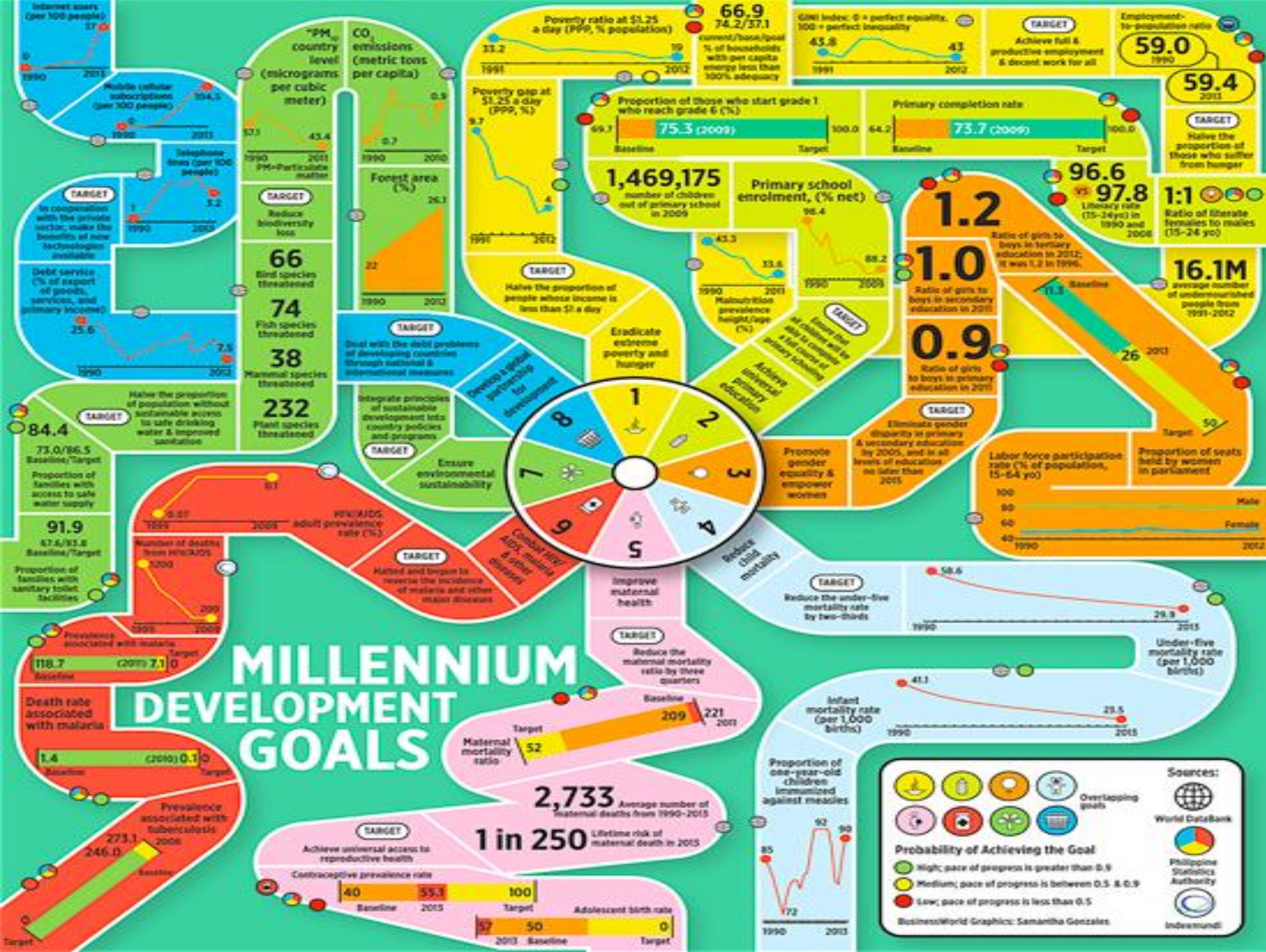
**October 27, 2015**

**Manila, Philippines**

# BEYOND 2015

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**1** NO  
POVERTY



**2** NO  
HUNGER



**3** GOOD  
HEALTH



**4** QUALITY  
EDUCATION



**5** GENDER  
EQUALITY



**6** CLEAN WATER  
AND SANITATION



**7** CLEAN  
ENERGY



**8** GOOD JOBS AND  
ECONOMIC GROWTH



**9** INNOVATION AND  
INFRASTRUCTURE



**10** REDUCED  
INEQUALITIES



**11** SUSTAINABLE CITIES  
AND COMMUNITIES



**12** RESPONSIBLE  
CONSUMPTION



**13** PROTECT THE  
PLANET



**14** LIFE BELOW  
WATER



**15** LIFE  
ON LAND



**16** PEACE AND  
JUSTICE

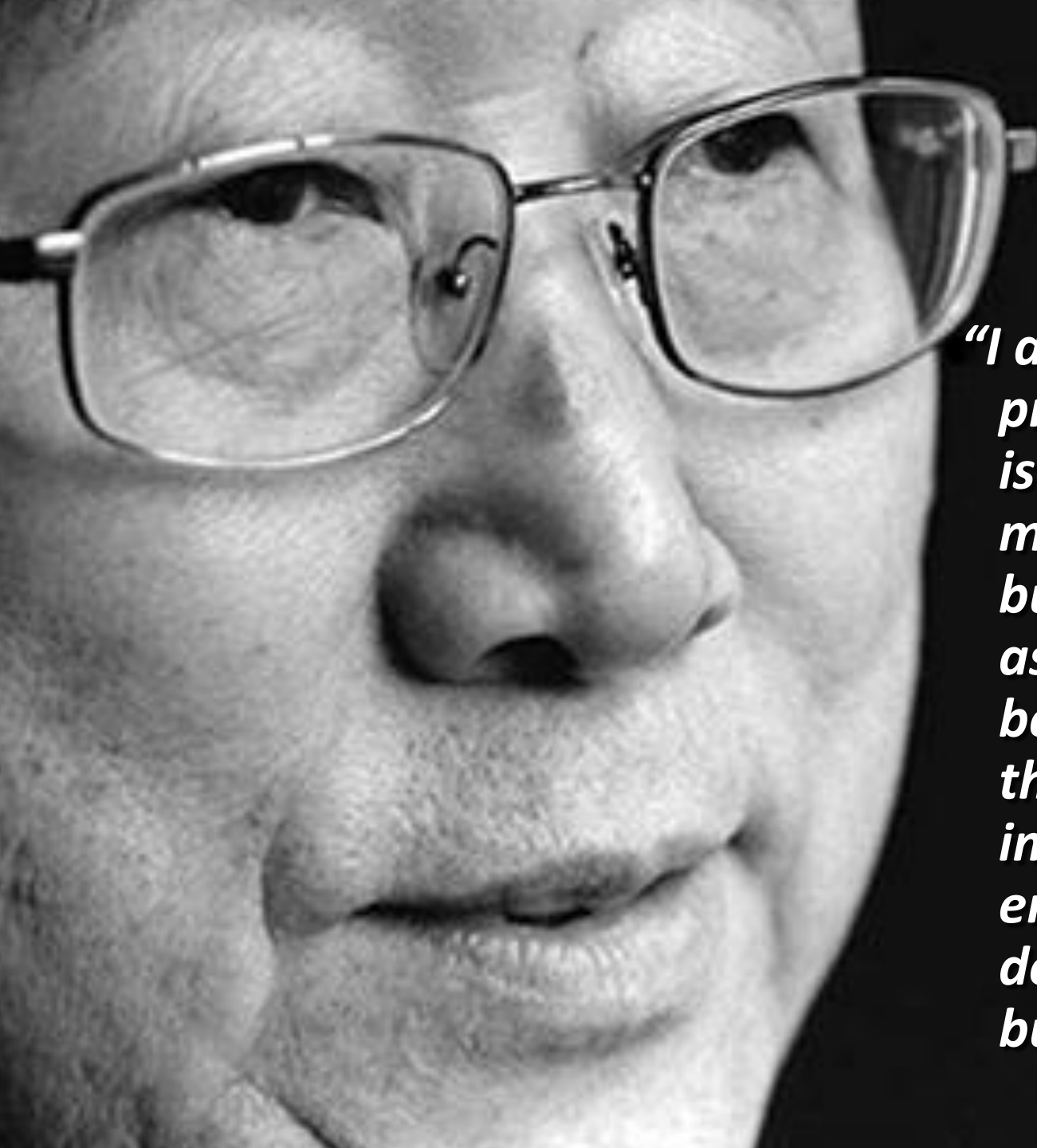


**17** PARTNERSHIPS  
FOR THE GOALS



**THE GLOBAL GOALS**  
For Sustainable Development





***“I am counting on the private sector. Now is the time to mobilize the global business community as never before...Realizing the SDGs will improve the environment for doing business and building markets”***

**“I am counting on the private sector. Now is the time to mobilize the global business community as never before...Realizing the SDGs will improve the environment for doing business and building markets”**

*Ki Moun Ban*





\$ 1 TRILLION

\$ 1,000,000,000,000

X 3

\$1 TRILLION  
\$ 1,000,000,000,000







泰康食品公司  
TAIKANG FOODS

茂昌眼镜公司  
OPTICAL

鴻翔時裝公司  
東路

冠心药房  
活方

上海滩

上海滩

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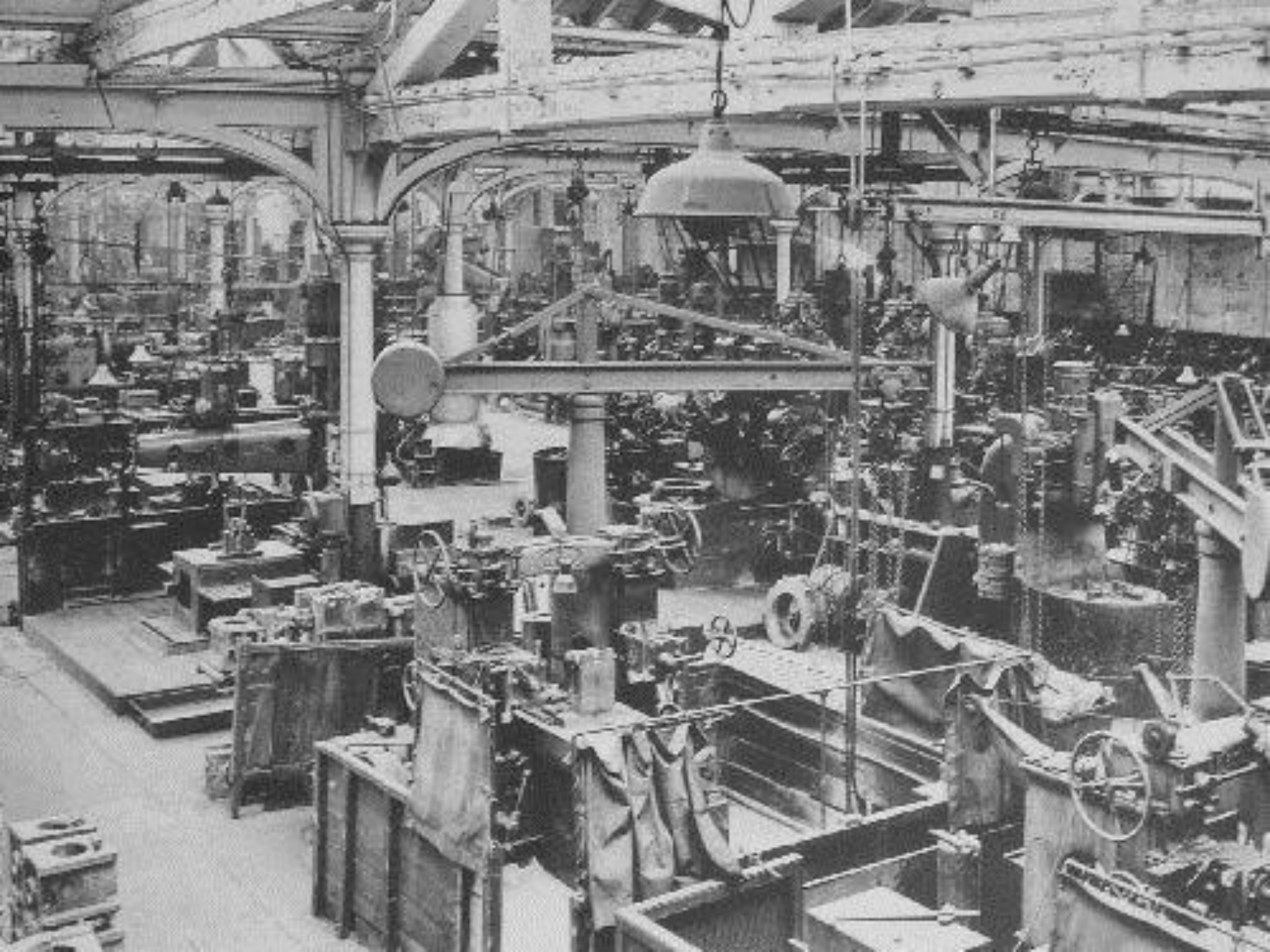






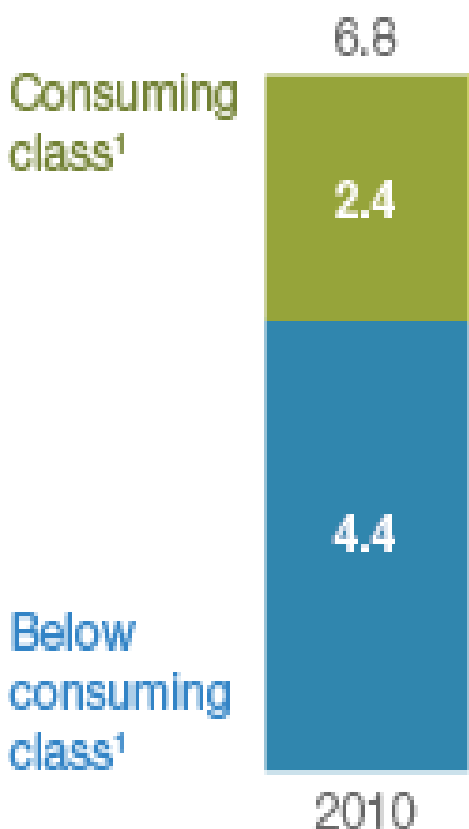




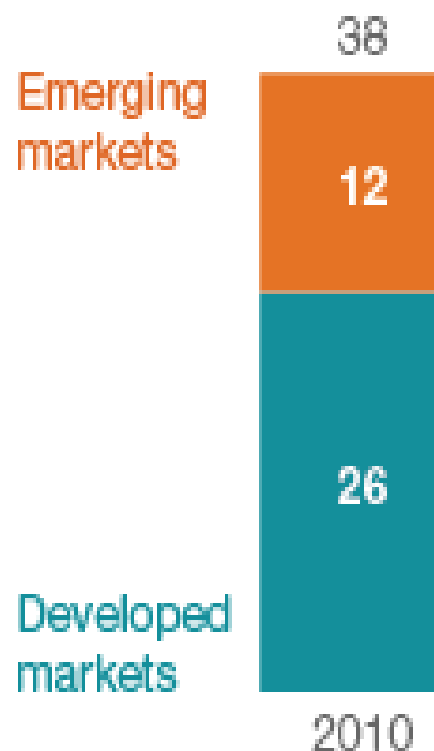




## World population, billions



## World consumption, \$ trillion

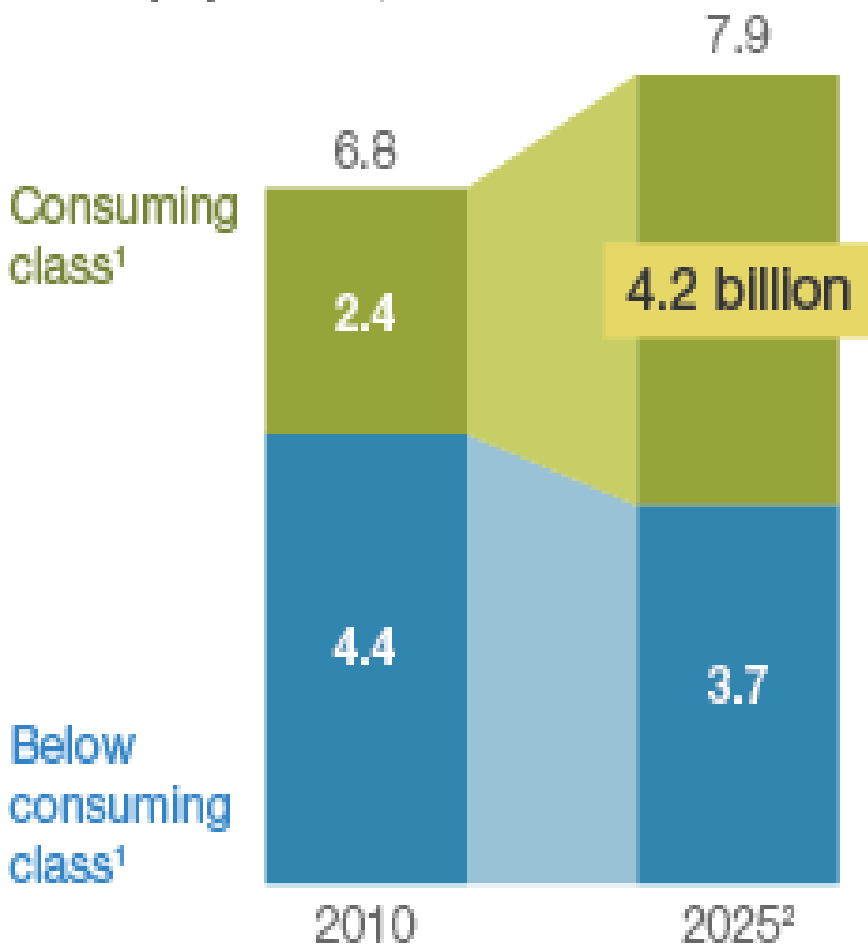


<sup>1</sup>Consuming class: daily disposable income is  $\geq \$10$ ; below consuming class,  $< \$10$ ; incomes adjusted for purchasing power parity.

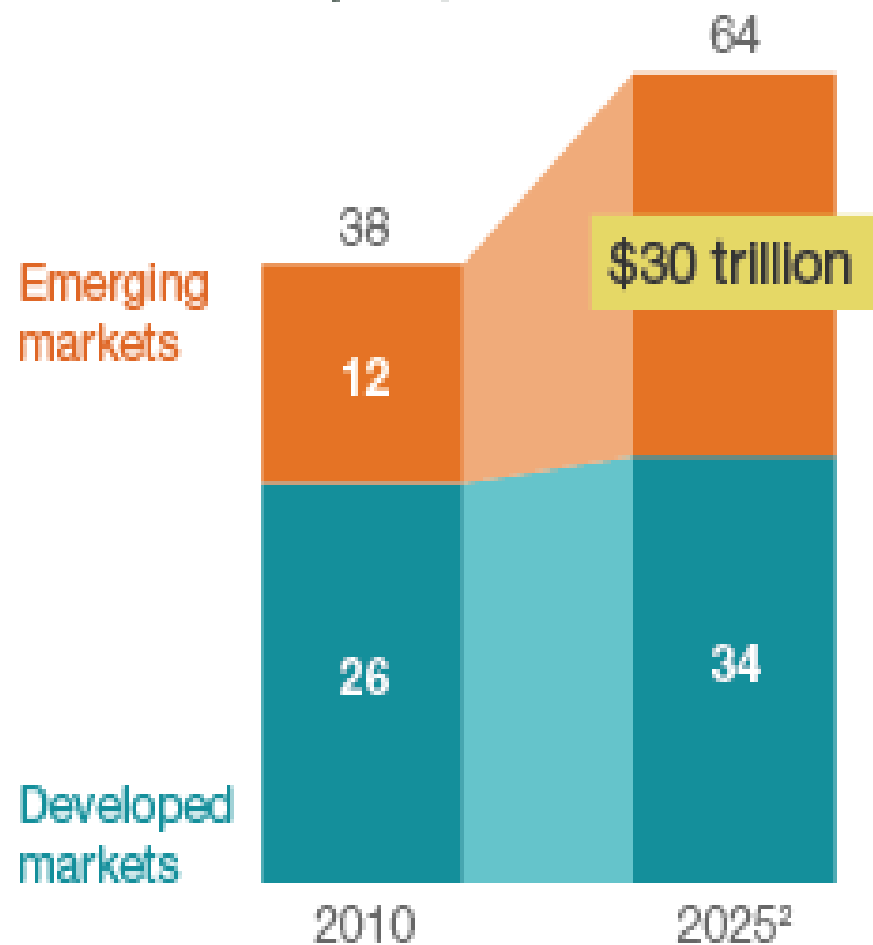
<sup>2</sup>Estimated.

Source: Angus Maddison, University of Groningen; Homi Kharas, Senior Fellow at Wolfensohn Center for Development at Brookings Institution; McKinsey Global Institute analysis

World population, billions



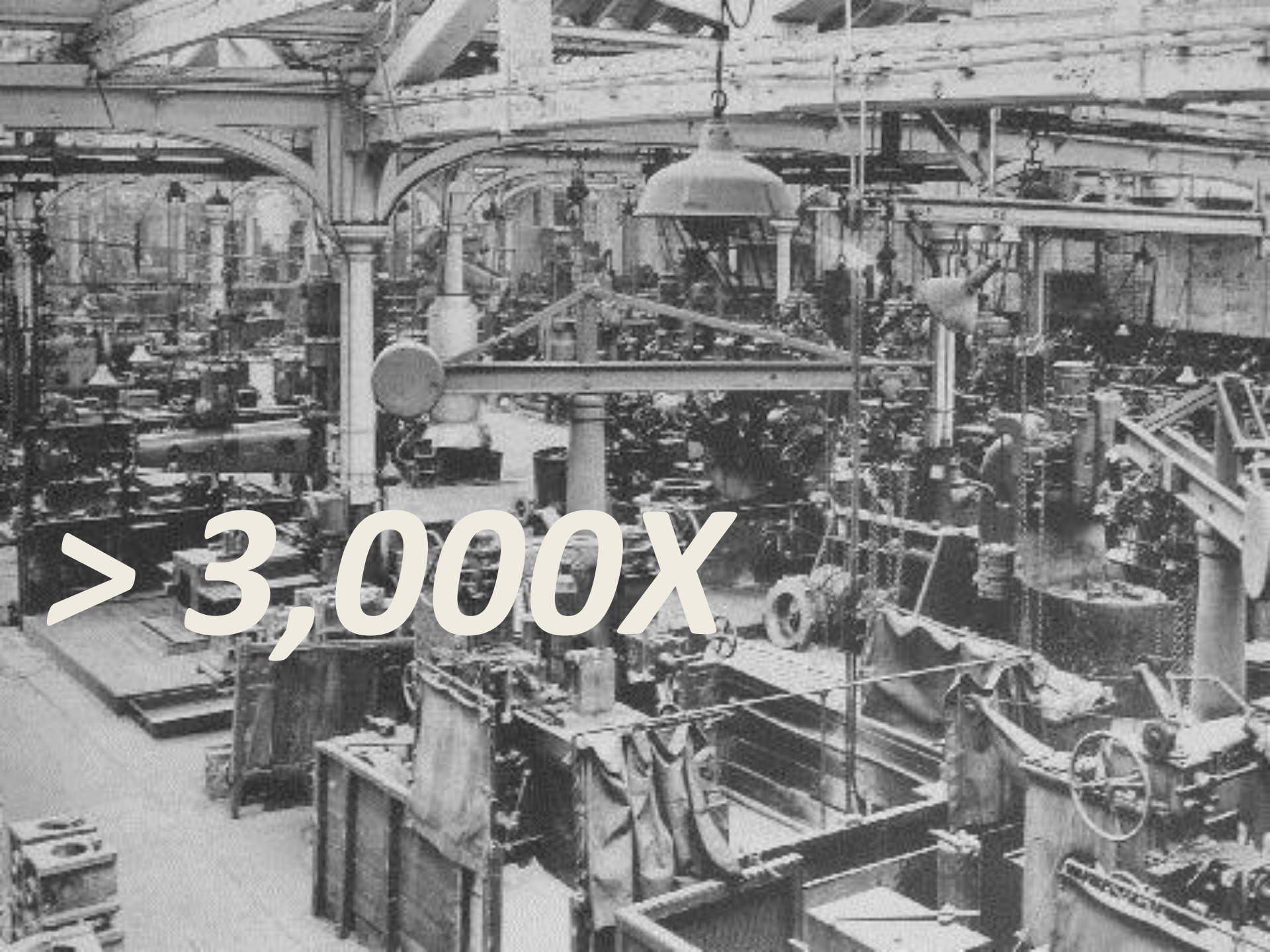
World consumption, \$ trillion



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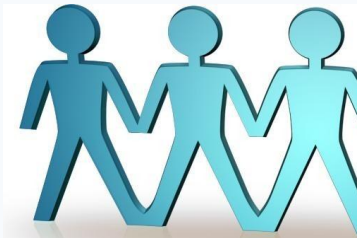
**> 3,000X**



Disruption of operations, supply and reputation risk



Adhering to industry norms – transparency, traceability, responsibility



Winning share in current markets and establishing beachhead in future markets

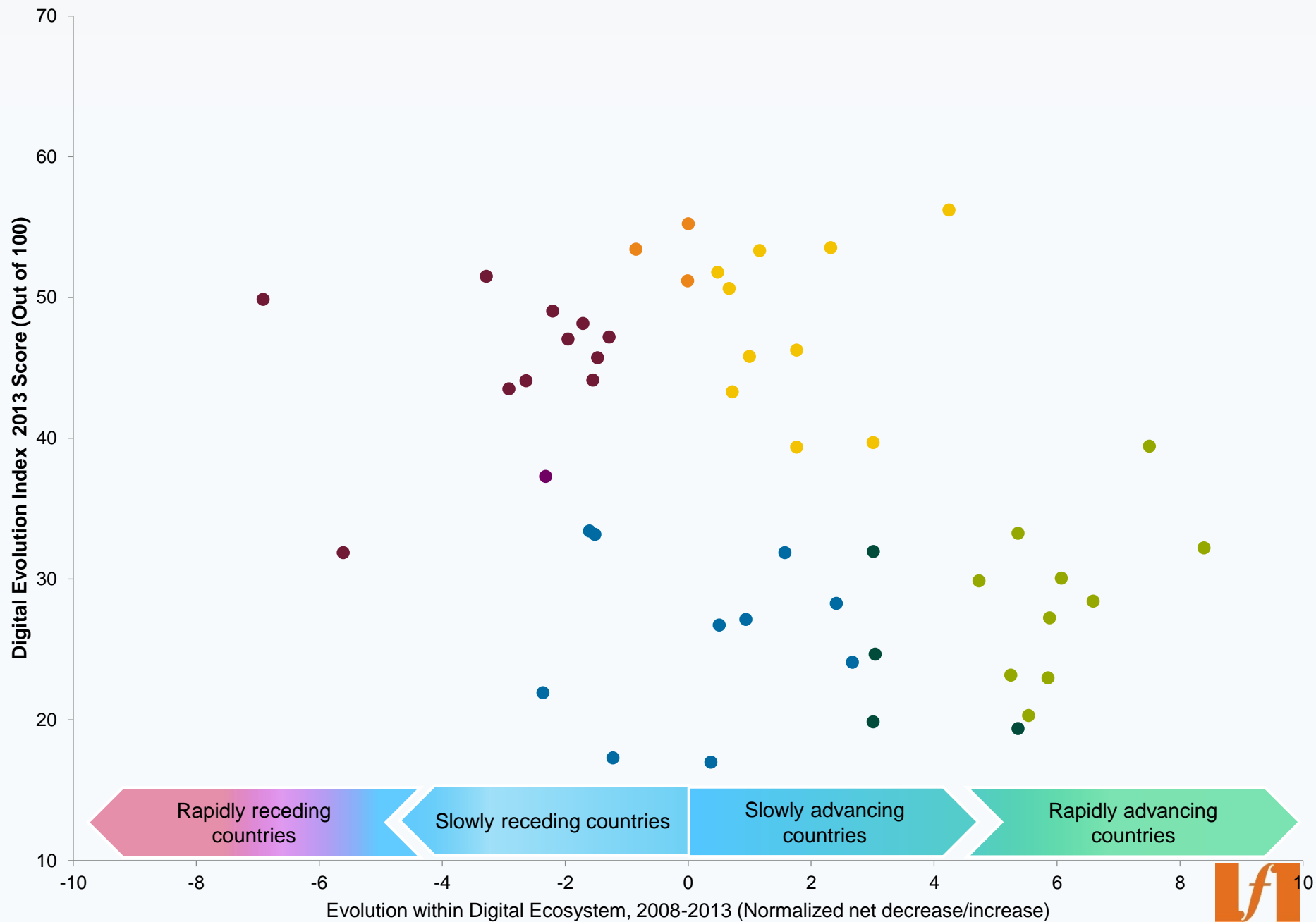


Building goodwill with stakeholders

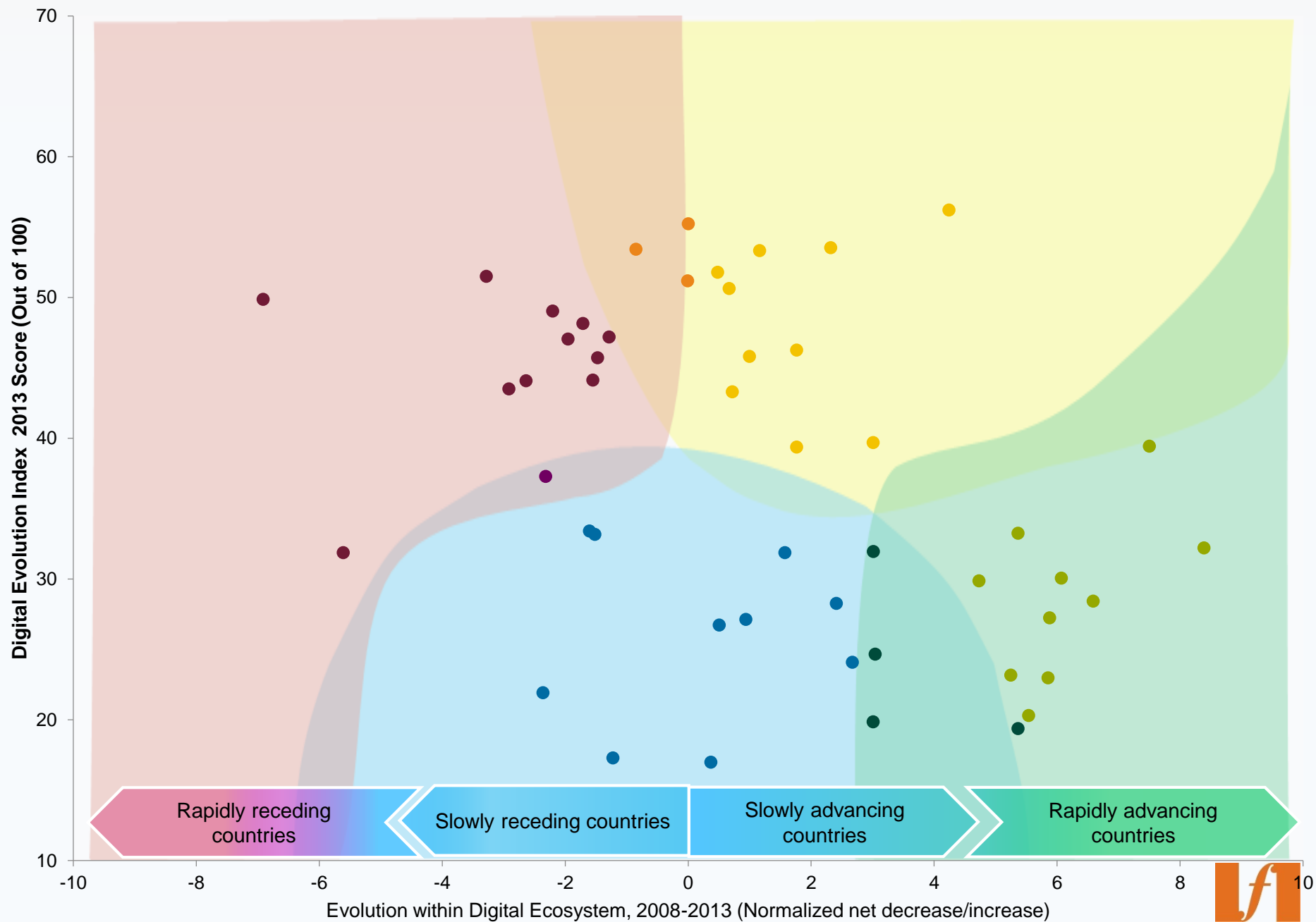


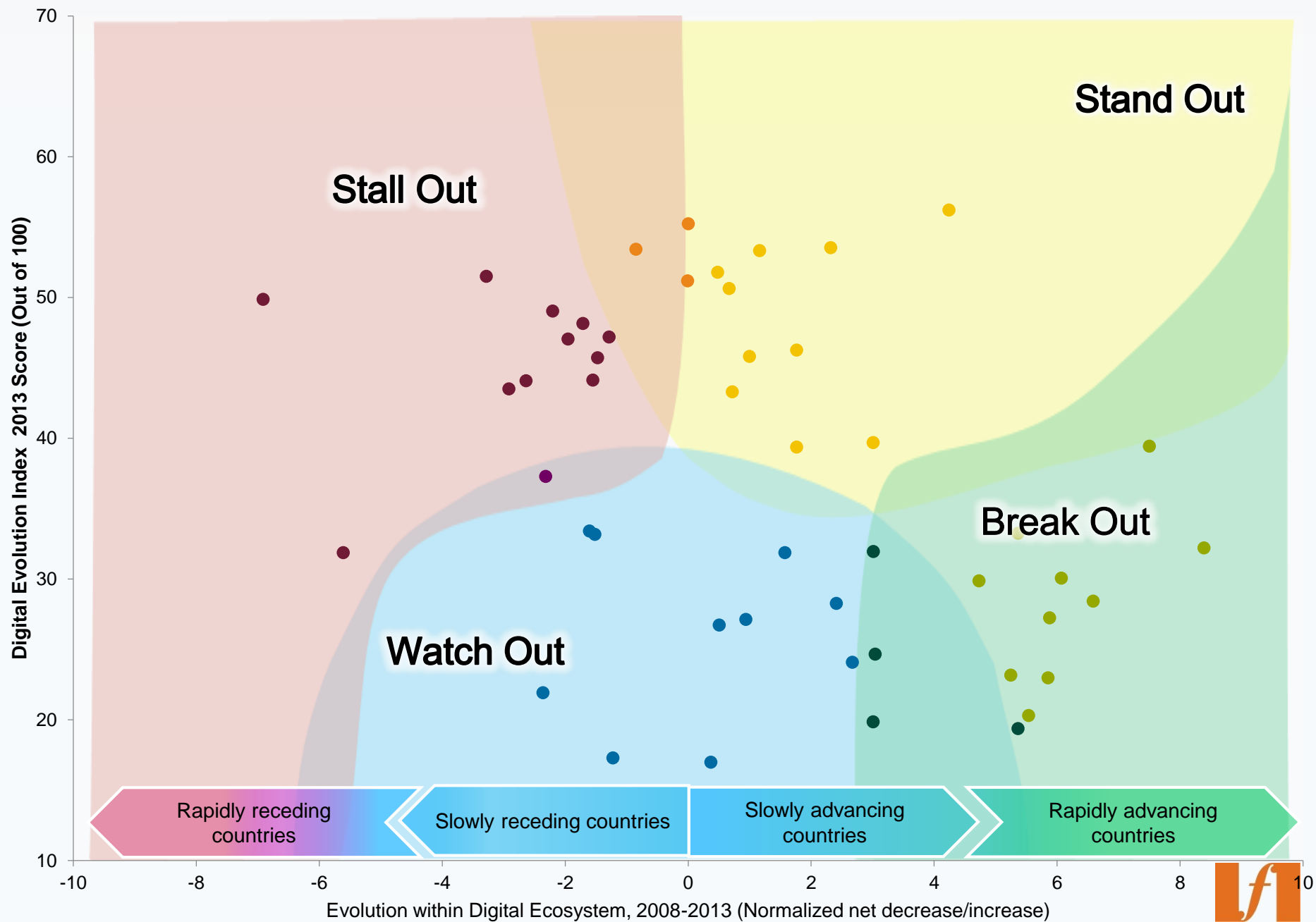
# TRANSFORMATIONAL TECHNOLOGIES – FINANCIAL AND DIGITAL INCLUSION

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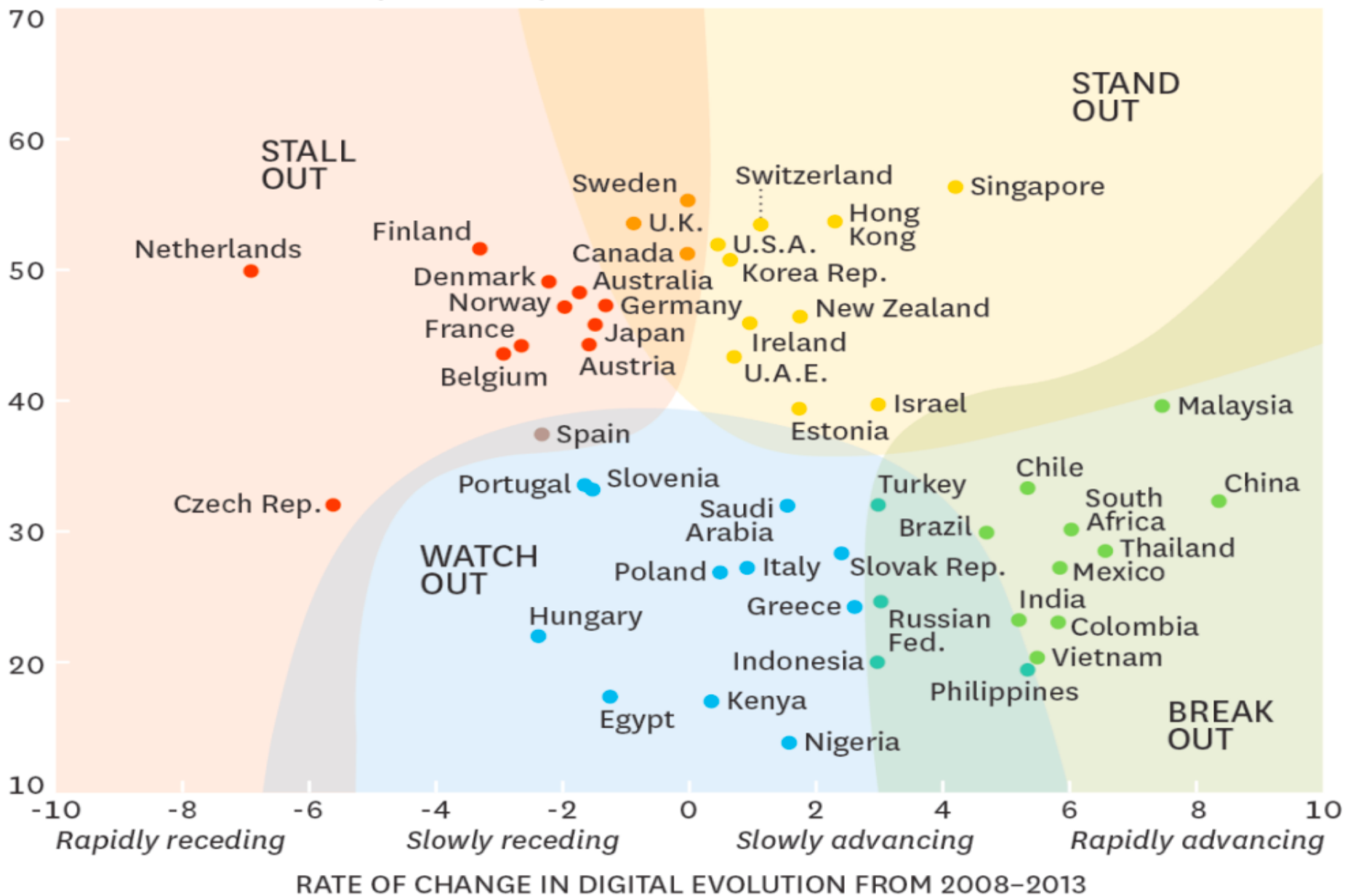






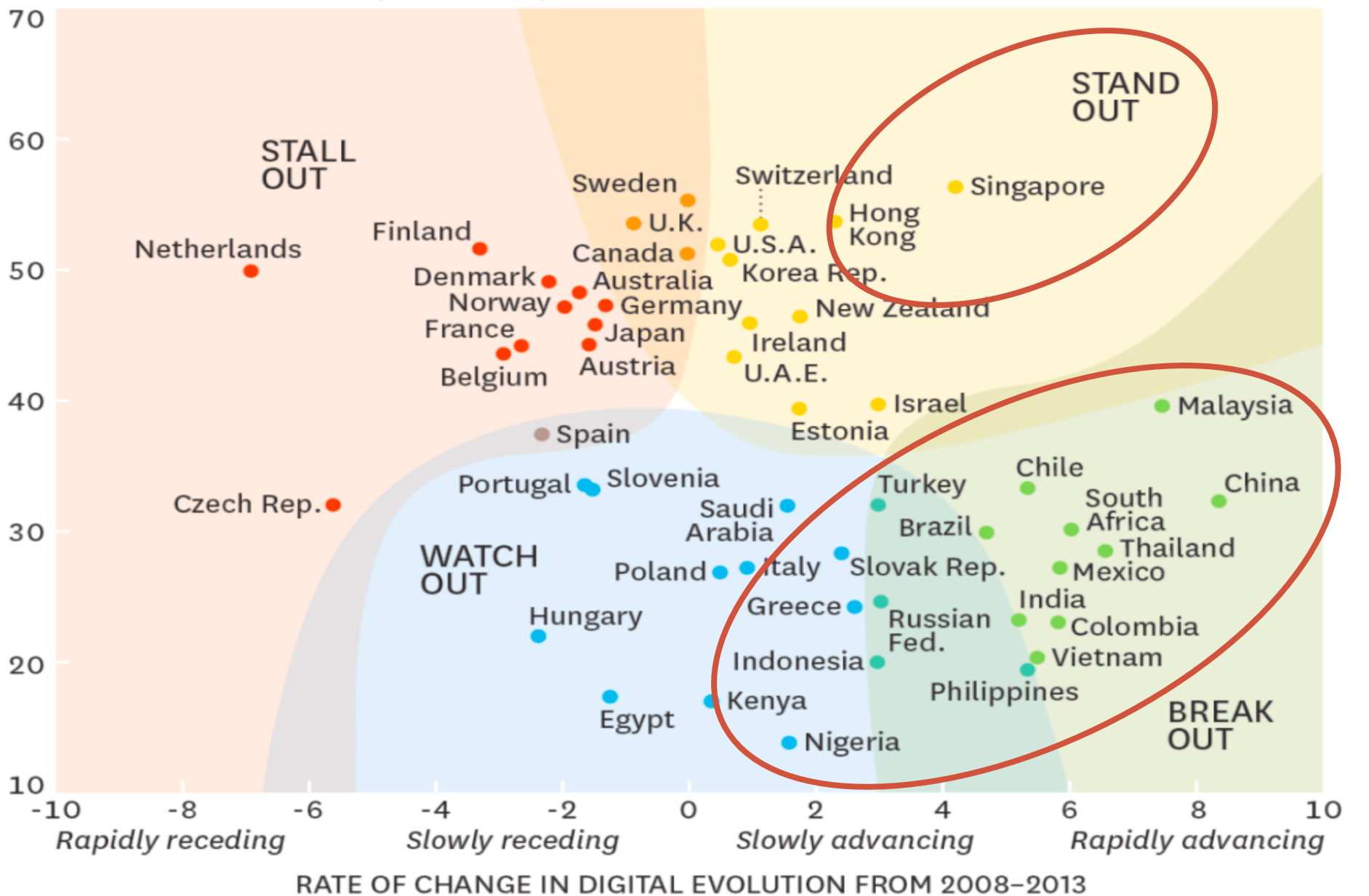


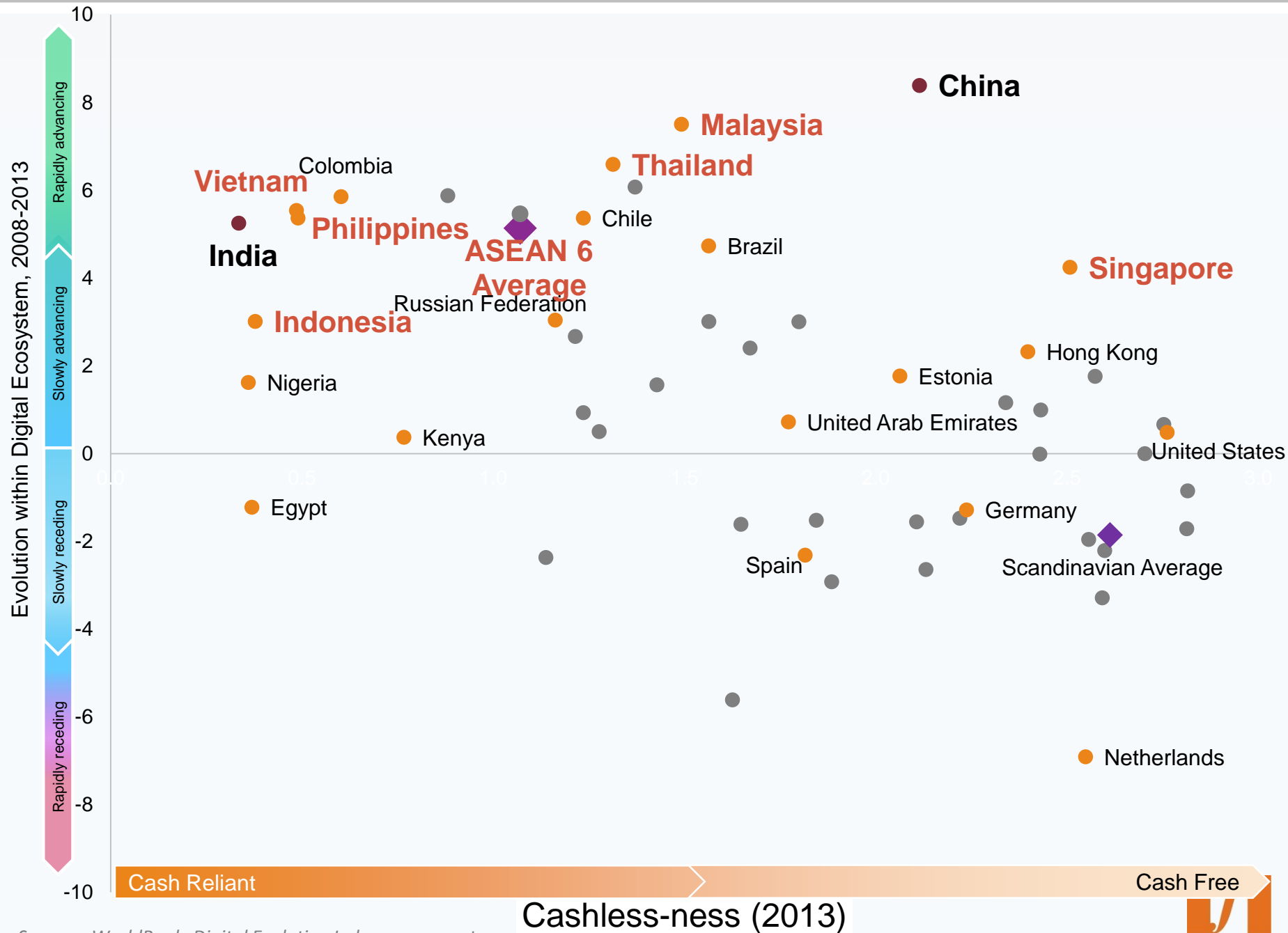
HOW COUNTRIES SCORED ACROSS FOUR FACTORS ON THE DIGITAL EVOLUTION INDEX (OUT OF 100)



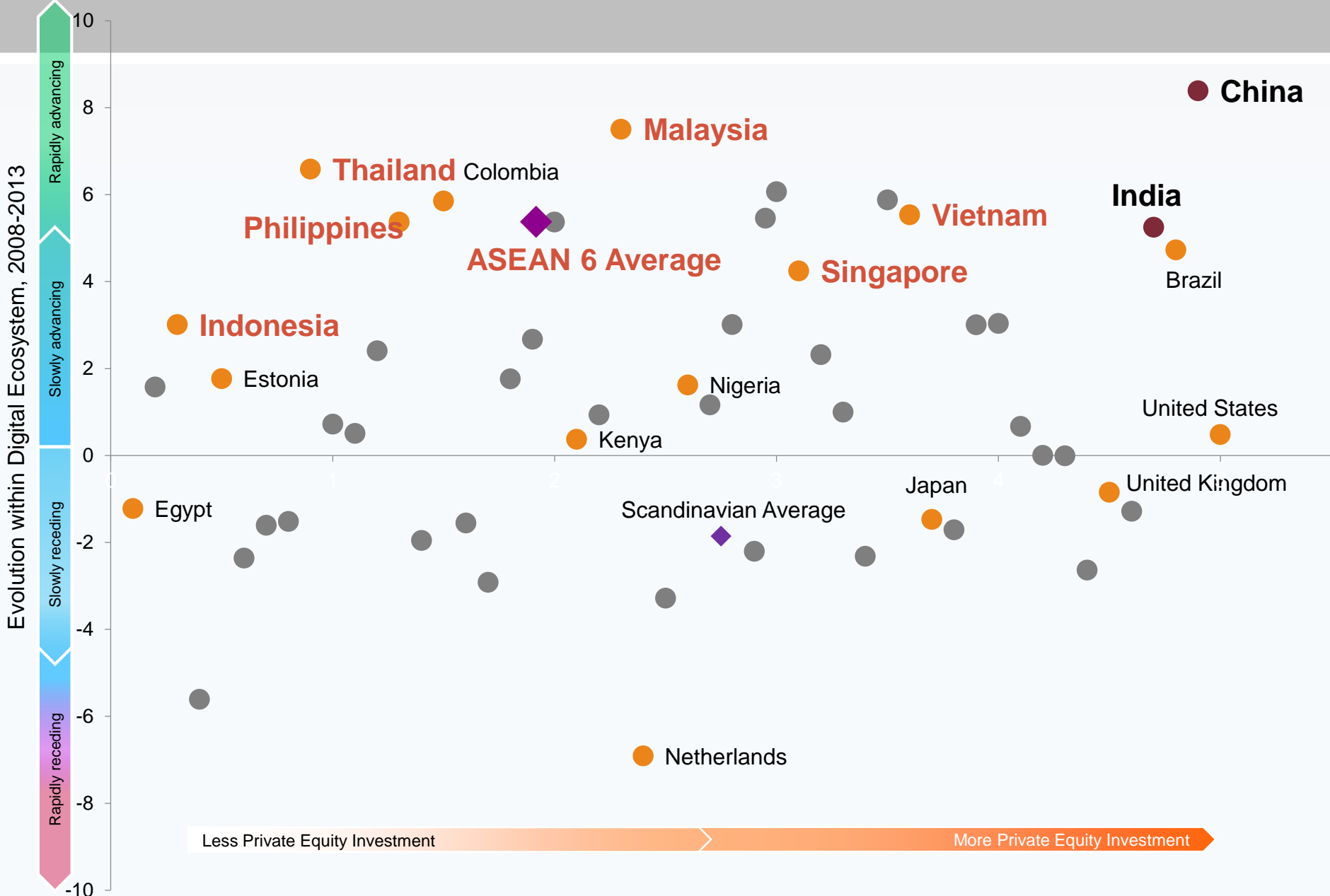


HOW COUNTRIES SCORED ACROSS FOUR FACTORS ON THE DIGITAL EVOLUTION INDEX (OUT OF 100)

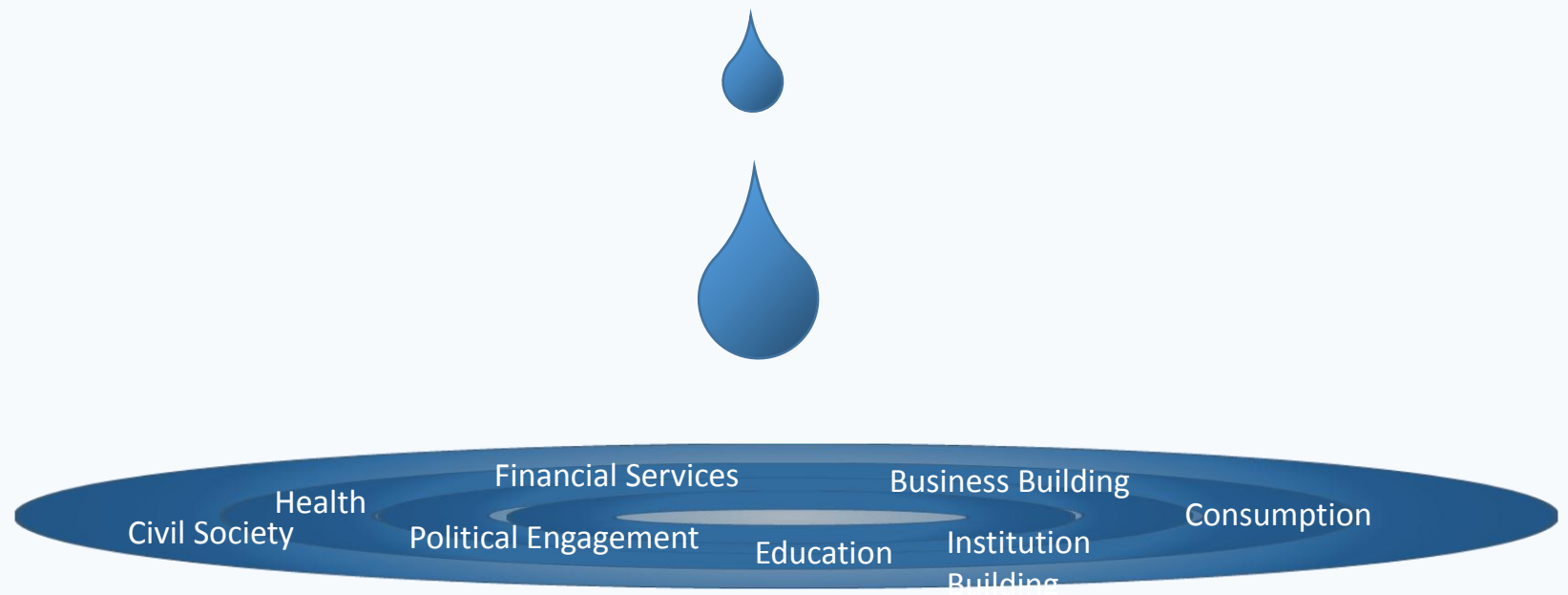




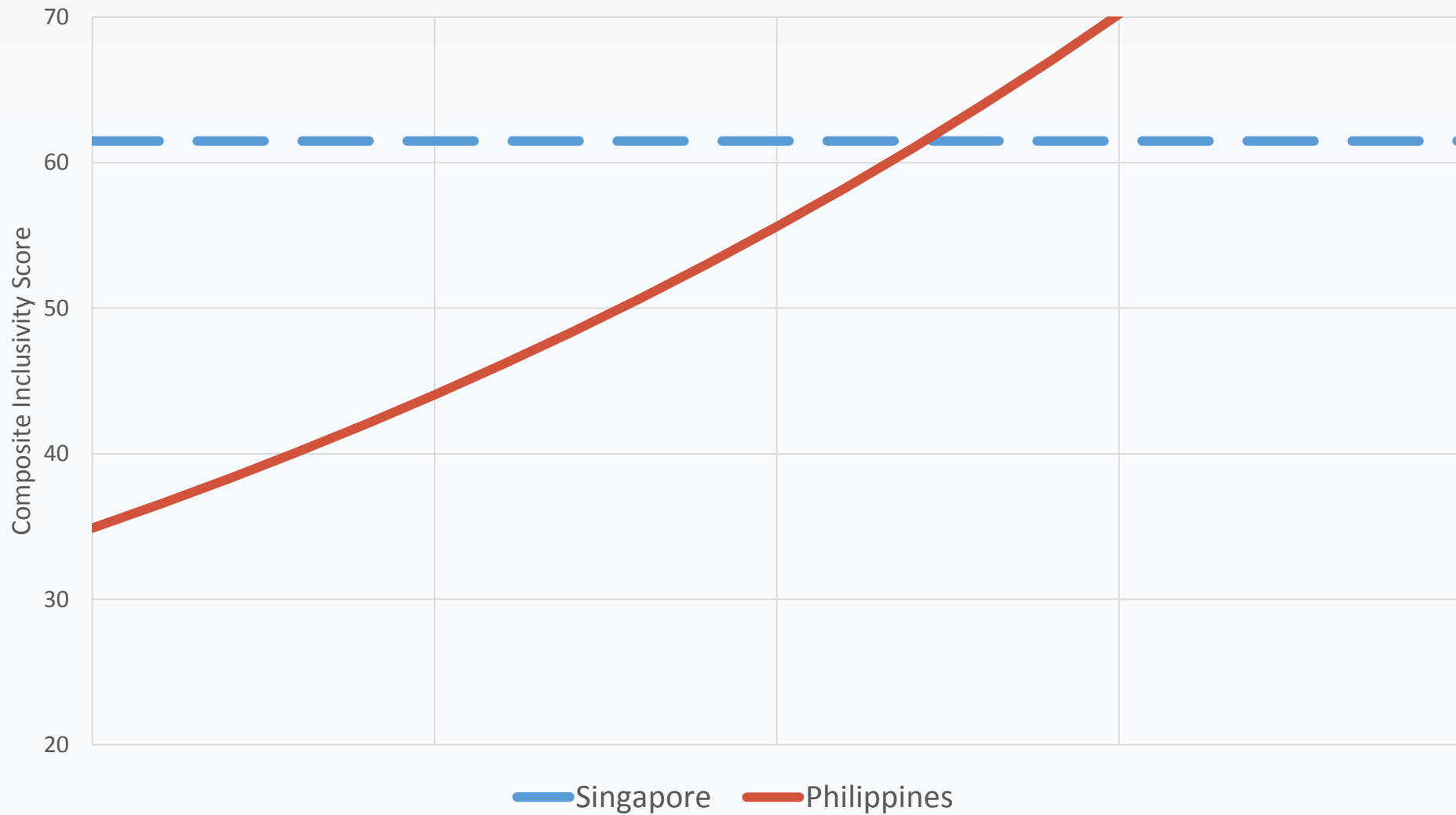






## Private Equity Investments in Digital Ecosystems (2013)





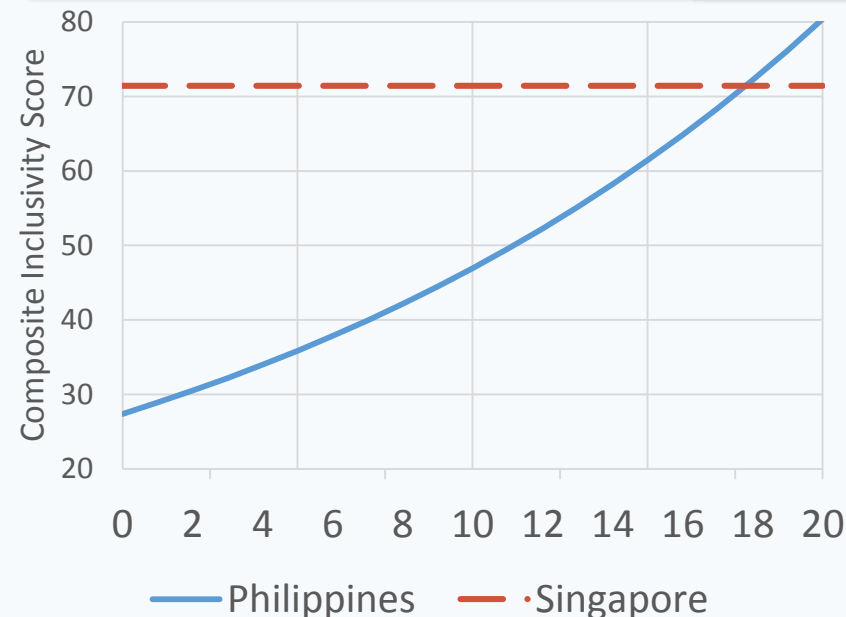


 Ability to get online +  Ability to transact = Composite **Inclusivity** Score

	% total population	Philippines	Singapore
Access	with computer access	17.13 %	88.62 %
	using the internet	36.24 %	74.18 %
	covered by mobile network	99 %	100 %
	with mobile cellular subscription	106.51 %	152.13 %
	with mobile internet subscriptions	4.05 %	124.29 %
	with wired broadband subscriptions	2.23 %	26.08 %
	with secure internet servers	0.0008 %	0.0652 %
Transact	with account at financial institution	19.82 %	79.73 %
	with a credit card	2.03 %	31.65 %
	with a debit card	12.98 %	73.94 %
	making electronic payments	1.35%	35.16 %
	<b>Composite inclusivity score</b>	<b>27.40 %</b>	<b>71.44 %</b>
	<b>Annualized comp. score growth rate</b>	<b>5.53 %</b>	

Years to Reach  
Today's Singapore:

18



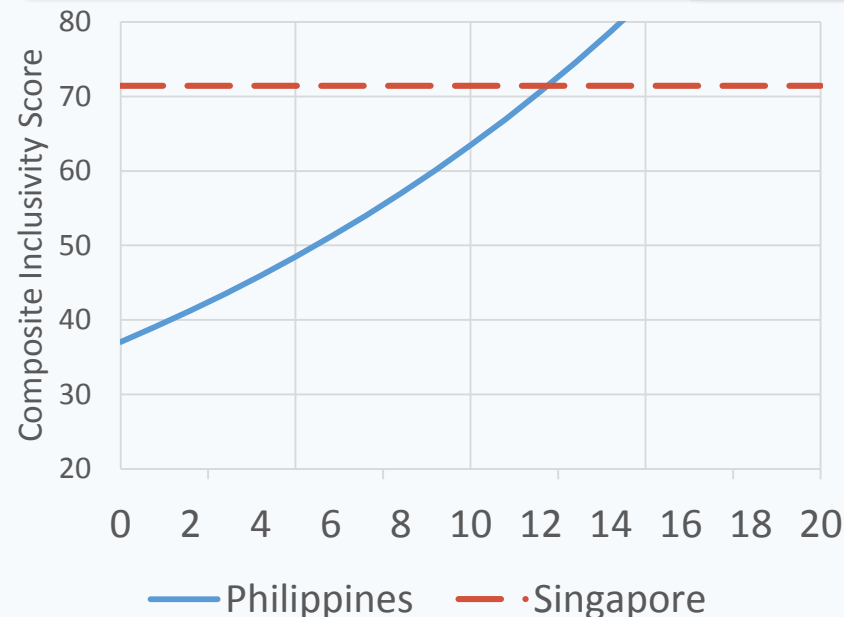


# Doubling access ability alone cuts 6 years off path to Singapore.

	% total population	Philippines	Singapore
Access	with computer access	34.27 %	88.62 %
	using the internet	72.47 %	74.18 %
	covered by mobile network	100 %	100 %
	with mobile cellular subscription	152 %	152.13 %
	with mobile internet subscriptions	8.09 %	124.29 %
	with wired broadband subscriptions	4.45 %	26.08 %
	with secure internet servers	0.18 %	0.0652 %
Transact	with account at financial institution	19.82 %	79.73 %
	with a credit card	2.03 %	31.65 %
	with a debit card	12.98 %	73.94 %
	making electronic payments	1.35%	35.16 %
	<b>Composite inclusivity score</b>	<b>37.04 %</b>	<b>71.44 %</b>
	<b>Annualized comp. score growth rate</b>	<b>5.53 %</b>	

Years to Reach  
Today's Singapore:

12

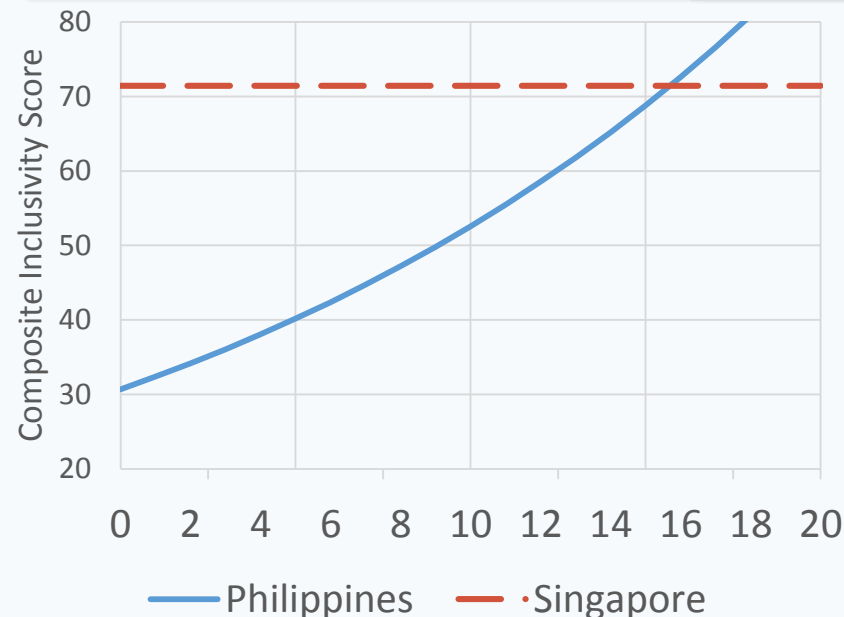


Only doubling transaction ability only reduces path by 2 years.












	% total population	Philippines	Singapore
Access	with computer access	17.13 %	88.62 %
	using the internet	36.24 %	74.18 %
	covered by mobile network	99 %	100 %
	with mobile cellular subscription	106.51 %	152.13 %
	with mobile internet subscriptions	4.05 %	124.29 %
	with wired broadband subscriptions	2.23 %	26.08 %
	with secure internet servers	0.0008 %	0.0652 %
Transact	with account at financial institution	39.65 %	79.73 %
	with a credit card	4.07 %	31.65 %
	with a debit card	25.97 %	73.94 %
	making electronic payments	2.71 %	35.16 %
	<b>Composite inclusivity score</b>	<b>30.69 %</b>	<b>71.44 %</b>
	<b>Annualized comp. score growth rate</b>	<b>5.53 %</b>	

Years to Reach  
Today's Singapore:

16














# Philippines: What needs to change to reach Singapore in **10** years?

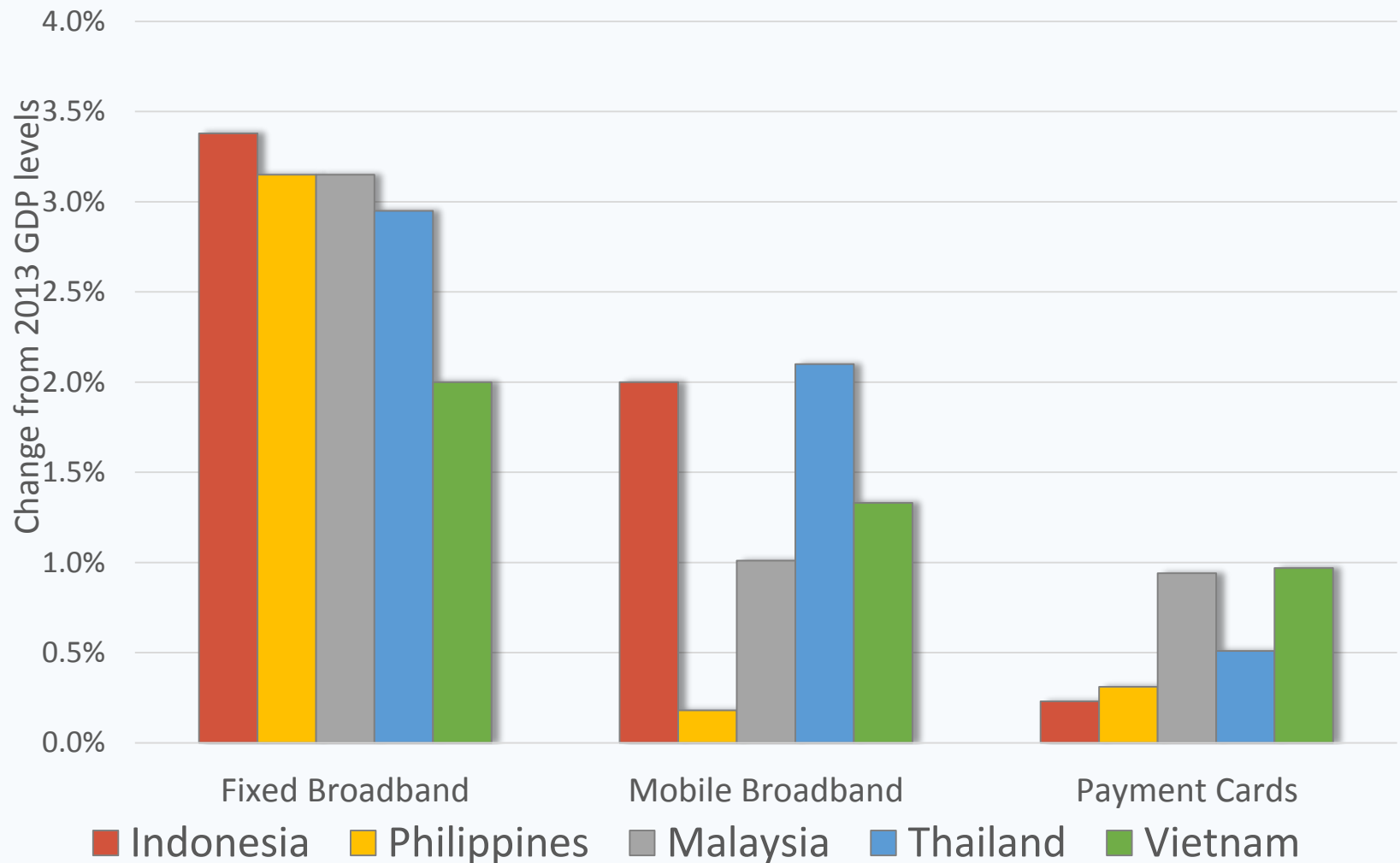
											
	with computer access	with wired broadband	using the internet	covered by mobile network	with mobile cellular subscription	with mobile internet subscriptions	with secure internet servers	with account at financial institution	with a credit card	with a debit card	making electronic payments
	Access							Transact			
Today	17.1%	2.23%	36.24%	99%	106.5%	4.1%	.0008%	19.8%	2%	13%	1.4%
Needed	32.8%	17.9%	51.9%	100%	122%	19.7%	15.6%	35.5%	17.7%	28.6%	17%



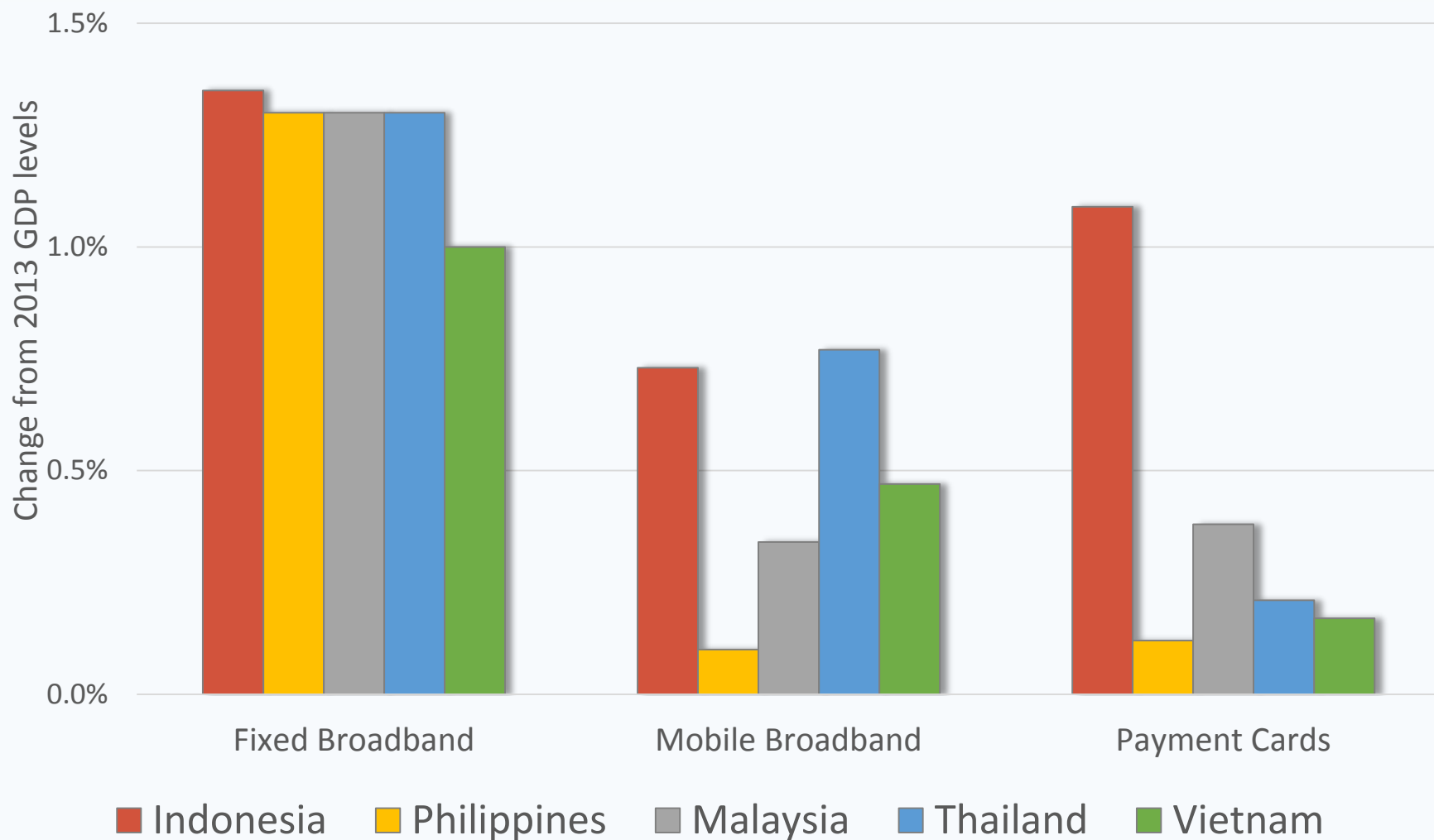
# Philippines: What needs to change to reach Singapore in 5 years?

											
	with computer access	with wired broadband	using the internet	covered by mobile network	with mobile cellular subscription	with mobile internet subscriptions	with secure internet servers	with account at financial institution	with a credit card	with a debit card	making electronic payments
	Access							Transact			
Today	17.1%	2.23%	36.24%	99%	106.5%	4.1%	.0008%	19.8%	2%	13%	1.4%
Needed	46.9%	32%	66%	100%	136.3%	33.9%	29.8%	49.6%	31.8%	42.8%	31.2%

Improving Access and Transaction abilities has a tangible impact on GDP across the board.  
A 25% increase thought experiment:

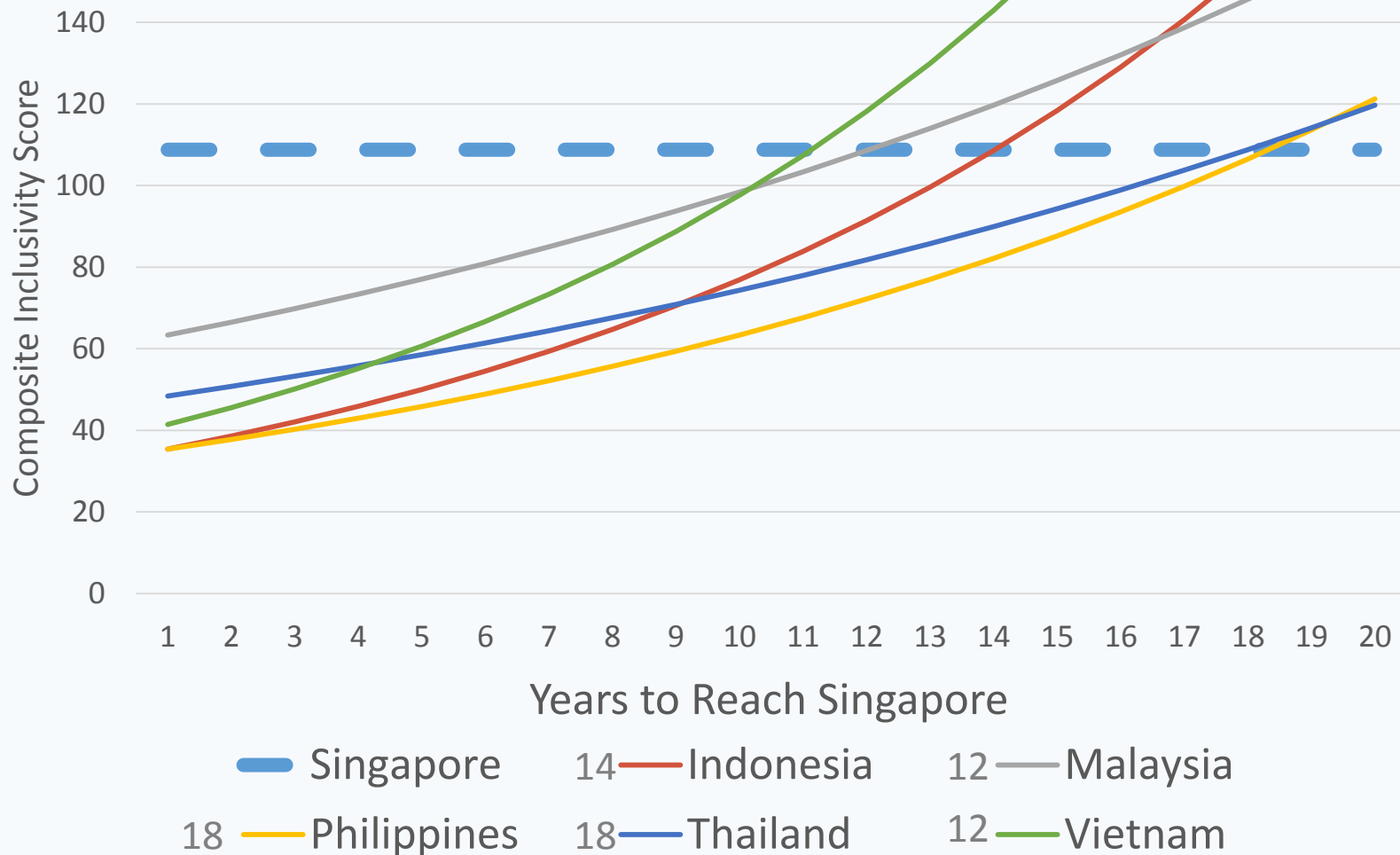


A 10% increase still results in a sizable GDP impact.

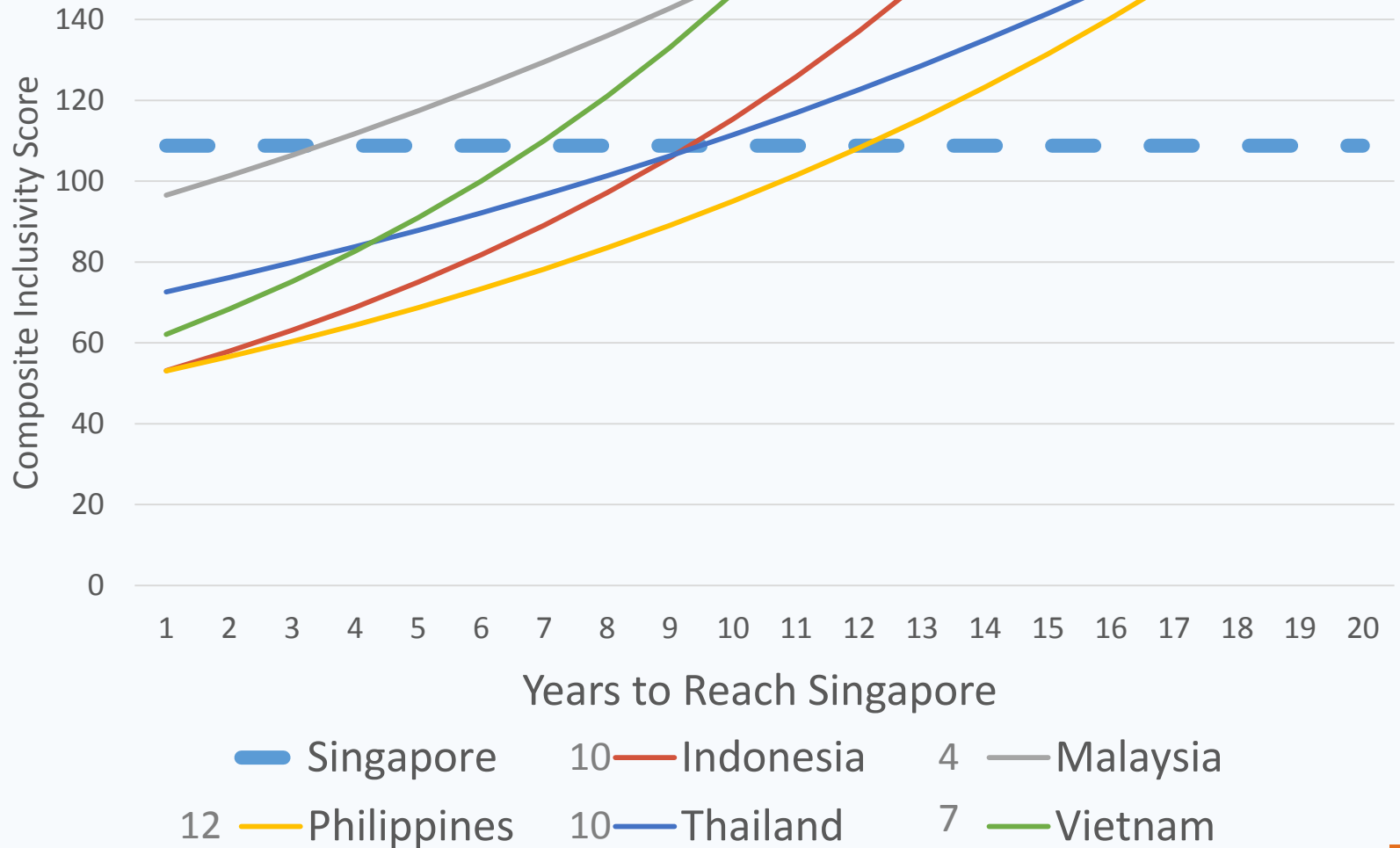




If nothing changes, how long will the rest take to reach today's Singapore?



At 50% increase in Access and Transaction abilities, how long will it take the rest to reach Singapore?



# WHAT COMES NEXT?

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<b>Political Turmoil</b>	<b>ASEAN Disunion:</b> Significant economic turmoil leads to pressure on ASEAN economies and low-level tensions	<b>Sinocentric Order:</b> Southeast Asia comes under Chinese sphere of influence, maintains ties with US, but must accommodate China	<b>Turmoil:</b> ASEAN caught in Cold War-like geopolitical struggle between China and US
<b>Political Tension</b>		<b>ASEAN Century:</b> Integrated, stable, and successful ASEAN becomes the promising growth story of Asia	<b>ASEAN Financial 2.0:</b> Regional economic crisis buoyed by strong political union as backstop
<b>Political Torpor</b>	<b>Torpor:</b> World loses interest in ASEAN, slips into increasing political and economic irrelevance		
	<b>Economic Torpor</b>	<b>Economic Tension</b>	<b>Economic Turmoil</b>



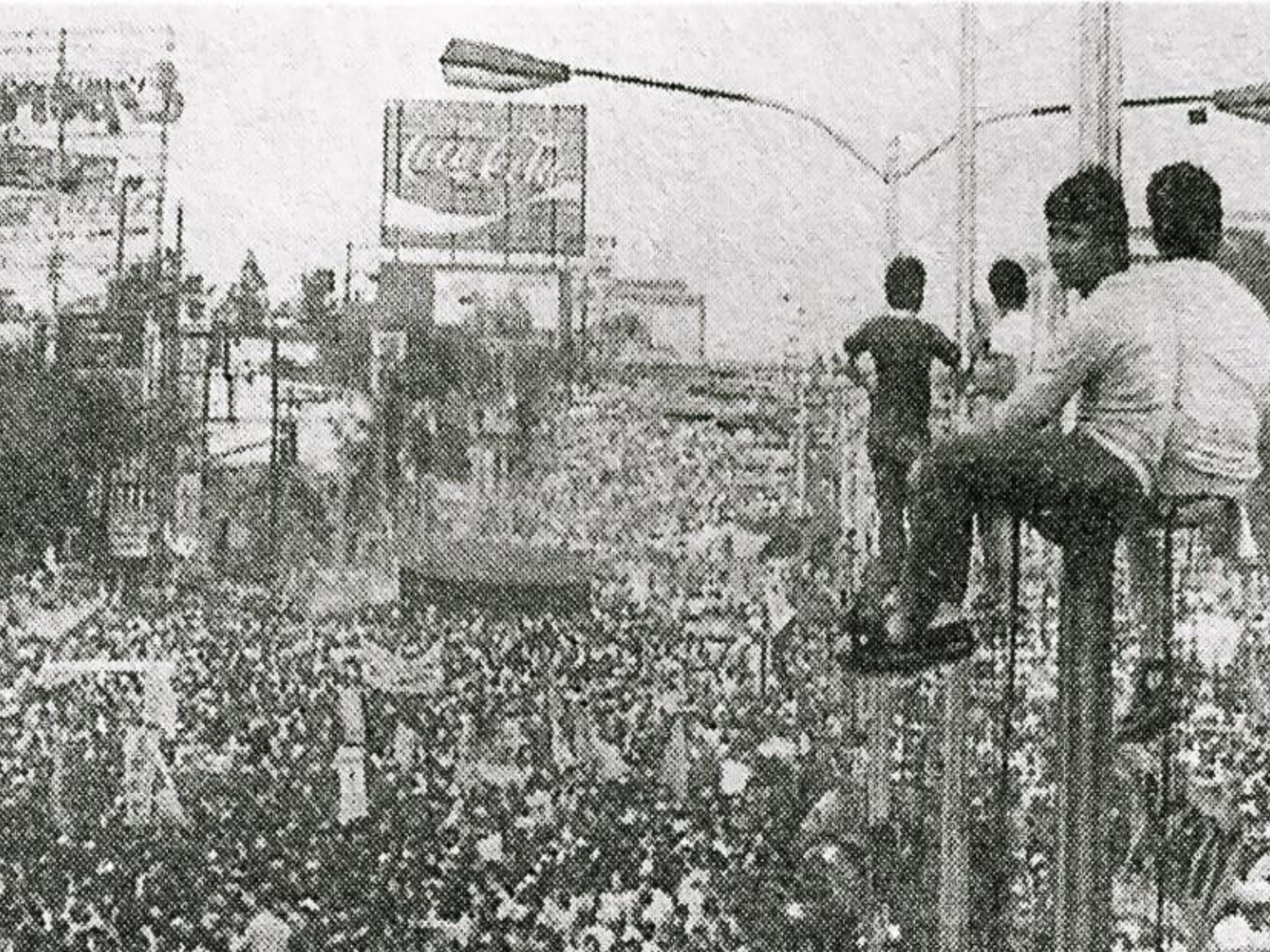
# HOW WILL INCLUSIVE INCLUSION PLAY A ROLE IN SUSTAINING DEVELOPMENT?

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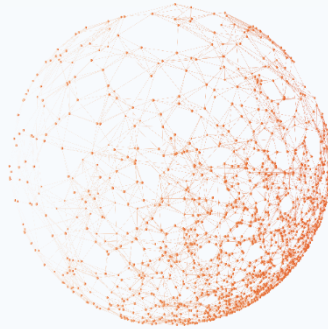












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