



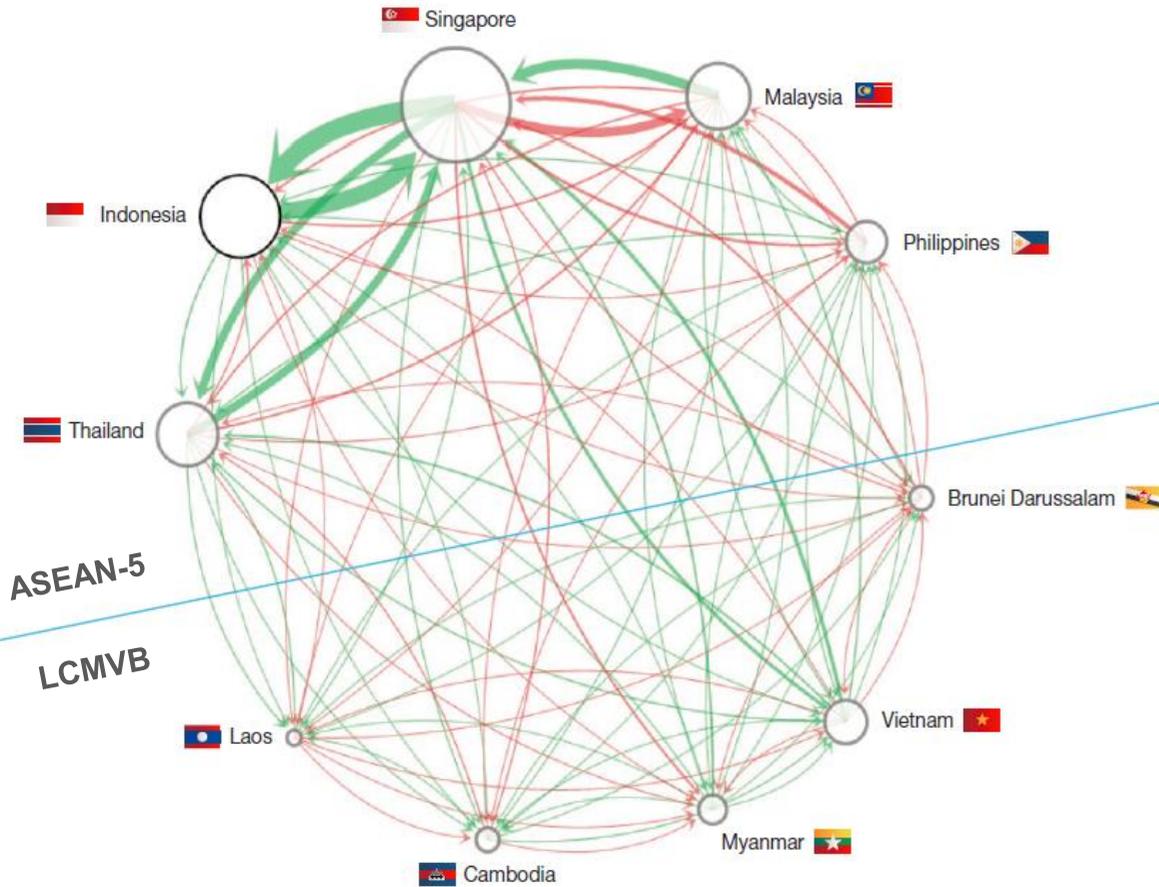
# Advancing the Digital Economy in ASEAN

**JFCCT Presidents' Council Meeting**  
**March 21<sup>st</sup> 2018**

*Michael Moon*

*Head of Payments Markets, Asia Pacific, SWIFT*

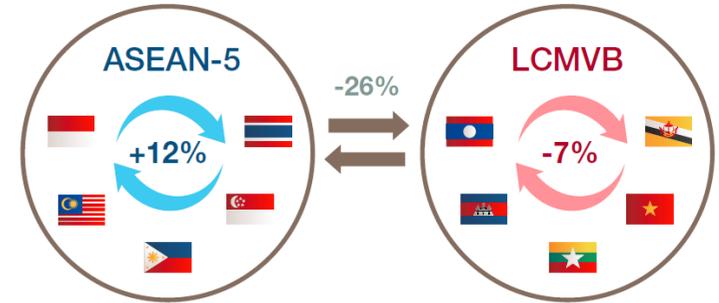
# How do payments flow in the ASEAN region?



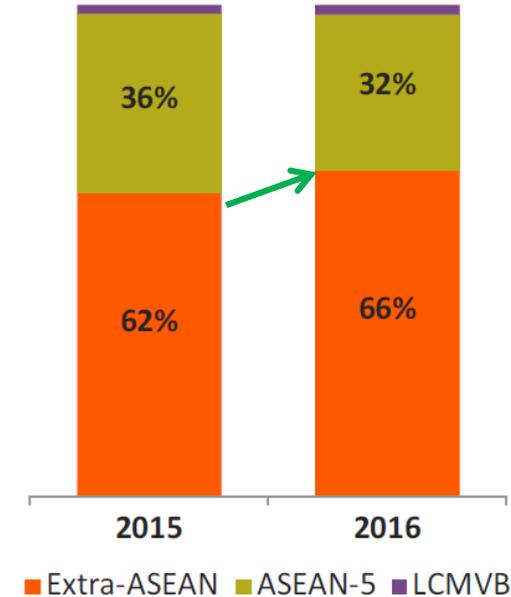
■ Growth in Value    ■ Reduction in Value  
**Arrow width** : Value of commercial flow, 2016  
**Bubble size**: Total value of Incoming & outgoing commercial flows, 2016  
**%ages**: Weighted total incoming & outgoing commercial flows with SG, 2016  
 Source: SWIFT Watch



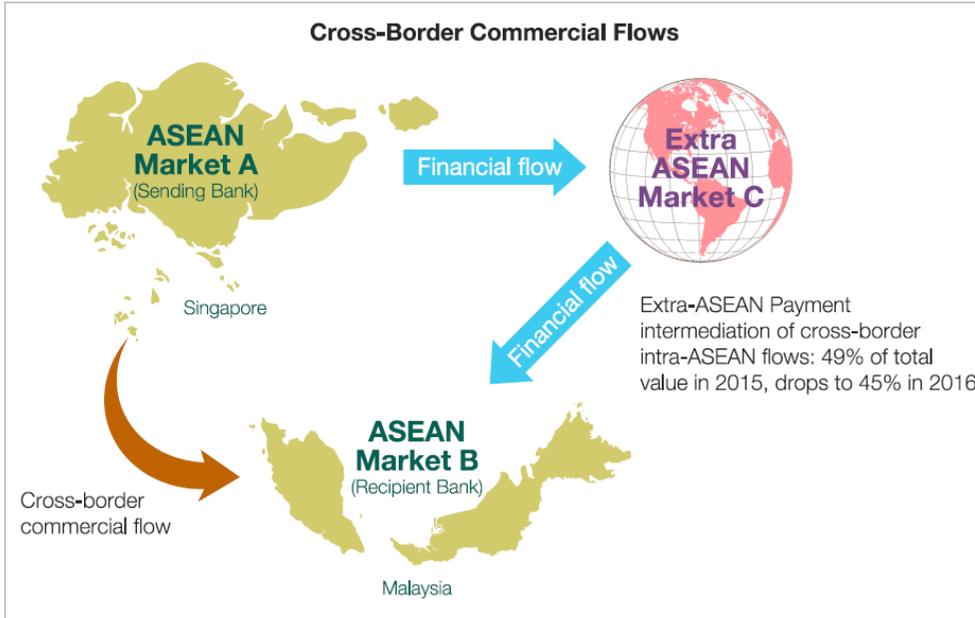
## ASEAN-5 & LCMVB Commercial Flows



## LCMVB Commercial Flows - Geographic Split

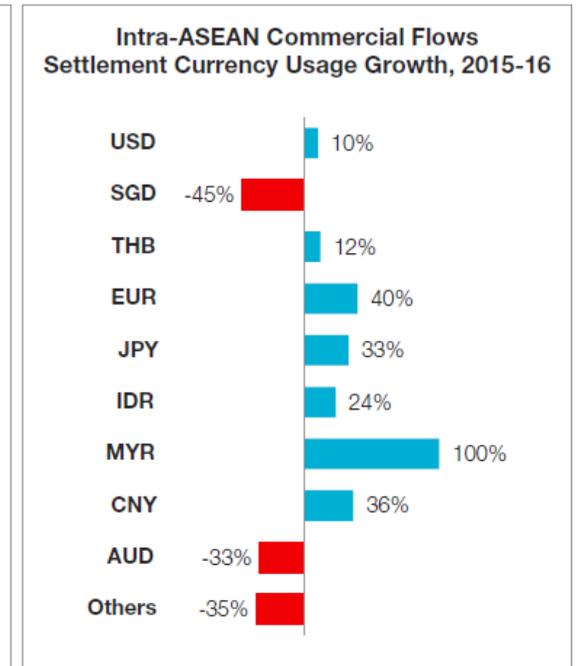
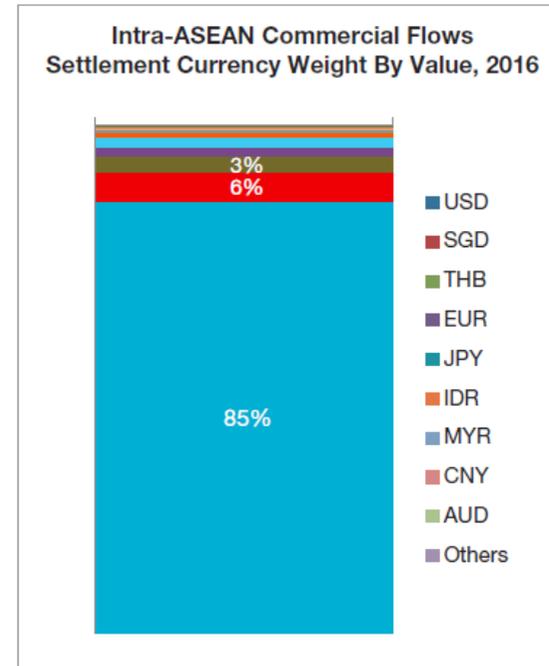


# External Dependency For Payments Intermediation



..nearly half of cross-border, intra-ASEAN commercial flow payments (by value) were settled outside of ASEAN in 2016

US Dollar is predominant currency settling 85% of total intra-ASEAN commercial flows by weight, with usage increasing by 10% in 2016



## Network effects are required in payment technologies

**11,000**

Connects financial institutions, Corporates & Market Infrastructures Globally

**700**

Connects financial institutions, corporates & market infrastructures in ASEAN

**200+**

Countries & territories

**7bn**

FIN messages

**3 days**

Approximate annual value world GDP through SWIFT network

**12%**

Annual growth FIN Payment Traffic

**Seconds**

Bank to bank message sent anywhere in the world

**Cents**

Cost per message

**Secure**

**Resilient**

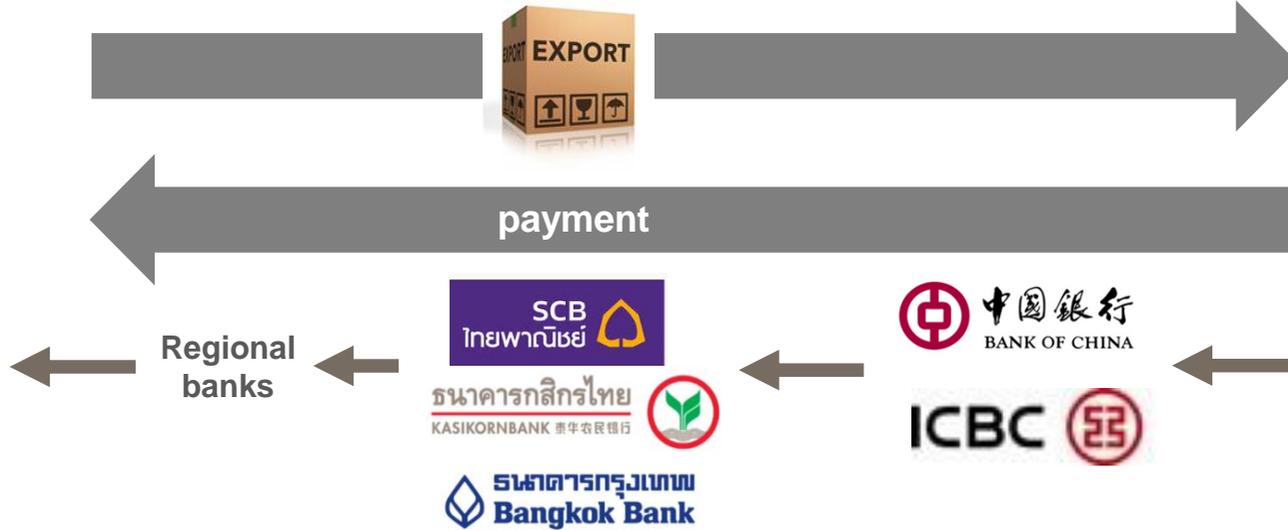
Always available

**All currencies**

Eg. \$, €, £, ¥ etc



# If its not technology, then what's the real problem?



friction

fees  
FX

compliance  
documents

reconciliation  
liquidity



Over 150 banks signed up, 42 Live, billions securely transferred in minutes cross-border

220+

country corridors

150K+

gpi payments/day

13+ Mio

gpi payments since go live

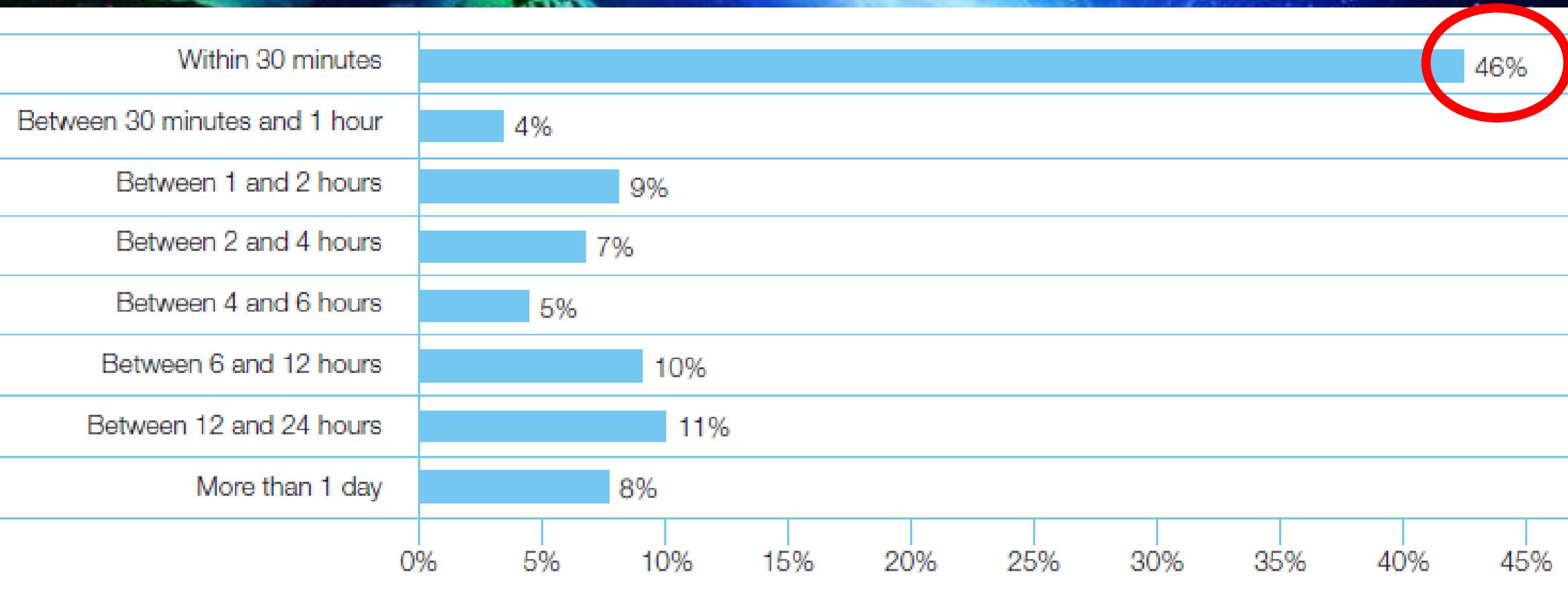


Live gpi banks as of Feb 2018

Strong adoption by ASEAN banks - highest traction in Singapore, Indonesia, Vietnam and Thailand

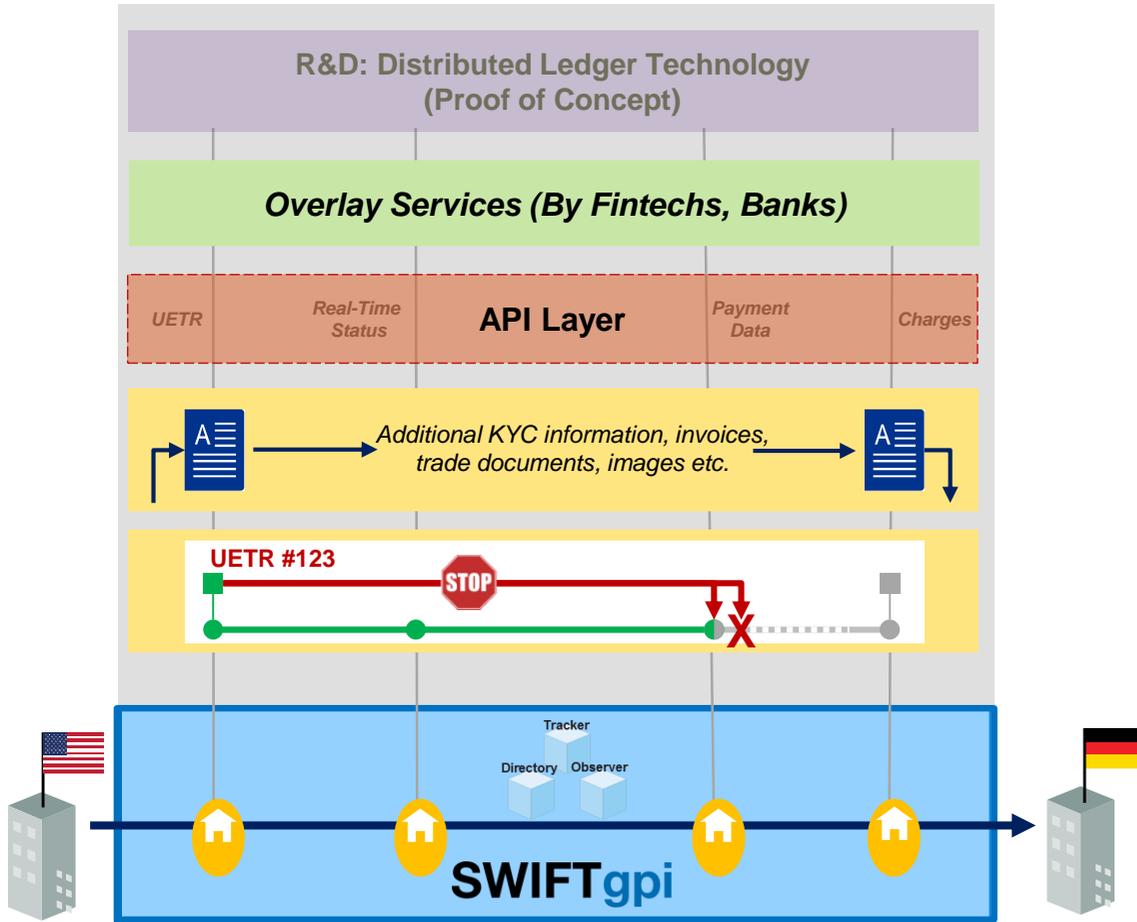


# SWIFTgpi credits in minutes



# SWIFT gpi: Global cross-border payments in minutes, with real time tracking

Largest change in payments anywhere.. 150 banks cover 78% of global payments



## Overlay Services and R&D

- Open Access via APIs
- Engaging Fintech Ecosystem
- API Sandbox
- DLT Sandbox (Proof of Concept)

## Innovation Roadmap

- Richer Payment Data
- Stop & Recall Payments
- Message Validation

## Addresses The Core Problem

- Faster, same day use of funds
- Transparency of fees
- End-to-end payments tracking
- Remittance information unaltered

## gpi in ASEAN

- Industry Challenge POV
- DLT POC - Nostro Reconciliation
- Overlay services

### Sample Use Cases:

- Trade Digitisation
- E-KYC

**LIVE:** Fast, Secure & Inclusive ASEAN Regional Payments Infrastructure



# In progress ... the future ... speeding up retail payments across borders ?

customer  
payment in  
Singapore

to a GPI  
bank in TH

to any bank in TH



from a GPI  
bank in  
Singapore

“inward & onward”  
through Promptpay





[www.swift.com](http://www.swift.com)