

ABS Annual Lunar New Year Lunch 2025

Speech by Mr Piyush Gupta, ABS Chairman

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ABS Chinese New Year Lunch Speech 2025

1. Guest of Honour, Mr Chia Der Jiun, Managing Director of the Monetary Authority of Singapore

Heads of Associations and Bank partners

Fellow Council Members

Ladies and Gentlemen

Good afternoon and a warm welcome to everyone.

Lookback on 2024

2. As we enter the new year, allow me to share some reflections on the past year and thoughts on the year ahead. Like the wave-like twirl of the dragon dance, the year of the dragon saw both highs and lows, punctuated by twists and turns.

a) Amid easing inflationary pressures, the Federal Reserve and other major central banks cut interest rates for the first time since the pandemic, while the MAS just last month also eased policy for the first time in years. The general global monetary policy convergence toward greater easing belied a divergence in growth - while the US economy expanded at a brisk clip, other major economies such as Europe and China registered tepid growth, hampered by ongoing structural challenges. Stock markets enjoyed a relatively good year, with some markets roaring to record highs. The S&P 500 and NASDAQ both surged almost 25% in 2024, reflecting the strength of the US economy, while Japan's Nikkei also ended the year almost 20% higher.

- b) This exuberance was not reflected in the polls however, with voters in countries like the US, UK, India, and Japan expressing their discontent by either electing new parties into government or lowering their support of incumbents. In particular, Trump's win at the US presidential elections reflected a global shift to the right and will shape the course of global policy over the next few years, especially as the eagle and the dragon spar over their ascendancy on the global stage. We can only hope that the two parties get *a-long*, and that the eagle avoids *tickling the dragon's tail* while the dragon keeps an eagle eye on preventing efforts toward a detente from going *up in smoke*.
- c) This 'cooperative rivalry' is perhaps most evident in the technology sphere, with Chinese AI model Deepseek bursting on the scene just 2 years after the unveiling of ChatGPT by OpenAI, setting the world on fire with its ability to perform on par with or better than industry-leading models in the US at a fraction of the cost.

What's next for 2025

3. Staying smart, swift, and sharp

- a) Let me now glide into the year of the snake, which has been called the "little dragon". But while the dragon is a combination of several animals, the snake is perhaps best characterised by its duality – across cultures, it is both a symbol of danger and protection, deception and wisdom, creation and destruction. In Indian mythology for instance, Vasuki, the king of serpents, is said to symbolise both the forces of good and evil required for cosmic balance and transformation, having allowed both the gods and demons to use him as a rope to "churn the ocean milk" to extract the nectar of immortality. How best can we harness the snake's dualities? Let me suggest three ways – stay swift, stay smart, stay sharp.

4. Stay Swift – maintaining adaptability and agility

- a) The caduceus is a staff with two snakes coiled around it that belongs to the Greek god of commerce, Hermes. Today, it is used as a symbol of trade and commerce, and is emblazoned on the crests of several customs agencies, including the Singapore Customs and China Customs. It was said to have been created when Hermes threw his staff at two fighting snakes, which ended their struggle and twined themselves around the rod. It is thus also a symbol for peace and mediation.

- b) This will be especially pertinent this year, given the tariffs imposed by President Trump and prospects of a looming trade war, which will impact Asia, whose growth has been largely driven by its export engines. This could have spillover effects back to the US - if Asia and the rest of the world slows, the US could also start slowing through the inflationary impulse. Trump's pronouncements could also lead to financial market instability, which could spill over to the real economy. If inflation remains high while markets become unstable, this would create a dilemma for the Fed's rate policy in terms of whether to curb inflation by keeping rates high or calm market jitters by cutting rates. In addition, the high levels of US debt to GDP are also beginning to create anxiety among bond vigilantes. These macro uncertainties, coupled with rapid technological and geopolitical developments, mean that we are likely to see a lot of choppiness and volatility in the market in the year ahead. While Nvidia saw a more than 200% rise in its share price in 2024, it set the record for the largest loss on a single day in the history of the US stock market with its 17% share price fall on the day of DeepSeek's new model release.

- c) Under such an environment, staying swift by adopting the agility and adaptability of the snake amid the sinuous path ahead will be key. Just as the snake slides nimbly into crevices to avoid danger from predators and get to new sources of prey, businesses would do well to guard against *snakes in the grass* and strike with decisiveness to *scale ladders of success* and not let opportunities *slither away*.

5. Stay Smart – seizing opportunities for transformation

- a) While the year ahead will be filled with twists and turns, it will also present opportunities to shed old ways of thinking and embark on transformation and growth. Just as Madam White Snake in the Legend of White Snake transforms into a human being and finds true love, so can businesses transform the way they work and rethink their operating models to chart new avenues of growth.

- b) In that spirit, I am pleased to announce that a new entity will be set up to consolidate the administration and governance of Singapore's national payment schemes. Currently, payment schemes such as Fast And Secure Transfers (FAST), Inter-bank GIRO System, PayNow and Singapore Quick Response Code (SGQR) are administered and governed by different scheme administrators. Going forward, these entities will transfer the administration and governance of their respective payment schemes to the newly established entity after it is incorporated later in the year. This is not simply “drawing a snake and adding feet to it”. The streamlined administration and governance will improve operational efficiencies of the various payment schemes through better cross-scheme co-ordination, enhanced synergies and quicker decision-making through a single entity. This will in turn enable Singapore to better harness opportunities in the next growth stage of global payments and serve as a multiplier – or what you could call a value *adder*.

- c) Beyond the field of payments, advancements in technology, especially artificial intelligence, present myriad opportunities for all businesses to stay smart by leveraging technology's revolutionary potential to embark on new innovations and change existing paradigms. Even developments within the technology itself reflect this – while other tech companies had relied on increasing compute power by adding more and more chips, DeepSeek instead sought to improve the efficiency of compute through groundbreaking training techniques. This has changed the “more is better” paradigm of AI and sparked a rethink of approaches toward model development. It has also further facilitated AI democratisation - while most of us won't be speaking the snake-like Parseltongue spoken by Harry Potter, many more of us will

hopefully be able to possess a magic touch by using another serpentine language – python – to create new opportunities, instead of simply “*eating snake*”.

6. Stay Sharp – guarding against crime and fraud

- a) While the biblical snake is often depicted as a deceptive trickster, the snake in Chinese culture is a symbol of wisdom and creation, as embodied by the Chinese goddess Nuwa, who is said to possess a human face and a snake’s body and to have created the first humans on earth. We would thus do well to channel the snake’s wisdom and stay sharp by guarding against deceptive perpetrators of financial crime and creating safe and secure environments to allow new ecosystems to grow and thrive.

- b) I am thus pleased to announce that the Trade Finance Registry (TFR) and SGTraDex will be rolling out the Bill of Lading (BL) Genuineness Check – an automated industry-wide solution for banks in Singapore to validate the genuineness of Bills of Lading in real-time. The solution builds on the Duplicate Financing Check, the first capability launched by TFR, which is supported by 40 key trade financing banks with more than 18,000 queries to-date. By enabling direct, real-time verification of trade documents between banks and carriers, the BL Genuineness Check further empowers banks to combat trade finance fraud and enhances confidence amongst supply chain ecosystem players. It also forms a key tenet of SGTraDex’s Trade Finance Digital to Physical Twinning use case, which aims to digitalise the relationship between banks, corporates and logistics players to strengthen Singapore’s position as a global trade finance hub. Indeed, I hope this will deter the *snake oil salesmen* and *snake charmers* in the industry and allow the trade sector to *scale* greater heights.

- c) Like the nagas, or half human and half snake deities in Asian mythology who serve as protectors and guardians of treasures, we will also continue to keep our consumers’ funds safe from fraudsters. Last year, ABS launched a series of anti-scam initiatives, including phasing out the use of One-Time Passwords for bank account logins and

implementing Singpass Face Verification to strengthen the digital token setup process. To create greater scam awareness among consumers, we also launched “Canny the chameleon”, our reptilian anti-scam mascot. While tricksters may seem to proliferate like hydra, the multi-headed snake monster with regenerative capabilities in Greek mythology, we will continue to work together as an industry to render *fangless the slippery scammers and smooth criminals, to end-a-con-da(nd)-deception*. If you missed it, that was an anaconda. We will also protect consumers from the *poisoned chalices and forked tongues* of the *vipers* in the industry.

Conclusion

7. The snake represents the constant cycle of rebirth and renewal, of sloughing off the old and growing the new. It is also swift and agile, able to adapt itself to its environment with ease, and is a symbol of guardianship and protection. It is thus my hope that we as an industry continue transforming and growing – let us not be *rattled* by unforeseen circumstances or *be-all (boa)-constricted* by existing strictures, but instead embrace the possibilities that the future brings. I also hope that we can navigate challenges ahead with nimbleness and agility and continue to uphold our role as stewards of our customers. Let us stay swift, stay smart, and stay sharp.

8. On a personal note, it is also perhaps thus fitting that this marks my last speech as Chair of ABS, before I hand over the Chairmanship to Helen. This also heralds a culmination of a 42-year love affair with banking. I have been engaged with the industry in Singapore since 1991, and have had the privilege of working with several of you in this room. Thank you for the friendship and the camaraderie. It has been a wonderful journey, and I am deeply heartened to have seen the industry grow from strength to strength. I wish you a successful, splendid, and spectacular year ahead. Thank you.
