

A View from Tomorrowland: China's Way of Life and Lessons for the Philippines

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Basics about me

(我是谁)

- **Lawyer since 2010**
- **MBA from De La Salle University**
- **AsiaGlobal Fellow 2018 University of Hong Kong**
- **从2010年是律师**
- **工商管理硕士学位**
- **AsiaGlobal 2018年奖学金从香港大学**

Basics about me (我是谁)

- **LLM in International Commercial Law from University of Nottingham, UK**

- 国际商法硕士学位从诺丁汉大学，在英国



Basics about me (我是谁)

- Mandarin Chinese Language and Culture from Fujian Normal University.
- 汉语从福建师范大学



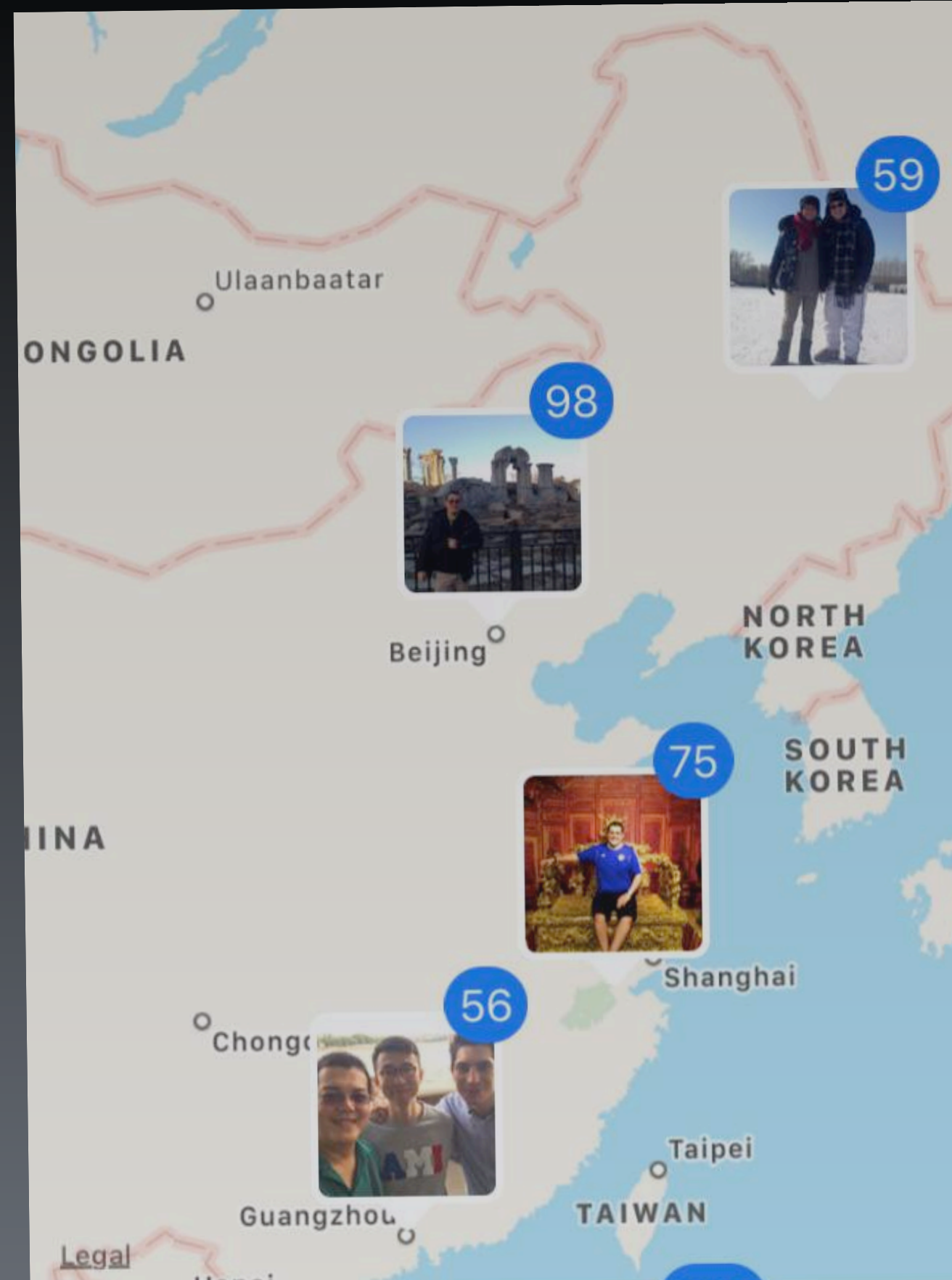
Basics about me

(我是谁)

- **Former Legal Counsel to PH Vice President Binay**
- **Expertise in government relations, public policy, international commercial law**
- **菲律宾的副总统的律师**
- **贸易与投资，政府关系和公共政策方面的专家**

The China I Saw

- Lived in Fuzhou, Fujian
- Visited Harbin, Beijing, Shanghai, Hangzhou, Nanjing, Wuzhen, Shenzhen, Xiamen, Guangzhou.
- Presented in Guangzhou on Opportunities and Challenges of the Belt and Road in the Philippines (一节一路)



The China I Saw

- **A China that valued its history yet embraced the future.**





中国海事



CHINA MSA



The China I Saw

- **A digital, fast-paced, futuristic country.**
 - **E-bikes & E-buses**
 - **Cashless systems**
 - **TV on mobile**
 - **High-speed rails**

Marriage of FinTech and E-Commerce

Marriage of FinTech and E-Commerce

Changed the Chinese economy significantly.

Three Key Components

- 1. E-Commerce portals and apps**
- 2. Third Party Payment Systems**
- 3. The QR Code**











Marriage of FinTech and E-Commerce

Shifted China's economy from:

- **Export and manufacturing oriented to an inward-looking, consumer and service oriented economy.**
- **Predominantly cash-based (2000) to new payment methods.**

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Alibaba Group



淘宝网
Taobao.com

天猫 TMALL.COM

 **Alibaba.com**[®]
Global trade starts here.[™]



Tencent 腾讯



腾讯网
QQ.com



QQ Music



微信支付
WeChat Pay



腾讯旗下在线支付平台

Baidu 百度

 百度钱包
Baidu Wallet
百度钱包 让折扣无处不在

 糯米
nuomi.com

 爱奇艺







聚美优品
JUMEI.COM

汽车之家
autohome.com.cn



Marriage of FinTech and E-Commerce

China's e-commerce infrastructure allows a person to interact, shop, be fed, be entertained, find a soulmate, buy a car, get insurance, etc.

All without leaving the chair.

Marriage of FinTech and E-Commerce

Changed the Chinese economy significantly.

Three Key Components

- 1. E-Commerce portals and apps**
- 2. Third Party Payment Systems**
- 3. The QR Code**

Marriage of FinTech and E-Commerce

3.4

**Billion third-party payment
accounts**

74x

**2010-2016 total third-party
payment growth**

Marriage of FinTech and E-Commerce

500

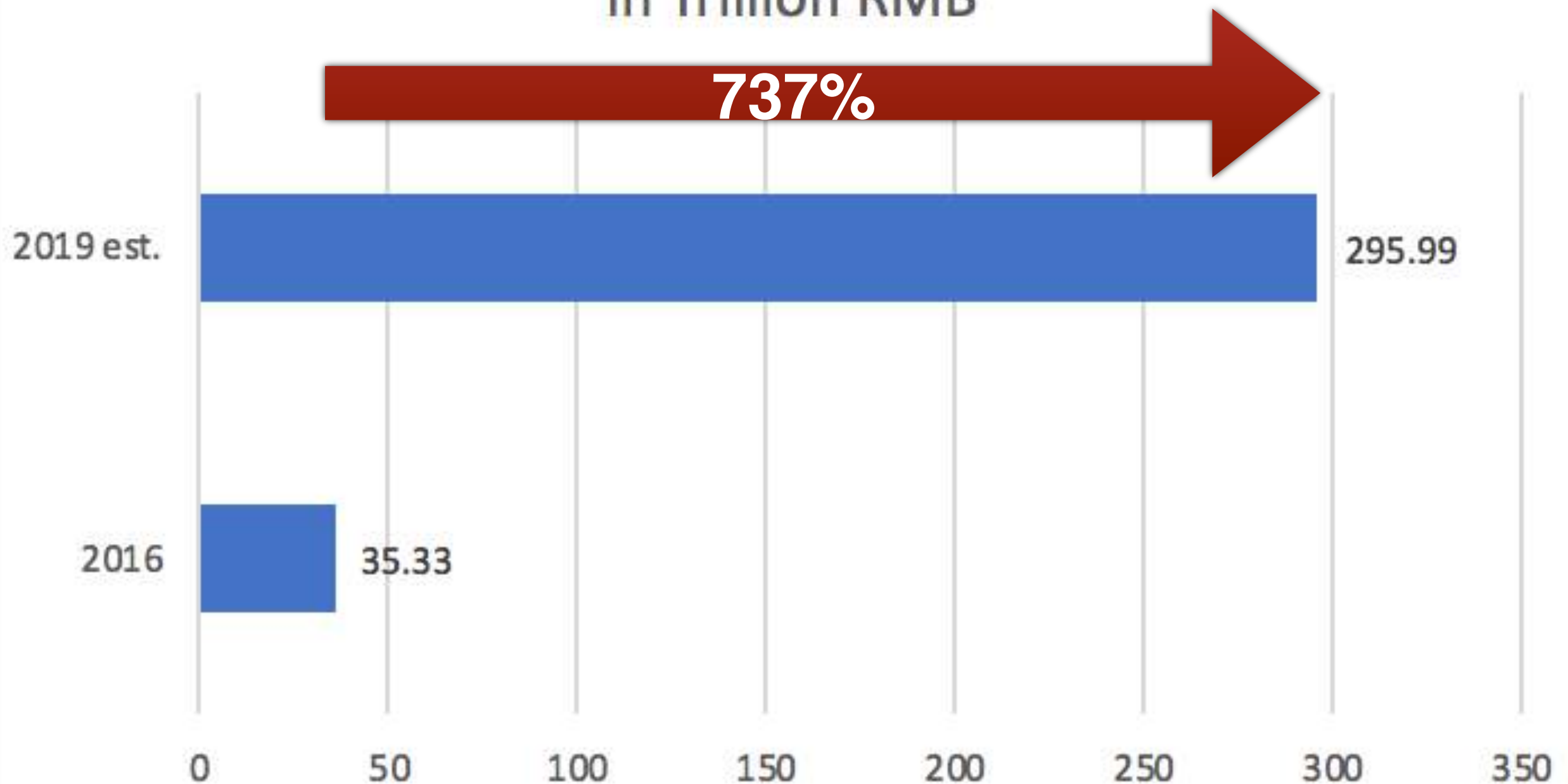
**million Chinese using
mobile payments in 2016**

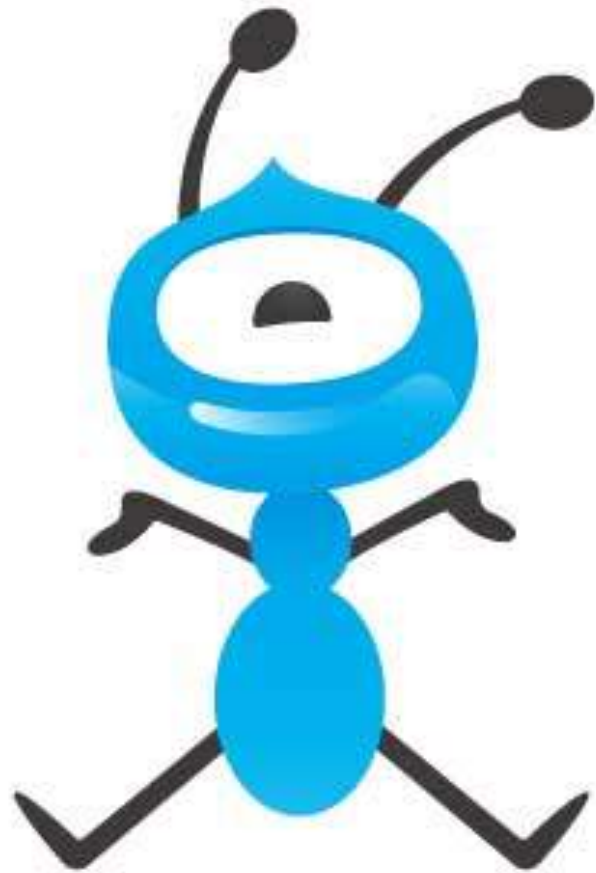
38%

**of 1.3 billion population
used mobile payments**

Marriage of FinTech and E-Commerce

Mobile Payments in China in Trillion RMB





蚂蚁金服
ANT FINANCIAL



credit sesame

众安保险

ZhongAn Insurance

趣店

Qudian.com



oscar



AVANT

 Combinator

陆金所
Lufax.com



Kreditech







China's third-party payment providers have proven their versatility... expanding beyond payments to related and highly demanded services.

Marriage of FinTech and E-Commerce

Changed the Chinese economy significantly.

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The Ubiquitous QR Code





Image Credit: Timmy Shen / TechNode



Image Credit: Timmy Shen / TechNode



Image Credit: Linda Lew / TechNode



Image Credit: Timmy Shen / TechNode



Image Credit: Timmy Shen / TechNode

The Ubiquitous QR Code



Image Credit: South China Morning Post



Image Credit: South China Morning Post



Image Credit: Connie Chan / Andreessen Horowitz



Image Credit: chinanews.com



Image Credit: China Daily/Asia News Network

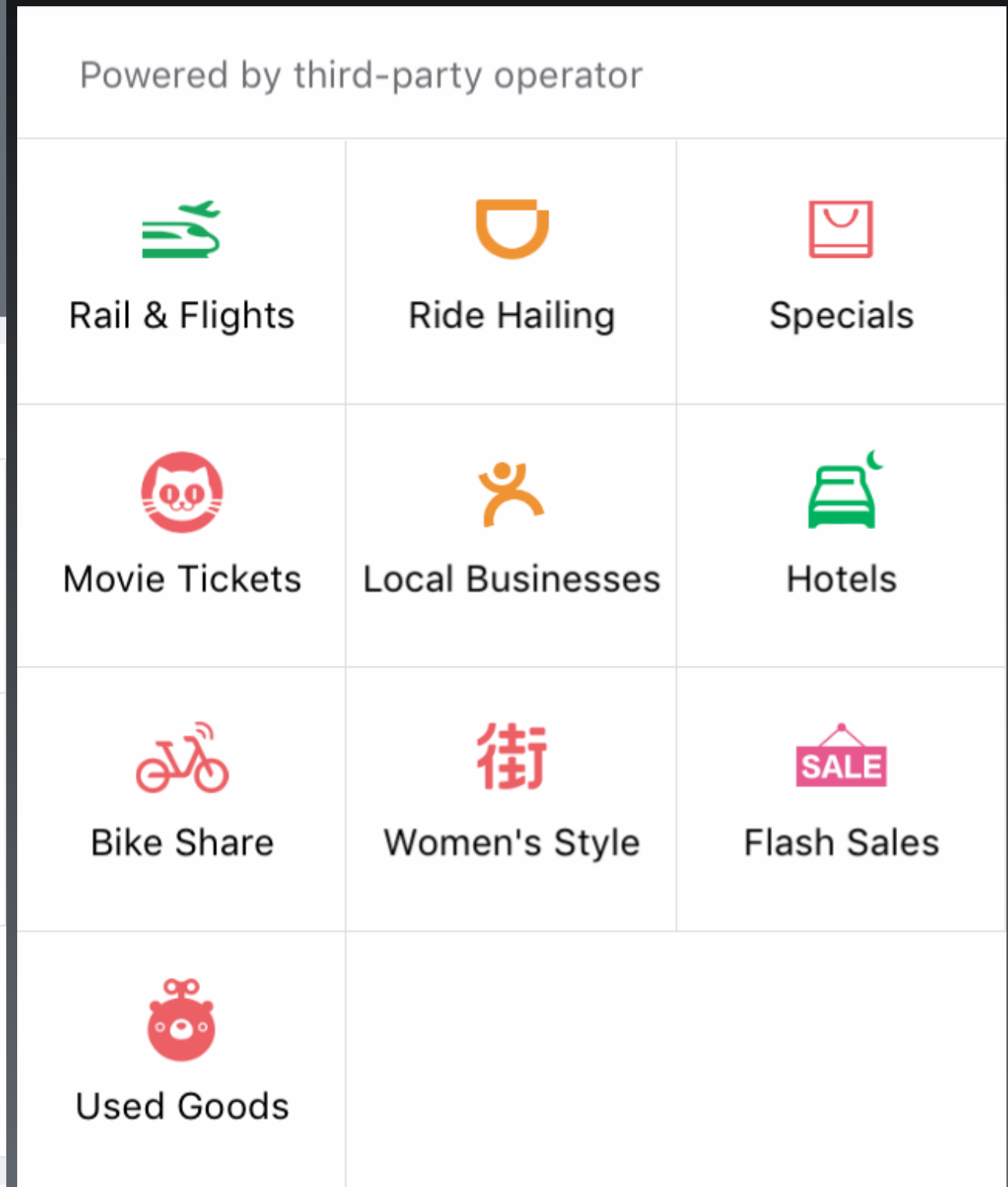
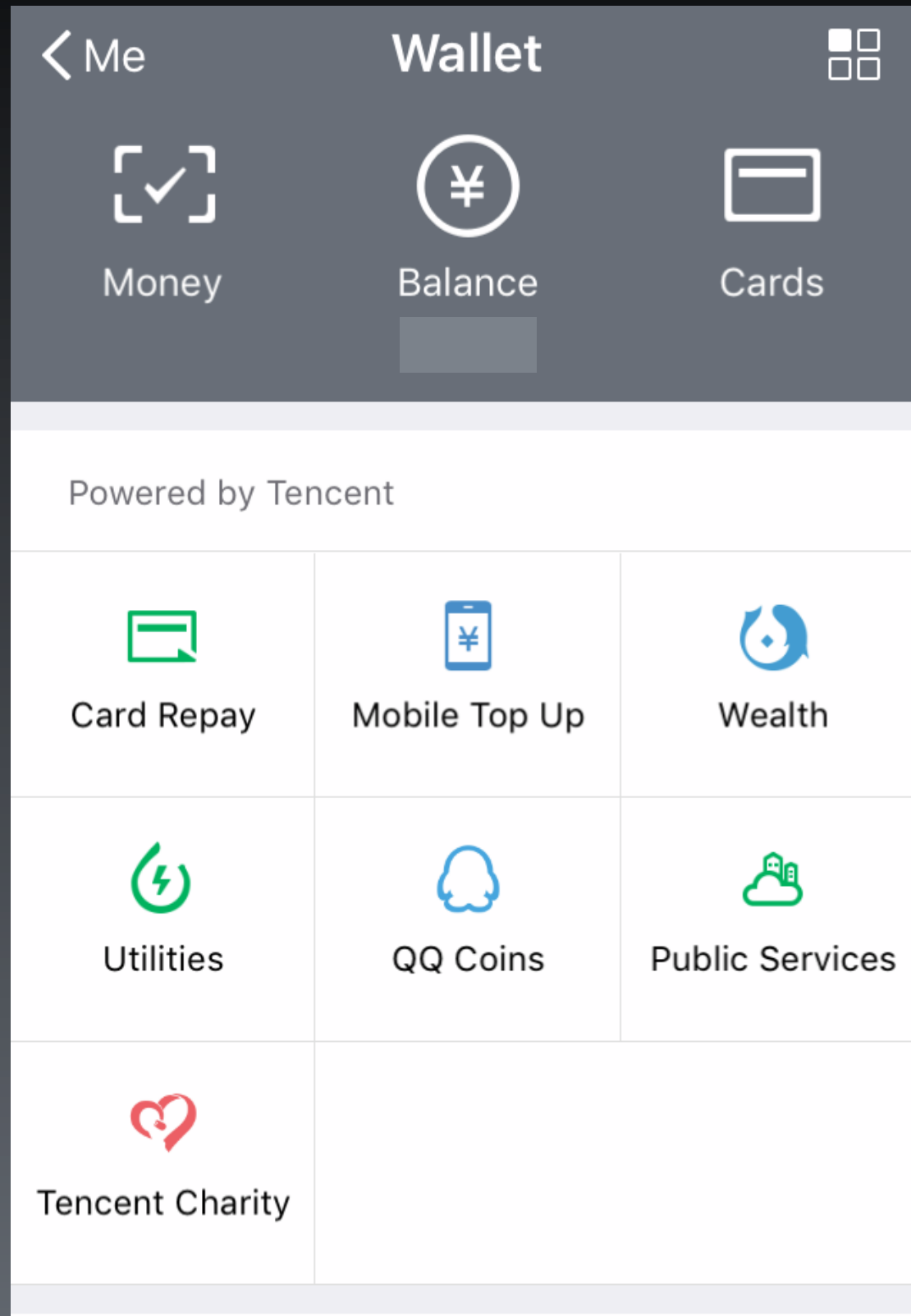


Image Credit: China Daily/Asia News Network

The Ubiquitous QR Code

Consider the typical group dinner...





What we can learn

opportunities and Challenges in the Philippines

Need to strengthen Cybersecurity

Global Cybersecurity Index (GCI) 2017

MATURING		
Albania	Ghana	Peru
Algeria	Greece	Philippines
Argentina	Hungary	Poland
Austria	Iceland	Portugal
Azerbaijan	India	Qatar
Bahrain	Indonesia	Romania
Bangladesh	Iran (Islamic Republic of)	Rwanda
Belarus	Ireland	Saudi Arabia
Belgium	Israel	Senegal
Botswana	Italy	Serbia
Brazil	Jamaica	Slovakia
Brunei Darussalam	Kazakhstan	Slovenia
Bulgaria	Kenya	South Africa
Cameroon	Laos	Spain
Chile	Latvia	Sri Lanka
China	Lithuania	Tanzania
Colombia	Luxembourg	Thailand
Costa Rica	Malta	The Former Yugoslav Rep. of Macedonia
Côte d'Ivoire	Mexico	Tunisia
Croatia	Moldova	Turkey
Cyprus	Montenegro	Uganda
Czech Republic	Morocco	Ukraine
Dem. People's Rep. of Korea	Nigeria	United Arab Emirates
Denmark	Pakistan	Uruguay
Ecuador	Panama	Venezuela
Germany	Paraguay	



Need to strengthen Cybersecurity

Global Cybersecurity Index 2017

Member State	Score	Global Rank
Mexico	0.660	28
Uruguay	0.647	29
Austria	0.639	30
Italy	0.626	31
China	0.624	32
Poland	0.622	33
Denmark	0.617	34
Czech Republic	0.609	35
Rwanda	0.602	36
Luxembourg	0.602	36
Philippines	0.594	37
Brazil	0.593	38
Belarus	0.592	39
Tunisia	0.591	40

Need to strengthen Cybersecurity

Global Cybersecurity Index 2017

ASIA AND THE PACIFIC Region	Score	Global Rank
Singapore	0.925	1
Malaysia	0.893	3
Australia	0.824	7
Japan	0.786	11
Republic of Korea	0.782	13
New Zealand	0.718	19
Thailand	0.684	20
India	0.683	23
China	0.624	32
Philippines	0.594	37
Democratic People's Republic of Korea	0.532	52
Brunei Darussalam	0.524	53
Bangladesh	0.524	53
Iran	0.494	60
Pakistan	0.447	67
Indonesia	0.424	70

Financial inclusion is still weak

BUSINESS

Majority of Filipinos still have no bank account – World Bank

While the gap remains, the number of Filipino adults holding formal bank accounts is now higher, accelerated by mobile phones and the internet

Chrisee Dela Paz

Published 9:00 PM, May 06, 2018

Updated 9:00 PM, May 06, 2018

MANILA, Philippines – Only 34.5% of Filipinos 15 years old and above have a formal bank account, according to the latest database on **financial inclusion** researched by the World Bank.

Formal account penetration in the Philippines, however, improved by 3.2 percentage points compared to the 31.3% registered in 2014 – the last time the World Bank conducted a similar study.

Make it easy for the consumer



TaoBao

World's largest e-commerce site

Ninth most visited website in the world

China's biggest online marketplace

Make it easy for the consumer



Make it easy for the consumer



Make it easy for the consumer



Make it easy for the consumer



相似宝贝

综合 销量



男士原创头层牛皮单肩商务

广州

¥369 0人已买



疯马皮男包公文包复古手提

广州

¥295 0人已买



真皮男士复古疯马皮公文包

(ifashion) (风格好店)

济南

¥415 0人已买



英伦复古剑桥包真皮男士单

(ifashion)

佛山

¥285 7人已买

Make it easy for the consumer



相似宝贝

综合 销量

你想找的是:

箱包

裙装

上衣

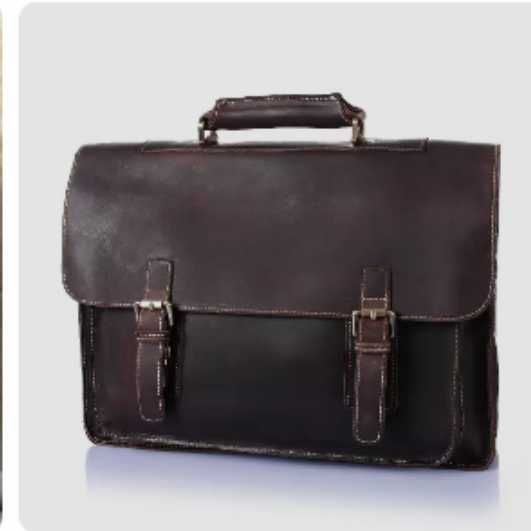
下装



复古疯马皮男包 头层牛皮商

广州

¥365 0人已买



新款欧美公文包商务包邮差

广州

¥430 0人已买



男包 头层牛皮 真皮手提公文

深圳

¥559 0人已买



天猫 男士手提包复古商务公

长沙

¥589 0人已买

Engage the citizenry through culture

How did WeChat get the citizens to embrace online wa

Engage the citizenry through culture



Engage the citizenry through culture

CNY 2017 - 46 billion red packets 红包

Engage the citizenry through culture

The Philippines can do the same...through culture.

Engage the citizenry through culture



Image Credit: 365greatpinoystuff

Engage the citizenry through culture



Image Credit: Flickr

Engage the citizenry through culture



Image Credit: [ZipMatch.com](https://www.zipmatch.com)

Engage the citizenry through culture



Image Credit: YouTube

Engage the citizenry through culture

Big Sale Days



Engage the citizenry through culture

Big Sale Days



Engage the citizenry through culture

Singles Day 光棍节



Image Credit: CNN Money

GMV referenced is High Pay 2014 11.11 GMV 2015 11.11 GMV

Skip a generation

The Philippines is constantly playing catch-up.

- **Divorce**
- **K-12**
- **Internet speeds**
- **EMV chips**
- **3G, 4G LTE**
- **Online banking**



Skip a generation

China skipped the entire credit card phenomenon.

Skip a generation

Worldwide bank card penetration in 2015 – credit card and debit card

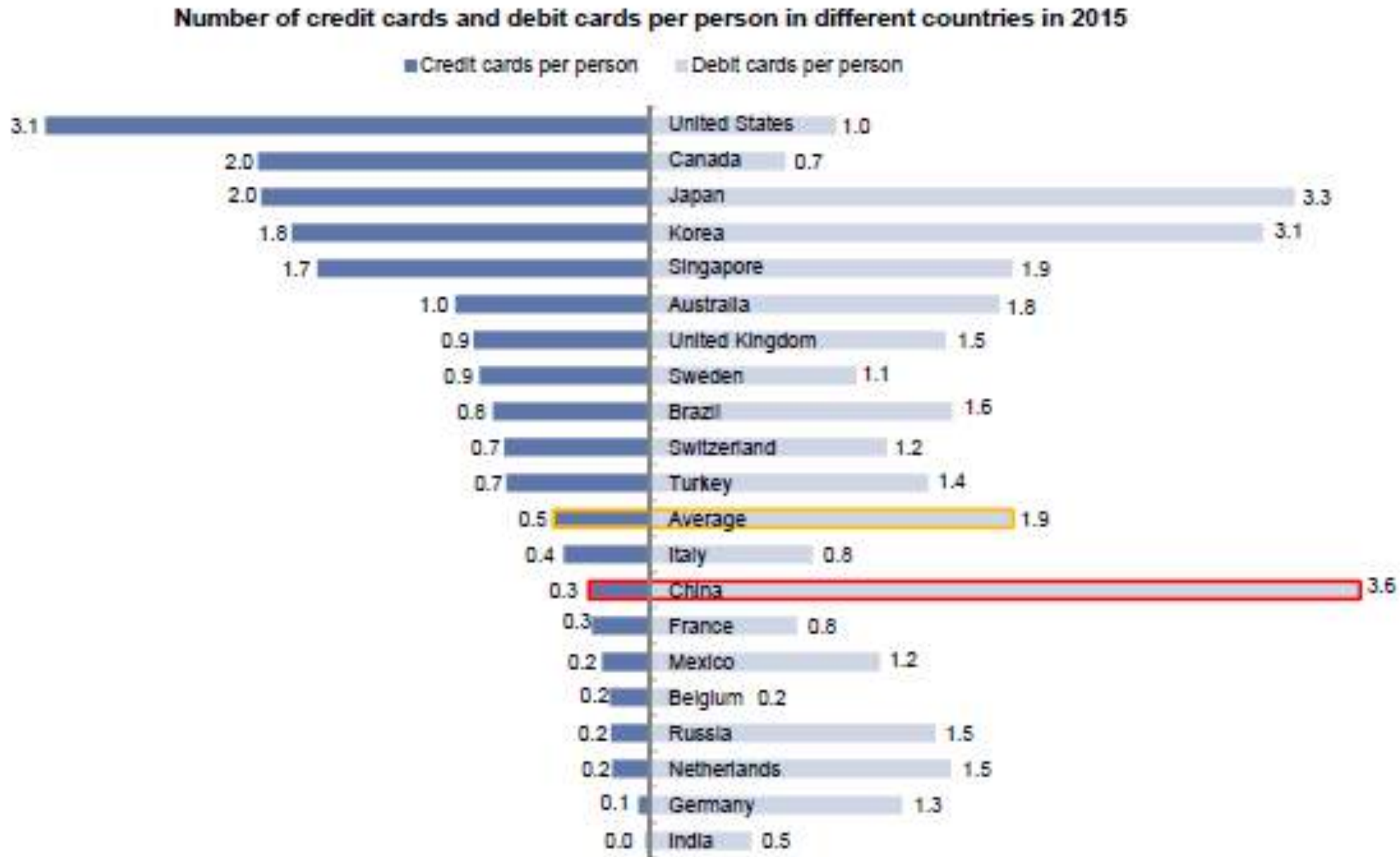


Image Credit: Bank for International Settlements | Wharton FinTech

Skip a generation

It created a massive demand for credit that FinTech met.



Financing

Credit Check

Image Credit: Goldman Sachs

Skip a generation

Are bank card based e-wallets antiques?

Is blockchain the next generation?

Tap the right sectors

Which sectors of Philippine society would benefit most from a digitisation of currency?

Tap the right sectors

Tourism and related industries

WeChat Pay launches in Philippines with Asia United Bank

ABS-CBN News

Posted at Nov 22 2017 11:23 AM

MANILA - Asia United Bank said Wednesday it launched WeChat Pay in the Philippines, which will allow mobile payments from Chinese tourists.

Under a licensing agreement with WeChat developer Tencent, AUB said it would enable merchants in the Philippines to accept payments through WeChat Pay for hotel and airline bookings, shopping and dining.

WeChat Pay's launch in the Philippines came after a unit of Tencent rival Alibaba launched a mobile payment system for Filipinos in partnership with Globe Telecom.

Tap the right sectors

OFW Families

OFW remittances hit \$28.1 billion in 2017

By **Bianca Cuaresma** - February 15, 2018

Personal remittances are sent by Filipino migrant workers both in cash and in kind. The personal remittances of OFWs last year accounted for 10 percent of GDP.

OFW remittances hit \$2.35 billion in April 2018

The Bangko Sentral ng Pilipinas says remittances sent through banks grew by 12.7% year-on-year, but were lower by 0.4% from March 2018

Ralf Rivas

Published 8:45 PM, June 18, 2018

Updated 8:45 PM, June 18, 2018

Tap the right sectors

The Underground Economy Employment Rate in April 2018 is Estimated at 94.5 Percent

Reference Number: 2018-087

Release Date: Tuesday, June 5, 2018

Results from the April 2018 Labor Force Survey (LFS)

Philippines	April 2018 ^{a/}	April 2017
Population 15 years and over (in 000)	71,014	69,605
Labor Force Participation Rate (%)	60.9	61.4
Employment Rate (%)	94.5	94.3
Unemployment Rate (%)	5.5	5.7
Underemployment Rate (%)	17.0	16.1

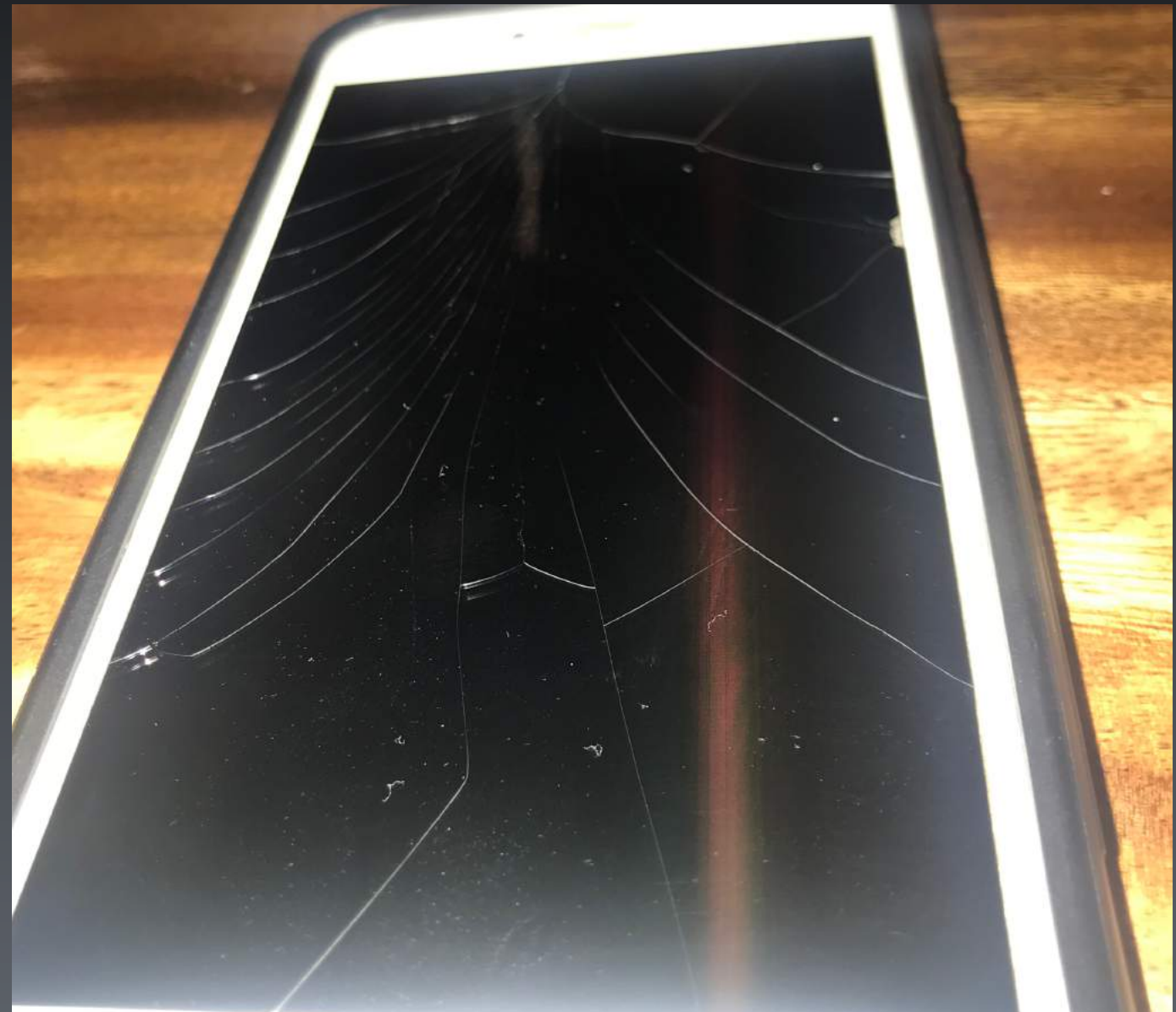
^{a/} Estimates for April 2018 are preliminary and may change.

Image Credit: Philippine Statistics Authority

Tap the right sectors

The Underground Economy

Crowdsourced services



Obliterate the box

11/11 2015 - Zhong An sold 380 million shipping returns insurance policies

Tap the right sectors

Rural Philippines

“F2C” model

**Rural small scale
credit**

Micro-leasing



Philippine-specific challenges

Require strong, efficient logistics services.

Require reliable rural internet access.

Require regulatory frameworks that are open to these “disruptive” changes.

Require widespread consumer acceptance, market penetration.

There is so much to learn

From the “futuristic” China

We have the benefits.

Foresight from this Asian neighbour.

Hindsight from our own experiences.

Opportunities to change our way of life for the better through the Filipino way using these examples.

Thank you

谢谢大家

Atty. Ira Paulo Pozon

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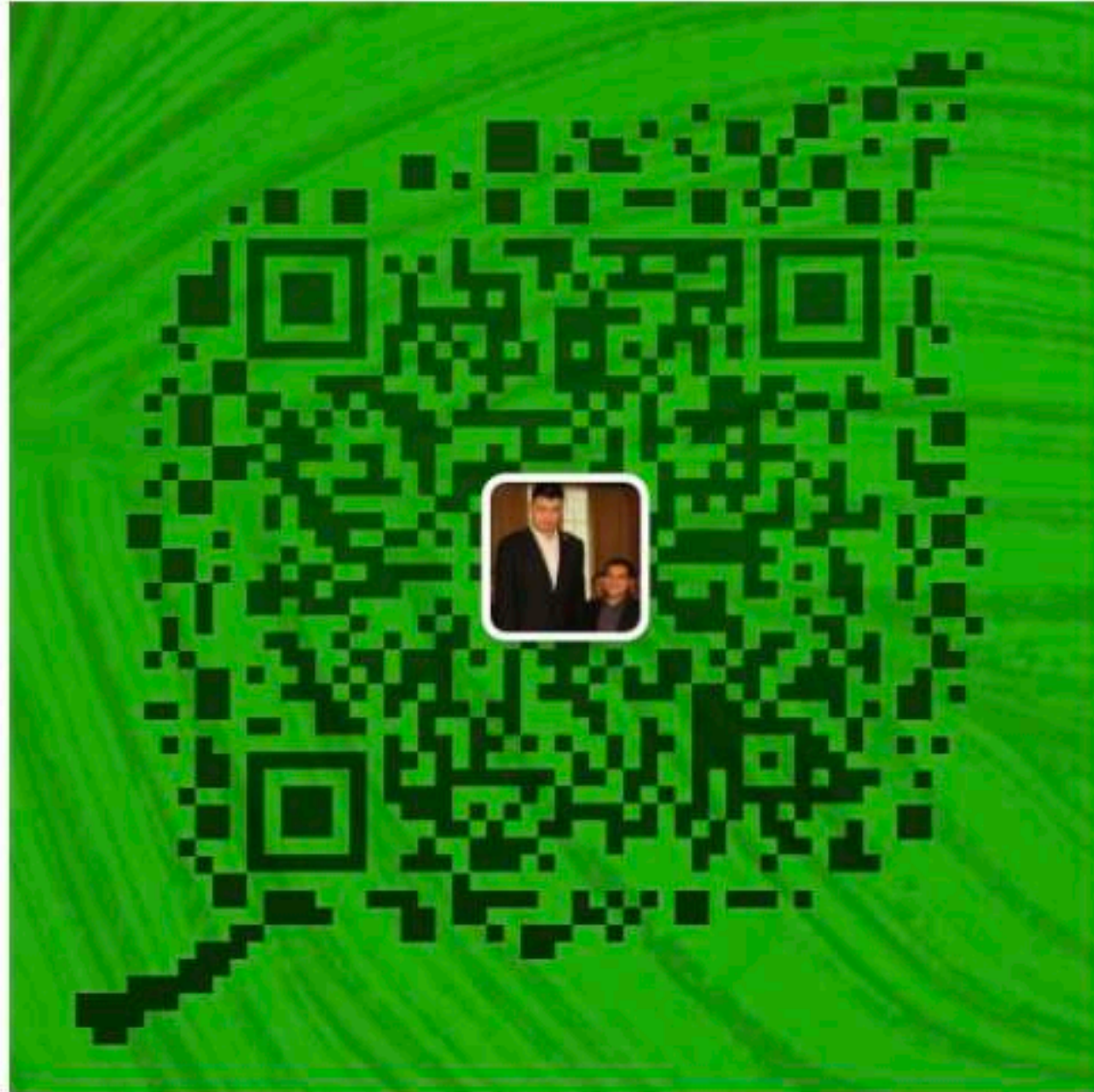
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白俊杰 (Ira Paul... 

Fuzhou, Fujian



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