

Welcoming Remarks for the Fuze 2018 Conference #Session 5

Good morning.

Distinguished guests, speakers, ladies and gentlemen.

It is indeed my pleasure to welcome you all to the Fuze 2018 Conference of the Asia Blockchain & Fintech in Seoul, the biggest blockchain event in Asia.

I also would like to thank Vice Minister of Science and ICT Min Won Ki, CEO of StrongBlock David Moss, Partner-in-charge at Frost & Sullivan Asia Pacific Shivaji Das, and Professor Park Su Yong at Sogang University for joining us for this session. Thank you all for being here.

This session titled ‘Blockchain, the Ugly Duckling’ will give us opportunities to share experiences and insights from global leaders who are at the forefront of this most innovative industry. The presentations and discussions during the session will inspire us to reflect on the future potential and new value of the blockchain industry.

The world is making a gigantic transformation. A new megatrend of hyper-connectivity, superintelligence, and meta-convergence characterized by the Fourth Industrial Revolution is approaching us like a *tsunami*.

The past three industrial revolutions that took place over two and half centuries made humanity undergo a linear transformation. Meanwhile, this Fourth Industrial Revolution is bringing about an exponential transformation for us. The speed and spectrum of the transformation we will experience during the next three decades will be beyond description.

Needless to say, blockchain is one of the most crucial technologies which will affect our lives. I had the chance to meet Chairman Klaus Schwab of the World Economic Forum several times. He mentioned that the WEF designated blockchain as one of eight key technologies dominating the Fourth Industrial Revolution.

Even more, the WEF predicts that more than 10% of global GDP will come from blockchain platforms by the year 2030. Bitcoin, which sparked a frenzy in our society last year, now is being placed as a platform for trading virtual currency.

In the early stages of the technology, blockchain has mainly been concentrated in the financial sector. Now, it is widely applied to industries such as manufacturing, security, media, and healthcare. The emergence of this new technology will make a huge difference in our lives.

However, we must also think about the flip side of this technology. Many experts in academia and industry express their concern over the future of blockchain. Because it is still in its infancy, there are lots of risks and challenges.

For instance, legal liability is ambiguous when a system malfunctions. We still need effective governance systems to build blockchain infrastructure. There is some urgency to set up a global standard system for activating the necessary databases, and rules and regulations for governing domestic and international transactions.

Despite the mounting challenges ahead, many countries are pushing to take the lead in this industry. Chinese President Xi Jinping lauded blockchain as a breakthrough technology for the future of China along with AI, IoT, and 5G and is making huge investments. The US government is creating a lot of new jobs by fostering blockchain-based cryptocurrency.

The Korean government considers blockchain one of the important strategic areas for the Fourth Industrial Revolution and is setting up its national agenda with a vision to implement a blockchain-based digital trust society. I am expecting that Vice Minister Min Won Ki will elaborate the national plan of Korea in this session.

In the face of this gigantic transformation, I have stressed that the three variables of **innovation**, **collaboration**, and **speed** are the most important for successful realization of the Fourth Industrial Revolution. These three will also apply for the success of the blockchain industry.

First, there is a need for innovation in the fields of blockchain education, research, and technology commercialization.

Second, it is necessary to have collaboration among the stakeholders of industry, universities, research institutes, and the government to better solve any pending problems. Above all things, global collaboration will address all those new challenges. Global leaders like today's speakers need to put their heads together to find a better solution to create new value for this industry.

Finally, speedy deregulation and effective governance is needed to make the industry really work. The global blockchain industry is evolving so rapidly. It holds great potential as a promising future industry. Some say it will feed us for a while. I expect the government's speedy and appropriate policymaking will help this budding industry take the lead in the global market.

A Dutch proverb says, "If a typhoon blows, some build a wall and some windmills." It tells us that how we deal with challenges makes a huge difference. The Fourth Industrial Revolution is bringing about new challenges as well as opportunities. I hope we can seize this golden opportunity and make another significant leap forward for humanity. I believe this session will serve as a meaningful opportunity to expand our insights on the future of this industry.

Let me close my speech by wishing you future success and a very productive conference.

Thank you very much.

October 31, 2018.

Sung-Chul Shin

President of KAIST