**Welcome to Cayman’s Digital Economy conference**

**By Premier Hon. Alden McLaughlin, MBE, JP, MLA**

**8:30 a.m. Thursday, 21 June, 2018**

**Kimpton Seafire Resort**

Welcome to Cayman’s Digital Economy conference, but mostly welcome to the Cayman Islands.

I bring you my own warm Caymanian greetings as well as those from the Government.

We are glad you are here.

I was intrigued by your impressive agenda: digitising public services, Cayman Islands e-government, the future of financial services, the world of cryptocurrencies and digital identification systems.

You will hear from Mr. Ian Tibbetts, head of e-Government for the Cayman Islands, later this morning on some of the things that the Government has done and is doing in the digital space. I will not steal his thunder too much – but I do want to impart my thoughts on this important topic.

In 1859 Charles Darwin published his seminal scientific work ‘On the Origin of the Species’, which introduced the idea of evolving species and concluded, to use Darwin’s own words,

*“It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change”*

With this statement Darwin encapsulated not only the human ability to change with circumstances and to improve one’s condition, but he noted in a matter-of-fact way that if one does not change with changing circumstances, then one’s very survival may be at risk.

Just this past Tuesday I addressed a conference where I discussed the tremendous change that the Cayman Islands has undergone in the past 50 years. We have moved from a village economy to a first world economy based on tourism and financial services as the main pillars and the development sector closely following behind. As we have grown our economy, so too have we grown our population such that we have gone from about 8,500 people when I was born to over 64,000 people today; a tremendous change by any measure. Indeed, Cayman today bears little resemblance to the Cayman I grew up in.

So we in Cayman certainly are no stranger to change and the need to diversify and adapt to succeed in the modern world.

But as I reflect, I have to confess that whilst we all now walk around with devices with more calculating power than the computers that helped NASA put the first man on the moon, we probably take that for granted and do not fully appreciate the speed of change that technology has brought into our world over a very short time.

Consider this, the IBM personal computer was introduced 37 years ago and brought in huge change in the way we used computers at work and home. But computing meant we were stuck to a desk.

The first iPhone was introduced in 2007 and the first iPad in 2010. These smart devices that have changed the way that we work, connect with each other, and are entertained, have been around for a mere decade. Yet over this short period these devices, together with the Internet and emerging technologies like Blockchain, have had (and are having) a profound impact on the way that we live and transact.

Whether we live in Belarus or the Cayman Islands, the pace of change is increasing and we must not only keep up, but we must ensure that we utilise emerging new tools and technology to our advantage. That is why conferences such as this are so important – they allow us opportunities to share what we are doing in the ever evolving digital space and to consider what else it is that we need to do as a country – government, business, and citizens - to embrace and make the digital economy our own.

And why is this important to Government? I am sure that the experts speaking at the conference will provide many reasons why Governments should care about technology and the digital economy. I will offer a few of my own observations.

Firstly, as our population increases, and the needs of the business community increase, Government will find that there will be ever increasing demands for services. We are a small place but we have a big presence in the international business community - and we provide services to individuals and businesses across the globe. Government must be able to meet the needs of business and individuals, whether locally or internationally, and must do so without needing to increase the size and the cost of Government. We can only do this reliably by utilising technology.

We all live more complex lives today than they had in the past. Lifestyles have improved but time has become an ever increasing important commodity. Today’s generation does not want to, indeed may not have the time to, drive to a government office, find parking and then que up to pay for a service or a particular tax or fee. There is a valid expectation that Government will make this as easy for them to do as possible. Similarly we all expect our banks to provide ATM’s in easily accessible locations and provide access to Internet banking and other online services. Government must meet this expectation and serve its citizens where they want to be served – digitally. And as I noted earlier, digital transactions are in most cases less costly and more efficient.

Increasingly we are educating our children using digital tools and resources. This has many advantages, but we are also seeing the need to ensure that our citizens have the opportunity for ongoing education or perhaps retraining for other types of work. The ability to utilise online universities or similar educational programmes while one works to feed one’s family has tremendously benefited many of our people. And Government needs to ensure that these opportunities exist here as well, and not just overseas.

But let me take a minute to highlight some of the things we have done in Cayman and are in the process of doing. Historically Government’s digital efforts have focused on the needs of businesses. Initial digital services were directed to areas handling company registration and lands registration as well as those dealing with immigration matters such as work permits. New digital initiatives around the management of our trade and business licensing processes are also under way.

But we have also recently introduced services that are useful to the average person. Two such are online driver and motor vehicle licensing as well as online applications for police clearance certificates. Attending in person to obtain these services has traditionally involved queuing up for long periods and possibly making more than one trip to complete the transaction. Allowing the public to access these services electronically has been a god send to many and the opportunities for saving time and aggravation have been embraced by the public.

Online Police Clearance Certificates, for example, have proved extremely popular and I am told that at last check some 36% - and growing - of total applications for police clearance certificates are done online. This is a fantastic achievement and bodes well as the service improves further and moves to digital delivery of the certificate. But there is more to be done, as I am sure Ian may speak to, to bring more Government services online, including paying for an increasing array of services.

And importantly, given the complexities that arise at times around identifying who is Caymanian and who is not (a conversation to be had over lunch if interested) it has become ever more important to have the ability to prove that you are Caymanian and to have the ability to have this easily recognised. Access to employment, and to certain benefits, or to vote, depends on whether or not you are Caymanian.

Having to prove that you are Caymanian can be onerous, and having to do it over and over when changing jobs for instance can be annoying to say the least. So it is important that we find some way to solve this issue and it is thought that by using a digital identification, where ones status as a Caymanian is proven for once and all and linked to your digital ID, is likely the best solution to this problem. And potentially this ID will also serve as your voter ID, driver’s license as well as identity card. Indeed it could serve as a citizen’s access to all Government services, including healthcare at the local hospital, or perhaps access to social care. The potential, we believe, is great. But again, I suspect that Ian will likely speak to you about this so I will say no more. But certainly the last administration that I lead, as well as the current administration, is taking e-Government seriously and we intend to make a lot of progress over the next three years to move our e-Government initiatives forward and ensure that Government is doing its part for Cayman’s digital economy.

I will mention very speak briefly about the area of financial services and the emergence of Fintech. I understand that Blockchain technology was conceptualized in 2008 and was being implemented in 2009 – but is now really coming into its own in terms of use and potential across a range of sectors. So this is yet another example of technology that is shaping commerce, including Financial Services, yet it has only been around for a decade.

Earlier this year I had the privilege of speaking at back-to-back conferences to discuss the potential of blockchain and how the Cayman Islands can poise itself to be a major player in this evolving fourth industrial revolution.

And the more I wade into these waters, the more I am amazed at what the future holds for the Financial Services Industry and the Cayman Islands.

Personally, I am very excited about the prospects.

We all know that advances in technology have already disrupted business sectors and industries - including Financial Services.

When I spoke earlier this year at conferences and summits similar to this one, I met with some of what I came to term the Blockchain gang – very smart people working around the world who are working to move blockchain technology from concept to reality.

What they told me was that the things that made Cayman an attractive offshore jurisdiction of choice for many typical types of Financial Services businesses also make us attractive to this new breed of financial services technical entrepreneurs.

Those things include the fact that we cater to a diverse market including investment funds, asset management, banking, insurance, capital markets and trust sectors that are all supported by world-class fiduciary, legal and accounting professionals. Ours is a modern legal system based on English Common Law. Our copyright laws are modern and cover software design and up-to-date intellectual property legislation for trademarks and design rights.

When you mix that with our tax neutral status, robust regulatory regime, excellent infrastructure and quality standard of living, you have the Cayman Islands – the most attractive jurisdiction, in my humble opinion, in which to live and do business.

In fact, we are already doing it. Blockchain related companies have already set up shop at Cayman Tech City, a part of Cayman Enterprise City, and I am told there are more in the offing. We are embracing the opportunity for innovation.

And we are taking our story to the global stage.

In March this year I was privileged to lead a delegation of Government and private sector members to the GREAT Festival of Innovation in Hong Kong where we were able to explain to those in attendance Cayman’s ability to be innovative and adaptable to create the right environment to facilitate the rapidly changing global financial services system.

I told them what I truly believe in my heart – that we are well positioned to serve as the jurisdiction of choice for a new breeding ground of financial services business whose innovations are changing the traditional face of the financial services sector.

In some audiences I explained how these three small Islands have moved from a sleepy fishing village economy in 1960 to where we are today – a world-class tourism destination with a Financial Services Industry second to none.

Indeed, we in the Cayman Islands are proud of what we have achieved and I believe that we have a bright future.

Again, I thank you for coming to the Cayman Islands. I just hope it is not all work and no play. Please take some time to visit our white sandy beaches, eat some of our world-class cuisine and, most of all, get to know some of our people. Once you make those interactions I am sure you will be booking a ticket to come back to see us.

I thank Paul Byles for bringing Cayman’s Digital Economy conference to our shores. Welcome, enjoy the conference and most of all, enjoy yourselves.

Thank you.

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