**FINANCIAL TECHNOLOGY**

**By Dhika N. Bhaskara**

Financial Technology, or more commonly known as Fintech, seems to be gaining a lot of attention these years. It has especially become the go-to-phrase for the budding startups that provides innovative financial services. The question is, what are we really referring to when we’re talking about FinTech? After further deliberate research, I have found out that this term is currently used to encompass a lot of things apparently. It does not only refer to innovations in financial services, but also advancements in financial education, wealth management, peer-to-peer lending, retail banking, fundraising, payment getaways, investments, and even the cryptocurrency. It’s about the disruptive force of technological & innovative advancements in the finance industry. It’s amazing. Although the terms’ nature is broad & general, it surely is interesting.

The next thing that captures my attention is about the future and its ongoing trend in Indonesia. What will it be in the next 5-10 years? Will Indonesia, or even ASEAN, accept its disruptive force hand-in-hand with the existing banking & financial ecosystems? Is the current legal & technological infrastructure sufficient for its incubation? Can we expect some further growth & innovation from their part or will their advancements be hampered by its more conservative competitors? And when it comes to Covid-19 and its aftereffects, will this industry perceive this as an upward momentum or a downward one? The list goes on. Well, I may not have the answers to all these questions, but posing them surely brings a thrill. The possibilities are endless. What I can probably say about Fintech is that they’re here to stay. This industry, whether it will grow sporadically or stagnate indefinitely, is inevitable to our community. They will continue to thrive in Indonesia and there are at least two reasons why.

Firstly, you can’t fight technology. You can’t fight them especially when their benefits are experienced by people at large. This industry, since its tapping the leverage of our most current technological advancements, could reach a whole lot of people in an easy & efficient manner. A study shows that smartphone penetration in Indonesia has helped speed up digitalization process of the finance industry, increasing from 32.6% in 2014 to an estimated 47.6% in 20191. It seems that people are getting more tech-savvy and access becomes easier. Perhaps, it’s still going to be a positive trend.

Secondly, Indonesia has a large domestic market still waiting to be harnessed to its full potential. As of July 2018, 50% of the Indonesian population remain unbanked2. Many Indonesians still receive salaries and pay for expenses in cash. At the same time, Indonesia has also experienced the largest uptake in account generation in ASEAN, growing from 20% in 2011, to 36% in 2014, and then to 49% in 20173. It is a huge leap. Moreover, Google & Temasek project that Indonesia’s digital economy is poised to become the largest in Southeast Asia, with its market value multiplying from US$27 billion in 2018 to US$133 billion by 20254. These numbers are surely a good sign. It shows that the room for growth in Indonesia, especially in its finance & commerce industry, is still wide open.

All in all, for me Fintech is a promising industry. Though it’s still in its budding years in Indonesia, its potential is practically limitless. All the growth in its technological advancements & innovations makes it more interesting. It seems that the only way to go is forward.

Reference.

1. <https://www.statista.com/statistics/257046/smartphone-user-penetration-in-indonesia/>
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4. <https://jakartaglobe.id/business/indonesia-on-track-for-133b-digital-economy-by-2025-google/#:~:text=Tech%20giant%20Google%20and%20Singaporean,percent%20higher%20than%20previously%20estimated.>