

2018 Global Megatrends Conference

Post Event Summary

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Mo Gawdat
Former Chief Business Officer, Google X

Opening Keynote:

The Age of Sci-Fi & Rise of Artificial Intelligence

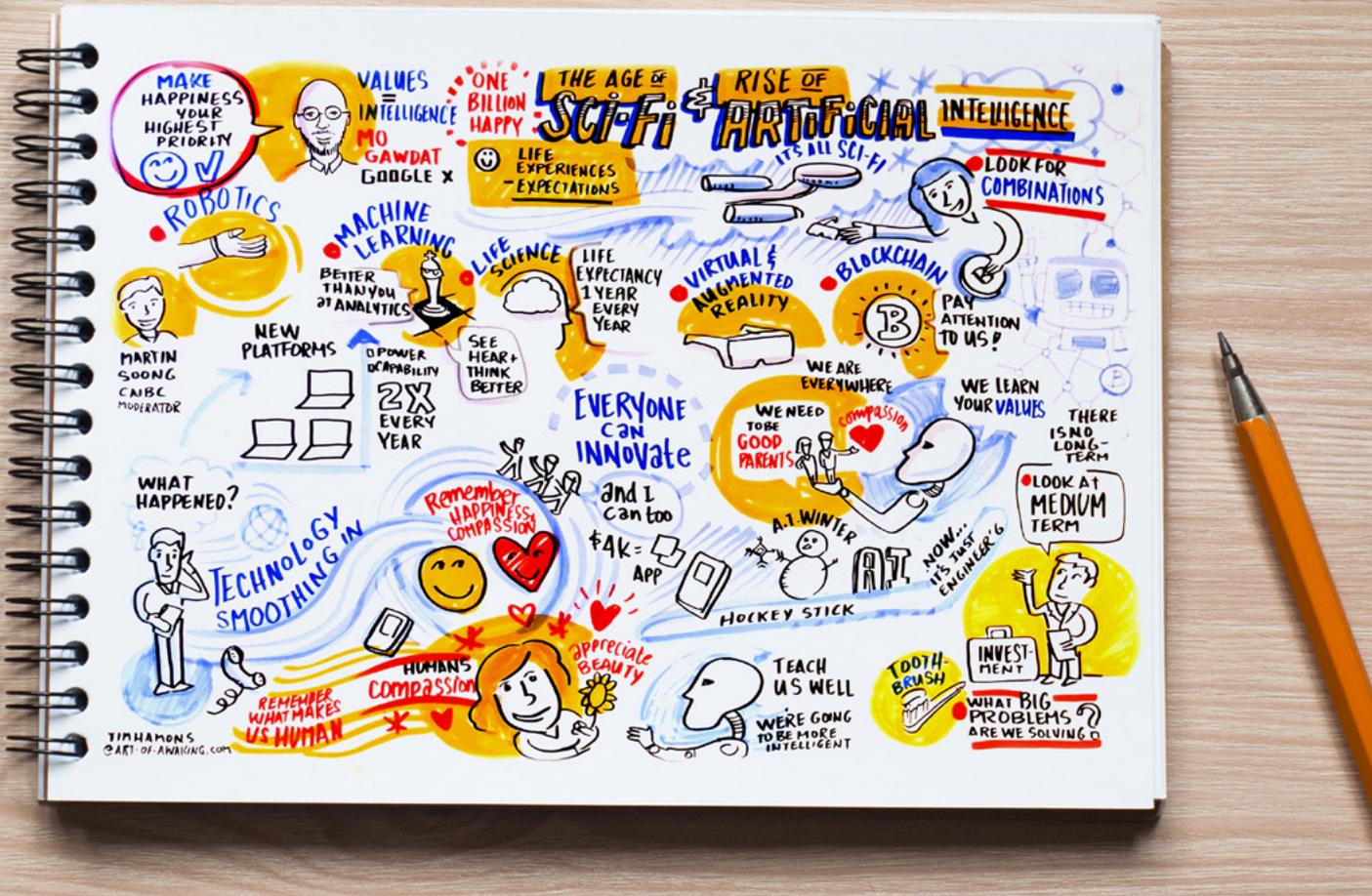
To prepare for the day that machines become smarter than humans, tech expert Mo Gawdat wants to make a billion people happier.

In an illuminating opening keynote address, prominent technology expert Mo Gawdat explored the impact of advanced technologies such as artificial intelligence (AI) on humans and society.

He noted that humans have started to take technology for granted as it permeates almost every aspect of our lives. This pervasiveness will only increase as the rate of product adoption and development continues to accelerate. For instance, it took the Internet only 15 years to match the reach that television achieved in 100 years. Google, meanwhile, took 10 years, Facebook six years and Instagram just two years.

“It is not unlikely that something comes out this year that will reach a billion people by the end of the year,” said Mr Gawdat, the former Chief Business Officer for X, previously Google X.

With life cycles compressed, he advised investors to stay nimble and review their portfolios regularly to ensure they are not caught off-guard by disruption. “Be willing to revisit your decisions, because things will pop up that will change everything,” he said.



The democratization of technology

Meanwhile, the doubling of computing power every 18 months – also known as Moore’s Law – will help fuel the development of new technologies such as artificial intelligence and robotics. More importantly, the emergence of the Internet means that almost everyone can now access these powerful technologies to develop their own innovations.

“In the mid 90s there was an inflection point where everyone could now innovate. Previously innovation could only happen in big companies but now there is a democracy of information,” he said.

“A 14-year old in some village in India has access to the same information and tools as a PhD student to develop something. The only barrier is the willingness to do so.”

The next big thing

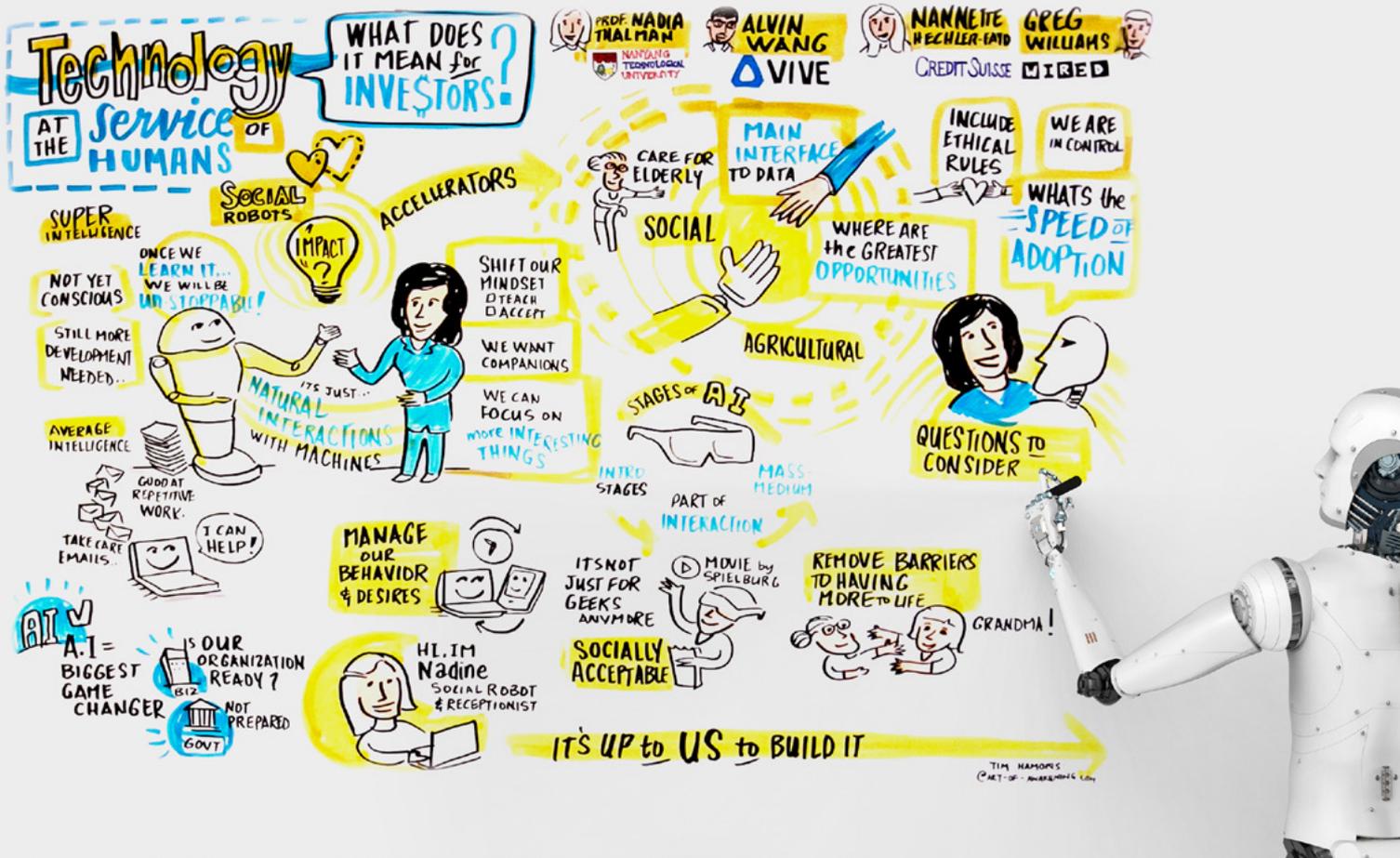
The industry veteran gave his assessment of the technologies that are hogging the headlines today. He believed that AI and robotics have broken out and will become more common in business and society. Likewise, virtual reality and augmented reality technology will become more widespread as the hardware shrinks till they are “invisible to the eye”.

However, he was less sanguine about blockchain technology, in the short term at least. “Blockchain is going to disappoint for a while, not every blockchain initiative is going to survive, but the idea of an open ledger might actually change everything, especially for finance.”

Don’t worry be happy

Mr Gawdat also spoke about his personal mission to make a billion people happy in five years; a development which will be key as robots become more ubiquitous and reach the same intelligence as humans.

“Machines are learning by observing humans and humans have never been more unhappy. My personal moon-shot is to make a billion people happy. If there are a billion people telling us why us there is a better way to live we can change the world forever,” he said.



Session 1:

Technology at the Service of Humans – What Does it Mean for Investors

Three experts shared their insights on how technology would impact markets and society at large.

Experts believe that technologies such as artificial intelligence (AI) and robotics will be transformative to lives and businesses. With tremendous growth potential, a panel of technology and investment experts discussed what investors should look for in this fast-changing space.

“While there has been much activity in robotics in recent years, it will be some time before robots are fully conscious of their environment,” said Professor Nadia Thalmann, Director, Institute for Media Innovation at the Nanyang Technological University (NTU) in Singapore.

“There is still a lot of research to be done before robots can be completely conscious of their environment. We are incrementally moving forward to developing social robots, who can be your companions and are aware of how you feel. We are not there yet but it will come,” she said.

Applying AI to make predictions or react to unforeseen patterns was also some way off, added Dr Nannette Hechler-Fayd’herbe, Global Head of Investment Strategy and Research at Credit Suisse.

Alvin Wang Graylin, President of HTC Vive/VR and Smartphone Business in China, believed that it may take between 15 and 30 years for “general purpose” AI –

with an intelligence equivalent to that of an average human – to emerge. From that point, however, it might be a short jump to the emergence of “super-intelligent” AI that is hundreds of times smarter than humans.

“AI is one of the exponential technologies out there, so we have to be cautious because it can get out of control,” he said.

Professor Thalmann noted that the world of education would be a big beneficiary of robots and AI. Using these technologies, students could access learning in different ways and, more importantly, learn at a pace that best suited them.

Before these solutions can really take off, however, it is key to get people to be less afraid of technology, argued Mr Graylin. “Robots will take over repetitive tasks and free up humans for more useful ones.”

With that in mind, the audience was introduced mid-way through the session to Nadine, a social robot developed by Professor Thalmann at NTU. The robot answered a series of questions posed by the panelists in English, French, German and Mandarin.

Where to invest?

Professor Thalmann believes that social robots would soon become more common, especially in greying societies where these machines could be deployed to support the elderly. As such, she proposed that investing in the production of such robots could be a smart bet.



Nadine, a social robot interacting with a guest

Meanwhile, as AI penetrates a growing number of industries — from finance and healthcare to more traditional ones like agriculture — Dr Hechler-Fayd'herbe said that there would be demand for enablers of this technology, such as semiconductor companies and consultants who could help companies implement AI solutions.

Mr Graylin believed that VR and AR technology could be the next big thing as the hardware becomes more affordable. “When done right (AR and VR) could change things fundamentally. When we move to a virtual environment, resources will be limitless. It will make every Noble Prize winner available to every child; the elderly will be able to travel everywhere with their children. It will make barriers between the haves and have-nots disappear.”

From left to right

Professor Nadia Thalmann

Director, Institute for Media Innovation (IMI), Nanyang Technological University, Singapore and Director, MIRALab, University of Geneva, Switzerland

Alvin Wang Graylin

President of HTC Vive/VR and Smartphone Business, China

Dr Nannette Hechler-Fayd'herbe

Global Head of Investment Strategy and Research, International Wealth Management, Credit Suisse AG

Moderator: Greg Williams

Editor-in-Chief, WIRED magazine





Session 2: When Millennials Rule

Understanding tech-savvy and purpose-driven Millennials is now key to success for many companies.

As Millennials move into their prime years, their attitudes, experiences and spending patterns are impacting businesses and the broader economy. A panel made up of four millennial investors and venture capitalists spoke about what their generation looked for in the products they buy, the businesses they invest in and the experiences they seek.

Louise Huterstein, CEO at Pursuit Hospitality AG, noted that Millennials are seeking growth and life experiences that are “all-encompassing”. She urged brands seeking to target this demographic to stay authentic and tell their stories well. “Story telling is huge, but companies have to stay true to the brands they have created,” she said.

Meanwhile, the bar has been raised for what younger consumers expect from the companies and brands they buy from. Once seen as a bonus, being a value-driven organization is now the “baseline” that Millennials expect, said Pocket Sun, Founder and Partner at SoGal Ventures.

However, while Millennials prize companies that are sustainable, good design is also important in attracting them, argued Ms Sun. “You need to have good design in the front while doing all the good things in the back,” she said.

She cited the example of a business her company has invested in that used advanced manufacturing techniques to make shampoo with sustainable ingredients. “They don’t even have to tell the story about their sustainability because people love the product for their design.”

Beyond good design, products and services designed for younger consumers must also be easy to access, or risk being ignored, advised Chauwei Yak, Chief Executive Officer at GAO Capital. “Attention spans are very short among Millennials. If you design something and put it out as a free beta product, but they can’t get to it immediately, or it’s tough to, they won’t want it even if it’s free.

Meanwhile, Anton Szpitalak, CEO and Founder of Tribe Breweries said that investors looking for outsized gains would do well to consider younger companies “nibbling” away at the market share of incumbents in traditional industries.

“If there are only two incumbents in an industry, I know I can out innovate them,” he said.

From left to right

Chauwei Yak
CEO, GAO Capital

Anton Szpitalak
CEO and Founder, Tribe Breweries
and Board Member of Young Investors
Organization

Pocket Sun
Founder & Partner, SoGal Ventures

Louise Huterstein
CEO, Pursuit Hospitality AG and Board
Member of Young Investors Organization

Moderator: Dan Murphy
Correspondent, CNBC





Session 3:
The Silver Economy – Investing for Population Aging

The often overlooked elderly demographic presents huge opportunities for businesses.

“With more than two billion senior citizens aged 60 and above expected by the year 2050, the growing silver economy will pose both challenges and opportunities to businesses and governments. The elderly generation is valued at around seven trillion dollars a year, but is still largely underserved by businesses,” said Professor Tommy Koh, Singapore’s Ambassador-at-Large, at a panel session on the Silver Economy.

“The silver economy has huge potential but it is overlooked because it is a demographic that is associated with poverty and not wealth; but it’s a huge demographic. Look at the potential for doctors, housing providers and investors. At the moment, this group is underserved,” he said.

Janice Chia, Founder and Managing Director of Ageing Asia, noted that older people don’t spend just on healthcare but all products. Yet, businesses have yet to adapt their offerings for them.

“A lot of businesses are looking at the young and not the old, but baby boomers are the biggest savers. It takes a lot more patience to access the silver dollar. The first dollar is the hardest to get, but once you get it their loyalty is incredible,” she said.

On the investment front, Vafa Ahmadi, Managing Director and Head of Global Thematic Equities, CPR Asset Management said that investors are also increasingly aware of the potential of the older generation. His firm manages a fund that invests in the silver economy.

“More investors want to be exposed to ageing as an investment theme,” he said, adding that about half his investors are retail investors, with the rest made up of pension funds and insurance companies.

From left to right

Professor Tommy Koh

Ambassador-at-Large, Ministry of Foreign Affairs, Republic of Singapore

Janice Chia

Founder & Managing Director, Ageing Asia Pte Ltd, Singapore

Dr Samuel Bernal

Professor of Medicine, Emeritus, UCLA

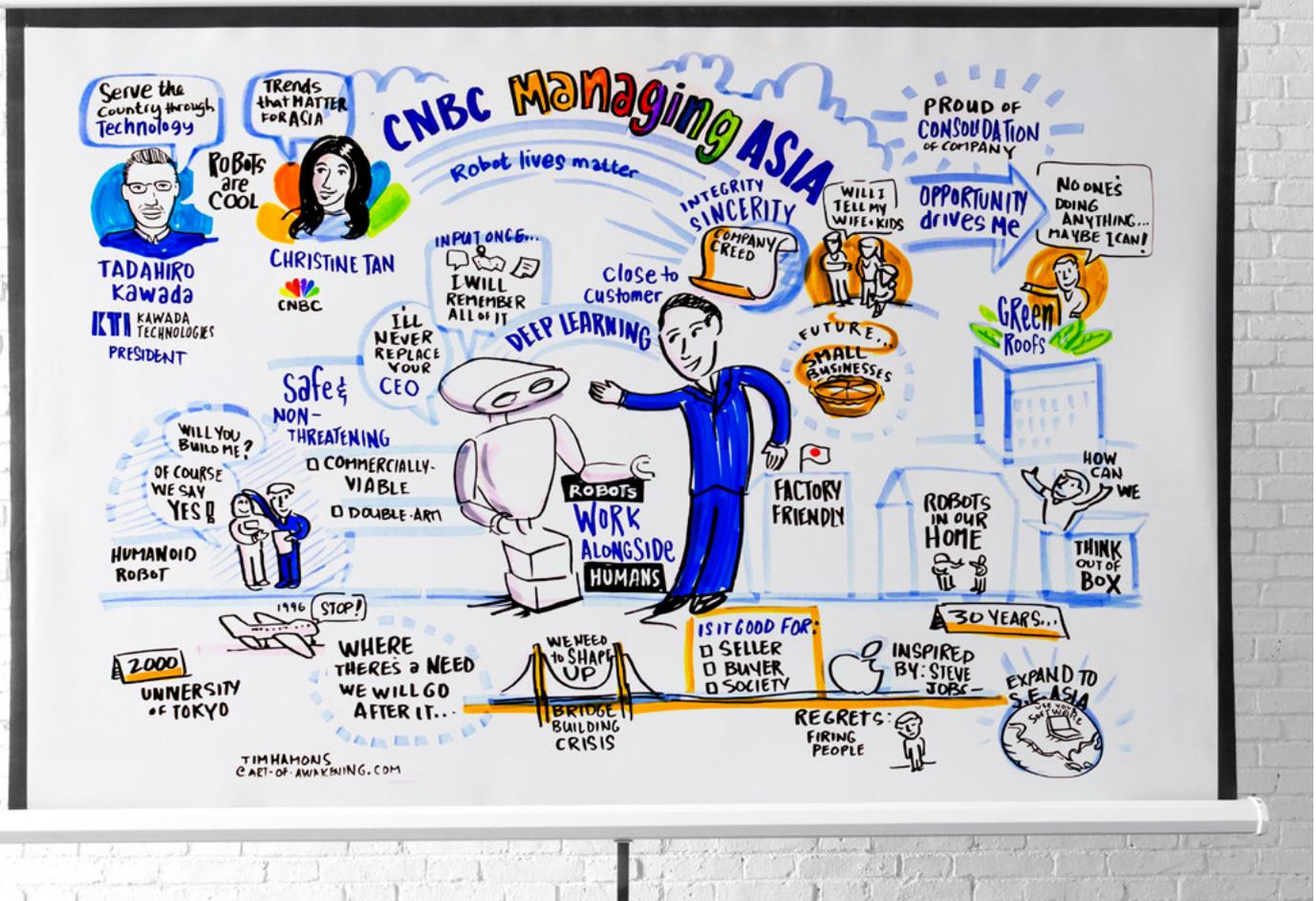
Vafa Ahmadi

Managing Director and Head of Global Thematic Equities, CPR Asset Management

Moderator: Martin Soong

Anchor, CNBC Asia





Closing Keynote Interview:

CNBC Managing Asia @ Global Megatrends Conference 2018

Kawada Technologies President Tadahiro Kawada is living his boyhood dream of making robots.

The final session of the conference saw Tadahiro Kawada, President, Kawada Technologies, Inc, give an insightful and wide ranging interview conducted by CNBC's Christine Tan.

Mr Kawada, the fourth-generation leader of his family's diversified business, talked about the growth of the company's collaborative robots business, the challenges of transforming a traditional Japanese company, and his vision for the company founded by his great-grandfather in 1922.

Starting out in the company's aircraft business, he was devastated when his father told him one day that the division would be shut down. "It was the first time I argued with my father in front of other people," he recalled.

He moved past the incident and eventually ended up starting Kawada's robotics division, which makes humanoid robots that collaborate with humans in a work environment. The company rolled out their first robot in 2000.

From left to right

Tadahiro Kawada
President, Kawada Technologies, Inc

Christine Tan
Anchor, CNBC Asia



“Making the robots safe, that is very important, and also not threatening for the people they work with. Sometimes the person whose job they replaced is still there,” he explained. Kawada has produced 300 robots so far, each costing about US\$100,000 to put into operation. The company is also planning to put their robots to use in their core construction business, which is still the mainstay of the group.

Mr Kawada said that the long-term vision of the company was to continue to carry out the company's creed of serving society with technology.

“The aim of Kawada vision 2022 is to be a company that everyone in society will say ‘we are happy to have this company’. Banks will be happy to lend us money, our partners will be happy to work with us, and investors will be happy to invest in us. Our employees are proud to work for the company and will tell their sons to work for Kawada.”





CREDIT SUISSE AG

Singapore Branch
1 Raffles Link
#05-02
Singapore 039393

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