



WEBINAR REPORT: DEFINING A DIGITAL POLICY IS KEY FOR BUSINESS LEADERS – February 2025

By **Rebecca Spong, Editorial Consultant**

Governments, policymakers and business leaders need to prioritise the development of digital policies if they are going to successfully navigate the next revolution in the global economy, said Naveed Sultan, an internationally renowned banker and advisor to policymakers and CEOs, speaking on an ITFA-hosted webinar on 3 February addressing “Leadership in the Digital Age”.

Sultan is currently Professor of Practice at Imperial College Business School and co-director of its Centre of Financial Technology. He has also previously held the role of chairman of Citi’s institutional client’s group, and prior to that global head of treasury and trade solutions at Citi.

Governments need to widen the range of tools available to them to manage the complexities of today’s economy, with traditional monetary and fiscal policy no longer being sufficient in creating change and often failing to drive economic growth for all, he outlined in his presentation.

The world is facing a “digital revolution”, Sultan explained, as it moves away from previous economic models of mass production and consumption. Traditional policy tools need to be supported or complemented by a clear government-led digital policy.

“I call it the third tool. Digital policy needs to become institutionalised. A digital policy will broaden and deepened the formal economy and the efficacy of monetary and fiscal policy,” he explained.

“To take full benefit of this digital revolution, we have to take a systematic forward-looking and policy-driven approach rather than an ad-hoc approach, that will enable us to reset the relationship between the economy, society and the financial system and to continue to find new economic growth opportunities,” he added.

Solving the wealth gap with digital tools

Sultan’s background in trade has ensured he recognises the importance of trade finance in supporting the world economy, and urged those listening to the webinar to “embrace the notion of a digital policy”. Embracing the digital age is essential for governments and business leaders in order to tackle the growing disparity in global wealth distribution.

“We as a world, continue to breach the social foundation and the ecological ceiling,” he said, meaning that large sections of society are failing to have their basic needs of healthcare, education and employment met, while at the other end of the scale people are consuming natural resources at an accelerated and unsustainable pace.

He cited IMF statistics that show that the richest 10% of the global population enjoy 52% of all income, while the poorest 50% only have 8.5% of total global income and 2% of total wealth.

Traditional economic policy approaches are only exacerbating the growing number of people becoming excluded from mainstream economic activity. This “is not good for business, let alone the social implications”, he said.

He recommended that at a national level, there should be a distinct government ministry responsible for the vision and design of a digital policy and setting out KPIs.



Within this framework, there would be a number of pillars addressing issues such as banking and payments, digital literacy, and encouraging SMEs to use digital tools, among other initiatives.

Having a government-defined digital policy that then filters down to corporates and financial institutions will have numerous benefits for economic growth, Sultan outlined.

It would help bring marginalised people back within the formal financial system, provide business leaders with more transparent information that can support data-driven decisions, improve the implementation of fiscal and monetary policy, and help integrate the monitoring and reporting of ESG standards more effectively into how corporations do business.

He added that if a developing country has an effective digital policy, it can often leapfrog the traditional development cycle.

Countries including Malaysia, Estonia, the UAE and Paraguay have jumped ahead of the rest of the developing world in terms of their digital economy, having a level of internet access, bank account penetration, digital skills and digitisation of government services that rival those within developed countries, he said.

He outlined how some countries, such as China and India, have already made digital-led policy decisions that have contributed to lifting many people above the poverty line.

He cited the use of digital IDs in India that have made it easier to transfer state-funded financial support directly into citizens' digital accounts with minimal effort and lower bureaucratic costs.

Globally, there has also been significant government-led engagement with the concept of central bank digital currencies, he noted, with 11 currencies already launched and 21 countries at a pilot stage. Such developments could help support further financial stability and inclusion, he argued.

Designing a new financial system

Specifically looking at banking and trade finance, he highlighted the use of smart contracts – whereby if all the conditions of the digital contract are met, then the terms of the contract are automatically fulfilled. In the case of trade, this would mean an exporter would get automatically paid – for instance – without any additional documentation and bureaucracy.

This should make cross-border trade far quicker and less expensive, Sultan said.

Looking to the future of the world's financial system, he outlined some key attributes that it should have, including “interoperable common standards and a range of participants, such as fintechs and digital banks, delivering a range of services through digital channels where the capital, commercial and financial flows are very visible”.

This kind of interoperable transparent system will make it easier and quicker for business leaders to make decisions that will drive economic growth.

In conclusion, he said there was still a long road ahead. “Digital policy still needs to mature, evolve and become institutionalised. Globally, you still won't find anyone who is specifically the minister for the digital economy. But over time, it will start gelling.”



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The ITFA webinar – entitled **Leadership in the Digital Age: Embracing AI and Key Challenges for the Future** – took place on 3 February 2025 and you can access a video of the event [here](#).