

Zeti Akhtar Aziz: Launch of International Centre for Leadership in Finance

Welcoming address by Dr Zeti Akhtar Aziz, Governor of the Central Bank of Malaysia, at the Official Launch of International Centre For Leadership In Finance (ICLIF), Kuala Lumpur, 28 October 2003.

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Yang Amat Berhormat, Dato Seri Dr. Mahathir, Prime Minister and Minister of Finance,

Distinguished Guests,

Ladies and Gentlemen,

It is my great pleasure and honour to welcome you to the official launch of the International Centre for Leadership in Finance (ICLIF). This Centre is being established with the objective of providing a focused and co-ordinated approach towards the development of world class leaders in the financial services sector in Malaysia and in the region.

Ladies and Gentlemen,

The unprecedented economic and financial transformations in this decade have created new operating environments that demand new leadership skills. This is most evident in the financial services sector which has become increasingly more complex, more competitive, more uncertain and ambiguous and more challenging.

It is therefore essential to have leaders who are able to see the new emerging opportunities, deal with the high level of unpredictability and navigate through turbulent conditions. The pressure on leaders has become increasingly more immense. In emerging market economies where our aspirations are to elevate our level of performance and development, the demands are even greater. Indeed, in this new environment the role of leadership has changed. Our objective in the establishment of the International Centre for Leadership in Finance (ICLIF) is to contribute to this process of developing a generation of leaders in the financial services sector that will achieve our objectives in the development of the financial sector in particular, and our overall economic prospects in general as we advance forward in this new environment.

Ladies and Gentlemen,

We are most honoured today by the presence of Yang Amat Berhormat Dato Seri Dr. Mahathir Mohamad to launch our International Centre for Leadership in Finance. This is particularly special in view of the leadership he has demonstrated for a period of more than two decades in bringing Malaysia to our present level of development and prosperity. The most significant being his leadership in overcoming the 1997-1999 financial crisis experienced by our region. It represents a lasting legacy. In the most testing of times during the crisis, critical decisions were made with the firm conviction that it is a country's legitimate right to defend itself during extreme conditions. At that time, we were able to avoid being put under an IMF programme as we were in a position to meet and repay all our foreign obligations. We have since emerged from this turbulence much strengthened and on a solid and steady growth path. Indeed, this is one debt that the country will not be able to repay. Malaysia will always be indebted to you, Yang Amat Berhormat, for your leadership and your vision.

Ladies and Gentlemen,

The financial sector in our region has now reached a new stage of development. Over the years, the role of the financial system has evolved, facilitating the various stages of development and growth. Increasingly, the financial services industry is also becoming a source of growth, especially as several countries in the region are moving towards a knowledge-based and services-led economy. In the process, the dynamic changes taking place are also being driven by technological advances and an increasingly competitive environment.

As financial restructuring and reforms progress to a more advanced stage, financial institutions are also moving on to make the necessary adjustments to become more productive, innovative, and strategically more focused. Efforts are now focused not only on the creation of a sound and resilient financial sector but towards institutional development and capacity building of the financial sector to elevate it to a higher level of performance, efficiency and excellence. This represents an important

phase in the development of the financial sector as highlighted in our 10-year Financial Sector Master Plan that was released almost three years ago. It represents an important development prior to moving towards a more deregulated and liberalised environment. In this context, we are envisaging forward-looking financial institutions that will be able to face the challenges of financial liberalisation and globalisation as we progress into our next stage of development.

In this context, leaders need to be visionary to see future trends focused on organisational vision, to stay competitive and be able to adapt rapidly to changes. In addition leaders need to take into account the corporate social responsibility so that the profit mindset is balanced against the objective of long-term sustainability. When we talk about enhancing leadership capability we are talking about leaders who are continuous learners, who are on the cutting edge of excellence, leaders who have strong convictions and beliefs, and yet having humility and recognising the need to reinvent themselves and inspire their organization to adapt to the new challenges and changes. This is vital if the financial services sector is to forge ahead and remain at the forefront of new innovations, an element that is critical to securing long-term competitiveness. We need the remarkable force of corporate leaders to fuel the drive towards long-term growth and stability. We need dynamic leaders to push the frontiers of excellence – leaders who are constantly learning and possess the courage to take on new challenges. In this process, avenues for continuous learning must be actively sought.

The establishment of ICLIF is part of our commitment towards providing such an avenue to enhance our leadership capability and develop world-class leaders in the financial services sector. Towards this endeavour, the Centre is currently in the process of developing a unique leadership competency model that will analyse and understand what makes for great corporate leaders in our regional context. At the same time, the Centre is putting together a world-class Global Leadership Development Program (GLDP) with leading consultants and drawing faculty from the best schools in the world. The Global Leadership Development Program represents ground-breaking design in terms of an executive education program. By drawing faculty from not just one or two, but up to five leading institutions, the Centre will be able to combine the best ideas and thoughts in the world on the various key leadership issues and concerns. The Centre's role will not be to replicate the roles of institutions of higher learning, but rather to facilitate and provide specific, directed and targeted learning based on the requirements of our industry.

In addition to its Board of Directors, the Centre will also be governed by an International Advisory Panel comprising eminent personalities. In the process, participants will benefit from the best of all worlds in terms of the latest thinking on leadership issues. It is envisaged that the Centre will also serve to complement and supplement the existing capacity building facilities in the financial and corporate sector to become a regional centre of excellence for leadership training in finance. The Centre aims to reinforce the notion that investments in human capital, including the pursuit of leadership excellence, is a continuing process in this ever-changing environment so as to enhance the calibre of our human capital in the financial and corporate sector in meeting the challenges ahead as we advance forward in this new millennium.