

Goh Chok Tong: MAS's working relationship with the finance industry in Singapore

Welcome remarks Mr Goh Chok Tong, Senior Minister and Chairman of the Monetary Authority of Singapore, at the MAS Evening 2005, Singapore, 8 March 2005.

* * *

Welcome to the MAS Evening 2005. I was pleasantly surprised that MAS holds cocktails for its "clients", who are people from the finance industry. I thought that as a regulator, we should keep a certain distance from them and appear stern and correct even when we are warm people. Otherwise, we may not be listened to when we have to apply moral suasion. But I was reminded that MAS also has a promotional role. And to perform this role effectively, MAS has to be close to the very same people whom they supervise and regulate. So I was persuaded to host this evening's function and even give a little speech.

Since my appointment as MAS Chairman, I have had the opportunity to meet some of you. I hope to have some time this evening to meet and speak with more of you. But this evening's function is also for you - the industry players - to interact and network amongst yourselves in an informal and relaxed setting. So make the most of it. It is not often that you get a free drink from the Government.

I just want to make a couple of points this evening.

First, I am pleased that MAS' working relationship with the industry has been strengthening over the years. Global financial markets have changed rapidly over the past decade, and they will continue to evolve at a very fast pace. Such a dynamic environment calls for close interaction and understanding between regulators and industry.

Second, our financial sector today is more vibrant than eight years ago when MAS embarked on a major review. MAS worked closely with the industry to open up the financial sector and identify growth areas. It also refined the regulatory framework and moved towards a risk-focused and consultative approach to supervision. Our partnership has been successful. Today, the financial sector employs 5% of our workforce but accounts for 12% of GDP.

Our banking and insurance sectors are now among the most liberal in Asia, and are anchored by strong local and foreign players. The financial advisory industry has grown, with many firms catering to different market segments. The capital markets are also doing well.

Third, we will continue to do what we can to enhance our position as the regional headquarters for corporate financial treasury activities. We will also implement measures to strengthen our position as Asia's premier wealth management centre and develop greater depth and breadth in our capital markets. Here, I think the Middle East offers great opportunities. I have been to several Middle Eastern countries in the past 12 months. Singapore has a good reputation amongst the Arabs. We should nurture our ties with them. The Middle East is evolving. So is the global economic landscape. MAS will continue to engage the private sector to reposition Singapore strategically.

My last point is to seek your support for an important event which Singapore is hosting in September next year - the 2006 IMF and World Bank Group Board of Governors Annual Meetings.

The Annual Meetings are a major event in the calendar of the international financial community. We expect 16,000 delegates from more than 180 countries to come to Singapore. They will include Heads of Government, Finance Ministers, Central Bankers, Chief Executives of leading companies and the international media. This will be the largest international conference Singapore has ever held.

Complementing the Meetings will be a series of programmes including seminars, fora, social and cultural events and a Singapore Biennale. The Singapore Biennale, which we are organising for the first time, will be a major platform for showcasing contemporary culture and visual arts in Asia. There will also be dialogue and discussions between government and business leaders on developments and opportunities in the region. Global financial institutions and companies will find this a good occasion to meet with clients and potential business partners.

Collectively known as Singapore 2006, the series of events will highlight Singapore as a cosmopolitan society, and a dynamic, well-connected and entrepreneurial economy with tremendous opportunities.

The tagline is "Global City. World of Opportunities." We will make Singapore 2006 an extraordinary and truly memorable experience, with your help.

The success of Singapore 2006 cannot be achieved by the public sector alone. It requires the full support and partnership of the business community, and in fact, all Singaporeans who must charm the delegates with their warmth. BMW Asia has already stepped forward to partner Singapore. I hope more will do so. Certainly, we will approach some of you over the next few months. I hope that together we can make Singapore 2006 a success.

I wish all of you an enjoyable evening. Now, you can have your free drinks.

Thank you.