

Ravi Menon: Skills for the future

Welcome remarks by Mr Ravi Menon, Managing Director of the Monetary Authority of Singapore, at the Institute of Banking and Finance Distinction Evening, Singapore, 29 September 2017.

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Mr Lim Swee Say, Minister for Manpower

Members of the IBF Council, Distinguished guests, ladies and gentlemen,

Welcome to the IBF Distinction Evening 2017.

Tonight, we are honoured to have Mr Lim Swee Say, Minister for Manpower, as our Guest-of-Honour.

- ♦ Minister Lim, as you know, has been a lifelong passionate advocate for helping our workers build up their skills, grow in their jobs, and contribute to the economy.
- ♦ He will speak later in the evening on these issues – issues that are close to his heart – and also to all of us as part of the IBF community.

The global economy is in a better place this year compared to last year. Let us take stock of where we are.

The Singapore economy is on track to achieve slightly higher growth this year compared to 2016.

And so is the financial sector.

- ♦ For the first five years after the global financial crisis, our financial sector grew twice as fast as the overall economy.
- ♦ Last year, for the first time, the financial sector grew slower than the overall economy, weighed down by weaker lending growth to the region.
- ♦ This year, the financial sector is expected to grow by 2.5-3.5%, slightly faster than the 2.0-3.0% expected for the overall economy.

Beyond the headline growth rates, Singapore has also made significant strides as an international financial centre in recent years. We are consistently ranked among the top five financial centres in the world, sometimes even top three.

- ♦ Singapore, along with Hong Kong, remains the dominant centre in the Asia-Pacific for offshore lending, debt markets, and derivatives trading.
- ♦ Our role as the leading regional hub has grown in re-insurance and infrastructure finance.
- ♦ We have a *global* position in foreign exchange, private banking, and asset management.
- ♦ But we have quite some way to go in the equities market space, beyond of course REITS where we are still Asia's largest hub.

Financial services are a major export engine for the Singapore market.

- ♦ Singapore runs a surplus in financial services trade.
- ♦ This surplus has grown by 40% since 2011.
- ♦ Singapore has been gaining market share in the imports of financial services by several major economies including China, India, and ASEAN.

The medium-term prospects for the financial sector are good.

- ♦ I say this, with full recognition of the daunting challenges facing the industry.
- ♦ But our challenges are not without silver linings – which, if we are smart and nimble, we can harness to our advantage.

Global growth is very unlikely to pick up to the levels that we saw in the heady days before the financial crisis. But Asia will remain the most dynamic region in the world.

- ♦ Its middle class is rapidly growing and its businesses are expanding across the region.
- ♦ Both of these will mean healthy demand for a range of financial services.

Financial regulation has become tougher across the board. And as a regulator I say this for good reason. But from a competitive position, our financial institutions are well-placed because of their larger buffers they built up and more prudent risk management practices they adopted.

Technology will disrupt existing value chains in financial services. But it will also open up new avenues of growth. It will intensify competition from non-bank players and non-financial institutions, but also create new pathways for our financial institutions to access markets that were previously difficult to reach.

While the prospects for the financial sector are good, the outcome is by no means certain. There is much that we need to do – together – to realise the potential and secure a good outcome.

Next month, MAS will announce details of the Industry Transformation Map for financial services.

- ♦ I will not give away the details here, but I can say that building up skills, competencies, and deep expertise is a critical part of the effort.
- ♦ If we want to transform the industry, we must start by transforming our human capital.

Setting competency standards and certifying the programmes to achieve these standards are IBF's raison d'être.

- ♦ Empowering our finance professionals with the requisite skills and preparing them to take on the jobs of the future is at the heart of everything that IBF does.

I am therefore pleased to announce the launch of the ***IBF Standards for Future-Enabled Skills***.

- ♦ These are the generic skills that will become increasingly important across a range of finance jobs in the future.
- ♦ These are the skills our professionals will need to thrive and grow in a digital future. They will complement the domain expertise that are unique to industry segments.
- ♦ We developed with active industry collaboration, this new set of Standards which will focus on areas like data science, human centered design, tools for innovation, agile approaches to technology, and risk and governance in a digital world.

We will not just learn to thrive in a digital world; we will also learn digitally! And so, to promote the learning of skills under the new Standard, besides the usual training programmes, IBF is developing ***Learn@IBF***, a mobile learning app that will provide simple and concise information on these topics. You will get to see a preview of this app after this.

- ♦ I want to acknowledge our partners who helped to make this happen: Amazon, Facebook, IBM, Luma and Rainmaking Innovation as well as our institutes of higher learning, training providers and of course, all of you, our financial institutions who are part of the IBF Community.
- ♦ They provided and reviewed the content that will be posted on the app.

The next step is for financial institutions to work with their staff, particularly those in jobs undergoing transformation, to help them explore possible pathways and acquire the skills they need for the future.

Ultimately, whether we transform and succeed will depend on our finance professionals taking ownership of their own professional development.

IBF will continue to introduce new platforms to help our finance professionals do just this.

IBF has recently launched the **MySkills Portfolio**. This is an online tool which can be a useful resource for individuals to plan and manage their learning.

- ♦ MySkills Portfolio allows individuals to track their training progress and receive programme recommendations based on their training goals.
- ♦ It also functions as a repository of training records.

Most of all, IBF is about building a community.

- ♦ Today we celebrate our latest cohort of IBF Fellows and Distinguished Fellows.
- ♦ These individuals have contributed their time and expertise, not just on policy ideas, but also as speakers, trainers and mentors to our young finance professionals.

All of you compete vigorously when it comes to business – and that is good. But together we have created something unique here in Singapore’s financial sector:

- ♦ a shared vision for building up our capabilities;
- ♦ working towards the greater good;
- ♦ looking out for one another and bringing people along. And we must bring our people along.

This is what will help ensure that our financial sector grows from strength to strength;

- ♦ that we create good job opportunities for Singaporeans;
- ♦ that we build up skills and raise standards across the industry; and
- ♦ that all those who work in the industry enjoy the fruits of growth.

Thank you once again for your strong support, and I wish everyone an enjoyable evening.