

Ravi Menon: Introducing Zhou Xiaochuan

Opening remarks by Mr Ravi Menon, Managing Director of the Monetary Authority of Singapore, at MAS Lecture 2019 by Zhou Xiaochuan, Singapore, 19 September 2019.

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Dr Zhou Xiaochuan, President, China Society for Finance and Banking, and former Governor, People's Bank of China

Mr Tharman Shanmugaratnam, Senior Minister and Chairman, MAS

Mr Goh Chok Tong, Emeritus Senior Minister and Senior Advisor to MAS

Distinguished guests, friends and colleagues, good morning.

Welcome to the tenth MAS Lecture.

Since its launch in 2000, the MAS Lecture has featured leading members of the international financial community to share their perspectives on the economic and financial issues of the day.

I have been trying to get Dr Zhou to speak at the MAS Lecture almost since the time I became MD MAS eight years ago.

- ♦ On at least a couple of occasions, Dr Zhou actually agreed to deliver the Lecture, only to be prevented from doing so by pressing issues back home in China.
- ♦ And now, the stars have finally aligned to bring Dr Zhou to Singapore and to deliver the MAS Lecture.

Perhaps, there is a deeper significance as to why the stars conspired to make Dr Zhou deliver the MAS Lecture in 2019 and not earlier.

- ♦ This year marks the 10th anniversary of China's bold move to gradually internationalise the RMB.
- ♦ It was in 2009 that the People's Bank of China launched a cross-border RMB trade settlement pilot scheme.
- ♦ Who better to deliver this year's MAS Lecture than the chief architect and prime mover behind that far-sighted policy: Dr Zhou Xiaochuan

Dr Zhou needs little introduction.

- ♦ We secured his agreement to deliver the MAS Lecture just three weeks ago. The letters of invitation went out two weeks.
- ♦ The fact that more than 500 of you are gathered here at short notice is testament to Dr Zhou's reputation as a visionary leader who shaped China's financial reform agenda.

Still, it would be remiss of me if I did not briefly highlight the key milestones in Dr Zhou's distinguished career in public service spanning more than 30 years.

- ♦ He held leadership roles in the Bank of China and the China Construction Bank.
- ♦ He served as Administrator of the State Administration of Foreign Exchange (SAFE) and Chairman of the China Securities Regulatory Commission (CSRC).
- ♦ And of course – what he is most well known for – he served as Governor of the People's Bank of China (PBoC) from 2002 to 2018, the longest-serving Governor of

the PBoC.

- ♦ Dr Zhou became one of the most respected central bankers on the international circuit.
- ♦ In February this year, Dr Zhou was awarded the Lifetime Central Banking Award by London-based publication Central Banking, a most fitting recognition of his contributions to the Chinese economy and financial sector.

From a bilateral perspective, during Dr Zhou's tenure, the PBoC and MAS forged close ties and deepened financial and regulatory cooperation.

- ♦ We collaborated successfully in several areas over the years, particularly in promoting the greater use of RMB in the region.
- ♦ PBoC's decision in 2013, under Dr Zhou's leadership, to appoint the Industrial and Commercial Bank of China as Singapore's RMB clearing bank was a significant milestone and spurred the growth of Singapore as a key RMB offshore centre.
- ♦ In 2016, MAS announced that RMB assets would be included as part of our Official Foreign Reserves, three years ahead of the inclusion of Chinese bonds in key global bond indices.

At the personal level, I have had the pleasure and privilege to interact with Xiaochuan at many international and bilateral meetings.

- ♦ I have always found his views insightful.
- ♦ At our bi-monthly meetings of central bank governors in Basel at the Bank for International Settlements, I would sometimes ask Xiaochuan some rather inconvenient questions – about risks related to shadow banking or industrial over-capacity in China.
- ♦ Xiaochuan would always answer these questions, as well as those from other governors, with a disarming candour and clarity, never avoiding the hard issues.
- ♦ This not only helped to build trust among his counterparts in the international community but also endeared Xiaochuan to many of us as someone we could count on for insights into the complexities of the Chinese economy and financial system.

Today, Dr Zhou will speak on *“The Rise of Technology in Finance – Opportunities and Challenges for Central Banking”*.

- ♦ Many of us are familiar with Dr Zhou's views on financial and economic reforms.
- ♦ But not many of us know that when it comes to technology, Dr Zhou was ahead of the curve amongst his peers.
- ♦ In 2014, before the words “fintech” and “digital currencies” became popular, Dr Zhou set up a Digital Currency Research Institute within the PBoC to explore how new technologies like the blockchain and digital tokens could improve and strengthen China's financial system.
- ♦ Today, China is a leading fintech player and there is even speculation that PBoC may become the first central bank in the world to issue its own digital currency – a topic that Dr Zhou will probably touch on, and if he does not, one of you I am sure will ask him about!

And now, ladies and gentlemen, please join me in welcoming Dr Zhou Xiaochuan to deliver the tenth MAS Lecture.