

Gan Kim Yong: Keynote speech - Institute of Banking and Finance 50th Anniversary Distinction Evening Gala

Keynote speech by Mr Gan Kim Yong, Deputy Prime Minister and Minister for Trade and Industry, and Chairman of the Monetary Authority of Singapore, at the Institute of Banking and Finance (IBF) 50th Anniversary Distinction Evening Gala, Singapore, 13 September 2024.

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Chairman, Council Members and CEO of the Institute of Banking and Finance (IBF),

Distinguished Guests,

Ladies and Gentlemen,

Good evening. I am delighted to join you today to celebrate the IBF's Golden Jubilee and the achievements of our award recipients.

This is a significant milestone for the IBF. Over the last five decades, the IBF has been an integral part of the growth story of Singapore's financial sector.

Singapore's development as a financial centre

Looking back, Singapore has come a long way to become the leading global financial centre in Asia.

- a. The creation of the Asian Dollar Market in the late 1960s was the first pivotal step that put Singapore on the map of international finance.
- b. This was followed by the progressive removal of foreign exchange controls in the early 1970s, as Singapore opened its economy to foreign investments.
- c. We further liberalised the financial sector in the 1990s, starting with the de-regulation of interest rates, relaxation of restrictions on foreign investors in our capital markets, and allowing more foreign banks to operate here.
- d. More recently, we have taken moves to foster greater financial innovation, with the aim to establish Singapore as a leading hub for both FinTech and sustainable finance.

Today, Singapore is the leading financial centre in Asia and the third most competitive financial centre in the world¹. We are home to more than 2,500 licensed financial institutions.

- a. The financial sector is a key pillar of Singapore's economy, accounting for about 14% of our GDP in 2023.
 - i. From 2021 to 2023, the financial sector recorded real value-added growth of 3.1% per annum.
- b. Many good jobs with good pay have been created.

- i. In 2023 alone, total employment in the financial sector grew by 4,800, even though economic growth was restrained due to the global tightening cycle. Residents² accounted for 85% of this employment growth.
- ii. The number of Singaporeans in senior roles³ has also grown more than threefold in the past few years, from less than 2,000 in 2016 to around 6,500 in 2023.

The IBF has played a key role throughout this journey, by fostering and developing the professional competencies of the financial industry.

- a. When IBF was set up in 1974, Singapore was still a fledgling financial centre that lacked deep banking expertise. As a dedicated training institute, IBF helped to raise the standards of the banking workforce.
- b. Its focus on training continued through to the 1990s, but with an expanded mandate to cover non-bank sectors such as insurance and asset management, as the financial industry grew in diversity during the period of de-regulation and liberalisation.
- c. As Singapore strengthened its reputation as a robust and progressive financial centre in the 2000s, IBF relinquished its role as a training provider and shifted its strategic focus to that of a standard-setting body for financial sector skills and competencies.
 - i. The "IBF Standards" was developed, which has now been adapted into the Skills Framework for Financial Services.
 - ii. It is probably the first of its kind globally, where skills for various finance roles were mapped out comprehensively for the industry as a whole.
- d. In 2018, the IBF evolved into an integrated service provider to support skills and workforce development for the sector. The IBF Careers Connect was also launched to provide career advisory and job matching services.
 - i. This was in recognition of the shorter job cycles, and the need to ensure that those in the sector continuously refreshed their skills to stay relevant.
- e. Today, IBF plays an increasing role in promoting workforce transformation, building the talent pipeline, and providing career facilitation services for the sector.

We are proud of what IBF has achieved over the last 50 years –

- a. Over 400,000 individuals have benefitted from training courses supported by IBF;
- b. More than 28,000 practitioners have achieved certifications under the IBF Standards;
- c. More than 5,500 financial sector professionals have benefited from reskilling efforts; and
- d. Over 3,500 individuals have sought IBF's career advisory services.
- e. Last but not least, close to 2,000 financial sector professionals from more than 120 financial institutions have benefitted from MAS' talent development schemes that IBF administers.

These achievements would not have been possible without the strong support of all of you here today – our industry leaders and veterans, through the IBF Council, Standards Committee, Industry Workgroups, Examinations Boards and Industry Panels, as well as the strong network of Fellows and Distinguished Fellows, and the strong collaboration across the tripartite partners – unions, government agencies and employers.

Challenges and opportunities in the horizon

Looking ahead, these partnerships will be even more critical as we navigate an increasingly complex and tumultuous operating environment.

- a. Intensifying geopolitical contestation has led to an inward-looking and fragmented economic order, with countries enacting export restrictions, tariffs and other barriers in trade and technology. This will have profound implications on the flow of capital, and therefore our financial markets.
- b. Climate change, if not managed well, has the potential to destabilise the global financial system and make growth unsustainable.

- i. The further we are from achieving an orderly transition to net zero, the more likely we are to see real and financial assets impacted by transition and physical risks and costs.

- ii. According to the World Meteorological Organisation, Asia was the world's most disaster-hit region from weather, climate and water-related hazards last year. Asia is therefore a key battleground where the war against climate change is fought, and in this regard, Singapore's financial sector can play an important role in catalysing the region's transition to net zero.

- c. Disruptive technologies can have significant implications for our economies and societies, and impact jobs.

- i. We have seen in recent years how digitalisation in the area of financial services has enabled consumers through digital payments, as well as businesses via cross-border payments.

- ii. There will be new opportunities for the financial sector to leverage fast developing technologies including AI and quantum computing. But we must ensure that our financial institutions and their workforce are well-equipped to make the best use of these new technologies.

Our domestic environment has also become more challenging.

- a. Achieving the next bound of growth will be more difficult amidst tighter manpower and resource constraints. With Singapore set to hit 'super-aged' status in 2026 and our falling birth rates, the growth of our local labour force will slow down significantly.

- b. This means that future growth must be productivity-led, particularly in the skills-intensive financial sector. But achieving this will be no small feat; in fact, many advanced economies have only managed to achieve an average labour productivity growth of less than 1% per annum over the past decade.

- c. Continual upskilling of our workforce is therefore vital to achieve sustained productivity growth.

Even in the face of these challenges, there is good reason to be optimistic about the outlook of our financial sector.

Indeed, our financial sector can facilitate the growth of the region on three fronts:

- a. First, Singapore can serve as a financing hub and an investment gateway for global businesses looking to expand into ASEAN and vice versa.
 - i. ASEAN is home to the world's third largest population, and is poised to become the 4th largest economy in the world by 2030.
 - ii. As companies around the world look towards ASEAN, our strong base of financial institutions can offer a broad base of services such as venture capital, private equity and banking services to support their expansion.
- b. Second, Singapore can support the region's transition to net zero and its developmental needs.
 - i. ASEAN's sustainable financing needs are estimated to amount to S\$4-5 trillion over the next decade. We can play a key role in developing sustainable finance solutions to support the growth of the green economy.
 - ii. And with increasing interest from clients in our growing wealth management sector to apply their wealth as a force for good, we can facilitate the shepherding of this wealth to purposeful causes that meet regional needs.
- c. Third, Singapore can support the growth of ASEAN's digital economy.
 - i. ASEAN's digital economy is projected to grow to a value of US\$1 trillion by 2030⁴. Digital financial services are also set to grow rapidly.
 - ii. Singapore's digital-enabled firms and highly digitalised financial services sector will be in a good position to participate in the fast-growing digital economy.

Equipping the financial sector workforce for the next bound of growth

To tap this growth, we must ensure that we level up our workforce.

First, we must help our workers build new skills in areas such as sustainability and the digital economy.

- a. IBF and MAS were early movers in recognising the need to systematically look at how technology trends were impacting jobs and skills.
 - i. In fact, we pioneered the first Jobs Transformation Map in Singapore, or JTM in short, in 2019, analysing the impact of data analytics and automation on financial sector jobs.
 - ii. This enabled us to take pre-emptive actions to reskill and redeploy impacted workers to minimise potential job displacements arising from automation.
- b. We have since embarked on two more JTMs – one on sustainable finance which was launched in April this year; and another on Generative AI, or GenAI, which is

still ongoing. We expect to unveil the GenAI JTM key findings early next year.

c. To complement these JTMs, the IBF, supported by its Industry Workgroups, has launched a refreshed suite of Future Enabled Skills.

i. This includes new horizontal skills in areas such as sustainable finance and GenAI that financial sector professionals should pick up, to complement their existing functional and technical skills.

d. The IBF and SkillsFuture Singapore (SSG) are also working jointly to build sustainable finance capabilities amongst real economy companies by leveraging IBF's accredited foundation courses on sustainable finance. Such a joint approach by IBF and SSG will enable a systematic adoption of sustainable finance practices across the board.

Second, we must continue to invest in talent development.

a. Tonight, our recipients of the IBF Golden Jubilee Inspire and Advance Awards demonstrate how employers encourage and support their employees to achieve this.

i. OCBC, for example, is a recipient of the Inspire Award, together with DBS, UOB and Prudential.

- Last year, OCBC committed S\$30 million towards employee development and mobility over a three-year period.
- To support its employees' career growth, it launched MOBI, an AI-powered career marketplace, which was built off IBF's Future Skills Accelerator⁵. The platform provides personalised recommendations on learning and career growth opportunities, based on each employee's existing skillsets, the skills they wish to further develop, as well as their career aspirations.
- Over the last three years, more than 50% of OCBC's workforce in Singapore has benefited from its participation in various schemes under MAS' Talent and Leaders in Finance Programme administered by IBF.

This brings me to my third point on building a strong pipeline of local talent for the financial sector.

a. As the financial sector continues to grow, we want to enable more Singaporeans from diverse backgrounds to join the sector and pursue meaningful careers.

i. Our polytechnic and ITE graduates are part of this talent pipeline.

ii. Last year, we launched the Polytechnic Talent for Finance scheme, to encourage financial institutions to hire and train polytechnic students and graduates.

b. We are heartened that at least 6 financial institutions have offered or plan to offer about 120 apprenticeship positions to polytechnic graduates, with the possibility of longer term employment should they perform well and are keen to further their careers with the firm.

i. Take for example, BlackRock Singapore, which took on a group of polytechnic graduates on a year-long apprenticeship programme. Two of them, Jason Lim and Charmaine Chia, have since been converted into full-time roles.

- Jason, who graduated from Temasek Polytechnic with a Diploma in Financial Business Informatics, had picked up critical skills during his apprenticeship, such as in financial modelling, generating of investment reports and using of investment tools. He will be joining BlackRock's Fixed Income Investment Team.
- Charmaine, who graduated from Nanyang Polytechnic with a Specialist Diploma in Information Systems Development, had undergone her apprenticeship with BlackRock's Aladdin Engineering team. During her apprenticeship, she had the opportunity to be trained in technical skills and acquired relevant certifications, and received exposure to multiple projects where she demonstrated agility and competence. With this, she will be joining the team full-time as an Analyst.

ii. I am glad that our polytechnic graduates are contributing and bringing their skills and capabilities to the financial sector. I encourage more financial institutions to take a similar skills-based approach to hiring them.

c. Tonight, we will also see 54 of our young, promising ITE students receive the IBF Golden Jubilee ITE Scholarship.

i. One of them is Nicholas Soo, a Year 2 Higher Nitec student in Accounting, who will be interning with Great Eastern Life and will be involved in developing service excellence for the company's retail channels.

- Nicholas aspires to pursue a career to help individuals and businesses make sound financial decisions. With this internship, he is eager to gain deeper insights into the financial markets and hone his communication skills. His stint with Great Eastern Life will put him in good stead to succeed in the financial sector.

d. I encourage more financial institutions to offer opportunities to young talent like Jason, Charmaine and Nicholas, so that we can build a strong pipeline of Singaporean talent for the financial sector.

Conclusion

Once again, let me congratulate the IBF on its 50th anniversary.

a. You have played an instrumental role in the growth of our financial sector.

b. The close collaboration that you have forged among tripartite partners has been the secret sauce of our success.

i. In fact, many of the initiatives I mentioned tonight were co-created with these partners, including the financial institutions, industry associations and trade unions.

ii. Their valuable perspectives will help to ensure that our workforce has the skillset to be relevant and responsive to the needs of the industry.

c. I hope that the IBF will continue to strengthen this tripartite effort in building an agile, competitive and resilient workforce for the financial sector.

Together, as a tightly-knit tripartite community, we can ride on the new engines of growth to scale new heights, and further strengthen our position as a leading international financial sector in Asia.

With that, I wish IBF a happy Golden Jubilee, and everyone a wonderful evening ahead.

¹ Based on the [2024 Global Financial Centre Index](#).

² Residents refer to Singapore Citizens and Permanent Residents.

³ This refers to roles that are MD-level and above.

⁴ ["Southeast Asia enters its "digital decade" as the internet economy is expected to reach US\\$1 trillion in Gross Merchandise Value by 2030", Nov 2021](#)

⁵ The Future Skills Accelerator was co-developed by IBF and a pilot group of 15 FIs back in 2022. It leverages AI technology to accelerate the workforce transformation process in an organisation. In particular, it automates the process of identifying skills needed for job roles, personalising training to close the skills gap, and facilitating job mobility within organisations.