

SPEECH BY MR HON SUI SEN, MINISTER FOR FINANCE, AT THE
INAUGURATION OF THE INSTITUTE OF BANKING AND FINANCE,
INTERNATIONAL PLAZA (8TH FLOOR), ON FRIDAY, 30 APRIL 76
AT 5.00 P.M.

In the last few years, we have witnessed a period of unprecedented growth in the banking and finance industry in Singapore. There are now 70 banks, 36 finance companies, 21 merchant banks and 38 representative offices in Singapore.

We have obviously travelled quite a long way towards our objective of establishing ourselves as a major financial centre. However, notwithstanding the progress in the past, the end is not yet in sight. Banking is an ever expanding business, with increasingly more complex financial transactions. Many of our banks have been extensively reorganised to adjust to the changing business environment.

To keep pace with such expansion and, indeed, even to maintain our present position, we need also to have a continuing programme for manpower planning and development.

Thus the setting up of the Institute of Banking and Finance (or IBF) is both timely and crucial. To maintain the level of efficiency necessary to match our growth, we must develop greater professionalism.

My choice of the term "professionalism" is deliberate. In a profession, practitioners have not only to be proficient but also to maintain at all times high standards of ethics and integrity. A certificate of attendance at a training institution does not automatically make the trainee a banker, whether of the commercial, merchant or other variety. Nor for that matter, does the possession of recognised degrees or diplomas. It is only when the trainee puts into practice what he has learned and, more important, when he has acquired the standards the profession calls for that he can call himself a banker.

We have just emerged from the worst recession since the Great Depression of the Thirties and right now, there are still debates on how it happened. One major cause has been stated as too much liquidity provided by the banking system. Whatever faults the system may have made, there is no doubt that it has been under strain over the last few years. In the pursuit of growth and profits, the traditional standards of prudence, ethics and common-sense may have been sacrificed far too often by some errant members of that system, though happily not in Singapore.

Now that we are coming out of the recessionary cycle, we shall be looking again to the banking and finance industry to lubricate the wheels of the economy. It has therefore a responsibility beyond the confines of routine banking and it is to be hoped that in furthering the interests of their own financial institutions, bankers should not forget their other responsibilities.

I am given to understand that during the short space of five months, the Institute has completed more than 20 courses, organised several talks and seminars, implemented a survey of training requirements in the financial community and started on its publication programme. This is indeed highly commendable. In view of what I have said previously about errant bankers under the pressures of the last few years, it may not be too early for the Institute to attempt yet another task - that of fostering a sense of professional pride, ethics and standards in its members. The job is difficult, more difficult than merely imparting banking knowledge and techniques. But it is necessary to be done for banking's future development. And there is no better place to start than in the classroom.

The IBF must also keep abreast of modern methods of manpower development and training, and learn especially from the successful experience of other similar institutes around the world. At the same time, the IBF will need also to work closely and in parallel with our local institutions of higher learning to ensure that there will be suitably trained graduates to meet the ever growing needs of the financial industry. In the final analysis, the level of expertise of our banking manpower will influence our future position in the financial world. And the task of ensuring that the highest standards of skill and ethics are realised will fall upon all our training institutions collectively. I have no doubt that both the IBF and our tertiary institutions will be equal to the challenge facing them.

And now it gives me great pleasure to declare the Institute of Banking and Finance officially open.