

Global links help talent pool flourish

Linda Kreitzman, executive director for the masters' in financial engineering (MFE) at the University of California at Berkeley, says a few years ago she was contacted by the Monetary Authority of Singapore (MAS), the city-state's de facto central bank, to forge a connection with the institute.

"A few representatives flew to UCLA to meet me. They had heard about Berkeley's reputation. This was when Berkeley established its 'informal' co-operation with MAS," she says.

The meeting was important in setting the stage for the school to build a strong relationship with MAS.

This subsequently led to the regulator sending some of Singapore's best and brightest students and professionals to hone their skills and pursue specialised programmes, such as the MFE at Berkeley's Haas School of Business.

According to Ms Kreitzman, two or three students from Singapore have been admitted to its MFE programme every year for the past three years, since the authority launched its finance scholarship programme (FSP) in 2006.

The London School of Economics and Columbia University are among other top institutions to enrol a few of the scholars.

For MAS, the FSP is an important initiative to develop and train a sizeable pool of specialists in targeted fields such as risk management, quantitative finance and finance engineering. The aim is to help grow and sustain Singapore's long-term desire to be the financial hub in Asia, alongside Hong Kong.

"As the financial sector moves up the value chain and assumes more sophisticated activities, we will need to develop a critical mass of specialists with cutting-edge capabilities who can take the industry to the next level," says Ong Chong Tee, deputy managing director of MAS. The feedback since the pilot launch has been positive: "There has been a high level of interest for the current round of applications," says MAS.

Under the programme, MAS will work with local universities to identify and prepare a pipeline of outstanding students with high potential to undertake specialised masters degrees in leading universities. Students will have an opportunity to be selected and sponsored by the 13 financial institutions partnering MAS as co-sponsors.

BNP Paribas, the French bank, has two scholars still pursuing their studies. It says the MAS partnership is in line with its own talent development effort and long-term commitment and development plan in Singapore.

"As the financial industry becomes more complex it is crucial to develop specialists to meet the demands of tomorrow and if one wants to be a global financial centre, then one needs to invest in providing the right resources to support these demands," says Jean-Pierre Bernard, chief executive of BNP Paribas in Singapore.

The FSP will draw on an existing budget of S\$30m set aside under the financial sector development fund to run the programme over the next five years. It is hoped to award some 150 scholarships during the period.

MAS will co-fund up to 70 per cent of qualifying expenses incurred by the scholars during the course of studies, including tuition fees, relocation expenses and cost-of-living expenses. The rest will be covered by the partnering banks.

On graduation, the scholars are expected to return to Singapore to contribute in their respective fields of specialisations with Singapore-based financial institutions for at least two years.

For Charles Chua, one of the scholars from the pioneer cohort, the FSP gave him an opportunity to pursue a rigorous MFE degree at Berkeley, helping him to deepen his understanding of complex financial concepts.

"The knowledge I gained is particularly useful during my current job as a trader in equities derivatives," says Mr Chua. "I now have acquired a quantitative understanding of option risk sensitivity, and was able to enhance the trading and hedging strategies of the trades we decided to make." Mr Chua is working on the structured equity desk at United Overseas Bank, a leading Singapore regional bank.

"At the same time, I could initiate development of new products for investors based on their risk-returns requirements and the current market conditions."

He adds that the school has some of the world's most renowned professors, such as Mark Rubinstein and Hayne Leland, as its distinguished finance mentors, which made the experience even more rewarding.

Singapore's policymakers also recognise the value in sending its scholars to pursue masters programmes abroad, because it will give them the intensive training necessary for the international corporate financial world.

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