

Speech by SMS Tan Kiat How at the “Overcoming the Financial Sector’s AIDA Talent Shortage: Roadmap for 2023 and Beyond” event (22 May 2023)

Mr Sopnendu Mohanty, Chief FinTech Officer, Monetary Authority of Singapore

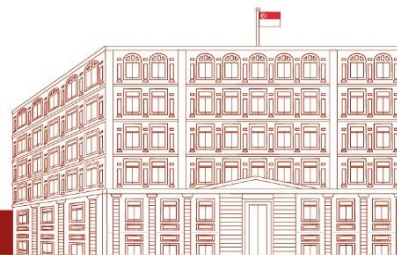
Dr Li Xuchun, Head of AI Development Office, MAS

Distinguished guests

Ladies and gentlemen

1. Recently, AI has captured the public’s imagination. We would all be familiar by now with ChatGPT. Developed by OpenAI, it has demonstrated AI’s ability to seemingly engage in human-like conversations and quickly generate written content. Tech giants like Microsoft and Google have jumped on the AI bandwagon, introducing AI-powered search engines, and reigniting the “Internet Search Wars”.
2. Beyond the established tech companies, there is also a proliferation of AI-powered tools created by start-ups, ranging from AI-powered video creation tools, automated music generators, an AI tool that automatically simplifies complex legal language into something that laymen can understand, and even a tool that allows you to animate the faces in photos.
3. AI has indeed become a driving force in reshaping our society and workforce, and has revolutionised various sectors, from healthcare and transportation to finance and education, and even Government. In fact, part of my speech that I had just read was composed with the help of ChatGPT!
4. Businesses are also turning to AI to drive innovation and productivity. We see many examples in the financial sector. Banks leverage AI to process large amount of data to predict the market trends, currencies and stocks, as well as for fraud detection. AI is also used to automate routine tasks such as account balance inquiries and password resets, while providing customers a conversational banking experience.
5. More recently, a Forbes¹ article highlighted that banks are using generative AI to create new customer segments based on their banking behaviour and to analyse conversations that between a customer and the support agent in order to upsell or cross-sell products. While we see an increased attention to AI in recent months, AI technology is not new. When I studied computers more than 25 years ago, there was already discussion around machine learning and AI, but it has really taken off in recent years. In fact, the Government itself has been looking at AI as an important force for transformation. It has implemented the National AI Strategy (NAIS) since 2019.
6. Under the strategy, the development of AI talent was identified as a priority. We have since made good progress. The TechSkills Accelerator (TeSA) initiative has placed and trained more than 2,600 individuals in AI & Data Analytics job roles since 2016.

¹ Source: “The Future of AI in Banking”, Forbes, 20 March 2023, Alex Kreger



7. AISG has also partnered companies to train mid-career Singaporeans to take up good AI-related jobs. Over 230 AI apprentices have been trained under AISG's AI Apprenticeship Programme, with about 90% receiving more than two job offers and recent batches receiving salary increases of close to 25% of their last drawn salary. To meet strong demand from both industry and Singaporeans, AISG plans to double the number of AI apprentices trained over the next five years.

8. Some Singaporeans - who heard about recent layoffs by big tech companies like Amazon, Meta, and Twitter - asked me if there are good opportunities in the tech sector. My own view is that there is great demand, especially for those with AI expertise, and that demand will continue to grow, especially for those in domains like financial services, logistics and healthcare.

9. For example, McKinsey's latest "State of AI²" report highlighted that the global tech talent shortages show "no sign of easing", which is impacting some companies' plans to adopt the technology for their work processes. A recent Bloomberg report also highlighted the acute shortage of AI talent around the world, resulting from the increased interest in the technology following the introduction of AI-powered programmes like ChatGPT.

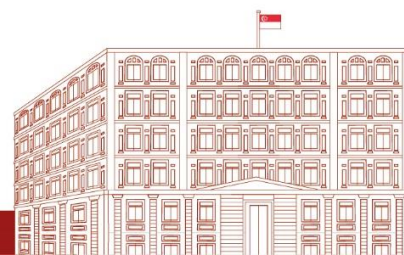
10. Government will continue to partner the industry to ensure that our workforce have the necessary skillsets to seize such opportunities in AI. I am therefore happy to announce the launch of the Artificial Intelligence and Data Analytics (AIDA) Talent Development Programme, and the AIDA Talent Consortium, which will support the programme's work. The Talent Development Programme aims to increase the supply of AIDA talent in the financial sector. This is part of the National AI Programme in Finance which was launched in 2021.

11. For the Talent Development Programme to succeed, Government and industry need to work closely together to understand the specific needs of the sector in order to introduce targeted approaches to close current gaps. This is where the talent consortium comes in. Consisting of various financial institutions, established training providers, and Institutes of Higher Learning (IHLs), the consortium will inform MAS of the talent needs of the financial sector in various AIDA-related roles.

12. Through the consortium, MAS will also be able to work with IHLs and training providers to develop specific programmes to address current skills gaps. Another value-add of this consortium would be its ability to develop practical resources such as real-world case studies for training and learning.

13. Such Government - Industry partnerships are essential to ensure that the right interventions are introduced that would address current AI talent constraints. Such a platform would allow MAS to work with FIs and stakeholders to enhance and co-curate training interventions to improve the industry relevance of curriculums.

² Full name of report: McKinsey's "State of AI in 2022"



14. In conclusion, I wish MAS and the members of the AIDA Talent Consortium a meaningful and successful partnership. The opportunities are immense for Singapore to be a talent hub of innovation and vibrancy that is relevant to the global marketplace. Industry and Government partnerships are going to be very critical. By working together, we can create a vibrant ecosystem for AI talent, innovation and experimentation, and create many good jobs and opportunities for Singaporeans, in this Little Red Dot. I thank all of you for your support and look forward to hearing many exciting new developments in the future.

