

Sheng: Accountants' input crucial for NEM

Financial adviser calls for accountants to lead the way to K-economy

By **DANNY YAP**
danny@thestar.com.my

KUALA LUMPUR: Feedback from accountants is imperative for the successful implementation of the New Economic Model (NEM) and for Malaysia to transform into a knowledge economy (K-economy), said China Banking Regulatory Commission chief adviser Datuk Seri Panglima Andrew Sheng.

"Accountants play a major role in the development of the K-economy from data classification, verification, data analysis as well as business risk investment," he told reporters yesterday at the 51st Anniversary commemorative lecture and luncheon of the Malaysian Institute of Certified Public Accountants (MICPA).

MICPA's anniversary theme this year was "NEM and the Role of Accountants."

Sheng said Malaysian account-



Andrew Sheng ... 'We need to develop Malaysia as a centre of excellence in accounting.'

ants must continually upgrade themselves and lead the nation in the process to transform the economy.

He said accountants in the services sector play a significant role in the development of the knowledge economy and could transform the human resources landscape.

He reckoned that the old economic model of relying on "cheap clerks" and smart partners were over, as the structure did not provide encouragement and incentives to middle managers.

"We are exporting our talent abroad due to higher overseas pay," he noted, adding the country should instead invest in clusters of accounting talent to do high value outsourcing accounting work in Malaysia.

Sheng said there was a need to do more research in value-added accounting services, such as database management and the conversion of accounting data into business data.

"The conversion of raw accounting data into business and user-

friendly language is a major business (opportunity)," he said, citing eXtensible Business Reporting Language (XBRL) as an example.

XBRL is the language used for electronic communication of information between businesses and other users of financial information for the purpose of business reporting.

"We need to develop Malaysia as a centre of excellence in accounting and information upgrading," he said.

Sheng said servicing the financial centres of Hong Kong and Singapore in data conversion/outsourcing alone was sufficiently viable, what more capturing new businesses in the Middle East, China and India.

To capitalise on this business opportunity, Malaysia needs to develop and promote strong research and development in accounting, he said.