

Outsourcing a way to retain accounting talent

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MALAYSIA should provide accounting outsourcing services as a way to stem the departure of local accountants abroad, a top economist says.

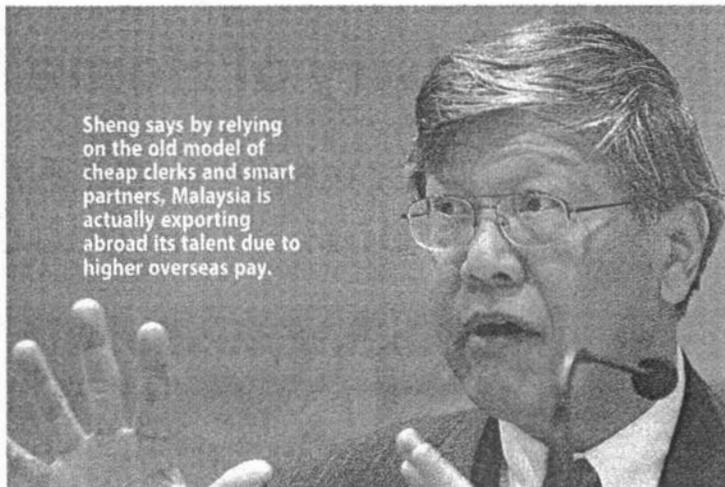
Datuk Seri Andrew Sheng, a chartered accountant by training, said Malaysia has been a major supplier of accountants to the region, particularly Singapore and Hong Kong, over the last 20 years:

"By relying on the old model of cheap clerks and smart partners, we are exporting our talent abroad due to higher overseas pay. Why don't we (instead) invest in clusters of accounting talent to do outsourcing high-value accounting work in Malaysia," he suggested at a luncheon lecture organised by the Malaysian Institute of Certified Public Accountants yesterday.

Sheng, a member of the National Economic Advisory Council that produced the country's New Economic Model (NEM) framework, was formerly Bank Negara Malaysia's assistant governor and chief economist.

He is currently chief adviser to the China Banking Regulatory Commission.

Sheng said accountants played a major role in the knowledge-based economy that Malaysia is now put-



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ting a lot of emphasis on.

"Why don't we do more research in accounting value-added services, which are at the heart of the new knowledge-based economy," he suggested.

He said, for example, conversion of raw accounting data into business and user-friendly language, such as XBRL (extensible business reporting language), could be developed into a major business.

He is convinced that Malaysia can become a centre of excellence in accounting and information upgrading. What is needed, he said, is strong research professors of ac-

counting and clusters of accounting research and development.

"Just servicing the financial centres in Hong Kong and Singapore in data conversion or outsourcing could be a viable business, (what more) if we capture new businesses in the Middle East, China and India," he said.

Sheng also said that feedback from the accounting profession was crucial in the area of implementation of the NEM.

"Malaysian accountants must continually upgrade not only to service, but (also) to lead national transformation," he said.