

## Ewart S Williams: Challenges facing the Caribbean Centre for Monetary Studies

Opening remarks by Mr Ewart S Williams, Governor of the Central Bank of Trinidad and Tobago, at the Thirty-Sixth Annual Monetary Studies Conference, jointly hosted by the Central Bank of Trinidad and Tobago and the Caribbean Centre for Monetary Studies, St Augustine, 1-4 November 2004.

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On behalf of the Management and staff of the Central Bank of Trinidad and Tobago, I wish to extend a warm welcome to all the participants (especially our guests from the Caribbean and further afield), to the **Thirty-sixth** Annual Monetary Studies Conference. The Central Bank is especially pleased to be collaborating with the **Caribbean Centre for Monetary Studies** to jointly host this Conference, in this our 40th Anniversary year.

I should note that this Conference has existed for almost as long as the Central Bank and has become an important fixture in the conference agenda in the Caribbean.

It, in fact started as, the **Regional Programme of Monetary Studies**, in 1968, under the leadership of Sir Alister McIntyre, (who was then, Director of the Institute of Social and Economic Research on the St. Augustine Campus of the University of the West Indies).

As Dr. Jackson indicated, the first Conference was really intended to focus on the implications of the **new sterling agreements following the devaluation of the pound sterling** to which most of our **currencies were pegged**. The agenda also included a few other topics:

- (i) financial accounting in the Caribbean;
- (ii) the operation of insurance companies;
- (iii) the development of the Eastern Caribbean Currency Area; and
- (iv) the design of an ideal accounting framework for the plantation economy.

It's interesting, but many of these continue to be burning issues today.

For many years this conference continued to be staged, in a process of close collaboration between the regional Central Banks, University of the West Indies and the University of Guyana, but essentially administered by the University. And here we need to pay tribute to those "essentially **unpaid co-ordinators**" who did yeoman work in keeping the programme alive: Professor Compton Bourne, Maurice Odle, Adlith Browne and Ramesh Ramsaran.

In May 1995, UWI and the Regional Central Banks signed a formal agreement to establish the **Caribbean Centre for Monetary Studies (the CCMS)**. The core mission of the Centre is to provide CARICOM Central Banks with timely economic intelligence as well as monetary and financial policy advice by:

- (i) conducting relevant research;
- (ii) developing a regional repository of monetary, financial and economic information;
- (iii) disseminating its research findings through Seminars, Conferences and Workshops including, of course, this Annual Monetary Studies Conference.

It is widely recognized that the Monetary Studies Programme and the CCMS have served the region well. Perhaps one of the most enduring contributions of the programme has been the provision of a training ground for many of the regions' noted economists. In fact, several of our prominent regional as well as national policy makers have "cut their teeth", in the programme.

Over the years, the CCMS, for its part, has developed an impressive range of publications covering both theoretical and policy issues.

The **CARICOM Economic Performance and Convergence Report** one of its main outputs, provides important comparative information about regional economic performance, and has proved to be quite useful in the deliberations of the Committee of Central Bank Governors.

The Centre also has established a network of research associates, drawn from the regional and international community. The relationships cultivated by this network have allowed for the provision of joint research with relevance for the Caribbean region.

CCMS broke new ground a few years ago with its Annual Senior Level Policy Seminar which provide an important forum for the discussion of practical issues of importance to the business community. These seminars have been a tremendous success.

Globalisation and the rapid evolution of the regional financial environment have created new challenges for Caribbean Central Banks in their quest to maintain monetary and financial stability. It is my view that the CCMS has a critical role to play in helping us address these challenges.

And I think that the CCMS could provide this critical support in a number of ways.

**Firstly**, I think that CCMS could contribute more to **economic and financial intelligence** at the regional level through the expansion of regional databases that provide up-to-date information on financial sector performance. **Secondly**, I think that the CCMS **must get involved** in joint research with the regional central banks on the urgent issues that confront us - issues such as the conduct of monetary and financial policy under different exchange rate regimes: as exchange rate management: issues of monetary and financial sector policy co-ordination in the context of the CSME.

Of course, I am fully aware of the kinds of challenges that the CCMS itself faces, not least of which is the financial resource constraint. The Central Bank of Trinidad and Tobago is a strong supporter of the CCMS and I feel that all the regional central banks should be prepared to finance the Center at a level that facilitates the recruitment and maintenance of high-quality staff.

UWI has been a strong supporter of the CCMS but the University may also have to do more if we are to maintain a high quality center for monetary research.

And finally, the time may have come when we need to look to the private financial community - the banks, the insurance companies and so on - to contribute to the financing of the CCMS, if even for paid research.

Let's face it, we all stand to benefit from the work that could emanate from a well-staffed, well-resourced and high quality regional center for monetary and financial studies.

With these few words, Mr. Chairman, I would like to wish all the participants a most stimulating and successful conference.