

Adriano Maleiane: Financial services efficiency in Mozambique

Opening speech by Mr Adriano Maleiane, Governor of the Bank of Mozambique (Banco de Moçambique), at the SWIFT African Regional Meeting, Maputo, 22 May 2006.

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Dear Mr. Arthur Cousins, SWIFT Board member,
Dear Mr. David Pryce, Regional Director for Africa
Dear guests
Ladies and Gentlemen

I accepted with satisfaction the invitation to chair the opening ceremony of the SWIFT African Regional Conference to be held under the slogan ***“Transforming the future: optimizing the local, regional and global markets”***.

I would like to welcome all delegates present in this conference room, especially the African countries' representatives. As hosts of the SWIFT African Regional Conference, we are greatly honoured to welcome you in Maputo and wish you a pleasant stay.

The great interest and participation in this Conference proves the commitment of our governments and financial institutions to information technology current matters that we currently use in order to better prepare our countries to face up the challenges of the globalization and regional and continental integration.

Nowadays, information technologies are a paramount platform for the activity of various economy sectors, including the financial sector as well as the payment systems. The SWIFT is an integral part of the technological infrastructure that our institutions use for settlement and clearing of bills, in the perspective of better serving the clients, prevent risks associated with our activity and, in general, to contribute for business environment improvement, an important factor to attract investments that we need to accomplish our economic and social development plans.

In the globalized world we live, the information technology platforms are ever more harmonised, the reason why it is urgent to improve them in order to reduce the transaction costs and allow an adequate risk management, both in the domestic plan, as well as within the regional and international scope.

Ladies and Gentlemen,

Our economies continue to be too small in the context of production and world trade. Our countries are, in general, very sensible to exogenous shocks, either those resulting from adverse natural factors as well as those induced by situational changes and yet those resulting from changes in the international trade rules.

Our positioning in the world economy continues to be, in overall terms, that of commodity producers, whose access to international markets still faces various barriers and unequal treatment.

This characteristic makes our countries highly dependent on the international community financial support, mainly in the form of grants.

Mozambique started with deep reforms in 1987, whose results within the financial sector are already visible, as can be evaluated through the number of operators as well as the financial products available in the market. In effect, owing to substantial changes that we have been undertaking, today we have a number of diversified credit institutions and financial corporations which offer competitive products and services within the domestic and international markets.

In the domain of the information technology, we have evolved to a financial system in which greater part of the transactions that take place are made in real time, whereas by the beginning of 90's, such transactions were made resorting to a telex and other primitive data transmission mechanisms. The *nostro* accounts management improved after our adherence to SWIFT by 1995.

At that time, only 3 (three) banks were operating within the SWIFT system, but about 10 (ten) years later, we can gladly confirm that all Credit Institutions operating in the country perform their

foreign exchange transactions through that system, resulting in an improved management of the country's foreign exchange operations.

The entry of new operators in our banking system, with strong establishments abroad, brought an added value to the national financial system, to the extent that Maputo and other capital province trading markets have thereafter been connected to the main international financial markets.

The financial system evolution put forward to the Banco de Moçambique, as Central Bank entity, the challenge to introduce foreign exchange and monetary policy management instruments more adequate to the dynamics and transformations of the markets. We continue to modernize our payment systems, especially on clearing and settlement of bills, besides having strengthened the banking supervision to comply with the dimension of our financial market.

Ladies and Gentlemen,

The improvement of financial services' efficiency is an important encouraging factor for the attraction of more foreign investments and other financial inflows to our countries. Today, a strong and sound infrastructure is an important factor in the creation of new opportunities for our countries to find alternative sources of financing.

In this context, the SWIFT system is considered to be an important element of such infrastructure, which should therefore be prepared to participate in the definition of markets development strategies that are being undertaken in many countries and within several African sub-regions.

Other challenges that today are put forward to SWIFT system and other banking management computer solutions, is the assurance of adequate integration among front, middle and back office operation systems to allow an efficient management as well as access of information on *nostro accounts*, in real time.

Within the SADC (Southern African Development Community) region, some countries have already implemented or are set in an advanced stage of implementation of the RTGS (Real Time Gross Settlement) payment systems. SWIFT should be assumed as an important partner for the improvement of the payments' systems efficiency and mainly for risk mitigation.

Recognising the importance of having good infrastructures in Africa, it is our responsibility, as Africans, to develop common and/or harmonised projects in this field.

Within the Southern African Development Community region, pre-conditions for the harmonisation process of some financial infrastructures have already been created.

In effect, various projects on procedures harmonization with the Central Banks are at the implementation stage, of which it is worth referring to the payment, settlement and clearing systems, communication and information technologies and banking supervision projects.

Let me finish by expressing my conviction that this conference will produce the expected results and the strengthening of cooperation among our institutions in the domain of interbanking telecommunications, in order to develop a modern and liable financial platform and compatible with those used in the main international markets.

The matters to be addressed and the expertise of the lecturers ensure that the discussions will be frank and everyone will come out of the meeting with enriched knowledge. Once again, I wish you good stay in Maputo and in this way, I officially declare the SWIFT African Regional Conference open.

Thank you very much.