

Ewart S Williams: Financial integration in the Caribbean – history, prospects and challenges

Address by Mr Ewart S Williams, Governor of the Central Bank of Trinidad and Tobago, at the Twenty-First Dr Adlith Brown Memorial Lecture, St Michael, Barbados, 1 November 2006.

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Introduction

I am honoured to have been invited to deliver this Twenty-First Dr. Adlith Brown Memorial Lecture. I question whether I am worthy to join this long list of previous distinguished speakers, but I relish the opportunity, nonetheless.

Let me congratulate the Caribbean Centre for Monetary Studies for continuing to stage this Conference, which has become a flagship event of the region's economic conference agenda. Over the years, this Conference has provided a unique opportunity for researchers from within and outside the Caribbean to examine economic and financial issues of critical importance to the region.

I join with the Conference in honouring the memory of Dr. Adlith Brown, an early coordinator of the Programme, whose work during her short life was devoted to promoting ideas that bore on our regional economic development.

The title of my presentation is, "*Financial Integration in the Caribbean: History, Prospects and Challenges*". Perhaps it is too grandiose a title, since what I will attempt is rather a cursory look at the evolution of the integration movement since the 1970s, with some focus on financial integration (a trip down memory lane, as it were). I will also seek to raise a few issues about current efforts at financial integration and the challenges at arriving at a Monetary Union.

History

I would take as my point of departure the signing of the Agreement to initiate the Caribbean Single Market in January 2006.

This signing, which was done by six countries in the first instance, marked a milestone in a process that formally started in 1973 with the Treaty of Chaguaramas. The formal establishment of the CARICOM single market heralded, inter alia, the removal of restrictions on the free movement of goods, skills, services and capital and the rights of establishment of enterprises anywhere in the region.

The Single Economy, which as of now is tentatively scheduled to be in place by 2008, involves the adoption by Member States of coordinated and harmonized macroeconomic policies, coordinated development of productive sectors, and the building of a regional capital market.

In essence, this second stage envisages the reconfiguration of the separate national economies into a truly Single Economy, perhaps with a single currency.

Over the last decade or so, there has been intensified interest among developing countries in greater economic and monetary integration (in the formation of regional economic blocks). In Africa for instance, where there are five regional economic communities, the Association of African Central Bank Governors adopted a resolution in August 2003 to work towards a single currency and common central bank by 2021. They plan to use the several regional unions as an intermediate stage in the process.

The 1997 financial crisis put at the forefront of the Asian regional agenda, the need to focus on one important dimension - monetary and financial cooperation - with a view to enhancing East Asia's resilience to future shocks. This crisis put the idea of an Asian Monetary Union on the table. This idea has evolved over the last few years but in a somewhat interesting (unique) direction. What happened in fact was that the major Asian economies, with a view to reducing dependence on the multilateral agencies for crisis assistance, took a number of bold post-crisis initiatives which included:

- regional information exchange and surveillance; and

- regional resource pooling (through a number of bilateral and multilateral swap arrangements).

The ASEAN group is currently examining the feasibility of exchange rate coordination through a currency and exchange rate mechanism similar to the ERM, which was obtained in Europe in 1994-98. Of course, one can just imagine the enormous challenges of integrating economies as diverse as China, Japan, South Korea on the one hand, and Singapore, Malaysia and the Philippines on the other.

The regional monetary integration trend has not escaped the oil-rich Middle East, where the Gulf Cooperation Council (comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE), having established a customs union, has resolved to move to a common market by 2008 and to introduce a single currency by 2010.

The obvious question is, why this renewed interest in not only trade but in monetary and financial cooperation, even up to the level of monetary union?

The economic literature advances several benefits from close economic and financial integration. It says, for example that:

- Integration, particularly among small developing countries, facilitates the pooling of resources and increases the potential for better resource allocation with all its positive implications.
- Second, in principle, deepening financial integration could spur competition among financial institutions. This should translate into cheaper funds for borrowers, boosting investment.
- Third, financial integration, by involving the removal of restrictions on capital flows, could serve as a catalyst for capital market development providing long-term and risk capital, both of which are major constraints to economic development in small countries.
- Fourth, greater financial integration could impose stricter market discipline on macroeconomic policies.

Of course, if you get to the ultimate form of financial integration, which is the monetary union, the potential advantages are even greater. By reducing transaction costs and eliminating exchange rate uncertainties, monetary union is supposed to promote greater intra-regional trade. This, and the other benefits that go with monetary union, such as enhanced labour mobility, lower fiscal deficits and improved price stability, is expected to stimulate regional growth.

As you may know, the indifferent performance of most European economies since the adoption of the Euro has prompted some debate as to the impact of monetary union on growth. Some critics suggest that there is a tendency for authorities in a monetary union to focus disproportionately on stability and not sufficiently on the growth-inducing aspects. Be that as it may, there is no doubt that the formation of the European Union and the success of the Euro, which has become the world's second leading currency, have heightened interest in monetary union among developing countries.

It is interesting though, that many commentators caution against the applicability of the EU experience as a blueprint for monetary and financial integration in developing countries. They note, for example, that the process of European economic and financial integration was essentially driven by political motives having to do with avoiding a recurrence of the conflicts which devastated twentieth-century Europe. These commentators argue that the driving force behind the establishment of the European Union was to ensure that Central Europe's largest country, Germany, be firmly embedded in a European structure - as the saying went, "A European Germany rather than a German Europe". According to this argument, the best way of ensuring these political objectives was through economic integration starting with the coal and steel industry, through customs union, the European Monetary System, to the Single Market Programme, and finally to the introduction of the Euro.

Of course, not only the motivation but also many of the original preconditions that existed in Europe were very favourable and perhaps are not present (at least not in the same degree) in the groupings of developing countries now seeking to pursue economic and monetary union. For example, even before monetary union, Europe had already enjoyed a high degree of intra-regional trade (about 60 per cent), had a high level of institutional development, had very complementary production structures, and had a high degree of economic convergence. Not all of these conditions are fulfilled in the groupings that are currently showing interest in greater economic and financial integration.

We in the Caribbean had some inherent advantages. We can boast of common historical groundings, having come out of 500 years of servitude together, and a common colonial heritage. We can boast of shared and common values, a sense of kith and kin and a unique and common culture. However, for many years, our production structures were integrated to metropolitan centres with very little intra-regional linkage. Thus, by the mid-1960s, when countries achieved political independence, intra-regional trade accounted for a mere 6 per cent of total trade (of the Caribbean islands).

It was no surprise therefore that the initial drivers of our regional integration movement were economic rather than political. In its original conception, regionalism was a mechanism for overcoming the constraints on import substitution at the national level. It was also a reaction to a failed attempt at political integration which culminated in the break-up of the West Indian Federation in 1962.

Accordingly, the contemporary movement to regional economic integration in the Caribbean started in 1968 with the establishment of the Caribbean Free Trade Area (CARIFTA), which had the limited objective of removing the tariff and other barriers to intra-regional trade in goods.

Five years later, in 1973, efforts were made to deepen the integration process through the Treaty of Chaguaramas, by the provisions to create a common market – CARICOM - which in addition to its free-trade arrangements, provided for the establishment of a common external tariff, designed to provide a measure of protection to regional industries. The common market concept underscored the inward-looking integration approach at both the national and regional level. Essentially, CARICOM sought, at a minimum, to promote at the regional level the import-substitution strategy of development being pursued at the national level. This type of regionalism was originally intended to be a defense against growing multilateralism, and stood somewhat in opposition to it.

As it turned out, the common external tariff (the CET), which was intended to be fully in place by 1981, was not implemented until much later, so the common market languished unfulfilled.

The Treaty of Chaguaramas had also enjoined member states to examine ways and means of harmonizing their monetary, exchange rate and payments policies in the interest of smooth functioning of the Common Market. Accordingly, in 1977, the CARICOM Multilateral Clearing Facility (CMCF) was established to replace the existing bilateral Intra-regional Payments Scheme. This Scheme had worked fairly well for about eight years, but was cumbersome to operate since each participant had to keep individual accounts for all the other participants. Moreover, the bilateral arrangements did not produce meaningful economies in the use of foreign exchange.

The CMCF sought to correct this by:

- facilitating settlement of eligible transactions on a multilateral basis;
- promoting the use of member currencies in settling eligible trade transactions and thereby effecting economies in the use of their country's foreign exchange reserves; and
- encouraging monetary cooperation among participants and closer relations among banking systems, and in so doing, contribute to the expansion of trade and economic activity in the region.

I noted earlier that the provisions of the 1973 Common Market regime were not really implemented in that the common external tariff was not in place until sometime in the 1990s. But this was only one of the failings: much against the spirit of the common market regime, in the late 1970s and 1980s, participating countries put in place a formidable array of restrictions and barriers. Some of these expressly prohibited the free movement of capital and skills within the region, and severely limited the capacity of Caribbean nationals to establish and operate businesses within the region. Also, as Marion Williams noted in a 1985 paper, prompt settlement under the CMCF rules were more often than not ignored, undermining the spirit of the arrangement. And there were no sanctions to force countries to meet their obligations since the CMCF was not a legal entity, but rather a sort of regional gentleman's agreement.

All these factors, notwithstanding, with the CMCF in place, intraregional trade doubled between 1978 and 1981, and the use of the credit facility of the CMCF expanded from US\$40 million to US\$100 million.

In 1979, the region had actively considered as a second instrument of monetary cooperation, the establishment of a Stabilization Fund. This was to be a second CMCF window through which countries in difficulties would obtain balance of payments support. It was envisaged that the capital of the Fund was to come from participating countries as well as from extra-regional organizations.

The proposal never came to fruition, firstly because of difficulties in raising the required resources, but in my view, more importantly, because of the inability of regional governments to agree on a framework for imposing conditionalities on member countries who want to use the resources. By then, some of the countries had already entered into standby agreements with the IMF and therefore, the use of the word “conditionalities” was tabooed.

By the turn of the decade of the 1980s, the international recession was beginning to take its toll on regional economies, all of whom found themselves facing serious balance of payments and debt difficulties. At least two of the participating countries - Guyana and Jamaica - had serious difficulties in meeting their settlement obligations. At the same time, the major creditors - Barbados and Trinidad and Tobago - also found it difficult to continue deferrals on receiving payment, because they too were facing their own problems. You may recall that in 1982, Barbados was forced to borrow from the IMF in the face of a drastic decline in its foreign exchange position, and with the first oil shock, Trinidad and Tobago suffered a significant reversal in its foreign exchange situation. Against this background, the CMCF arrangements collapsed in 1983.

In the context of the CMCF, the region had also introduced a CARICOM Traveller's Cheques Facility. The specific objectives were to further the growth of monetary cooperation and to encourage regional travel while minimizing the use of foreign exchange reserves. Regional travellers purchased the cheques in domestic currency, were able to buy goods and services in CARICOM member states and the settlement was made through the CMCF. The scheme, which was administered by the National Commercial Bank of Trinidad and Tobago, formally lasted until 1993, though with the removal of exchange control in most territories towards the end of the 1980s, there was a marked decline in the use of CARICOM Traveller's Cheques after 1988.

The demise of the CMCF and the CARICOM Traveller's Cheques schemes signaled the failure of the first real attempt at regional monetary cooperation, and for many, it reflected the lukewarm commitment to regional integration. The collapse of the payments arrangements was a major blow to regional integration. Not unlike the case of the Federation in the late 1950s, the region's political will was tested and we were found wanting. You will hear the term “political will” a few more times before I am through.

[You would notice that I have called the CMCF initiative the first real attempt at monetary cooperation. The historians among us would point to the British Caribbean Currency Board, which was the monetary authority for most of the Caribbean territories from 1951 to 1965. I have omitted this since it was part of colonial arrangements and not a creation of the independent regional territories].

Moving on, by the end of the 1980s, with the rapid onset of globalization and with economic and financial liberalization being the order of the day, the old integration strategy gave way to what was called at the time “open regionalism”, based on an outward-looking, market-oriented framework in which the private sector was expected to take the lead. This approach gave rise to the Grande Anse Declaration of 1989.

The Declaration set out to deepen the integration process and strengthen the Caribbean Community in all of its dimensions, through the creation of a single market and economy. The single market programme envisaged the free movement of goods and services, the free movement of labour, reform of the institutions of the community and the redesign of the common external tariff.

In the context of the Grande Anse Declaration, the commitment was to have the CARICOM Single Market and Economy in place by 1993. This timetable provided for intensified cooperation on monetary, financial and exchange rate policies by 1990, and the introduction of a scheme for the free movement of capital by 1993.

A West Indian Commission, headed by Sir Shridath Ramphal, was established to develop an action agenda. This agenda placed the issue of monetary integration as an important condition for the successful attainment of the single market and economy. Accordingly, a Council of Central Bank Governors was given the mandate to develop a proposal for the introduction of a common currency.

The Council of Governors realized at the very start that monetary integration could not be realistically achieved by 1993 and proposed instead a more gradualist approach based on agreed levels of economic convergence. A new deadline for the attainment of monetary integration was set for the year 2000.

Unfortunately, this deadline also slipped because it was clear that several countries could not meet the convergence criteria on a consistent basis. On the recommendation of the Council of Central Bank

Governors, a decision was taken to give priority to the requirements of the single market and to the preconditions for the single economy.

After all the delays, the Single Market was established in 2006.

According to the latest timetable, the programmes and frameworks that together would enable the creation of the Single Economy are expected to be in place by 2008. From where we stand now, this is a tall order since the unfinished agenda comprises, inter alia, the formulation of a Regional Strategic Sectoral Plan, the adoption of a Regional Investment Code, a regime of Harmonized Fiscal Incentives and a Framework for the Development of the Regional Capital Market.

At this stage, I will now focus simply on the progress and the unfinished agenda, as it relates to financial integration. Thereafter, I will offer a few comments on the prospects for monetary union.

The IMF defines financial integration as a gradual process through which cross-border capital flows increase, financial markets' comovements become stronger, and product prices and market infrastructure converge to common standards. In practice, it implies the absence of controls on capital movements and a level of institutional harmonization such as to create a single financial space. Some analysts take the view that enhanced financial integration is a precondition for a monetary union.

The Caribbean economies have inescapably been caught up in the global trend of increasing financial liberalization and market openness. This has meant a significant increase in cross-border capital movements driven by increasing competition, the quest for higher rates of return and the establishment of business presence in regional markets. Cross-border mergers and acquisitions in the financial sector have meant that three major financial conglomerates account for over 40 per cent of total bank assets in the region.

In principle, the regional integration of the banking system should spur greater competition, result in the spreading of overhead costs and put downward pressure on bank lending rates, while reducing interest rate spreads.

The latest data do not suggest that this is happening. Bank lending rates continue to be high by international standards and are identified as a hindrance to business investment in the Caribbean, especially for small firms.

Bank spreads in the Caribbean (i.e. the difference between the interest rates on loans and that paid on deposits) range from around 7 per cent for Trinidad and Tobago to 12 per cent for Jamaica. These compare with spreads of 2 to 4 percentage points in mature markets. The high regional spreads are a barometer of the continued inefficiency of the regional banking system, notwithstanding the march of financial integration.

Not unlike the pattern decades ago, the regional banking system also continues to display a pattern of credit allocation in favour of personal loans and the distribution sector, rather than in support of agriculture, manufacturing, tourism and other productive activities that are critical to the restructuring of regional economies.

Ironically, the integration of the regional banking system has created potential challenges for prudential supervision. It has done so by firstly, magnifying the channels through which shocks are transmitted across borders, and secondly, in the absence of harmonized financial legislation, by providing more room for regulatory arbitrage in the system.

Fortunately, an effective but still largely informal system of information exchange between regulators has served to contain the potential damage. It is gratifying indeed that we can have the amount of regulatory cooperation that currently exists, even in the absence of appropriate region-wide legislation.

Capital market integration has been much less than that achieved in the banking system. Specifically, there has been limited integration of bond and equity markets in the region. And this is a critical challenge since, potentially, capital markets can provide the long-term risk financing that are needed for the development of the regional productive structure.

So far, integration of the three major regional stock markets - Jamaica, Barbados and Trinidad and Tobago - has been limited to the cross-listing of twelve securities. While the process of cross-listing facilitates better pricing, it is no replacement for an integrated regional exchange. A truly regional stock exchange is a harmonized system whereby all member states are linked electronically for the conduct of trading in equities, with no controls on cross-border capital flows and easy access to information. A fully integrated regional exchange would allow firms to have a wider market for raising needed capital

at competitive rates, thus allowing the productive sectors to become more competitive both regionally and internationally.

For a truly effective regional stock exchange, several preconditions that do not now exist must be met. These include:

- harmonized audit and accounting standards that simplify the interpretation and comparability of companies' information;
- harmonized securities legislation, including the establishment of a regional oversight body with powers to impose penalties;
- an incentive framework that promotes the listing of new productive enterprises while encouraging existing listings to seek equity capital for expansion;
- the ability of regional investors to access on a timely basis, cross-border information relating to securities and other pertinent information to help in making sound investment decisions; and
- an efficient and cost-effective clearing and settlement system.

Admittedly, some of these preconditions are currently receiving the attention of the authorities.

Alongside the stock market, a regional bond market is an important part of an effective integrated capital market. Private bond issuance is a good potential source of long-term financing for business activity while a regional market for government bonds could be an important avenue for financing public sector infrastructural projects.

The OECS has been developing a sub-regional market for government bonds based on a modern technology platform. At the same time, regional governments and corporates have been issuing fixed income securities in the Trinidad and Tobago capital market. As of now, no attempt has been made to incorporate these transactions in one integrated regional platform.

I have gone through this analysis to suggest that while there has been progress over the past few years, the creation of an integrated regional capital market is still some way off. I also agree with several commentators who take the view that an integrated regional capital market, along with considerable strengthening of several regional institutions, are necessary elements for deeper monetary cooperation.

Prospects

And I will now make some brief comments on the prospects for Monetary Union.

Let me first recall what I am sure you all know that two of the main characteristics of a monetary union are a common currency and a regional central bank that implements a common monetary policy for all the participating members. With the loss of monetary autonomy that is implied, adjustment to exogenous shocks, when they are needed, must come from fiscal policy and from factor mobility, mainly labour and capital. Because of differing factor endowments and because benefits from integration do not accrue evenly across the union, monetary unions normally include mechanisms to compensate economies that are disadvantaged.

The current discussions about a monetary union for the Caribbean invariably run on two main tracks. The first is the debate about whether there is enough complementarity in the production structures so as not to make a common monetary policy unmanageable. The second is about the degree of convergence that currently exists among the regional economies, which is seen as a measure of the region's readiness for monetary union.

The first issue - about the complementarity of production structures - is conceptually an important one, in that it has implications for the effectiveness of a common monetary policy. Specifically, if the members of the union are affected differently by the same exogenous event, serious policy challenges could arise.

For example, if an increase in oil prices led to a pronounced slowdown in the industrialized economies, this could have serious implications for those countries in the region that depend heavily on tourism. To maintain employment in these economies, the appropriate response may be some monetary expansion or even a depreciation of the exchange rate. For an oil-producer in the region, let's for the

sake of argument, call it Trinidad and Tobago, the increase in oil prices may indeed lead to the overheating of the economy, requiring a contractionary monetary stance. Such a situation creates a major challenge for the regional central bank which must devise a single monetary policy for the entire region.

The importance of the convergence criteria is another area that has attracted much scrutiny and analysis. As you know, the criteria sets limits for the level of inflation, the fiscal deficit, the variability of the exchange rate, and a floor on the level of foreign exchange reserves. The rationale for the criteria is that a higher level of convergence facilitates the conduct of common macroeconomic policies and obviates the need for special measures to correct imbalances in individual economies.

Let's examine these two issues.

In my view, the diversity in regional production structures is not wide enough to present unmanageable challenges. At any rate, problems of asymmetric shocks could be addressed by capital market mobility and by fiscal cross-border transfers. In fact, the region's approach to the establishment of the single economy is to exploit the sizable complementarity that exists to facilitate the integrated development of the main production sectors.

The issue of the convergence criteria is a bit more complicated. [Incidentally, I would like to congratulate the CCMS for the very good work the institution has done for the last few years in monitoring the convergence criteria]. Having said this, however it is a fact that convergence criteria are only meaningful if they serve as an anchor for each country's macroeconomic policies and as a disciplining device. To the best of my knowledge, there isn't any case in the region where a country's annual budget or its medium-term development recognizes or is specifically guided by the need to meet the convergence criteria.

This is much unlike the case of the EU where an institution with political clout - the European Monetary Institute (forerunner to the European Central Bank) - was designated to monitor the convergence criteria, where these were seen as serious performance targets and where countries were expected to tailor their economic policies to ensure that the criteria were met. In our case, the convergence criteria are only informational; they are not a guide to policy; they carry no sanction, not even peer pressure.

Challenges

The ineffectiveness of the convergence exercise underscores one of the principal challenges facing the region on the road to monetary union. This challenge has to do with the willingness of regional governments to transfer authority to regional institutions. Perhaps the biggest challenge in this regard will be a decision to yield sovereignty over monetary policy to a regional central bank.

The indifferent record of implementation of CARICOM decisions, combined with a less than robust approach to an issue as critical as economic convergence, often raises the question of the strength of the region's political commitment to the single economy.

Prime Minister Arthur sees the problem not in terms of political commitment but in terms of the political form of integration that has been applied. He noted, in the speech to the Trinidad and Tobago Chamber of Commerce last year that, "*CARICOM is a community of sovereign states in which each nation retains exclusive powers relative to the implementation of decisions made at the regional level. Accordingly, the pace of implementation of regional decisions has, in many cases been set by the urgency of the slowest member*". Prime Minister Arthur also lamented, "*In our community of sovereign states, there is no provision for the transfer of sovereignty to any supranational institution, nor is there a body of community law that takes precedence over domestic legislation*".

On this very subject, Former Prime Minister PJ Patterson, in a speech in Trinidad and Tobago this year, also called for "*the establishment of a CARICOM Commission or similar executive mechanism, with the capacity to mobilize political consensus on issues awaiting decision and to pursue expeditious implementation of decisions already made*".

Clearly, there is an issue of a more effective governance structure. But beyond the new governance arrangements, there are the difficult practical issues. The reality is that CARICOM is a grouping of partners of varying sizes and means. As gains from integration will be unevenly distributed, there need to be mechanisms to compensate the so-called LDC's (Less Developed Countries). Two such mechanisms are a Development and a Stabilization Fund.

Even if some external assistance could be mobilized, the financing of these would need to come disproportionately from the stronger partners. This is going to require true statesmanship and a commitment from the larger and economically stronger economies to support the others. The MDC's (the More Developed Countries) need to be prepared to play the role of "big brother" when smaller economies within the union experience adverse shocks. Of course, in this region, countries have always had problems in meeting regional obligations. And the financing of the needed institutions of a Single Economy will continue to be a practical challenge.

The issue of surrendering national control over monetary and exchange rate policy and transferring sovereignty to a regional central bank is also a real one. You may say that the OECS territories have done this and function effectively with a regional central bank and you are right. The only difference, however, is that this group always had a common monetary institution and carried on with this structure at Independence. The move from a national monetary authority to a regional structure is a bigger monetary challenge.

Let's recall that the Western European Monetary Union stalled on the monetary policy hurdle in the 1970s and only overcame the hurdle when, in the 1990s, most but not all of the EU members accepted the loss of sovereignty inherent in the common central bank. Even now, Denmark, Sweden and the United Kingdom remain outside of the Euro zone.

There could be similar difficulties for a regional monetary union.

I would like to touch on one final issue that has a bearing on any possible move to monetary union and that is the importance of communication and ensuring public buy-in.

I am not certain that the regional public is being educated sufficiently about the benefits and challenges of a monetary union, nor is the regional population being mobilized to support the move. We seem to take the position that the sense of community among the people of the region and our shared collective identity would pave the way for almost automatic buy-in.

That may have been so for my generation, where the West Indies cricket team and the University of the West Indies were two main institutions that effectively held the region together. But with tertiary education becoming more national in character, U.W.I. is not as unifying a force, as it used to be. As for cricket, at least in Trinidad and Tobago, young people are not as passionate about the game or about the West Indies cricket team, as happened in the 1980s and 1990s.

At the same time globalization, cable TV and the Internet are reminding us that we are one world rather than one region.

Quoting Prime Minister Arthur again, "*Our regional community could only have vitality and meaning if there are at work instruments of communications to enable a Caribbean, rather than, an insular personality to emerge and predominate and to cause insular nationalism to give way to the pride of regional nationhood*".

In short, if we are to get public buy-in to monetary union we need to embark on a public enlightenment campaign to help our citizens deal with the uncertainties and apprehension that go with the free movement of labour, with their Government providing transfers to regional partners and with their relinquishing their national currency for a regional currency.

I am sure that the message could be sold but even that would need political will. In fact, it is critical that the message is sold, as the support of all citizens is crucial to the process and the eventual success of a monetary union.

Let me thank Governor Marion Williams for the invitation and you all for your undivided attention.

Thank you.