

Amando M Tetangco, Jr: The importance of microentrepreneurship

Keynote address by Mr Amando M Tetangco, Jr, Governor of the Central Bank of the Philippines (Bangko Sentral ng Pilipinas), at the Microentrepreneur of the Year (MOTY) Awarding Ceremony, Manila, 19 November 2008.

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Magandang hapon sa inyong lahat!

Ladies and gentlemen, we are gathered once again to celebrate, honor, and give recognition to our outstanding microentrepreneurs. Their collective success in overcoming the difficulties inherent in microentrepreneurship serves as a powerful inspiration for all of us. Their stories remind us that with vision, courage, passionate commitment, a persevering spirit, we can pursue and reach seemingly impossible goals even in the midst of a global economic slowdown and financial turmoil.

And so, friends, let us show our appreciation for all our awardees by giving them a long round of applause. Palakpakan po natin ang ating mga awardees!

Let us also thank the officers and staff of Citi Philippines headed by Country Officer Sanjiv Vohra for initiating and sustaining the Citi Microentrepreneur of the Year Awards which is now on its 6th year. With Citi, this annual recognition of outstanding microentrepreneurs has been institutionalized. A round of applause please for Citi.

Of course, we also salute the members of the working groups from the Microfinance Council of the Philippines headed by Rollie Victoria, from the Bangko Sentral, from Citi, and from other partner institutions. Palakpakan din po natin sila. They had the privilege of seeing our successful microentrepreneurs up close and personal, but I am sure they had a difficult time narrowing down the list.

I can say this with certainty because we who compose the National Selection Committee devoted long deliberations on each of the finalists. Given the remarkable accomplishments of our finalists, it was a tough choice indeed. And so, this year, the members of the National Selection Committee decided to give three special awards on top of our eight major winners. Friends, let us also reward the hardworking members of the National Selection Committee with a round of applause.

Ladies and gentlemen. The stories of our winners become even more significant when viewed against the backdrop of an increasingly difficult operating environment. These exceptional microentrepreneurs not only survive they thrive!

Their stories give us confidence that our micro, small and medium enterprises (MSMEs) will continue to be a vital, resilient, and viable foundation for sustaining economic growth throughout our country.

It is noteworthy that one of the country's pioneer MFIs – CARD-MRI – is a 2008 awardee of the prestigious Ramon Magsaysay Award Foundation for Public Service under its theme "Pathfinders in a Changing Asia." It was honored for its "successful adaptation of microfinance in the Philippines, providing self-sustaining and comprehensive services for half a million poor women and their families."

Indeed, real-life success stories of microentrepreneurs and hard data on hand prove beyond reasonable doubt that microfinance truly has the power to liberate our entrepreneurial poor from poverty and to give them a better life.

As of June 2008, there were 802,092 microfinance borrowers who have accessed loans worth P6.5 billion from 230 banks. These borrowers have also accumulated roughly P1.6 billion in deposits with the banks.

It is also evident that our banks have successfully taken their strategic place in providing financial services to the previously unbanked. Since 2006, rural banks have consistently accounted for a significant portion of the winners. In fact, both of our national winners this year are clients of rural banks. I believe this trend will continue as more banks provide microfinance services.

I also see more successful microentrepreneurs being nominated in the years ahead as partner institutions who have become fierce advocates of microfinance get more supporters and more microentrepreneurs on board.

Synergies developed between and among partner institutions should result in a further broadening and deepening of the microfinance sector. The case of Citi awardees are a case in point. I understand our 11 awardees have attended financial education lectures to boost their ability to sustain profitable operations.

The members of our National Selection Committee have also been generous in terms of giving guides to growing their business and providing marketing outlets for consumer goods.

On our part, the Bangko Sentral will continue to provide a policy environment conducive to broader participation of banks in the microfinance sector. Rediscounting of microfinance loans will also continue.

And so, ladies and gentlemen, let us continue working together to ensure the continuing success of microfinance, to expand its reach, and to lift millions more of our countrymen from poverty to a better quality of life through microfinance.

Again, my congratulations to all our awardees, to Citi and all those involved in this annual search for outstanding microentrepreneurs.

Mabuhay ang Pilipinas!

Salamat po sa inyong lahat.