

Rasheed Mohammed Al Maraj: Leveraging technology through turbulent times

Address by His Excellency Rasheed Mohammed Al Maraj, Governor of the Central Bank of Bahrain, at the MEFTEC 2009, Manama, 10 February 2009.

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Good morning Ladies and Gentlemen:

I am pleased to welcome you to Bahrain for the 2009 Middle East Financial Technology Exhibition and Conference, or MEFTEC as it is popularly called. This morning, as I look around, I am happy to see that this event continues to arouse so much interest. Each year the number of participants continues to grow, a clear testament to the success of this Exhibition and Conference. I would like to thank the organisers for their efforts in enhancing and improving each event, and the delegates for their participation. I wish you a pleasant stay here.

Information Technology is, of course, at the heart of the modern financial services industry. Banks have used advances in information technology to improve their service to clients and to improve the ways in which they manage their risks.

The delivery of financial services has been fundamentally transformed by technological innovations such as mobile phone banking, internet banking and the ability to trade stocks and bonds from a home computer. For many millions of people around the world these technological innovations have improved the speed, availability, and cost of financial services.

Technological advances have also contributed to financial innovation. Had it not been for technological innovation, and particularly increases in computing power, the kinds of products which enable a business to manage its interest rate, foreign exchange rate, and funding risks could never have been developed. These products are now so commonplace that we tend to take them for granted. We forget just how important they have become to well-managed businesses.

The theme of this year's conference is "leveraging technology through turbulent times." These are, without a doubt, turbulent times. The world is confronting its most serious financial crisis in several generations.

The current global financial crisis has certainly been a reminder that not all financial innovation is a good thing. Some of the new financial instruments that have been created in the past decade have imposed large costs, not just on those who own them, but also on the wider society. It is clear that we, the regulators, will need to become much more cautious about financial innovation than we tended to be in the years before the crisis.

At the same time, however, we should remember the benefits that innovation has also managed to deliver. So, looking to the future, we can be confident that financial innovation and technological innovation will continue to advance together. That is why we consider MEFTEC, which is a showcase for the best in financial technology, plays such an important part in underpinning Bahrain's position as the financial centre for the GCC and wider Middle Eastern region.

Ladies and gentlemen, I am sure that you are eager to see what the exhibitors have to offer. I thank you for joining us today and again extend my appreciation and thanks to the organizers and exhibitors. I wish you a successful Conference and Exhibition.