

Caleb M Fundanga: Strengthening the Zambian financial services industry through education

Speech by Dr Caleb M Fundanga, Governor of the Bank of Zambia, at the Zambia Institute of Banking and Financial Services 8th Graduation Ceremony, Lusaka, 21 February 2009.

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- The President, Zambia Institute of Banking and Financial Services, Mr. David Chewe;
- Distinguished Council members;
- The Chairman, Bankers Association of Zambia, Mr Saviour Chibiya;
- Chief executives of Banks and Financial institutions present;
- Representatives from other Learning institutions;
- Distinguished Parents;
- Graduates;
- Distinguished Invited Guests;
- Ladies and gentlemen

It is an honour and privilege for me to officiate at this 8th Graduation Ceremony of the Zambia Institute of Banking and financial services. There is nothing more pleasing than witnessing young men and women climbing the ladder of success in life.

Mr President, as we speak, our economy is facing numerous challenges emanating from the global financial turmoil. As you are no doubt aware, the crisis has already resulted in a reduction in commodity prices including that of copper our main foreign exchange earner. The Zambian foreign exchange market has also been adversely affected as is reflected in the volatility and weakening of the Kwacha exchange rate in the recent past. The result of all this is lower Government revenues and more expensive imports which would in turn culminate in higher inflation.

However, our situation is by no means unique, and both the emerging, and more developed economies have felt the effects of what has turned out to be a global recession. The challenges presented to our economy in general and the financial sector in particular, brings to the fore the critical role that the Zambia Institute of Banking & Financial Services is expected to play in equipping young men and women with the much needed capacity to strengthen the financial services industry. We shall no doubt be confronted with such and many more similar challenges as we strive to achieve economic growth and poverty reduction in our country.

Ladies and Gentlemen, in order to be well prepared for such trying times ahead, we need to groom our best talents to assume leadership positions in all sectors of the economy especially in the financial sector. To achieve this vital task of nurturing our future leaders, the Government is trying its level best to provide education to all Zambians. However, providing support to education for the benefit of all citizens is never an easy task. It is for this reason that the Government recently classified Education and Health as economic sectors.

This entails that private investors are now provided with incentives to invest in the area of Education. This policy is expected to provide the much needed investments in institutions such as the Zambia Institute of Banking and Financial Services. Looking around in this gathering, I see people who are very well connected to private investors. Therefore wooing investment into this institution should not be difficult task. Such investment will go a long way in enhancing the quality of graduates this Institution will produce.

Mr President, it is during times of crisis such as the one we are undergoing that graduates should assist the industry in coming up with well researched constructive proposals and solutions on how challenges may be addressed within the context of our local environment. The prevailing global financial meltdown is in fact an opportunity for the institute to critically review its core operations and determine if its flagship education and training programmes as well as other learning environment initiatives such as research, consultancy, counselling and continuous professional development activities are robust enough to adequately serve our financial services sector, both in times of buoyancy and during periods of turbulence.

Ladies and Gentlemen, I am reliably informed that the Institute is negotiating strategic alliances that will ensure high quality international standard flagship education and training programmes for professionals in Zambia's financial services industry. I am equally pleased to note that the Institute has direct representation on two working groups of the Financial Sector Development Plan (FSDP) – the Banking Working Group and the Human Resource Working Group. I have no doubt the FSDP stands to benefit from more representation from the Institute.

I urge you **Mr President and Council Members**, to engage all the stakeholders in the financial sector including, Non-Bank Financial Institutions, Insurance Companies, Stock brokers and Pension Funds. I have no doubt that with increased support from other financial service providers and regulators, the institute will increase in stature in human resource capacity-building aimed at developing a critical mass of professionally qualified and competent bankers.

To the graduates, the qualifications in Banking and Finance you are obtaining today will certainly not make you an instant expert to tackle challenges in the financial services sector. It will take hard work, determination, and a variety of continuing professional development programmes for you to be able to begin to understand in a comprehensive manner, the banking industry in its entirety.

However as graduates from this special Institution, each of you will be given a unique opportunity to prove yourself. I therefore, urge you to work hard and learn from others around you including those with different views from yours. Let me also mention that as graduates from the Zambia Institute of Banking and Financial Services, your progress and performance will be closely monitored and you will be looked upon as role models. I urge you to set the standards for others to emulate. I am confident that all of you will live up to the highest standards and will not disappoint us.

I once again congratulate you and your parents, for it is only through their guidance that you are able to achieve what you have today. I wish you all, especially those graduating and those witnessing the graduation of their loved ones, a joyful and wonderful day.

Thank you.