

## **Amando M Tetangco, Jr: The BSP and its partners – standing up to the global challenges today**

Speech by Mr Amando M Tetangco, Jr, Governor of the Central Bank of the Philippines (Bangko Sentral ng Pilipinas), at the Stakeholders Awards and Appreciation Lunch for 2009, Central Bank of the Philippines, Manila, 14 July 2009.

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Distinguished partners and special guests from the private and government sectors, good morning.

On behalf of the Monetary Board and my colleagues at the Bangko Sentral ng Pilipinas, I thank all of you for joining us today for our Stakeholders Awarding Ceremony and Appreciation Lunch.

As you can tell, this event is important to us. This is the time of the year when the Bangko Sentral ng Pilipinas honors its partners who provide outstanding support to our information and statistical requirements, as well as to our advocacy programs.

This year's Stakeholders Awards is made more special by the fact that our partnership has gone through a particularly challenging period that saw the worst global financial crisis and the most severe economic downturn in decades.

While the epicenter of the financial turmoil is in the US, shockwaves are being felt worldwide, even in emerging economies such as the Philippines.

Thus, the theme for our 2009 awarding ceremony is most appropriate: "The BSP & its Partners: Standing Up to the Global Challenges Today."

Indeed, we are here today standing up together because we kept our partnership strong and fully functioning even in the midst of a global crisis. You honored your commitment to the Bangko Sentral, stood by us, and never failed to send us your comprehensive reports on time.

Thus, the Bangko Sentral ng Pilipinas and our economy benefited from receiving your complete and reliable information on which to base our policy decisions.

For this, we give all of you your initial award today: a well-deserved long round of applause.

Ladies and gentlemen, the first group of stakeholders we will recognize today are the outstanding respondents to the following BSP surveys: the Business Expectations Survey; Cross-Border Transactions Survey; Foreign Direct Investment Survey; Coordinated Portfolio Investment Survey; and Survey on IT and IT-Enabled Services.

We will also give awards to other institutions that provide valuable information for the formulation of monetary policy in accordance with the BSP's key mandate to promote price stability conducive to balanced and sustainable economic growth. The framework for our monetary policy is inflation targeting – a forward-looking and information-intensive approach. Thus, it is imperative that the information and statistics we receive are comprehensive, timely, and accurate.

We cannot overemphasize the importance of keeping prices stable; this allows households and businesses to plan over a longer horizon and make informed decisions on consumption, investment, savings, and production.

In case some of you are wondering how we have fared in terms of stabilizing prices. The answer is: with your help, we have done quite well. Headline inflation has been on a downtrend, dropping from 3.3 percent in May to 1.5 percent year-on-year in June, the lowest

in more than 22 years. Our external accounts have also remained healthy, with a balance of payments surplus and a record-high gross international reserves of US\$39.6 billion.

These are positive results from our collaboration. Palakpakan po natin ito!

Today, we will also recognize the best commercial banks that facilitate the inflow, and reporting, of remittances from overseas Filipino. We all know that this is a service that is important not only to overseas Filipinos and their families but also to our economy. On the average, remittances represent 10-11% of our GDP.

Therefore, let us also congratulate our banks that provide efficient and secure handling of over one billion dollars in monthly remittances from our overseas Filipinos. Palakpakan din po natin sila!

We will also give special recognition to institutions that have given their unqualified support and cooperation for the BSP's economic and financial education program. Let us also give them a round of applause!

Once again, on behalf of the Bangko Sentral, I thank all of our respondents and stakeholders who have been our faithful partners through these years. With your steadfast support, the Bangko Sentral will continue to craft and implement effective and responsive monetary and banking policies that will empower us and our partners to face up to the challenges that come our way.

Finally, let us keep in mind what the physicist Albert Einstein once said about information. He said... and I quote: "Information is a source of learning. But unless it is organized, processed, and available to the right people in a format for decision making, it is a burden, not a benefit". End of quote.

Ladies and gentlemen. As partners of the Bangko Sentral ng Pilipinas who have generously shared your time in giving us accurate, comprehensive, and timely information with us, you have also served our country and our people.

For this, we are grateful and we thank you. We do look forward to many more productive collaboration with all of you in the years to come.

Again, my warmest congratulations to all the awardees.

Mabuhay ang Pilipinas! Mabuhay po tayong lahat!

Magandang umaga at maraming salamat po sa inyong lahat!