

Amando M Tetangco, Jr: Maximising the benefits of remittances from overseas Filipinos

Remarks by Mr Amando M Tetangco, Jr, Governor of Bangko Sentral ng Pilipinas (the central bank of the Philippines), at the signing of the Memorandum of Agreement between the Commission on Filipinos Overseas (CFO) and the Bangko Sentral ng Pilipinas on the Remittance for Development Council, Manila, 26 March 2012.

* * *

Secretary Imelda Nicolas; officers and staff of the Commission on Filipinos Overseas; fellow advocates in promoting the interest of overseas Filipinos and their families; distinguished stakeholders; fellow BSPers; special guests; friends from the media; ladies and gentlemen, good afternoon.

Welcome. What we have today is a short and simple ceremony for the signing of the Memorandum of Agreement between the Commission on Filipinos Overseas and the Bangko Sentral ng Pilipinas covering the Remittance for Development Council. Short and simple; but full of significance.

To the Bangko Sentral, this partnership with the CFO on the Remittance for Development Council, is yet another step forward in our continuing efforts to maximize the benefits from remittances from overseas Filipinos.... not only for themselves and their dependents in particular, ... but also for our country in general.

As a multi-stakeholder advisory and policy recommending body, the Remittance for Development Council can address the matter of channeling individual and collective remittances to productive use and ... at the same time.....serve as a venue for discussing issues related to the remittance environment affecting overseas Filipinos.

Over the past decades, the steady growth of migrant remittances has become a dependable and major source of foreign exchange for the Philippines. In fact, the World Bank reports that in 2011... the Philippines ranked as the world's fourth largest remittance-receiving country. Remittances from overseas Filipinos coursed through banks was up 7.2 percent in 2011 and reached over \$20 billion; this is equivalent to about 9 percent of the country's Gross Domestic Product. Clearly, remittances from overseas Filipinos are a major driver of consumption activity in the Philippines, which in turn has supported economic growth.

Nevertheless, while remittances boost domestic consumption, their impact on the financial security of households and on the country's long-term economic development has not been utilized to its full potential. An IMF study in 2009 finds that remittances indeed help lift people out of poverty; in most countries, however, its potential as driver for investment and economic growth has yet be fully explored.

Together with other members, stakeholders, and partners of the Remittance for Development Council, we can explore new projects and expand our existing initiatives to create a more enabling environment to harness remittances for more savings and productive investments.

For your information, the Bangko Sentral continues to work on lowering bank remittance charges further.... and to provide an environment for safer and faster remittance services through our banking system. At the same time, the Bangko Sentral has been conducting lectures on saving, investing and money management for overseas Filipinos and their dependents in the last three years.

This financial education program has brought us to places with heavy concentration of overseas Filipinos – such as Japan, Europe, and the Middle East – in cooperation with the Department of Foreign Affairs. In the Philippines, our partnership is with the Department of

Labor and Employment and its agencies in prioritizing areas where many dependents of overseas Filipinos reside.

We look forward therefore to forging new avenues of cooperation and deeper alliances within the Remittance for Development Council to realize our shared goal of delivering a better quality of life for our modern day heroes – our overseas Filipinos and their dependents.

In the meantime, palagi nating tandaan ang sumusunod na tula:

Perang padala, talagang mahalaga

Ipunin, palaguin, pag-yamanin

Para magkasama-sama muli pamilya natin

At patuloy lumakas ang mahal natin ... ang bansang Pilipinas

Mabuhay ang ating overseas Filipinos! Mabuhay ang ating mahal na bansang Pilipinas!

Maraming salamat sa inyong lahat.