

Amando M Tetangco, Jr: Excellence in communication at a strategic level

Speech by Mr Amando M Tetangco, Jr, Governor of Bangko Sentral ng Pilipinas (the central bank of the Philippines), at receiving the International Association of Business Communicators (IABC) 2013 CEO Excel Lifetime Achievement Award, Manila, 25 July 2013.

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The officers and members of IABC under the leadership of Chair Elpi Cuna and IABC President Ritzi Ronquillo, distinguished fellow awardees, special guests, friends, good evening.

I am deeply honored to receive the 2013 CEO Excel Lifetime Achievement Award and for this I thank the IABC.

In your letter informing me of this award, you described the awardees as belonging “to the select group of outstanding national and industry leaders who epitomize management competence and excellence in communication at a strategic level; a leader for good governance and responsible corporate citizenship who inspires others to serve for the greater good.”

Ladies and gentlemen. I have been a central banker for 39 years now, of which eight years have been spent at the helm of the Bangko Sentral ng Pilipinas as Governor and Chairman of the Monetary Board. And to this day, I still find my work challenging, meaningful and fulfilling. Indeed, I have always felt it is a privilege being given the opportunity to serve our people and our country as a public servant.

Across the country, the commitment to serve runs deep at the BSP – from our 18 branches, three regional offices to our Security Plant to our Manila Head Office. I therefore share this award with my colleagues, whose drive to excel is motivated by the singular vision of achieving a better life for Filipinos through sound monetary and banking policies.

At all times, we are conscious that what we do or what we say can affect millions of Filipinos for the better or not. In this connection, we make sure that two-way communication is maintained with our various constituents.

Among others, the Bangko Sentral has maintained a consultative process given that concerns of financial markets have become broader in breadth and deeper in consequence. Clearly, we cannot afford a unilateral approach; even if we do not agree on every policy detail, we continue to find ways to address issues together.

With open channels of communication the Bangko Sentral and the banking sector continue to evolve in response to the needs of our growing economy. Today, our banking sector is sound, stable and liquid. In fact, the stability of our banking system in the midst of global turmoil has been a factor in our country finally getting out of junk status and receiving investment grade from S&P and Fitch credit rating agencies. This is important. A higher credit rating generally enables a country and its corporations to have access to international capital markets at lower rates.

Similarly, our continuing efforts to involve and engage our stakeholders on key policy issues have produced positive results. For instance, our quarterly Consumer Expectations Survey of 5,000 households and Business Expectations Survey of our top 7,000 corporations help us formulate sound policy decisions.

The continuous improvement in the quality of our surveys and our consultative approach provide a good anchor for the monetary policies of the Bangko Sentral ng Pilipinas, the objective of which is to keep prices low and stable. In fact, when we tracked the correlation

between the results of our expectation surveys with actual data on the GDP, inflation, interest rates and foreign exchange we found significantly high overall convergence.

As a result, the Bangko Sentral's policy decisions continue to provide the stability that preserves the public's purchasing power and creates a planning environment conducive to strong and sustainable growth. In particular, we continue to be successful in taming inflation at low single digit levels – 2.8% as of June 2013, with year-to-date inflation at 2.9 percent.

And with BSP's policy rates now at record low levels, average interest rates charged by banks to their customers have also dropped to single digit levels. This has benefitted consumers in terms of gaining access to more affordable credit while business is able to expand and create new jobs with lower financing costs.

We are also heartened by our progress in developing a more inclusive financial system, the implementation of our nationwide economic and financial learning program, and enhancing protection for finance consumers. Ladies and gentlemen. The ability to make informed financial decisions is now recognized globally as a life skill needed if one is to be successful. Again, how to communicate finance lessons across different sectors, regions and age groups is a challenge the Bangko Sentral has taken up.

Finally, we observe that the resilience of our economy strongly reflects the efficient performance of our communication exchange with key stakeholders. To us at the Bangko Sentral therefore, efficient communication leads to transformational growth.

Of course, you and I know communications is always fraught with challenges. Wittingly or unwittingly, statements from the Bangko Sentral move markets. The same is true of other central banks.

We have also witnessed how global markets – big or small – can rise or fall sharply in reaction to statements from central bank heads. US Federal Reserve Chairman Ben Bernanke today and Alan Greenspan before him come to mind. In the same vein, the European Central Bank said credibility and effectiveness of monetary policy come with effective communication.

Indeed, as much as credible policy actions, effective communication is of fundamental importance to central banks.

And for this reason, this Lifetime Award on Communication Excellence from the IABC is truly meaningful and deeply appreciated.

I also thank my fellow central bankers at the Bangko Sentral ng Pilipinas who have been part of my journey as a public servant.

And finally, I take this opportunity to thank my family, particularly my wife Elma and my children, for their unconditional love and support. I can say I am truly blessed.

Maraming salamat sa inyong lahat!