

Barry Whiteside: Microfinance initiatives in Fiji

Opening address by Mr Barry Whiteside, Governor of the Reserve Bank of Fiji, at the launch of the 2014 Microfinance Awards, Reserve Bank of Fiji, Suva, 2 June 2014.

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Colleagues and members of the Media Ladies and Gentlemen

A very good evening to you all.

It is with great pleasure that I welcome you all to the launch of our 2nd National Microfinance Awards.

A number of us were fortunate to be present during the first Awards presentation ceremony last October, which coincided with the Pacific Microfinance Week Conference in Nadi. At the time we experienced the great excitement amongst our winners, but what was also gratifying were the emotions and sentiments shown by all the regional participants at the Conference.

The National Microfinance Awards is a special event in the RBF calendar. This is when we get the opportunity to pay tribute to the key stakeholders and recognise the valuable contribution that microfinance makes to the national economy. More importantly it is about recognizing and supporting our budding micro-entrepreneurs.

I am pleased to learn from last year's winners, that participating in the Awards has helped them raise their strategies, goals and ways to improve and achieve a better future. Furthermore it has inspired their respective communities, highlighting the hard work and discipline that is needed in keeping a small business running.

At the Reserve Bank we are pleased to learn that as these micro-businesses have grown the business owners often involve their family members. This has provided valuable work experience, especially for their young ones. The extra income to the family translates into important advantages, including a chance for a better education. Micro-entrepreneurs not only create a path to economic self-reliance but they also bring positive social and economic benefits to their local communities and the economy as a whole. We all know many examples of large successful companies in Fiji today that started from very humble beginnings.

In 2013, there were approximately 4,200 micro, small and medium enterprises or MSMEs in Fiji accounting for approximately 12 percent of our GDP or around \$800 million. MSMEs, when given the right support, have the potential to lift the economy and can contribute strongly to employment, an issue which has been very much at the forefront of our development and growth objectives.

I am pleased that the Reserve Bank of Fiji has been at the forefront of developments of microfinance initiatives in Fiji. But I am also deeply proud of the goodwill of all our fellow stakeholders who have come forward in a great partnership at the national level to drive our financial inclusion programs.

At the Bank we continue to encourage the financial services providers such as the commercial banks and microfinance institutions, not to just look at the extension of credit as a means of expanding economic opportunities. We would like them to seriously consider viable partnerships, synergies and developing innovative products and services.

In recent years, microfinance providers here in Fiji have expanded their services to deliver financial education and training, entrepreneurial training, micro-insurance and various other services to budding entrepreneurs. The goals of these supplementary activities are twofold: firstly to improve the survival rate of the borrowers' start-up businesses and secondly to mitigate credit risks for the lender.

Ladies and gentlemen, I want to affirm the important role that microfinance plays in creating opportunities for those who most need them, allowing our small entrepreneurs the ability to create a viable business. Successful microbusinesses provide jobs as well as valuable products and services to their communities. What is clear is that microfinance, and financial inclusion in general, has grown and adapted considerably during its short history in Fiji.

In 2010 we set ourselves a target of reaching 150,000 unbanked Fijians by the end of this year and we celebrated achieving that target well ahead of schedule in March. I hope that our entrepreneurs and service providers will sustain their energetic spirit of innovation and experimentation as they strive to become more self-sufficient and adapt to our ever-changing economy.

Concluding statements

Ladies and gentlemen, it is difficult for one organisation to run these Microfinance Awards on its own. We are therefore extremely grateful that our supporting partners from the inaugural awards have again stepped forward this year. So thank you very much to the Pacific Financial Inclusion Programme and the Life Insurance Corporation of India. The Reserve Bank acknowledges your continuous support towards our financial inclusion initiatives and we look forward to yet another exciting event this year.

The Microfinance Awards categories remain as follows:

- Category 1 – Best Microfinance Entrepreneur (Individual);
- Category 2 – Best Microfinance Entrepreneur (Partnership); and
- Category 3 – Best Microfinance Service Provider.

The Awards ceremony is scheduled for the 6th of November 2014 and I understand that nominations are now being accepted.

I wish this year's candidates all the very best and now take much pleasure in inviting our sponsors to say a few words.

Thank You.