

## **Amando M Tetangco, Jr: Great significance and consequences**

Speech by Mr Amando M Tetangco, Jr, Governor of Bangko Sentral ng Pilipinas (BSP, the central bank of the Philippines), at the 2016 Awards Ceremony and Appreciation Lunch for BSP Stakeholders with theme “Sustained Partnership, Sustained Economic Growth”, Manila, 13 July 2016.

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I am particularly pleased to welcome all of you to this 2016 Annual Awards Ceremony and Appreciation Lunch for BSP Stakeholders. This is the 13th year we are hosting this annual gathering.

Our objective is simple, but to us, quite significant. Ladies and gentlemen, we want to thank all our partners and stakeholders who support and work with us in the pursuit of the BSP’s mandate, policies, and programs.

We want to celebrate and strengthen our partnerships that have resulted in the formulation of appropriate monetary and banking policies; the dissemination of information that protects and empowers our people; and the implementation of financial inclusion programs across the country that support good money habits and spur economic activities for more inclusive growth.

This month marks the 23rd anniversary of the Bangko Sentral ng Pilipinas. In other words, our Annual Awards Ceremony and Appreciation Lunch for BSP Stakeholders is a highlight of the BSP’s anniversary celebration. Indeed, the BSP values its stakeholders and partners.

In 2004, we started this ceremony with 10 awards. Today, we are giving 35 awards in the National Capital Region alone; a total of 93 awards will be given in other parts of the country. This is because support for the BSP continues to expand and deepen across the country.

Thus, even as we face national and global challenges, we continue to move forward, traverse uncertainties, and achieve positive results. For this year’s celebration, our theme is “Sustained Partnership, Sustained Economic Growth.” We want to underscore that mutual commitment to our continuing partnership helps us sustain economic growth; growth that generates jobs and improves the lives of Filipinos.

As you know, our partnership comes in various forms. Among others, the submission by our survey respondents of timely, accurate and complete information helps the BSP craft and calibrate effective monetary and financial policy decisions. These are important as they affect our economic fundamentals.

More specifically, our partners who provide information keep us abreast of perceptions on price movements, help us monitor the country’s transactions with the rest of world, assist us in evaluating emerging economic trends, and help us assess our vulnerability to external shocks.

And it is our collaboration with banks that help us operate an efficient payments and settlements system that keep our financial system stable and facilitates the safe transfer of billions of remittances from overseas Filipinos across the globe.

But more than providing valuable support, our partners give us feedback on the effectiveness of our policy actions. This is an important facet of our partnership.

Thus, the BSP invests resources in engaging our stakeholders in policy formulation and regular consultation. We know that if we do not listen, we can lose our grounding and in the process, our policy actions may lose potency. It is important therefore that we sustain and continue to nurture our partnership. We count on this as one of the anchors that provide guidance and credibility to our decisions.

Moreover, our common vision of making lives better through our partnership have led us to cooperate in pushing for advocacies that matter.

For instance, our campaign to protect our people against counterfeit banknotes led us to introduce New Generation Banknotes that have many new security features. We thank all of you therefore for helping spread information on these new security features and the demonitization of our old-design banknotes. As scheduled, our people have until December this year to exchange old-design banknotes with banks or the BSP.

By 2017, old-design banknotes will no longer be accepted by banks; an exception to this rule are Overseas Filipinos who have up to next year to exchange their old-design banknotes. In particular we thank the banks, malls, stores, public offices and transport groups for helping us spread the message of demonitization and the security features of our new banknotes across the country.

Another advocacy we are giving priority to is the development of an inclusive financial system. In particular, we have leveraged on our initial gains in microfinance and financial inclusion to develop and implement the National Strategy for Financial Inclusion in partnership with other government agencies, the banks, the private sector, the academe and the NGO community.

We are heartened by our continuing progress in scaling up our efforts to bring more Filipinos into the financial mainstream – where sound financial management is developed, where the cost of money is more affordable, where savings are encouraged and protected, and where investment products provide opportunities for growth.

In other words, ladies and gentlemen, through our collaboration, we have become agents of stability and of positive change – change that improves the system to be more accessible, safer, more equitable and more beneficial to every Filipino.

Indeed, the Philippines has registered uninterrupted economic growth for 69 quarters now. Real GDP growth averaged five percent since 1999 and there are indications that growth is getting more broad-based. This gives us a level of confidence that we can address challenges that lie ahead.

In this connection, I wish to share the report released yesterday by the IMF mission to the Philippines. It said strong macro fundamentals and improved governance provide a solid foundation to meet remaining challenges. Such challenges include addressing poverty, underemployment and ensuring that economic growth benefits the broader population. According to the IMF, the Philippines continued to register solid growth in 2016, despite external headwinds, due in part to fiscal stimulus and supportive monetary conditions. It added that our initiatives to strengthen systemic risk monitoring in the financial sector have helped maintain financial stability in a challenging global environment.

Ladies and gentlemen. This is a credible third party assessment of the gains we have made together. In addition, the BSP continues to receive awards and recognition in the pursuit of its mandate to ensure low and stable inflation, maintain a sound and stable financial system, and operate an efficient payments and settlements system.

As partners and stakeholders of the Bangko Sentral ng Pilipinas, you rightfully share credit for this as well. Thank you for your continuing support and confidence in the BSP!

Moving forward, we see potential risks that can elevate volatility and challenge our policymaking. Nevertheless, our domestic sources of resilience will help us manage possible spillovers from global challenges such as weak and fragile growth, geo-political tensions, continuing uncertainty over US Fed interest rates and Brexit.

And our economy remains on track as the new Administration under President Rodrigo Duterte sets its priorities to achieve growth and a better life for our people.

Let us therefore continue to collaborate and work together so we can help overcome roadblocks to growth and prosperity in our country.

On behalf of my colleagues at the Monetary Board and the BSP family, I thank all of you and look forward to making our partnership grow and our collaborations deeper and more meaningful.

Ladies and gentlemen. The African-American poet and Pulitzer Prize winner Gwendolyn Brooks once wrote... and I quote: "We are each other's harvest; we are each other's business; and finally... we are each other's magnitude and bond." End of quote.

And so today, let us commit together to be the best we can be in the service of our country and our people. Congratulations to all our awardees and thank you once again to all our partners and stakeholders.

Mabuhay ang ating mahal na bansang Pilipinas!

Mabuhay po tayong lahat!

Marami pong salamat!