

## **Amando M Tetangco, Jr: Team BSP – gearing up for an even better year in 2010**

Speech by Mr Amando M Tetangco, Jr, Governor of the Central Bank of the Philippines (Bangko Sentral ng Pilipinas), at the Bangko Sentral ng Pilipinas flag-raising ceremony, Manila, 4 January 2010.

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Ladies and gentlemen of the Bangko Sentral ng Pilipinas, magandang umaga at masayang bagong taon sa ating lahat!

On behalf of the Members of the Monetary Board, I stand before you today to lead the start of our first working day at the Bangko Sentral ng Pilipinas in 2010.

Now, I want to ask all of you: are we ready to do the best we can as central bankers in 2010!? I am very happy to hear that! Like you, I also believe that the men and women of the Bangko Sentral ng Pilipinas are prepared to meet the challenges that will come our way in 2010. I say this because we have statistics and the data to back me up.

Fellow central bankers. I want to say this for the record. Given one of the most difficult years for central banks across the globe, we did quite well in terms of the three pillars of central banking: a stable price environment marked by low and stable inflation; a safe and sound banking system that has kept credit flowing to productive sectors; and a secure and reliable payments and settlement system that has minimized systemic risks and enhanced confidence in our financial system.

In turn, manageable inflation has given us ample leeway to maintain low interest rates that support continued economic growth. We also implemented liquidity-enhancing measures to help relieve possible stresses in the financial system coming from the global downturn. At the domestic front, we helped ease the destructive effects of typhoons “Pepeng” and “Ondoy” with a special rediscounting facility and a set of temporary regulatory relief measures for affected banks and bank borrowers.

In addition, our external position remains favorable with a surplus in our balance of payments and record high gross international reserves. And the peso is firm and stable.

In other words, responsible, timely, and disciplined monetary and financial policies helped keep our economic engines rolling and growing amidst global turbulence.

Ladies and gentlemen of the Bangko Sentral ng Pilipinas. Lahat tayo, all of us contributed to this success. Sure, it was not a perfect year, but it was successful, nevertheless, based on our key metrics. We focused on our priorities, worked long hours, and remained united as a team. We did not drop the ball, so to speak. And so, fellow central bankers, let us celebrate the success of Team BSP in 2009 with a well-earned long round of applause.

But beyond traditional central banking functions, Team BSP also made remarkable accomplishments. Let me cite a few:

- The BSP in cooperation with local banks successfully worked on further reductions in bank remittance charges for overseas Filipinos and their dependents;
- The BSP’s pioneering regulations for mobile money transfers have gained international recognition for its potential to reach out to the unbanked and become a useful and efficient channel for inclusive banking;

- The BSP's regulatory environment for the microfinance sector has been recognized as the best in the world;
- The BSP's Credit Surety Fund program enhanced access of micro, small, and medium enterprises to collateral-free loans;
- Our continuing and full commitment to global standards under various certification programs;
- The BSP's legal breakthroughs in its fight against erring banks and bankers which gained support from the Department of Justice and the Supreme Court; and
- The BSP's consumer protection and financial education program continues to broaden and deepen its reach, attracting global recognition in the process.

Ladies and gentlemen, we have been able to carry out all these and more, because we have world-class central bankers and various human resource development programs that continue to enhance the capabilities and expertise of more BSPers. We have also streamlined our organization, improved our work processes, re-engineered our planning and budgeting processes, and adopted a BSP Citizens Charter and a Code of Ethics for BSP Personnel.

What makes me even prouder is that BSPers are not only excellent central bankers, you are also socially responsible Filipinos.

For instance, in the wake of the destruction wrought by "Ondoy" and "Pepeng," BSPers immediately went into action to share their time and resources to prepare and bring relief to thousands of displaced families. BSPers also chose to cancel the annual bank-wide Christmas celebration to donate its budget to Filipinos who are in need. This is, indeed, a little sacrifice for a big cause.

Ladies and gentlemen. This is what I call sama-samang pagpu-punyagi. The collective drive to succeed, to excel, tenacity in the face of challenges, the constant striving based on the firm belief that honest work will get its just reward. I believe this is the reason behind BSP's success.

This is the same theme of BSP's 2010 wall and desk calendars, copies of which have been distributed to all of you. Pagpu-punyagi. Let us keep this to heart as we start serving our country and our people in 2010 through the Bangko Sentral ng Pilipinas.

Fellow central bankers. Today, we are halfway in the commemoration of National Banking Week – which is from January 1 to January 7. This weeklong celebration was declared to honor the anniversary of central banking in the Philippines which started on January 3, 1949.

Thus, today, January 4 is not only our first working day in 2010, it is also the first working day as we begin 61 years of central banking in the Philippines.

60 years in 2009, 61 years in 2010. Indeed, the Bangko Sentral ng Pilipinas is what it is today because of the collective efforts of central bankers of the past and the present.

To celebrate the first 60 years of central banking in the Philippines and to share the lessons we have learned along the way, we have published a book entitled "Central Banking During Challenging Times: The Philippine Experience." We will launch this book on Friday, January 8. I hope you will take the time to read this book written by present-day central bankers and edited by Dr. Valdepenas, who served as Member of the Monetary Board for a total of 14 years.

Fellow central bankers, as we make a fresh start in 2010, let us always be mindful of the weight of both responsibility and history upon us. And to guide us, let us always remember the values we have committed to live by as BSPers: patriotism, integrity, excellence, dynamism and solidarity.

While we came to our institution as individuals, we have come together as professional central bankers under Team BSP united to fulfill our mandate in the service of our economy, our country and our people. For this, I and the other Members of the Monetary Board thank all of you. And because we are united, I am confident that we will overcome the challenges that will come our way in 2010.

Finally, on behalf of the Members of the Monetary Board as well as my wife and family, I take this opportunity to greet all of you a successful, happy, and prosperous 2010!

Mabuhay ang Bangko Sentral ng Pilipinas! Mabuhay ang ating bansang Pilipinas!

Maraming salamat sa inyong lahat!