

Amando M Tetangco, Jr: Championing microentrepreneurship

Speech by Mr Amando M Tetangco, Jr, Governor of Bangko Sentral ng Pilipinas (the central bank of the Philippines), at the Citi Microentrepreneurship Awards (CMA) 2013 media launch, Bangko Sentral ng Pilipinas, Manila, 8 July 2013.

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Good afternoon everyone and welcome to the launching of the 2013 Citi Microentrepreneurship Awards or CMA.

In the ten years of CMA, we have met many microentrepreneurs who lifted themselves from poverty, transformed into net savers in banks, and served as catalysts for development in their respective communities.

Today, as we launch the 2013 CMA, we look forward to hearing more inspiring stories of how access to collateral-free credit can be so empowering.

Indeed, we have witnessed the power of microfinance to improve lives across the country.

As a member of the CMA board of judges for 8 years now, I have witnessed how this Awards program has also evolved. For instance, in response to the increasing difficulty of the board of judges to select the winners from such a rich field, the CMA made a simple win-win decision- it developed new award categories.

In addition, CMA has made the prizes more meaningful: aside from cash rewards, winners also get insurance coverage, entrepreneurship training, and support for expanding their partnership networks. In other words, CMA keeps pace with the developments in the microfinance industry.

The development of the Philippine microfinance industry has been phenomenal. Ten years ago, microfinance was limited to microcredit provided by leading NGOs, cooperatives and a handful of banks. Since then, there has been a significant increase and diversification of microfinance players, products and services, as well as delivery channels.

The Bangko Sentral ng Pilipinas provides leadership in the development of the microfinance sector through appropriate policies, regulations and programs. So far so good. In fact, the Philippines has been cited to have the best regulatory framework for the development of microfinance for four consecutive years now.

As of March 2013, there were 186 banks with microfinance operations reaching out to more than 1 million clients. Their combined savings have reached 8.2 billion pesos, higher than the 8 billion pesos they have borrowed.

This is the first time that total microfinance loan portfolio is exceeded by the savings component. This suggests that while microfinance clients take out loans, saving is sustained. For microentrepreneurs, savings help them survive through emergencies or take advantage of a business opportunity.

As a further support to microentrepreneurs, the Bangko Sentral issued last January Circular 782 which expanded the scope of qualified microinsurance clients and increased their risk protection. The Rural Bankers Association of the Philippines (RBAP) reports that there are over 500,000 clients of rural banks that now enjoy microinsurance coverage. This supports the report from the Insurance Commission that the number of Filipinos with microinsurance coverage has doubled in just two years.

Ladies and gentlemen. Earlier we heard the testimonial of Floraiwin Cainglet, the 2012 CMA National Winner. Flor and her husband Rommel started with only two pigs and now have a thriving and innovative hog raising business worth P2.5 million. In addition, they support a daycare center and feeding programs in their community. These microentrepreneurs are at the forefront of improving lives in their community. Again, let us give them a big hand!

The success stories of more than 80exceptional microentrepreneurs that the CMA has recognized in the past decade tell us that we are successful in providing a nurturing environment for microenterprises. These stories lend a face to the data and serve as validation that our efforts and initiatives in microfinance are effective and sustainable.

Fellow advocates of microfinance, let us continue to work together therefore to strengthen and sustain partnerships for microfinance. In October this year, the Microcredit Summit Campaign will hold its 16th summit in Manila in partnership with the MCPI and with support from the BSP. The theme for this year's conference revolves around Partnerships against Poverty. The conference will discuss some of the most advanced and successful examples of public-private partnerships in microfinance. I hope you will join the conference.

The CMA itself is one tangible example of a successful and meaningful partnership against poverty with Citi, the Citi Foundation, the MCPI and the Bangko Sentral working together toward a shared goal.

Together, we celebrate the success of our microentrepreneurs. They strengthen our belief that many more Filipinos can have a better life through microfinance.

Again, my congratulations to everyone involved in CMA: Citi and the Citi Foundation under the leadership of Country Officer Batara Sianturi, the Micro Finance Council of the Philippines headed by chairperson Mila Bunker, my fellow members in the National Selection Committee, my colleagues at the Bangko Sentral ng Pilipinas and our special guests from the media who help spread the good news about microfinance in our country.

Mabuhay ang microfinance! Mabuhay ang ating mahal na bansang Pilipinas!

Maraming salamat sa inyong lahat!