

Amando M Tetangco, Jr: Citi Microentrepreneurship Awards – more than an awards program

Speech by Mr Amando M Tetangco, Jr, Governor of Bangko Sentral ng Pilipinas (BSP, the central bank of the Philippines), at the Media Launch of the 2014 Citi Microentrepreneurship Awards (CMA), Manila, 18 June 2014.

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Citi Philippines CEO Batara Sianturi; our 2013 Citi Microentrepreneurship Awardees; colleagues from the BSP; fellow advocates of microfinance; our special guests from the media; ladies and gentlemen, good morning!

I am pleased to confirm the good news: the microfinance sector continues to grow and empower more microentrepreneurs across the Philippines.

As of September 2013, 183 banks provided 8.1 billion pesos in microfinance loans to over a million borrowers – 1,017,351 Pinoys to be exact. This translates to an average bank loan of eight thousand pesos per borrower.

Seven years ago – in December 2006, the total microfinance loan portfolio of banks was 4 billion pesos for 650,000 borrowers or an average of 6,150 pesos per borrower.

In other words, bank loans to microenterprises increased by 102% in seven years, while the number of microentrepreneurs who accessed micro loans from banks increased by 56%. Over the same period, average micro loans increased by 30%.

Equally significant, the accumulated bank savings of microentrepreneurs jumped from P1.4 billion in 2006 to P8.8 billion, an increase of 525%. This means the average deposit per microentrepreneur increased from two thousand pesos in 2006 to 8,650 pesos in 2013, an improvement of 332% in seven years.

We realize these are cold figures. However, the stories behind these figures prove the power of microfinance to transform and improve lives. As co-chair of the selection committee for CMA for 10 years now, I have personally witnessed how microentrepreneurs survived scarcity by making their business a reliable source of family income – all because they accessed and sensibly used microfinance loans.

As a regulator, it is a joy to see tangible proof that our microfinance policies and regulations have such a powerful impact on families and communities.

And so today, we are pleased to present to you the 2013 CMA winners who will share their unique stories, challenges, and how they finally found the road to success. They are the latest batch of inspiring good role models for other entrepreneurial Pinoys.

So far, this annual search for outstanding microentrepreneurs has generated 93 winners since it was jointly launched in 2002 by the Bangko Sentral ng Pilipinas, the Microfinance Council of the Philippines and Citi. Since then, this award-winning program has been replicated by Citi in 32 other countries.

I am also pleased to announce that even as the global survey of Economic Intelligence Unit consistently ranks the Philippines as having the best regulatory framework for the development of microfinance, the Bangko Sentral ng Pilipinas continues to work on regulatory enhancements in response to changing market needs and developments.

Among others, the BSP has done the following:

- raised the average daily balance of microdeposits to promote higher savings rate among microfinance clients;

- enabled microinsurance providers to expand coverage to families of microfinance clients;
- improved procedures in the product approval of housing microfinance loans and micro-agri loans to simplify the process by which banks can offer innovative microfinance products;
- allowed the acceptance of alternative Identification Documents (IDs) to open bank accounts, including those issued to persons with disability or under government welfare; &
- institutionalized a Consumer Protection Framework to provide comprehensive protection for all financial consumers, including microfinance clients.

Ladies and gentlemen. While we celebrate our milestones, we know that there is so much more that we can do to improve the lives of Filipinos, particularly those who live in poverty. We can help them help themselves by showing them the opportunities microfinance can provide. As we launch this year's search for new CMA awardees, we hope we can gain the interest of more Filipinos to join the microfinance sector.

Let us therefore continue to spread the word about microfinance and the stories of our CMA winners some of whom are with us today. Through them, we are reassured again and again that microfinance is a viable option for entrepreneurial Pinoys.

Mabuhay ang microfinance! Mabuhay ang ating mahal na bansang Pilipinas! Maraming salamat sa inyong lahat!