

Amando M Tetangco, Jr: 2014 Stakeholders Awards Ceremony and Appreciation Lunch

Speech by Mr Amando M Tetangco, Jr, Governor of Bangko Sentral ng Pilipinas (the central bank of the Philippines), at the 2014 Stakeholders Awards Ceremony and Appreciation Lunch, Manila, 9 July 2014.

* * *

Magandang umaga sa inyong lahat! On behalf of my colleagues at the Monetary Board and my fellow central bankers, I thank all of our special guests from the private and the government sectors for joining our traditional stakeholders awards and appreciation ceremony.

This annual event is important to us at the Bangko Sentral ng Pilipinas; thus, we always make it a point to celebrate our anniversary with our stakeholders from the different sectors of our economy.

Because of you, ... we have partners we can rely on to provide timely and comprehensive information crucial in crafting responsive policies; we have responsible partners who help us maintain price and banking stability; and we have dynamic partners who help us develop a better... and a more inclusive financial system that promotes inclusive growth.

For this, we thank all of you who are here with us today... as well as our other partners across the country.

At a time when the global economy remains in a state of flux... at a time when uncertainty is the norm, it is our strong partnership that counts among our sources of guidance in choosing the way forward.

Among others, we credit the quality and timeliness of the information you share... in helping the Bangko Sentral calibrate its decisions that would influence inflation and interest rates – two important factors that affect the economy and ultimately... everyone.

Thus, we are seeing the ideal convergence of higher economic growth and stable prices. In 2013, for instance, our GDP expanded by 7.2 % amid an inflation rate of 3.0 %.

It is in this context that for our 2014 awards... we adopted as the most appropriate theme... “Forging Stronger Alliances, Propelling Sustainable Growth.”

In particular, we thank respondents to the Business Expectations Survey who keep us sharply attuned to perceptions on the movement of prices. On the other hand, respondents to surveys such as the Cross Border Transactions, Coordinated Portfolio Investment, Information Technology-BPO Services, and Foreign Direct Investment... help us to broadly assess the country’s transactions with the rest of the world. These are important in assessing significant developments in exchange rates and vulnerability to external shocks.

We also recognize our stakeholders who regularly provide us with a diverse range of inputs for our monetary policy formulation, our balance of payments projections, and regional reports on economic developments. All these are crucial to the formulation of responsive and forward-looking policies.

We also thank our banks that have been our steady partners in facilitating the safe transfer of billions of remittances from overseas Filipinos. In 2013, cash remittances of overseas Filipinos reached a record high of almost \$23 billion (\$22.968B). We also recognize that the efforts of banks at enhancing competition and transparency in the remittance market has benefitted millions of overseas Filipinos and their families in terms of lower charges.

Finally, we thank all our partners who help Bangko Sentral ng Pilipinas become better in providing other services to our people: whether it is developing a more inclusive financial

system; promoting the development of microfinance; enhancing access to credit; enhancing financial consumer protection; supporting our banknotes and coin distribution and information programs; participating in financial education programs; or promoting the habit of saving regularly.

Ladies and gentlemen. We have learned that our partnership yields beneficial dividends. With your support, the Bangko Sentral ng Pilipinas is able to execute well-informed policies grounded on comprehensive, accurate and timely information. In turn, you benefit from these policies that provide an enabling environment for businesses to continue to grow... and to thrive... even through challenging times. In the process, employment is generated and inclusive growth is achieved.

So, what does the future hold for us?

Well, across the globe economic growth has started to gain traction, albeit at varying speeds. Advanced economies led by the US, have started to crawl out of recession.... while activities in emerging markets remain uneven.

Amidst these uneven patches of recovery in the global arena, the Philippine economy continues to be fertile ground for growth, given its strong macroeconomic fundamentals.

For the first quarter of 2014, our economy grew by 5.7 percent year-on-year on the back of the steady growth of the services sector. On the expenditure side, consumption and capital formation continue to drive growth.

Notably, the economy has consistently expanded by more than 5 percent in the last 9 quarters. This positive trend has prompted analysts to describe the Philippines as “Asia’s rising star” – with the economy also gaining reputation as one of the fastest growing in Asia.

Indeed, the economy has been resilient, exhibiting both price and financial stability. Inflation has been kept low and stable. For 5 consecutive years, inflation has been kept well-within our target due to timely and responsive monetary policies. At the same time, the banking system remains sound and stable with assets continuing to expand, funded mainly by a healthy growth in deposits. Moreover, banks are well-capitalized while asset quality continues to improve, with banks’ non-performing loan ratios at all-time lows.

Another source of strength is our strong external position... supported by the continued surplus in our current account. Our gross international reserves as of June 2014 reached 80.7 billion dollars, enough to cover 11 months’ worth of imports of goods and payments of services. In other words, we have enough buffers against possible external shocks.

This is not to say the road ahead will be smooth. There are bound to be surprises, bumps and risks ahead; but we have also shown remarkable strength and resilience in meeting tough challenges.

I am confident therefore... that as we benefit from even better and stronger support from you... our stakeholders... we will be able to sustain our growth objectives and achieve more inclusive growth across our country.

Muli, maraming salamat sa inyong lahat.... and congratulations... to all our awardees!

Mabuhay ang ating mahal na bansang Pilipinas!

Mabuhay po tayong lahat!