

Denton Rarawa: Financial inclusion in the Solomon Islands – key areas and current status

Keynote address by Mr Denton Rarawa, Governor of Central Bank of Solomon Islands, at the opening of the Solomon Islands Financial Inclusion Expo, Honiara, 20–21 June 2014.

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Your Excellency, Deputy Australian High Commissioner, Dr Dave Peebles,
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Ladies and gentlemen,

Introductory remarks

Good morning and a warm welcome to you all.

It is a great pleasure for me to welcome you all to the opening of the first Financial Inclusion Expo, with the theme, "Know Your Money, Save and Grow", organised under the National Financial Inclusion Taskforce (NFIT). This is an important event in our journey towards achieving greater financial inclusion in Solomon Islands.

The hosting of a financial inclusion exposition is an idea that NFIT has contemplated staging since its formation in 2011. So I am very happy indeed that we can finally witness its opening this morning. I believe, this event will greatly benefit both the consumers and the providers of financial services as we interact in this "out of office" environment in the next two days.

NFIT and financial inclusion

The NFIT, is a national committee set up in 2011, and comprises of stakeholders from the public, private, donor agencies, financial institutions and NGOs, with the goal of extending financial services to our people especially those in rural areas. Our target is to enable an additional 70,000 (of which 30,000 must be women) Solomon Islanders have access to financial services by 2015. I am pleased to report that our target has been achieved, some 21 months ahead of our target date. Since the start of 2011 to May 2014, more than 98,000 new accounts have been opened with the commercial banks. While we can celebrate this achievement, and I think we should, our journey has just begun. There are still outstanding areas and issues that need to be addressed.

Much has been said about financial inclusion and so I feel I need to explain what it means. Maybe it will help us understand and appreciate its relevance to our country.

The concept of financial inclusion continues to assume increasing prominence and importance across the globe and in the Pacific region. This is because of the promise it holds to addressing poverty, income inequality, under development and the welfare of our under-served rural populations.

So what is financial inclusion? Although, financial inclusion promoters have their respective definitions; for us in Solomon Islands, we decided not to define it but to describe what we are trying to address. When we talk about financial inclusion we refer to four (4) key areas:

1. **Accessing financial Services:** Access is about bringing financial services closer to the people, especially to our rural people. It also means addressing the barriers that prevent people from accessing financial services in our country.
2. **Usage of Financial Services:** Concerns about the actual usage/regularity of usage of the financial services by customers. Whether or not available financial services are used by the people. If not, what is the issue?
3. **Quality of Financial Services:** This focusses on whether the financial services and products are affordable and appropriate for our customers.
4. **Impact of Financial Services:** How financial services can improve the lives and well-being of our people.

These four broad areas are core agendas of our financial inclusion efforts in Solomon Islands. But our ultimate goal is to see the impact that financial services has on the lives of people, and to see how an individual can improve himself/herself from where he is, to a better financial position and outcome.

Current status of financial inclusion in Solomon Islands

Financial Inclusion is a national agenda, and Solomon Islands has taken a collaborative approach, by involving private and public sector stakeholders.

What is the current status of financial inclusion in Solomon Islands and how are we progressing? According to a national survey on “financial competency” carried out in 2012/2013, it has revealed that low income households in the country exhibit low or low-moderate levels of financial capabilities. It further highlighted that lack of access to financial services contributed to the low competency levels.

Today, we are here as partners and champions to continue our efforts in progressing greater financial inclusion. During these two days, you will have the privilege to find out and better understand the different products and services currently available or will be available in the near future. It is a good example of public-private sector and civil society partnership towards our common goals.

Ladies and gentlemen, this Financial Inclusion Expo is a rare opportunity and a first of its kind in the country. The theme for this year’s expo is, “**Know your money, Save and Grow**”. This theme was chosen because it is simple and better translates core messages of financial literacy, savings and using these competencies to bring about growth and change to both personal and national livelihood.

I hope you will take advantage of this great opportunity to get as much information on the services and products displayed and presented by our partners. There are also lots of giveaways and also great fun. I kindly urge you to make the most of these two days and take home something new in terms of your understanding of financial services and products in our country. Please visit all the stalls where our stakeholders and champions are eagerly waiting to serve you. But most importantly just have fun and enjoy the day!

Last but not least, I wish to thank on behalf of the organizing team, our platinum sponsor-PFIP, our gold sponsors-ANZ, BSP, CBSI, OUR TELEKOM, Westpac for their generous support, and to our Bronze sponsors –SPBD and SOLPOST, to our other supporting groups, our participating schools, to our guest of honour-HE the Deputy Australian High Commissioner and the Australian Government, the RSIPF, Solomon Islands Government and to the rest of stakeholders who have contributed to this program.

Finally, I would like to thank the Arts Gallery Group through the Ministry of Culture and Tourism for availing this venue and its facilities to stage our exposition and to launch this program this morning and its use for today and tomorrow.

Thank you. God bless you and may God Solomon Islands.