

Nestor A Espenilla, Jr: Turning vision into partnership

Speech by Mr Nestor A Espenilla, Jr, Governor of Bangko Sentral ng Pilipinas (BSP, the central bank of the Philippines), at the Awards Ceremony and Appreciation Lunch, Manila, 11 July 2017.

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PDIC President Roberto Tan, National Statistician Lisa Bersales, Members of the Monetary Board, sector heads, fellow BSPers, former Central Bank Governor Jaime C. Laya, guests, a pleasant good morning to all of you. Magandang umaga especially to our stakeholders and awardees.

Every year for the last fourteen (14) years we at the BSP have held this annual ceremony traditionally right around this time: our Anniversary month... There is significance in this chosen timing. The message we wish to convey is that, not only do we value you: our stakeholders... More so, we recognize that the BSP would not have achieved all it has if it were not for your partnership. This is why we celebrate with you during our milestone month of July.

The theme of our 24th Anniversary here at the BSP is “together moving forward: a new season of excellence.” There is a journey implied, and a needed collaboration and cooperation expressed. This theme includes, not just the members of the BSP family progressing onward in unity, but this includes you too, our esteemed stakeholders, whom we honor today.

I have been with the BSP – then, the Central Bank of the Philippines – since 1981... And as a young Central Banker one of my tasks was to draft technical speeches... So even thirty-six (36) years after, I still have a passion for words.

Let me focus on this event’s keyword. Stakeholder. It sounds quite ominous. Its origin is consistent with this sense of foreboding. The word “stakeholder” first appeared in the Oxford English Dictionary in 1708. It referred to one holding a wager, a bet.

Thankfully, for us now, the word has evolved into a dynamic — even an exciting and active concept, where speculation has no role. As presently understood, stakeholders are partners and can be involved in the successes of an enterprise, from whose accomplishments they too can greatly benefit.

The importance of collaboration and partnerships was stressed by Governor Amando M. Tetangco, Jr. in his two (2) terms at the BSP’s helm... Gov. Say repeatedly said that in the BSP, our work could not be accomplished by the BSP working alone, but only through continued discussion and cooperation with others, like government agencies, institutions, other regulatory bodies, private organizations and entities. This is a belief we strongly hold and will continue to hold here in the BSP.

This morning we have one-hundred and forty six (146) outstanding partners that we acknowledge. You are government agencies and departments... private businesses... leaders in your respective industries. You, our honorees and stakeholders are here today because you helped the BSP in its programs. But did you know that beyond the altruism you displayed, where you extended assistance willingly and often without expectation of anything in return from the BSP, there was in your actions, a reward that will ultimately redound to the fulfillment of a shared vision and dream?

In the BSP, all employees know our vision by heart. Memorize nila ito. Our vision is to be a world-class monetary authority and a catalyst for a globally competitive economy and financial system that delivers a high quality of life for all Filipinos. A high quality of life for all Filipinos. This includes each person here in this Assembly Hall. And with your contribution, with the assistance you gave us, this is precisely what you are helping us achieve. So, for this, we thank you.

Please give yourselves a warm round of applause.

This is not rhetoric. For example, the outstanding survey respondents and information partners here who assisted the BSP, helped us in formulating data-driven monetary policy. The responses you gave and the information you provided underpinned enabling decisions that allowed the Philippine economy grow by 6.4 percent in the first quarter of 2017. You helped so that the Philippines continues to be one of the fastest growing economies in Asia. Stakeholder participation is essential so that even amidst confounding global developments such as the Brexit and the United States' seeming turn to protectionist policy, we can stand resilient and stay calm, with inflation at 3.1 percent in the first half of 2017, well within the government's inflation target range for the year.

Our external payments position remains manageable. Robust remittances from overseas Filipinos and ample receipts from the business process outsourcing sector continue to fuel economic growth. The country's external debt remains at sustainable levels, with the ratio to GDP improving in Q1 2017 to 24.1 percent from 26.5 percent in the same quarter last year. In addition, the country's Gross International Reserves remain more than adequate at US\$81.4 billion as of end-June 2017, equivalent to nearly 9.0 months' worth of imports of goods and payment for services and income. These are achievements that were brought about by sound policy-making built on our collective dedication and willingness to cooperate for the sake of something larger than ourselves.

In this assembly hall are exemplary partners who have enabled us to carry out programs that reinforce the BSP's three pillars of central banking. You have contributed to BSP's initiatives and programs in financial inclusion and education... consumer protection... payments and settlements... overseas Filipino remittances... coin recirculation... the clean note policy... and demonetization of our new design series currency.

The banking system today is very robust and is poised for broader reach and better service.

The number of operating banks as of March 2017 is 599 (head offices) with an overall branch network of 10,679 units. Assets of the banking sector also grew by nearly 12.42% percent year-on-year as of December 2016 boosted by an increase in deposits, profits, and fresh equity. No less important, assets grew without compromising their quality. The Philippine banking system's capital adequacy ratio as of Q3 2016 has reached 15.59 percent, almost double the global-minimum.

Prudent policy-making has led to a sturdy financial system and a stable economy. The critical contribution of our partners as exemplified through your compliance with the BSP's various surveys, provision of information, and participation in our diverse programs, advocacies and initiatives, assisted the BSP in fulfilling its mandates.

To reinforce the importance of data gathering and increasing our interface with the public, we are pleased to announce the formal launching of the user-friendly BSP e-Survey Portal. This online facility will make it easy and convenient for respondents to participate in the surveys of the BSP.

The Coordinated Direct Investment Survey went online last June. The Coordinated Portfolio Investment Survey (CPIS) and monthly Cross Border Transactions Survey questionnaires shall be included in the e-Survey by the end of this month. The launch of the BSP e-Survey Portal aims to improve efficiency in generating the Cross Border Transactions Survey results which are used as inputs for the Balance of Payments and International Investment Position Statistics. These indicators help the BSP craft and assess our policy settings.

So as you can see, there are more exciting times ahead, more collaboration planned, and better avenues to make them more successful and productive. We look forward to continuing the journey with you. Congratulations to all our stakeholders. Mabuhay kayo. Mabuhay ang BSP.

Mabuhay ang ating bansang Pilipinas!