

Nestor A Espenilla, Jr: Statistical and actual inclusion

Speech by Mr Nestor A Espenilla, Jr, Governor of Bangko Sentral ng Pilipinas (BSP, the central bank of the Philippines), at the 2017 BSP-DepEd Annual Oratorical Contest, Manila, 27 October 2017.

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National Statistician Lisa Grace Bersales of the Philippine Statistics Authority, DepEd Undersecretary Victoria Catibog, distinguished members of the Board of Judges, our sixteen (16) contestants this afternoon, their families, friends, fellow public servants and BSPers, a pleasant afternoon to you all. On behalf of the Monetary Board and the BSP, I welcome you — guests, ladies and gentlemen to the Bangko Sentral ng Pilipinas.

It is very invigorating to join you this afternoon at the BSP-DepEd Annual Oratorical Contest where the fundamental role of statistics in attaining our collective aspirations is highlighted. There is such a young and promising crowd here today.

The presence of our partners in furthering financial inclusion, the Department of Education and the Philippine Statistics Authority, is also very heartening.

The Philippine Statistics Authority has played a crucial role in helping us conduct our public perception surveys. These surveys allow us to gauge public awareness of our mandates, our initiatives and advocacies so that we can better serve our citizens, address the issues they deem important and discover their needs. Also the PSA is one of the government agencies crucial to the development and implementation of a national ID system which when launched, we believe will foster a more inclusive financial system, granting the unserved and underserved access to financial services. Maraming Salamat PSA.

Aside from the holding of this annual contest, the DepEd and the BSP have worked together in the development, publication and use of very important teaching guides on financial literacy, which is used by different grade levels across the country. The goal is to equip school children with the knowledge and skills to manage their resources at an early age through integration of financial lessons in the elementary curriculum. We have important advocacy projects together such as the annually held Guro ng Pagasa, where outstanding teachers are recognised and awarded for their innovative ways in imparting financial literacy and for conducting lessons on savings and entrepreneurship, markedly changing their communities for the better. The partnership we have recognises the importance of the youth in development and the crucial role that education plays in their development and future betterment... Maraming salamat DepEd.

Today, we shall toast the importance, role and indispensable value of statistics in nation-building. As a central banker of thirty-six (36) years, I have seen, first-hand, how important statistics is in policy development. As policy makers, we know that statistics provides reliable snapshots of our realities. Statistics allows us to paint a picture of what we hope for so that we could concretely visualize and set our goals. It allows us to form sound policy and quantitatively measure and monitor the progress of our initiatives and programs.

In the Bangko Sentral, policy formulation is both data driven and data intensive. Sound statistics point us to issues and vulnerabilities that must be addressed. Statistics and careful statistical analysis are crucial input to our monetary policy actions. Likewise, banking regulations and financial policies must also be grounded on comprehensive banking statistics and an extensive set of financial indicators. These evidence-based policies support monetary and financial stability, so that there would be strong and stable economic growth.

Our national vision for development – Ambisyon Natin 2040 itself was crafted based on statistical data – data from a rigorous consultative process involving the conduct and analysis of a national

survey, focus group discussions and technical studies. In the end, the responses and numbers articulate the needs and desires of all Filipinos which were simplified into a vision broadly understood and accepted by all.

In *Ambisyon Natin 2040*, Filipinos express the hope for strongly-rooted, comfortable and secure lives. Sa Filipino, ang hangarin ng bawa't isa sa ating mga kababayan ay ang magkaroon ng matatag, maginhawa at panatag na pamumuhay.

In the BSP, this too is our vision... to be a catalyst for a financial system that delivers a high quality of life for all Filipinos. We believe we are on the right track as the indicators tell a positive story.

We are now one of the fastest growing economies in Asia, with an annual GDP growth of more than 6.0 percent since 2012, notably exceeding the long-term average of 4.3 percent. Our external position continues to be favorable, with Gross International Reserves (GIR) of \$81.3 billion as of end-September. Inflation is benign and broadly within the BSP's target range.

The Philippine Banking system sustains its growth momentum and remains supportive of long-term economic growth and stable financial conditions. These economic gains are fruits of years of reforms and prudent, evidence-based policy making, where, yes, statistics and statistical analysis played an indispensable part.

But amidst these positive numbers, statistics also tell another story. It reveals an issue that we must not ignore. Poverty incidence and unemployment rates are still high. Social inequalities remain with lingering wide disparities in income and quality of life across different sectors of society.

At present, one in five Filipinos are poor. This translates to 21.9 million Filipinos in 2015. These Filipino families living in poverty have less than P9,064 a month on average to spend on basic needs.

A significant portion of our population remains unbanked and without access to appropriate financial products and services. According to the 2014 Consumer Finance Survey, 86% of households, do not have a deposit account. Meanwhile, the results of the National Baseline Survey on Financial Inclusion rolled out in 2015 indicates that only 43.2% of Filipino adults have savings, 32.2 percent have stopped saving money, and the remaining 24.5% have never even saved. Of those who have never saved, 9.1 percent said that they did not have enough money to start.

Clearly, there is much more to be done.

In the BSP, we believe that for economic development to be more meaningful, there must be greater financial inclusion... More and more of our countrymen must be granted access to, and usage of, financial services and products, have greater financial literacy and education and increased awareness and consumer protection. This is to empower them to make more informed decisions with respect to savings, investments and credit, so that they can participate in the financial system.

In identifying and analyzing existing inclusion gaps, the BSP utilizes statistical tools and analysis. In 2015, a national baseline survey on financial inclusion was rolled out to assess the current financial inclusion landscape to help the BSP respond with appropriate evidence-based policies and regulations. This is part of a comprehensive financial inclusion data framework developed by the BSP to identify and analyse inclusion gaps and opportunities.

I believe there is much hope for the future. With the collaboration and cooperation of our government agencies – like the DEPED and the PSA, our partners in the private sector and the

public, accomplishment of our collective vision is forthcoming.

After all, a collective vision demands collective action. Together, we can achieve the statistical, actual, and meaningful financial inclusion of our countrymen as we progress economically.

I must now wrap this message up otherwise, I might be mistaken for an oratorical contestant....

As I close, allow me to congratulate each of the sixteen (16) contestants here who have won their respective division levels. Just by being part of this elite group of finalists, you have already accomplished a lot. By recognizing and being able to voice your sentiments and reflections on how timely, relevant and sound statistics play an important role in raising the standard of living for all Filipinos, already, you are all winners. This is such an important principle, from which numerous insights can be culled....

Moreover, I congratulate each one of you for knowing and wielding the power of words to convey transformative ideas, and for your lucid eloquence, which, if you did not possess, you would not be here today... Please, let us give all contestants here a round of applause. I wish each of you the best of luck and Godspeed. We look forward to hearing from each of you.

Maraming Salamat sa inyong lahat.