

Nestor A Espenilla, Jr: Press statement for the 2017 Financial Stability Report Press Briefing

Press statement by Mr Nestor A Espenilla, Jr, Governor of Bangko Sentral ng Pilipinas (BSP, the central bank of the Philippines), for the 2017 Financial Stability Report Press Briefing, Manila, 28 August 2018.

* * *

Ladies and gentlemen, good afternoon.

Thank you for joining the Financial Stability Coordination Council (FSCC) as we mark an important milestone. Today, the FSCC – composed of the Bangko Sentral ng Pilipinas (BSP), the Department of Finance (DoF), the Securities and Exchange Commission (SEC), the Insurance Commission (IC), the Philippine Deposit Insurance Corporation (PDIC),– is proud to issue the 2017 Financial Stability Report (FSR).

The 2017 FSR embodies our firm and collective resolve not only to build-up and highlight the benefits of sustained stability. It also aims to address any emerging or incipient instability.

The 2017 FSR is the FSCC's first publication. While the BSP has in the past, crafted FSRs for its internal use, the 2017 FSR we issue today emphasizes the consultative and collaborative nature of the FSCC. The report is tangible and clear output which leverages on the respective expertise and insights of FSCC member-agencies.

The 2017 FSR will be publicly accessible on each of our individual websites. This accessibility supports our unwavering intention to communicate, raise awareness and to help businessmen, financial market players, scholars, as well as the general public to make informed choices about our respective futures. The report is not just a compilation of technical expressions. Rather, it is narrative, and is a compelling one.

Thus far, the Philippines has enjoyed 78 quarters of uninterrupted growth. The FSCC is committed to sustaining and encouraging — with policies, initiatives and regulatory frameworks — the Filipino's innate innovative spirit. Greater use of financial technology is targeted along with the adoption of measures to tap the transformational benefits of credit in the context of evolving and dynamic market conditions and their attendant risks.

One of these challenges and risks is that of changing market prices and their impact on the servicing of debt. This issue is a primary focus of this 2017 FSR. As interest rates rise globally and as emerging market currencies depreciate, outstanding debt obligations will have to be repaid, re-priced, and refinanced at higher rates. While financial market interventions are highlighted in this report, the continuing value of sustaining our economic momentum is also emphasized.

In the 2017 FSR, there are discussions on the ASEAN integration and on the advent of financial technology applications. The FSCC sees a strong upside in these initiatives. Discussion of these topics contextualizes our shared goal to accrue benefits derived from them while at the same time, remaining vigilant and prepared to intervene should systemic risks develop.

Finally, the FSR also explores data gaps and other areas of policy interest. Better data is essential as empirical basis for our actions is required. However, data gathering and analysis are recurring challenges in the field of financial stability. Thus, a strong emphasis is placed on this work to support and address other policy issues along the way.

Our Technical Team put considerable effort in completing the 2017 FSR. We expect that future issues will be released in the first trimester of every year. We also expect more engagement

from the public, market players and the media, not just to highlight future content but to raise appreciation for financial stability issues through a concerted communication plan.

We have much to look forward to.

Thank you again for joining us today and good afternoon.