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BANK OF PAPUA NEW GUINEA

Welcome Remarks

by

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Governor, Bank of Papua New Guinea

**To the 50th SEACEN GOVERNORS' Conference and 43th of the SEACEN Board of
Governors**

“Regional Initiatives in the Midst of Vulnerabilities”

in

Port Moresby, 20-22nd November 2014

Acknowledgements

Honourable Patrick Pruaitch CMG MP, the minister for Treasury, Mr Naoyuki Shinohara, Deputy Managing Director of the IMF, fellow Governors of SEACEN member economies and accompanying Officials, invited guests, Distinguished Speakers, ladies and gentlemen.

Welcome Remarks

It is a great honour for me, as the host Governor, to welcome you all to the two key events hosted by the Bank of PNG this year - the 50th SEACEN Governors' Conference and the 34th Meeting of the SEACEN Board of Governors. I extend a special welcome to the Hong Kong Monetary Authority, which became the 20th member of the SEACEN Centre at the beginning of this month.

I believe many of you are visiting Papua New Guinea for the first time and I warmly welcome you to this "land of the unexpected" a slogan many use to describe this country because of its diverse culture with more than eight hundred languages, and vast rainforest and pristine marine diversity. While your time here will be occupied with the two day conference and meeting, I hope that the cultural performances and tours on Saturday will give you a glimpse of the culture and beauty of PNG.

Let me say that Papua New Guinea and especially your host, the Bank of Papua New Guinea, are honoured to celebrate with you the 50th anniversary for the SEACEN Governors' conference here in PNG. Looking back 50 years, you will note that SEACEN as an organisation has grown both in its membership and strength in promoting and building relationships and close collaboration among the member central banks. Your attendance at this conference shows your commitment and recognition of this important institution, and the vision and mission it has set forth to achieve. SEACEN's vision is to be the regional learning hub for the central banks in the Asia-Pacific Region, with a mission that continues to build and strengthen capacity in central banking and foster networking and collaboration. Many of you Governors would agree with me that we have come a long way in building this institution to become a premier regional institution of excellence, and I am proud to say that it has gained some global recognition. We will continue to improve our strategies, networking and collaboration so that we are always compatible and in line with changes taking place in the global economy.

This meeting will further strengthen our resolve to promote and strengthen close collaboration in dealing with a number of pressing issues and challenges that we as SEACEN economies face. It gives us a great opportunity to share experiences and information as well as discuss policy options and coordination to foster regional

cooperation on financial and economic matters. Many of our economies have increasingly become integrated with the global economy through trade and financial channels, partly driven by regional initiatives to promote investment and growth. Whilst this integration has opened up great opportunities for economic growth and prosperity among our economies, it has also brought risks and major challenges through the very same channels that have the potential to destabilize our economies, as we have seen in the Asian and Global financial crises. It has already become common knowledge that while macro-economic stability as a policy objective is important to achieve stable and low prices, it is not sufficient to maintain financial stability. Given this scenario, the role of the central banks has expanded to explicitly include the promotion of financial stability. Central banks must, therefore, take into account macro-prudential measures in framing monetary policies to ensure price stability and sustainable growth.

The theme of this year's conference and high level seminar "Regional Initiatives in the Midst of Vulnerabilities" stems from the increased challenges and complexities that central banks around the world and, in the SEACEN region, face in managing monetary policy and ensuring financial stability. I hope that this will be a fruitful conference that will shed light on these issues and how best we can strategize in our networking and collaboration as SEACEN members in dealing with some of these major challenges. We hope to discuss topical issues relating to capital flow management; development of the regional capital market, focusing on the potential benefits and risks, as well as current initiatives and future challenges; and finally, cross-border banking linkages among SEACEN economies, which will look at cross-border banking integration in the SEACEN region, and regional financial integration.

Welcome to Papua New Guinea. I hope your short stay in Port Moresby will be an enjoyable and fruitful one.

Thank you.

