



SPEECHES

Welcome Remarks

Welcome Address For The 38th SEACEN Governors Conference ¹

Mr. Rafael B. Buenaventura
Governor, Bangko Sentral ng Pilipinas

Governor Chuluunbat of the Bank of Mongolia, Honorable Governors, Mr. Crockett, Professor Domingo Solans, Dr. Joyosumarto, distinguished guests and delegates, ladies and gentlemen, good morning:

It is with great pleasure that I bid you a warm welcome to Manila on the occasion of the 38th Annual Conference of the Governors of the South East Asian Central Banks (SEACEN). For almost four decades, this Conference has remained an invaluable and productive venue for cooperation and exchange of information and ideas not only among the eleven member countries of the SEACEN but also the other countries in the South East Asian region and nearby areas on matters affecting their respective economies and financial systems. I would like to take this opportunity, therefore, to congratulate the SEACEN for its work in helping bind together our community of South East Asian central banks and strengthen economic cooperation in the region. I wish the SEACEN further success in its endeavors to help our fellow member and observer central banks respond to the challenges we face in a globalized economic and financial environment.

This occasion also comes in the midst of very challenging conditions for economic policymakers. We are now seeing a renewed risk of weakness in global economic activity, with downside risks stemming from factors both economic and geopolitical. The slower-than-expected emerging pace of growth worldwide is already reflected by the downward revisions in economic forecasts by various research institutions. The IMF, for example, has reduced its forecast of global GDP growth for 2003 from 4.0 percent in its April 2002 World Economic Outlook to 3.7 percent as of September 2002. ² For countries in the Asian region and elsewhere, the possibility of faltering global recovery highlights the need for appropriate stabilization policies to sustain the growth in domestic demand.

Our task, therefore, as central bank governors in these times of uncertainty is to carefully determine the appropriate mix of monetary policy instruments and financial sector reforms to support the economic rebound. Such a mission requires a constant and clear-eyed assessment of economic and monetary conditions both inside and outside of our economies. The larger task, however, would be to ensure that vigorous structural reforms continue to be pursued in our economies to enhance their long-run growth potential. I am confident that the exchange of views in this Conference will help strengthen economic decision-making in our countries and prepare us better for the challenges ahead.

The outlook for global economic conditions must also be viewed against a broader setting of critical issues that presently confront central bankers and other policy planners. We are thus very fortunate to have with us in this Conference a distinguished group of speakers who have agreed to lend their views on various policy issues and challenges to central banking posed by structural change and growth prospects in Asia. Our distinguished speakers are Mr. Andrew Crockett, General Manager of the Bank for International Settlements (BIS), who will speak on the Basel II Accord and its impact on central banking; Mr. Eugenio Domingo Solans, Executive Board Member of the European Central Bank (ECB), who will speak on financial innovation and its implications for monetary policy; IMF Executive Director Michael Callaghan, who will talk about issues on strengthening the international financial architecture; IMF Executive Director Sri Mulyani Indrawati, who will talk about recent global and regional economic developments and the outlook for the region; and finally Mr. Hubert Neiss, Chairman for Asia, Deutsche Bank AG, Asia Pacific Head Office, who will speak on public-private cooperation in financial restructuring. No doubt everyone here is eagerly looking forward to hearing our guests' views on the topics I mentioned.

Looking at the schedule for the various discussions and presentations, it seems that we have quite a demanding agenda ahead of us. In addition to the SEACEN Governors Conference, the SEACEN Board of Governors will also be holding its 22nd Meeting on Friday, to review the SEACEN Centre's training and research activities and approve its work program and budget for the coming operating year. We can all look forward, then, to two days of stimulating interchange of ideas and experiences, and a unique chance to further strengthen existing relationships and forge new friendships among our respective central banks. I wish all the participants a pleasant stay in Manila. I hope that you will have a chance during your stay to experience the cultural heritage of the Philippines and discover what it can offer in terms of tourism. I also look forward to seeing all of you at dinner tonight. Her Excellency, President Gloria Macapagal-Arroyo has taken time out of her tight schedule to graciously host a dinner for us tonight at the Malacañang Palace.

Thank you and I wish you an enjoyable day.

¹ Delivered at the Opening Ceremony of the 38th Conference of the South East Asian Central Bank (SEACEN) Governors held in Manila, Philippines on 13-14 February 2003.

² IMF World Economic Outlook, September 2002 and April 2002.