



**OPENING REMARKS BY
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**Handing Over Ceremony to Mark the Change in
Chairmanship of the ECCB Monetary Council**

*22 July 2016
(Sandals Grande, Antigua and Barbuda)*

Salutations

His Excellency Sir Rodney Williams, Governor General of Antigua and Barbuda; Outgoing Chairman of the Monetary Council; members of the Monetary Council; members of Cabinet; members of Parliament; Members of the Diplomatic and Consular Corps, Distinguished Guests, Deputy Governor, Directors and staff of ECCB; Ladies and Gentlemen, Members of the Media;

Good Morning.

Introduction

The year was 2000. The country was Antigua and Barbuda. The occasion was the 39th meeting of the Monetary Council. There I was, attending my first handing over ceremony, in my first year as Financial Secretary of Grenada.

Now fast forward.

The year is 2016. The country is Antigua and Barbuda. It is the occasion of the 85th meeting of Monetary Council. Here I am, attending my first handing over ceremony as Governor of the Eastern Caribbean Central Bank (ECCB).

I count it a great privilege and high honour to serve as the third Governor of our Central Bank.

Once again, I express my profound gratitude to the Monetary Council for the faith and confidence reposed in me to lead this noble institution.

Once again, I recognise the colossal contribution of my illustrious predecessor, Sir K. Dwight Venner.



Eastern Caribbean Central Bank

Ladies and Gentlemen, all I have ever wanted to do is serve and fulfil my purpose in my generation. Accordingly, I have embraced this latest call to serve with humility, a strong sense of responsibility and a sense of great opportunity.

Distinguished guests, ladies and gentlemen, it is my distinct pleasure to welcome you to the handing over ceremony to mark the change in chairmanship of the Monetary Council of the Eastern Caribbean Central Bank (ECCB). Today, the Chairmanship of the Council passes from the Honourable Victor F. Banks, Chief Minister and Minister of Finance for Anguilla to the Honourable Gaston A. Browne, Prime Minister and Minister of Finance for Antigua and Barbuda.

I invite you to join me in extending a warm welcome to the Honourable Allen M. Chastanet, Prime Minister and Minister of Finance for Saint Lucia, who is attending his first meeting of the Monetary Council.

Article 7(2) of the ECCB Agreement states that *the Council shall meet not less than twice each year to receive from the Governor, the Bank's report on monetary and credit conditions and to provide directives and guidelines on matters of monetary and credit policy to the Bank and for such other purposes as are prescribed under the Agreement.*

Distinguished guests, the Monetary Council convenes at time of great global uncertainty.

Indeed, the one certainty is uncertainty.

Recent developments including Derisking, BREXIT and the imminent US Presidential elections attest.

On assumption of office, I attempted to cast a clear and compelling vision of what could be and should be for our Currency Union. This vision styled “**A New Vision for a New Era: 2016 – 2020 and Beyond**” was endorsed by the Monetary Council on 13 February 2016. In a nutshell, we see a thriving Currency Union where the dreams of our people come true as the potential of this region becomes reality.

Our shared vision is anchored by a strong EC dollar; powered by strong and resilient financial institutions; supported by sustainable public finances; enabled by a single economic and financial space; and manifested in full and meaningful employment of our citizens especially our youth.



Two weeks ago (7 July), we celebrated 40 years of stability of the EC dollar at EC\$2.70=US\$1.00. This is a remarkable feat and a durable testimony to the resilience of our monetary union.

We owe a debt of gratitude to the framers and founding fathers, past and present members of Council, past Governors, past and present Boards of Directors and staff of the ECCB.

Today, I wish to confirm that our currency remains strong. As of last Friday, the backing ratio of our foreign reserves was 97.6 per cent.

Our vision is undergirded by four strategic pillars: Financial Stability; Fiscal and Debt Sustainability; Growth, Competitiveness and Employment; and Enhancing Organisational Effectiveness.

Permit me now to offer a brief word on each pillar.

In respect of **Financial Stability**, the new Banking law now in force in all member territories provides modern tools for the ECCB to better regulate the banking system and better protect depositors.

Within the context of this new Banking law, we have effected bank resolutions in Antigua and Barbuda and Anguilla. These resolutions have made our banking system stronger.

In respect of **Fiscal and Debt Sustainability**, our Currency Union has recorded improvement in its Debt to GDP ratio which declined from 81 per cent in 2014 to 76 per cent in 2015. This is welcome progress towards meeting the 2030 debt to GDP target of 60 per cent established by the Monetary Council.

In our country outreaches, we have commenced dialogue with member territories on the establishment of interim targets for 2020 and 2025 and developing and enacting fiscal responsibility legislation. The latter, we believe, is critical to build resilience in our fiscal framework and secure fiscal flexibility to withstand shocks and deliver countercyclical fiscal policy when warranted.



With respect to the third pillar, **Growth, Competitiveness and Employment**, we have targeted an annual growth rate of 5 per cent. Last year, the ECCU economy grew by 2.7 per cent. Our current projections are for growth rates of about 3.0 per cent this year and 3.0 percent next year.

How can raise our growth trajectory?

We must, inter alia, expand access to credit for the private sector especially in the productive sectors. In this regard, the Central Bank is pursuing several initiatives. I wish to mention two:

First, The World Bank/Financial Sector Reform and Strengthening Initiative (FIRST) aims to: enhance access to finance especially for the productive sectors; and support the single financial space in the context of a more diversified financial system.

Second, we are collaborating with the German Savings Bank Foundation for International Cooperation (SBFIC) on a project for improving access to financial services by micro, small and medium enterprises.

In respect of **Enhancing Organisational Effectiveness**, considerable efforts are underway. One of my favourite quotes and which I repeat almost daily in the Central Bank is by Jack Welch, former CEO of General Electric who once said and I quote:

“If the rate of change in the market is faster than the rate of change in the organisation, the end is in sight.” end of quote.

I repeat this quote often as a constant reminder of our dynamic and highly uncertain operating environment but also as a challenge to us not to rest on our laurels.

Ladies and Gentlemen, the implication is clear. In these uncertain times, management and leadership are imperative. At once, we must run the business of central banking, the essence of management but simultaneously change the business of central banking, the essence of leadership.



In conclusion, I wish to record our profound appreciation of Hon Victor F Banks, the outgoing Chairman for his sterling stewardship over the past year. He stood tall, stayed calm and steered our Council through some major and far reaching decisions.

I also wish to welcome the incoming Chairman, the Hon. Gaston A. Browne, who has demonstrated his capacity to lean into problems and find creative solutions. We have every confidence that he would lead us well over the next year.

Ladies and Gentlemen:

Our mission is noble.

Our task is formidable.

The stakes are high.

Rest assured, your ECCB will continue to serve you well.

Strengthened by the grace of Almighty God; guided by the collective wisdom and collective action of the Monetary Council; powered by our core values of Service Excellence, Teamwork, Accountability and Results (our **STAR** Mantra); supported by our development partners; and motivated and held accountable by a fully engaged citizenry, we are confident of success.

I thank you.