

REMARKS BY
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EASTERN CARIBBEAN CENTRAL BANK
LAUNCH OF BANK OF SAINT LUCIA'S MUTUAL FUND

January 31, 2024

Salutations:

Hon. Philip J. Pierre, Prime Minister and Minister of Finance of Saint Lucia
and Member of the ECCB Monetary Council

Dr. Didacus Jules, Director General, OECS

Mr. Francis Fontenelle, Permanent Secretary, Ministry of Finance and ECCB
Board member

Mr. Rolf Phillips, Chief Executive Officer, Bank of Saint Lucia (BOSL)

Mr. Cedric Charles Jr., General Manager, BOSL Fund Management
Company

Board members of Bank of Saint Lucia and the BOSL Fund Management
Company

Eastern Caribbean Securities Regulatory Commission

Eastern Caribbean Securities Exchange

Licensed financial institutions

Broker/Dealers

Investment Advisors

ECCU Citizens and Residents

Members of the Media

Introduction

Greetings.

I warmly congratulate the Bank of Saint Lucia on the launch of its mutual fund for the citizens and residents of the Eastern Caribbean Currency Union (ECCU), styled BOSL Global Investment Fund. Indeed, with this launch, Bank of Saint Lucia has become the first indigenous bank in the Eastern Caribbean Currency Union so to do.

This is most appropriate. After all, Saint Lucia is our largest member country and has the largest economy in the ECCU. Furthermore, Bank of Saint Lucia is the second largest bank in the ECCU, with assets in excess of \$3 billion.

I wish to recognise the work of the Eastern Caribbean Securities Regulatory Commission, our securities regulator, in respect of this development.

Ladies and Gentlemen, I have three key messages:

Key Messages

1. The launch of the BOSL Global Investment Fund is a boost for our Big Push Challenge.
2. Wealth creation is an important pathway for creating prosperity and building resilience.
3. Improving Financial Literacy in the ECCU is imperative and urgent.

A Welcome Boost for the Big Push

What is the big push challenge?

At the launch of the ECCB's 40th anniversary celebrations last year, I posed this provocative question to our currency union: *What will it take to double the size of our economy over the next decade?* That means moving from \$21 billion to \$42 billion. For Saint Lucia, this means moving from about \$5.5 billion to \$11 billion.

I then issued a clarion call for "a big push" and identified several drivers, one of which is wealth creation. I called attention to the fact that almost 3 in 5 persons in the USA or 60 per cent are invested in the US stock market. In contrast, only 4 per cent of persons (1 in 25) in the ECCU are invested in the Eastern Caribbean Securities Market. I then proposed a stretch target to

raise that number from 1 in 25 persons to 1 in 5 persons (20 per cent) over the next decade.

I confirm that the launch of this fund is aligned with the strategic directions of the ECCB, which include financial inclusion and wealth creation.

Through this mutual fund, citizens and residents of the ECCU will have access to the international financial markets. I understand the minimum investment size is US\$200 or EC\$540, after which any amounts could be invested. From the perspective of financial inclusion, this relatively low entry investment size provides a great opportunity for our people to invest and access the regional and international capital markets. And before you complain about the quantum required, I invite some of you to reflect on what you paid for your recent Old Year's Night fête.

The launch of this mutual fund leverages the strong savings culture in our region and offers an accessible and affordable way to help more of our savers become financial investors.

In recent times, we have observed some persons pursuing risky options such as investments in cryptos. I hope these persons will consider this mutual fund as a safer option in which to invest their hard-earned money.

Wealth Creation is Essential for Building Resilience

It is appropriate to situate the launch of this mutual fund in the wider context of our region's quest to create prosperity and build resilience. Our inaugural financial literacy and inclusion survey found that 50 per cent of persons (1 in 2) in the ECCU are not financially resilient.

For me, resilience is the capacity to withstand and absorb shocks and bounce forward (not back).

I truly believe that wealth creation is one pathway to building financial resilience; to the extent that our people generate additional income and wealth, including intergenerational wealth transfer, the stronger their capacity to weather financial storms and shocks.

So leveraging the question I posed to our currency union, I invite you to now reflect on this personal and provocative question: *What will it take to double*

your net worth over the next decade? Could we personalise this question: What will it take for me to double my net worth over the next decade?

Improving Financial Literacy is Imperative and Urgent

Before I conclude, I wish to remind the BOSL Fund Management that this launch is an important first step. It is necessary but not sufficient. Do not simply assume if you build it and offer it, investors will come.

Effective demand will be driven by both cash and consciousness.

For as Sir Arthur Lewis, Nobel Laureate, wisely proffered: **“The fundamental cure for poverty is not riches but knowledge.”**

Consequently, you must be relentless in cultivating an appetite for financial investing and sustaining demand for this product through a massive financial literacy campaign and good Fund performance.

I wish to remind BOSL Fund Management, broker/dealers and investment advisors of your responsibility to inform and educate the people of the ECCU on their rights and risks as investors.

I also wish to advise that the ECCB will be expanding its financial literacy, resilience and wellness programmes.

I therefore strongly encourage the people of the ECCU to avail themselves of the abundant financial literacy options now available.

Conclusion

In conclusion, in my capacities as Governor of the Eastern Caribbean Central Bank and Chairman of the Eastern Caribbean Securities Exchange, I express my pleasure with the launch of the BOSL Global Investment Fund in the ECCU.

I wish all involved – BOSL Fund Management, broker/dealers but especially our investors – great success.

I thank you.