



CENTRAL BANK
of BELIZE

49th Annual Monetary Studies Conference
“Repositioning Small States for New Global Realities”
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Belize City, Belize

Welcome Remarks

Presented by:
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Governor

Welcome to this, the 49th Annual Monetary Studies Conference. To the participants who travelled to join us today, I extend a warm Belizean welcome to all of you. This is the fifth time that this conference is being hosted by the Central Bank of Belize in collaboration with the Caribbean Centre for Money and Finance (CCMF).

Since its launch in 1968 as a university-based regional programme of monetary studies, it continues to evolve and, as such, it has remained effective and relevant. The Monetary Studies Organization, the first name of the organization that we now know as the CCMF, was established to support the efforts of our central banks and monetary authorities. Its primary goal has been to understand and develop monetary and financial systems so critical for the broader development efforts of our countries.

These Conferences have provided important insights that impact the financial sector and our economies. The scholarship that will be presented during the conference will not disappoint.

From a cursory look at paper titles, the scope of the CCMF has broadened considerably since 1968, even though the focus is still clearly on the financial sector. The core goal – that of improving the living conditions of our people across the Caribbean – has remained the same.

Today, the topics include corporate governance issues, tourism, climate change, and natural disasters. The latter, so fresh in our memories after the devastating impacts of hurricanes Harvey and Maria in the northern Caribbean, that we need no reminder. Unfortunately, the data suggests that these types of weather-related natural disasters will continue to occur with greater frequency and intensity. Indeed, for many of us, Belize included, it is a matter of WHEN we will suffer similar or perhaps worse devastation. It is WHEN, not IF.

As was evident from the utter destruction left in the wake of category five hurricanes, these powerful storms pose an existential threat to our way of life and to our economies; in only a few hours, these events can wipe out up to 100% of our GDP, and reverse our development trajectory for decades. As such, our region must begin to find innovative mechanisms to mitigate the damages and increase the resiliency of our economies.

The debilitating effects of weather-related disasters, coupled with our small, open economies, and the small size of our countries ought to afford us special consideration in the international arena, particularly with the IFIs and multilateral partners who work with our countries. Regretfully, this is not the case. Instead, we are forced to grapple, at significant costs, to a hostile global environment that brings us the vexing issue of withdrawal of correspondent banking relationships (CBRs) and de-risking.

To avoid exclusion from the international financial sector, we have had to comply, even when the reporting and verification requirements are increasingly onerous and expensive for so many of our countries. All of our economies are heavily dependent on financial flows and trade between ourselves and the rest of the world. As such, the withdrawal of CBRs also poses a considerable threat to our economies.

How we collectively respond will determine our resiliency. As a region, we have to unite and engage the international community with singularity of purpose. How might we commence this engagement? I am suggesting that we find answers to the following questions:

- Is there a role for a central clearing mechanism for international financial transactions in our region? If so, what would it look like and how soon can we get it done?
- What changes can we suggest be made to the oversight functions of the IMF? Who can we engage to lobby our cause?

There are no simple answers to these questions. We must continue, in earnest, the discussion and include as many stakeholders as possible. More importantly, we must then execute the recommendations with some haste.

This conference, and others like it, are important for finding solutions to these escalating regional challenges. While theoretical research is indispensable to expanding our knowledge, we are in dire need of applied scholarship that can inform our decision-making and provide near-term policy recommendations that, collectively, can allow us to improve the quality of life and living

conditions of all of our people. Our universities must rise to this challenge. There must be greater partnership between academia, private sector, and government, the latter ensuring that enabling policies exist to foster research and collaboration between our centres of learning and businesses.

As we attempt to inform and educate our societies through the valuable research that we conduct, we should re-examine our methods of dissemination. To reach more people in the age of low attention spans and scrolling media, we need to transition from long-winded research papers to informative graphics and videos. We should explore different methods to explain complex economic concepts in ways that are relatable to people in their everyday lives. A populous that is informed and sophisticated in financial and economic matters is one that is empowered. It is worth the effort to repackage information in a way that is easily accessible and readily understandable.

The CCMF has served us well for almost half a century. It has allowed the sharing of knowledge and built capacities. It has contributed enormously to the development of talent and capacity in our central banks; the economics departments of our universities; and increasingly, in recent times, to the wider financial business community.

I, on your behalf, express our appreciation for the contributions of the staff members and associates of the CCMF over the years. We commit our support to ensure its continued successful operation in the future.

May we have another useful and successful conference. Thank you.

8 November 2017