

RESERVE BANK OF FIJI



**OPENING ADDRESS BY MR BARRY WHITESIDE,
GOVERNOR OF THE RESERVE BANK OF FIJI
AT THE 37th MEETING OF THE SEACEN DIRECTORS OF
RESEARCH AND TRAINING ON 20 AUGUST 2015, SOFITEL
RESORT AND SPA, DENARAU, FIJI**

Introduction

Dr Hans Genberg Executive Director, SEACEN
Distinguished Speakers
Directors of Research and Training and colleagues from our SEACEN
central banks
Colleagues from our Pacific neighbour central banks
Ladies and Gentlemen

Bula Vinaka and welcome! Welcome to Denarau Island and welcome to Fiji!

It is a privilege to be able to host you all over the next few days and I certainly wish you a most pleasant stay. For those of you who are first-timers, just relax, and slow down a little, you are now on Fiji time! I am sorry that may be misinterpreted since I know you have two fairly intensive days of discussions ahead of you. But hopefully you can let your hair down after the meetings.

Since many of you are new to Fiji, let me try to explain the word “*Bula*” to you. It is an amazing word, encompassing everything good. You would have heard it as a greeting when you disembarked from your Fiji Airways flight and also when you first arrived on Denarau Island and every time you go past the hotel staff. I said it when I greeted you this morning and you will hear it many more times throughout your stay.

It can mean just a simple hello, or a more expansive good morning, good afternoon or good evening, or welcome. And when sharing a drink together it can mean good health. It captures the warmth and hospitality of the people of Fiji. Remember you must say it with conviction. Bula!!!!

Fiji's Relationship with SEACEN

Dear colleagues, Fiji's relationship with the SEACEN family goes back a long way and it is something that we have never had second thoughts about. While we officially joined the group as its 13th member in April 2004, we had in fact been enjoying observer status back into the early 1980's. This allowed our staff to attend the courses and seminars and, as such, I attended my first SEACEN course in 1989 and many of our staff have followed in my footsteps since then. The relationships and bonds we have formed over the years across our regions and the central banking fraternity have served us well and are a clear form of the good side of interconnectedness which you will be discussing later today.

It is difficult to comprehend that this is the 37th annual meeting of this particular grouping of SEACEN. As a bed of learning the SEACEN Centre and member central banks have provided us with the best of training opportunities and our staff have been the richer for it.

We are pleased that some of our fellow Pacific central banks have joined us this week to share the learning experience that we have enjoyed for so long. While Bank Papua New Guinea is a fellow member and the Reserve Bank of Vanuatu an Associate member, we also welcome as observers, the Central Bank of Samoa, Central Bank of Solomon Islands and the Central Bank of Timor Leste. I urge you to use this learning experience well and mix in with our friends from across the Asia/Pacific region.

SEACEN Directors of Research and Training Meeting

Let me say a few words on the Directors of Research and Training Meeting, or DORT as some of us like to call it.

As I indicated earlier, this is the 37th annual gathering of this group. It has transcended across a couple of generations and this is the third time that we have had the honour of being your hosts. The first was back in 1993 and

then again in 2008. It has always been a pleasure to get you to come and visit our country and see for yourself the beauty of our islands.

Globalisation and Central Banks

Colleagues, our topics in today's concurrent or side by side Research and Training Seminars delve into the impact of globalisation on the way we central banks do things and on our policies.

Globalisation, interconnectedness, global connectedness, interdependence, or whatever you like to call it, are all ways of saying that the world, in figurative terms, is shrinking. With ever-advancing technology and communications, it is clear that further globalization is inevitable. While the benefits of all this may be strong, we have seen from past experiences (the 2008 global financial crisis is a good example), that interconnected economies will face their share of risks.

As central bankers we should always be working to head off the risks as best we can. Hence the discussions today will, I trust, better prepare us for the future.

The Seminars

The theme of the Research Director's seminar today is ***“Globalisation: Impact on Central Bank Strategies of Emerging Economies”***.

I am excited by the concept of ***“Forging Stronger links with Global Value Chains and Global Value Chains and Interconnectedness***. Studies for Asia show that global value chain benefits are largely concentrated in East and South East Asia. Only a few countries in Central Asia, South Asia or the Pacific have found their GVC niche mainly because of their remote locations, underdeveloped transport infrastructure and regulatory hurdles and policy deficiencies.

All Asian economies face the challenges of strengthening links to dynamic production chains. In the Pacific the inadequate transport infrastructure exacerbates our geographic disadvantages.

The global economy is entering into new uncharted waters. The reality is that we are all likely to face increasingly turbulent times ahead. Therefore we must work together to forge stronger links with global value chains.

I am also drawn by this afternoon's topic on the efficacy of Central Bank Policies. More and more, we are casting our eyes towards non-conventional roles and the use of non-conventional tools, more often than not under the stern gaze of the IMF.

In such a small economy as ours in Fiji, whilst we, as the central bank, have our traditional policy objectives of low inflation and a comfortable external position along with financial stability, we are also always asking ourselves what else we can do to achieve higher economic growth for the country?

Because of this we have established a separate Group (Department) to handle our non-traditional roles. We have credit facilities to encourage exports and import substitution. We have facilities to assist the low cost housing sector and the SME sector. We have taken a lead role in Fiji's financial inclusion drive since late 2009 and also in work to develop our capital markets.

We are constantly under scrutiny as to how effective we are and because we are deemed to have the best resources we are often asked to take on other roles. We might ask ourselves, where do we draw the line?

At the Bank we place a lot of emphasis on engaging directly with both the public and private sectors – getting down to the “coalface” if you like. This is the ideal situation where we can share information and get to know each other's business. The rapport we develop leads to better surveys and keeps us better informed when it comes to policy formulation. We find that the Bank's presentations to the business community allow great interaction and are always appreciated. This has led to a build-up in confidence in the RBF as a capable institution and policy maker.

For our Directors of Training I note your theme for today of ***“Globalisation: Impact on Talent Management Strategies in Central Banks.”***

We central bankers face the same challenges when it comes to our human capital, and these are to attract, develop and retain staff, particularly for

mission critical positions. How do we keep our teams motivated? How do we balance the technical skills versus the people skills?

Our own recruitment policy in the Bank is very stringent. In Fiji the Reserve Bank has a very good reputation and image and attracts a lot of interest when jobs are advertised. Often times when I am counter signing the Secrecy Form with a new recruit their answer to my usual question of “*why do you want to work here?*” has been that it was their dream from when they were in high school! I like to think that the interest from such a young age is not only because we have the tallest building in town!!

So you may think that if everyone wanted to work with us we need not have to work hard at our retention strategies. We certainly have not taken that attitude. While our jobs may be challenging, we have worked hard to ensure remuneration is competitive and our working conditions and benefits are amongst the best in Fiji.

Even with great facilities, an excellent career path and large training budget we still expect to lose staff through movement to other financial institutions as well as to emigration, especially to so-called “greener pastures” in Australia and New Zealand. And so the employment cycle continues.

I look forward to perhaps joining your sessions on developing talent strategies for central banks and to seeing my Fiji team bring back to our Bank some of the lessons and experiences that you will be sharing.

Concluding remarks

Let me not take up too much more of your precious time here. Looking at your program, I see there is much to do!

I would, however, like to appeal to you to please take some time out to see what Fiji has to offer. I understand there is a day cruise to one of our beautiful little offshore islands on Saturday – so a chance to do some swimming or snorkelling. There is also a great feast and some traditional entertainment, including fire walking and a kava ceremony tomorrow night.

And if you want do more, like some shopping or sightseeing, please don't hesitate to talk to Lorraine and her team. I am sure they will help you spend your tourist dollars and help us do our part to grow the economy - after all, we central bankers have to stick together!!

In concluding let me thank the SEACEN Executive Director and his team for the arrangements they have made for this conference. My team would also like to thank Brian Nunis and Vivien Ong for all their assistance with the pre meeting logistics.

I also recognize the great logistical support of Sofitel General Manager, Alan Burrows, and his team for making our stay on Denarau all the more memorable.

I sincerely hope that you will find the seminars and annual meeting fruitful and that you will enjoy your stay in Fiji. Unfortunately, I will be with you today only, as I need to go back to Suva for other commitments.

I wish you all the best and a safe journey home later this week.

Vinaka Vakalevu and Thank you

20 August 2015