



OPENING REMARKS BY THE GOVERNOR OF THE RESERVE BANK OF FIJI BARRY WHITESIDE AT THE LAUNCH OF THE FINANCIAL SERVICES DEMAND-SIDE SURVEY REPORT ON 17 SEPTEMBER 2015 AT THE GRAND PACIFIC HOTEL

Salutations

The Australian High Commissioner, Ms Margaret Twomey

The UN Resident Representative, Ms Osnat Lubrani

The UNCDF Executive Secretary, Ms Judith Karl

Excellencies and Members of the Diplomatic Corps

Distinguished guests

Our Financial Inclusion partners and stakeholders

Members of the Media

Ladies and Gentlemen

Welcome and Introduction

Bula vinaka and a very good afternoon to you all.

It is my great pleasure to welcome you to the official launch of the Demand-Side Survey Report on Financial Services in Fiji. Thank you for taking the time to share this milestone event in our financial inclusion journey.

After months of collaboration between the Reserve Bank and our partners, the Pacific Financial Inclusion Programme, the Alliance for Financial Inclusion, the Fiji Bureau of Statistics and other key stakeholders, the final version of the Report is now ready to be unveiled.

Many of you present here will know that our financial inclusion journey effectively started back in late 2009 and early 2010, with the setting up of our National Financial

Inclusion Taskforce following a gathering of interested stakeholders. These stakeholders agreed to commit to an end-goal of helping our people to improve their lives and those of their families by providing easier access to financial services along with the necessary knowledge and skills to best utilize them.

At the time we made a joint commitment to reach 150,000 unbanked or underserved Fijians by the year 2014. This was a priority goal of our first medium term National Financial Inclusion Strategy, which also included incorporating financial education into the Fijian schools' curriculum. It was extremely pleasing to note that both these targets were achieved well before the end of 2014.

Collaboration and partnership with all stakeholders has clearly been the key to our success and this must be recognized. And as Taskforce Chairman I would like to say how grateful I am for the total support given to me and to the Reserve Bank by the financial institutions, government ministries, civil society and donor agencies – all our stakeholder partners. We share a common vision of making Fiji a better place for all our people.

But while there have been some key achievements in the past few years, we believe that much more remains to be done to promote and facilitate financial inclusion in Fiji. We are now in the process of formulating our *2nd Medium Term Financial Inclusion Strategy* which will embrace the inclusive consultative process we have adopted.

Data Initiatives and what led to Demand-Side Survey

Ladies and gentlemen, the availability and appropriate usage of data is paramount in any effective decision making process. We are aware that many countries are struggling to get a handle on their financial inclusion development because of the lack of both supply-side and demand-side data. For us in Fiji a key ingredient for our new strategy will be the data we have been collecting over the years and from the

recent Demand Side Survey. Unlike when we first started out on this journey, we now have a very comprehensive data set available to construct a complete picture of our financial inclusion initiatives and we can see where the gaps exist.

Traditionally, as regulators through our supervision activities, we receive supply-side data from our licenced financial institutions. Data from the supply-side will tell us how many accounts there are, the types of accounts, the geographical spread, numbers of access points and network coverage, and so on.

Demand-side data, however, are from the consumers or users and are generally gleaned through household surveys. Such data, while also telling us the numbers of people with accounts, will provide us a bit more on the ease of access and the barriers to use of financial services from the public's point of view. This data gives us a good picture of the percentage of adults in Fiji with a formal bank account and those that are excluded from the formal sector and the reasons behind exclusion.

At this point I would like to recognise Bankable Frontier Associates, a consulting firm based in the USA, which we commissioned to help conduct the demand side exercise. These consultants worked closely with the Reserve Bank of Fiji, the Bureau of Statistics, the National Financial Inclusion Taskforce's Statistics Working Group and the Pacific Financial Inclusion Programme, to develop the questionnaire, train the survey team and deliver the final report.

Demand-Side Survey

Ladies and Gentlemen, the Demand-Side Survey Report that we are launching today provides us with an overall view of access, usage and to some extent, the quality of financial services and products, both formal and informal, amongst Fiji's adult population. This report is very helpful for regulators and the financial service providers to better understand the situation or reality on the ground, particularly the barriers that are preventing people from using the formal financial system.

The Survey covered a national representative sample of 1284 respondents through 15 Provinces in Fiji. All the respondents were 15 years of age and above.

Key Takeaways from the DSS

A brief examination of the results suggest that, overall, our level of access to a formal bank account in Fiji is low when compared to upper-middle income¹ countries surveyed as part of the World Bank's Global Findex – though it compares well to middle income countries.

Please allow me to highlight some of the key findings:

- 60 percent of adults have a bank account while 27 percent are completely excluded from any type of financial service.
- Financial Inclusion is lower: in the Eastern and Western provinces of Fiji; among women; iTaukei adults; young adults (aged between 15-20 years); and among agricultural and casual workers.
- 71 percent of adults saved some money during the previous year, compared with 63 percent of adults in upper middle-income countries in the Global Findex Survey. However out of the 71 percent of adults that say they saved in the past year, only 38 percent saved with a formal financial institution and 9 percent with saving clubs. Additionally, 27 percent of the respondents have retirement savings; but these were found to be more with the urban dwellers.
- Use of credit in Fiji is lower, at 32 percent, in comparison to upper-middle income countries at 38 percent. The report highlights that those in the informal strand use shop credit; hire purchases and borrowing from family and friends more than those that are banked.

¹2014 data from World Bank: Upper middle income countries GNI per capita is \$4,086 to \$12,615. Fiji's GNI per capita is \$4302 in 2013. Using GDP 2014 is \$4543.

- Mobile money usage is low despite high levels of awareness. Out of the 76 percent of adults surveyed who have a mobile phone, 80 percent have heard of mobile money, however only 6.5 percent have a mobile money account.
- In regard to remittances, 23 percent of the adults surveyed received money from acquaintances that live in Fiji or abroad, with a higher percentage of women receiving remittances than men. The sources of remittances show that 59 percent come from abroad and 38 percent are local, with most of the local remittances being received via the post office.
- Insurance ownership is a low 12 percent. A common reason for not having insurance was because the respondents felt they did not need it.

Moving forward

Overall, the demand-side survey report presents some interesting findings and good baseline data for us all on access, usage and the quality of financial services and products offered in Fiji. This data, apart from serving as a benchmark for future reference, will now assist us in developing evidence-based policies and charting the way forward for financial inclusion in Fiji.

Ladies and gentlemen, a national workshop will be convened soon to invite stakeholders to participate in reviewing the findings and the achievements of the past five years and to agree upon a new financial inclusion strategy for Fiji for the next five years.

Before I conclude, I would like to acknowledge the work of the Fiji Bureau of Statistics. This exercise is precious to us all and required extensive investment, both technically and institutionally, and we are grateful to the Bureau for the unrelenting support throughout.

I must also thank our funding partners, the Alliance for Financial Inclusion, for covering the consultant's fee and the Australian Government which provided the

funding through the Pacific Financial Inclusion Programme for the data collection exercise. These surveys are very costly and we greatly appreciate the commitment and continuous financial support from our partners.

Thank you to all our other committed stakeholders and to my staff at the Reserve Bank who continue to push us onwards in order that we may meet our goals.

Finally, let me share with you some great news. Fiji has just been selected to host the 2016 Alliance for Financial Inclusion Global Policy Forum. At the last count, the Alliance had a membership of around 95 emerging and developing countries represented by 123 institutions, including many central banks and finance ministries. We have been told that we can expect more than 600 delegates to fly into Nadi in September next year. This will be a tremendous challenge for us as hosts but a great opportunity to showcase, not only our beautiful country, but also our collaborative effort and growing footprint in financial inclusion.

I look forward to all your continued commitment to giving our people in Fiji that lift or hand-up towards a better life.

Vinaka vaka levu.