

Prime Minister of Fiji Voreqe Bainimarama Opening Remarks at 2016 Global Policy Forum

This is the full speech of Prime Minister Voreqe Bainimarama during the opening of the 8th Annual Alliance for Financial Inclusion (AFI) Global Policy Forum held in Nadi, Fiji on 8 September.

The Honourable Attorney-General and Minister for Economy, honourable ministers, the Governor of the Reserve Bank of Fiji, the Secretary-General of UNESCAP, your excellencies, members of the diplomatic corps, the chairman of the board of the Alliance for Financial Inclusion, the AFI executive director, governors and distinguished members of the forum, ladies and gentlemen, bula vinaka and a very good morning to you all.

It is a great honour for Fiji to co-host the 8th Annual AFI Global Policy Forum – the first meeting of the Alliance to be convened in the South Pacific. And on behalf of every Fijian, welcome to our nation and welcome to Denarau.

I want to say how proud we are to host such a distinguished gathering of financial experts from around the world.

And I salute you for working together to empower the estimated two billion people worldwide who are currently excluded from the mainstream financial system.

Thank you for being advocates for bringing them in from the margins and striving to give them access to finance.

Just yesterday (Wednesday), the Fijian people celebrated our very first Constitution Day at our brand new Albert Park Pavilion in Suva.

And in that Constitution we have, for the first time, a Bill of Rights which guarantees socio-economic rights, including the right to economic participation, education, health, shelter, just minimum wages, transportation and other rights designed to keep our citizens in the fold of economic development.

Our Constitution makes it even more incumbent on my Government, or any other future Fijian Government, to ensure that our economic development is driven by our commitment to financial inclusion, and bringing all of our citizens into the mainstream.

We are determined to leave no-one behind on our journey forward as a nation.

And are conscious more than ever of our responsibilities to the more vulnerable among us – women, children, low income earners, the elderly, the sick and the disabled.

That commitment to our marginalised groups is matched by my Government's firm belief in the free market – the notion that the most enterprising of our people should be given every incentive to work as hard as they can to benefit themselves.

Because in doing so, they are able to spread their wealth to others by re-investing in our economy and creating jobs.

That is why Fiji has some of the lowest taxes – corporate and personal – in the Pacific. Plus a range of incentives for our own people and foreigners to invest in our economy.

I encourage all of you who are visiting us to examine the benefits of investing in Fiji and to take the message home that we are open for business.

As well as our low taxes and the incentives we offer, we have a business-friendly regulatory framework, a stable political environment, strict adherence to and maintenance of law and order and an educated, English-speaking workforce.

We are also in the throes of the longest running period of economic growth in our history – seven straight years of expansion.

So the opportunities in Fiji have never been better – a small but thriving nation at the hub of the Pacific with advanced communications; easy access to surrounding countries; steadily improving infrastructure including our sea and air ports, roads and access to water and electricity; and a range of quality Fijian Made products and services that are steadily penetrating markets throughout the world.

We also have a solid foundation of financial services and products in Fiji, and I'd like to take some time to discuss the critical role that commercial banks play in expanding the reach of these services.

In Fiji, we used to have a 100 per cent Fijian owned bank, but due to excesses of past Governments and lack of good governance, it unfortunately went under and was sold off to foreign interests.

But today, I am happy to say that we again have a fully-fledged bank that is entirely Fijian owned.

Now whether a bank is owned by domestic or foreign interests, banks operating in any country must promote financial inclusion.

Central banks and reserve banks must advocate and work to ensure that the cost of banking services is not prohibitive to low-income families. And that is where our regulators play a very important role.

Our Interchange Network Payments or National Switch Bill, which is currently before Parliament, will provide a regulated, centralised environment for using ATMs and Point of Sale Machines that aims to reduce the costs of electronic transactions.

And give not only banks, but all other entities conducting large transactions, incentive to participate in the National Switch.

For example, our iTaukei Lands Trust Board, which administers land on behalf of different land-owning units, can disburse lease funds through the National Switch to all individual recipients in the respective land owning units.

Similarly, our social welfare recipients will also be able to directly access funds through the national switch, thereby reducing the current fees and charges.

It is in the best interest of every Fijian consumer that we introduce regulation in our financial system to foster competition at the top and bottom ends of the market.

Another example lies in the collation and reporting of those who access credit.

Such activity must occur under an appropriate regulatory framework. As we previously saw in Fiji, there was no regulation, and only one company was operating in the industry.

The rules of the game were not clear and this segment in the financial system lacked transparency, so we introduced new laws regulating those providing credit reporting services.

As a result, we have greater interest from overseas companies and have ended the unfair reporting of credit histories that disproportionately affected those lower on the socio-economic spectrum or who were not part of the elite.

Ladies and gentlemen, truly inclusive financial systems can only develop when a nation has appropriate national frameworks in place.

In Fiji's case, we have a Green Growth Framework, which encourages the sustainable development of our limited natural resources.

We also have a trade policy framework which is our strategy for our trade relations. We are also currently formulating our 20 year national development plan. And, I am proud to report, that Fiji has embarked on its second National Financial Inclusion Strategic Plan.

Our target for the current period between now and 2020 is to improve accessibility to financial services from the current 65 per cent of all adults to 85 per cent. 50 per cent of this increase is improving access for women.

Of course, we have to also confront the challenges of climate change. In Fiji, we have already relocated three villages to higher ground, with more to follow.

So access to green climate funds and a focus on adaptation are a key for Fiji and other low-lying countries – countries with negligible levels of carbon emissions that find themselves on the forefront of climate-related disasters.

Many of you who haven't ventured too far beyond Denarau may find it hard to believe that less than seven months ago, we were struck by the biggest tropical cyclone ever to make landfall in the southern hemisphere. Cyclone Winston killed 44 of our people and left us with a damage bill of more than \$2.85 billion (\$US1.4 billion) or around 30 per cent of our GDP.

Cyclone Winston's devastation showed us that it is those on the margins of society, those who are vulnerable, those who are unbanked, those who were uninsured, were those who were the most affected.

The effects of climate change have shed light on the forces of regression, where the most marginalised among us are trapped in a constant cycle of rebuilding, and are trapped in poverty as a result.

As a part of our recovery efforts, we launched a Help for Homes initiative whereby the equivalent of an ATM card or MPAISA was given to those Fijians who were affected to purchase hardware materials to rebuild their homes.

This has given many Fijians the chance to become more comfortable with electronic transactions. So through what are unquestionably unfortunate circumstances, we can still create opportunities to give people access to new technologies. We can still make financial inclusion a priority.

Ladies and gentlemen, I want to close by thanking you for the work the Alliance for Financial Inclusion is doing to assist us, along with the other stakeholders.

It is a pleasure to have you all in Fiji and I hope you can all make time to see something of our country, our culture and to experience our world famous hospitality. I also look forward to meeting as many of you as possible and have the great pleasure to now declare this important forum open.

Vinaka vakalevu! Thank you.