

Welcome Remarks
Dr. Tarisa Watanagase
Governor of the Bank of Thailand
at 1st AFI Start-up Committee Meeting
10 July 2009
Shangri-La Hotel, Bangkok

Deputy Governor, Director-General, Dr. Hannig, Colleagues,

It is a pleasure to welcome all of you to Bangkok, which for some of you, I know is a long way from home. Thank you for making such an effort to be here. I cannot tell you enough how much your presence and participation in this meeting is appreciated. Though we have work to do this morning, I hope that you will also have a chance to enjoy your stay in Bangkok, including our sight-seeing tour this afternoon.

At the AFI Public Announcement back in April where President Babatz and I had a chance to address the meeting as members of our Start-up Committee, I was delighted to see the kind of positive response and enthusiasm shown by policy makers from a broad spectrum of countries. Many of whom, I learned, have decided to jump on board with us, making AFI membership grow to more than fifty countries, worldwide. This only confirms that among many agenda laid on the table in international policy forums today, financial inclusion is the one agenda that we can all agree and give our full support to.

As I said in that meeting, there are challenges ahead that, together, we must address in a cooperative manner, namely creating sustainable financial inclusion and ensuring the linkage between greater financial access and improvement in wellbeing. Please allow me to offer my initial thoughts on the subject.

With wellbeing as the ultimate goal of policy makers, many policy building blocks need to be woven together. Examples include policies on career development, education, macroeconomic stability and so on. While these policies do not necessarily fall under the mandates of financial regulators, efforts should be made to ensure that policy directions of all relevant institutions, government and private, are aligned.

Closer to our hearts though, are policies that aim to improve the poor's capacity to be financially included. In this regard, I believe that there must be at least three key policy ingredients, namely financial access, financial literacy and consumer protection.

First, for access, there is a need to ensure that the range of basic financial services provided can address financial needs of the poor in all important aspects of their lives. For instance, we need to consider an "inclusive package" of credits, savings, transfers, and insurance that fit their livelihood.

Secondly, to ensure quality of usage, we need to enhance financial literacy. With higher financial literacy, the poor could utilize the services more efficiently and productively, for example, having the ability to turn received credits into income and savings and so on.

Finally, we need a good system of consumer protection in order to ensure fair and transparent provision of financial services. I believe that financial regulators have an important role to play in all three areas. The fact that we are all here today, already signifies our commitment to addressing such issues, thus ascertaining the success of financial inclusion. Not just for our own sake, but also for the sake of our friends around the world.

After having seen this morning's agenda, I am certain that there will be plenty of great discussions among us today. I myself am very interested to hear us take the current policy challenges further, arriving at how best we think AFI can play a role in tackling such issues. Of course, us working together to ensure the sustainability of the AFI community together with our policy impact would also be key.

I look forward to discussing our proposals of potential AFI flagship projects, all of which, I believe would make significant contributions to the global efforts on financial inclusion. In this connection, the Bank of Thailand will be presenting our proposal on "Using survey data to design financial inclusion policy" for your consideration. The project findings would not only provide a useful international research contribution in the area of financial inclusion, but also an easily replicable exercise for anyone to conduct and repeat over time, thus adding to the stock of critical grass-root information on financial access.

Finally, I also look forward to discussing with you on the governance and other related issues of our Start-up Committee.

Without further ado, let us now give our attention to Alfred who will be updating us on AFI's latest progress and lead us through the rest of today's agenda.

Thank you for your attention. Alfred, the floor is yours.