



Governor's
Remarks

45th Anniversary Celebration of the Central Bank of The Bahamas

5 July 2019

Acting Prime Minister and Minister of Finance, Governors, representatives of the Clearing Banks Association, representatives of the Association of International Banks and Trust Companies, former central bank employees, other guests: good afternoon.

On behalf of the Board of Directors, Management and staff of the Central Bank, thank you all for being here with us this afternoon to celebrate the 45th Anniversary of the Central Bank of The Bahamas.

Today, we are particularly pleased to honour all of our past Governors and to thank them for their service to the Bank and to The Bahamas.

As part of our civic responsibility, the Central Bank has taken a strong interest in promoting the development of Bahamian art. On display today is a sample of our collection from throughout the years, including a cross-section of celebrated talent, some of whom made their successful debut in a Central Bank exhibition.

Through art we tell stories of our culture and values. We also etch these treasures in the narratives we relate on our currency: the beauty of the physical environment, our treasured natural resources; the nostalgia surrounding the commerce and ways of the past; about Junkanoo, Family Island regattas, bone fishing, pineapple growing, hand crafted straw work, the horse and carriage, tourism, and so on.

When we reflect on the mission of the Central Bank, and strip away the technical terms that often entrap us, our mission is simply put, to accomplish within the financial sector space all that is within our legal authority, to preserve and improve upon this Bahamian way of life. That applies equally as well to the outcomes we promote for residents in Elbow Cay, Alice Town, McCleans Town, Spring Point, Old Bight, Barretarre, Majors, Sandy Port, or any settlement we choose to name. It is a mission that you Governors took on successfully. You worked to ensure that the last thing any resident had to worry about was how much imported goods or services they could purchase with their Bahamian dollars, or about whether the dollars they deposited in a bank would be safe in such bank. You worked to ensure that the average citizen could set such worries aside and concentrate on being productive and engaged with the other fulfilling aspects of their lives.

As a Central Bank today, we want to promote the equal access of all persons within our country to the conveniences of this nature that the financial sector provides. It comes across, for example, in the ways that we endeavour promote modernised delivery channels for services that do not impose the same product constraints as a physical banking network. It also comes across in simplified regulations to make it easier for all persons inside our borders to have access to legitimate banking services--whether they are employed or not; and whether they are Bahamians or not.

Also, recognising that a focus, rightly, is to keep illicit activities from infiltrating our financial services it comes across in being more attentive to those who could pose such risk, rather than treating all users and their transactions with suspicion. We will continue to do more work in this area.

Exchange Controls have always been synonymous with the important tools we deploy to preserve the one-to-one value of the Bahamian dollar against the American currency. Successive Central Bank governors have led reforms to liberalise these administrative processes. The constraint that you constantly faced on the speed of change was how swiftly the financial management practices and reforms on the Government's end materialised, to leave open a stable path for permanent change. Another constraint was the speed at which the Central Banks' own capacity increased to manage foreign reserves usage through less administrative channels.

We have made more progress in these areas than is even realised or acknowledged. The Exchange Control Department has gone from being the largest operating unit in the Bank to one of the smallest. It is transforming more and more to data gathering and intelligence operation. Today, firms in the private sector that have a positive nexus to foreign exchange earnings activities or those that promote strategic national development priorities enjoy direct access to capital raising in foreign currency. They operate within limits that would rarely constrain the small and medium-sized operations that should be engines of growth in any economy. Now, the entrepreneurial set also has expanded access to establish businesses outside The Bahamas, or to use such access to establish firms in international financial services sector. The examples of those who have taken advantage of these facilities are increasing, although not as fast as we would like.

Going forward, the key word for the Central Bank is being "progressive". We are open to reforms in our policies and administrative processes and to advocating when necessary, for pre-requisite reforms elsewhere in the economy that would make our initiatives sustainable. Indeed, there are already areas in Exchange Control administration for example, in our payments system initiatives and in our financial sector development push, where the Government has committed to supportive reforms, not just in the legal system, but also in the Government's own administrative processes.

In the spirit of progressiveness, we also want the engagement with stakeholders to be constructive. This means that together, we are able to identify and propose how beneficial changes can happen in ways that can be sustained. For the Central Bank, the energetic focus on financial literacy is one of the ways that we hope to ensure constructive input and enduring embrace of change.

We still need to build lasting capacity to deliver on our mandates. The Bank will therefore intensify its effort to recruit, train and retain competent professionals. We have offered and stand ready to work with the University of The Bahamas to develop graduate level programs that produce the next generation of economists and policy analysts, and we are reprioritising our internal resources to build out more specialist training in core central banking competencies.

As of this year, a more calculated approach is also being taken to recruit new talent for the Bank. Starting this summer, and as part of an annually timed exercise, the Central Bank will recruit a select number of bright college graduates who will be taken through a two to three-year structured preparation for long-term carers in central banking. Having little or no experience is actually a prerequisite to apply. For those just completing a Bachelor's degree, and who have both the aptitude and aspiration to pursue graduate studies, we will invite them to apply to our Central Bank Apprentice Programme. For new graduates with a Master's Degree, our Executive Professional Program will be open to admission.

Today, we have every right to celebrate the Central Bank's accomplishment. Again, I want to congratulate each of our past Governors for the foundations laid and built upon: from Governor Donaldson to Sir. William; and onwards to Governors Smith, Francis and Craigg. Thank you for allowing us to honour you with these bronze busts. Sequentially and imminently this display will be completed, with a bust of Governor Craigg also going on display.

We are equally excited about what is ahead of us. As Governors and former Ministers of Finance, you know well that the job required that you always stayed prepared to respond effectively to the unexpected.

My colleagues in the Central Bank look forward to this continuing challenge and to perfecting our responses to the unexpected. Also we look forward to being proactive and innovative in how we inspire reforms for the benefit of The Bahamas.