

WELCOME REMARKS BY
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FOR
SEACEN-IMF COURSE ON MACROECONOMIC MANAGEMENT
AND FINANCIAL SECTOR ISSUES
Colombo, Sri Lanka, 1-13 December 2013

Dr. P.N. Weerasinghe, Deputy Governor
Central Bank of Sri Lanka

Mr. Mangal Goswami, Deputy Director
IMF-Singapore Regional Training Institute

Distinguished Resource Speakers and Guests

Senior officials of Central Bank of Sri Lanka

Course Participants

Ladies and Gentlemen,

Good morning and welcome to the **SEACEN-IMF Course on Macroeconomic Management and Financial Sector Issues**, held in Colombo, Sri Lanka. This Course is conducted in collaboration with the IMF-Singapore Regional Training Institute (STI).

First of all, let me extend my deep appreciation to Central Bank of Sri Lanka for hosting this event, especially Deputy Governor P.N. Weerasinghe for taking time away from his busy schedule to officiate this Opening Ceremony and deliver the keynote address. The SEACEN Centre has been liaising closely with the Bank in recent months to prepare for this Course. We are indeed very grateful to the Secretariat team headed by Mr. C P A Karunatilake, Director of Centre for Banking Studies for the tremendous efforts put in to ensure the success of this Course and for their warm hospitality.

Ladies and Gentlemen:

The recent global financial crisis, although it was not triggered by flawed macroeconomic policy, has forced us to rethink about the framework of macroeconomic policy post-crisis. The ultimate goals of macroeconomic policies should still be to achieve a sustainable growth, price stability and balanced and sustainable fiscal position. But the crisis has clarified that policy makers have to watch many targets, including the composition of output, the behavior of asset prices, and the leverage of different agents. It has also made clear that they have potentially many more instruments at their disposal than they had used pre-crisis. The combination of traditional monetary policy and regulation tools, and the design of better automatic stabilizers for fiscal policy, are two promising routes.

Ladies and Gentlemen:

In many emerging economies including the SEACEN region, there have been continued efforts to renovate macroeconomic policy framework. However, macroeconomic policies, including exchange rate policies, need to be sound and supported by prudential measures. Fiscal consolidation remains a high priority in countries with fiscal imbalances, while others should rebuild buffers, unless growth deteriorates significantly. To mitigate systemic risks, and support strong, sustainable and balanced growth and job creation, policy coherence and concerted action need to be promoted domestically and regionally. Although global imbalances have declined, global rebalancing remains a key priority. Deficit countries should raise national saving and competitiveness, while surplus countries need to boost domestic sources for growth. Efforts for regional financial stability need to be implemented promptly and consistently.

Ladies and Gentlemen

It is with this perspective that The SEACEN Centre, in its role as a learning hub for central banks in the Asia-Pacific region, views these challenging tasks and the opportunity to bring these rich lessons to the training room. It challenges us to evaluate our learning solutions and the design of our training courses to ensure that what we offer, continue to be relevant and of practical values to our member.

For this learning event we are indeed fortunate to have a strategic partner in the IMF-Singapore Regional Training Institute (STI), working with us in designing and developing the Course in this direction. This learning event aims to enable participants to (i) analyse inter-relationships between macroeconomic stability, growth and financial sector; (ii) assess financial sector soundness and policy options for financial stability; and (iii) describe lessons learnt, including policy responses, to past financial crises.

Ladies and Gentlemen:

The SEACEN Centre aims to provide our course participants with exposure to international best practice in central banking knowledge at a cost effective manner. To provide the best learning experiences, the Centre has been pro-active in selecting a suitable learning strategy based on adult-learning principles and best practice among international and regional learning providers. Consequently, we plan to adopt a blended learning approach, which combines lectures to country sharing group exercise, case study and panel discussion.

Ladies and Gentlemen,

Our efforts to enhance the quality of our learning solutions would have been in vain if not for the commitment and wholehearted cooperation of our strategic partners, resource persons, and member central banks. For this particular course, I wish to record our deep appreciation to our strategic partner, the IMF-Singapore Regional Training Institute (STI) for its support and in particular, Dr. Sunil Sharma, Director of STI, for his pivotal role in bringing about this collaboration, and for sending excellent instructors to ensure the high quality of our learning event. We have been extremely pleased with this fruitful partnership and hope that it will continue to flourish in years to come.

Our thanks also go to Mr. Mangal Goswami, Mr. John Dodsworth and Mr. Shinichi Nakabayashi from IMF-STI for their excellent assistance and inputs in the course design and development of course materials. I also wish to thank all the other distinguished resource persons for taking time from their busy schedules to share their expertise and experience with participants. If I may mention their names – Deputy Governor Dr. P.N. Weerasinghe, Mr. Ernando S. De Leon from Bangko Sentral ng Pilipinas, Mr. Firman Mochtar from Bank Indonesia and YOU participants

who will be sharing your long and wide experience in central banking. Your active participation will make the learning more rewarding and impactful.

Last but not least, I wish to put on record our profound gratitude to our member banks and invitee central banks for nominating a well-qualified class of participants to the Course. Based on the participants' profile, I believe that the next two weeks will be a highly intensive time of learning. The stage is set for you to take maximum advantage of this unique learning opportunity, but it is up to you participants to make it a reality.

Ladies and Gentlemen,

Allow me to say a few words about The SEACEN Centre. As approved by the Board of Governors in February 2011, our vision is "To be the Regional Learning Hub for Central Banks in the Asia-Pacific Region". As a Learning Hub, SEACEN aspires to drive central bank excellence in learning for the region, by being a platform for collaboration for members to synergise efforts in central bank learning among themselves, and across SEACEN's network base. The vision would be achieved through SEACEN's mission in building capacity in central banking and fostering networking and collaboration. With strong commitments from our stakeholders as seen in this Course, we are confident that our vision will become a reality.

Ladies and Gentlemen,

Coming back to the Course, I am pleased to inform you that 27 participants from 11 institutions are participating in this Course. I am confident that that the participants will find it both fruitful and rewarding and above all, interaction among them and with resource speakers will provide an opportunity to learn from one another and strengthen the bond of friendship and cooperation.

In closing, I wish to once again express our appreciation to Central Bank of Sri Lanka for hosting this Course, to Deputy Governor Dr. P.N. Weerasinghe for taking time to deliver the opening address; to IMF-STI for the valuable collaboration, to all resource persons for their valuable contributions; to officials of Central Bank of Sri Lanka and Course participants for their support for this learning event.

I wish you a productive and rewarding learning experience. 'Sthu-thee' (Thank you).