

## **Special Address - 25<sup>th</sup> Anniversary of the SEACEN Centre**

**Bangkok, Thailand**

**29 July 2007**

Governor Tarisa Watanagase

Fellow Governors,

Distinguished Guests,

Ladies and Gentlemen,

It is my honour and great pleasure to speak at this very special occasion of the 25<sup>th</sup> Anniversary of the SEACEN Centre. This auspicious occasion after 25 years of its establishment provides us with an opportunity to reflect on the challenges ahead, and how the SEACEN could evolve in this ever-changing regional and global environment.

The SEACEN grouping is one of the earliest form of regional cooperation among the Central Banks in our region. The SEACEN forum started in 1966. SEACEN was inspired by the collective desire of our predecessors to promote greater regional cooperation. The Centre has since played a pivotal role in strengthening regional cooperation among the Central Banks in the region and in supporting human capital development in the regional Central Banks.

SEACEN is in particular special to me. I was the first officer to be recruited to the SEACEN Centre in 1979 and I was part of the team to draft the legal documentation for the establishment of SEACEN in 1982. I recall all the other were senior legal officials from the member Central Banks. From Bank of Thailand was Mr. Seri Chintanaseri, and from the Bangko Sentral ng Pilipinas, Mr. Gabriel C. Singson who

later became Governor. My five years at the SEACEN Centre has gained me life time friendships from the region and was a great inspiration to strengthen regional cooperation.

The SEACEN group is also special because it is one of **the most inclusive groupings of the Central Banks in the region**. It includes both large and small economies that are at different stages of development. This diversity in the region has in fact been a source of regional strength and opportunities. It has allowed for focus on complementarities and the leveraging on **the diverse** comparative advantages. The benefits from the diversity is also reinforced by some of the common elements that are inherent in the region. The common elements in the region include its economic flexibility, the young and dynamic labour force, the extended periods of macroeconomic stability, the high savings rates and being open to adopt pragmatic policy responses. Finally, the region possesses the ingrained aptitude to persevere and rise to the challenges.

Within the context of this diversity and prevailing common characteristics, the SEACEN Centre has served as a forum for the exchange of ideas, the sharing of experience and information, the formation of consensus **on important issues affecting the region and in capacity building of the Central Banks in the region**.

As part of our effort to be effective Central Banks, a key priority has been the modernization and organizational reform of our respective Central Banks. High quality human capital is a key element of this process. Central banks in the region have therefore traditionally placed a high premium on investment in human capital

development. The establishment of the SEACEN Centre in 1982 reflects this commitment. The focus of the Centre on capacity building represents our collective desire and aspiration for closer regional cooperation to support our efforts in developing high caliber central bankers in the region.

The SEACEN Centre however needs to evolve in this rapidly changing environment to best serve the regional Central Banks in the area of Central Bank organizational development more comprehensively so as to strengthen further our organizational capacity. While the SEACEN Centre's achievements thus far have been impressive, future new challenges confronting the region are likely to become more intense. The region will face greater exposure to different business cycles, threats of contagion, greater interdependencies and greater volatilities in the financial markets. In this regard, the quality and relevance of the SEACEN Centre's contribution to Central Banks capacity building is a matter of urgency. The regional central bankers of today - and more importantly, of tomorrow, need to be equipped with the skills, knowledge, expertise systems, governance structures and strategies to perform effectively in such an increasingly challenging environment. We all know the issues generated by globalisation, liberalisation, financial innovation, cross-border flows, advances in information technology and the continuous structural shifts in the world economy, and the domestic economy, will increase the complexity in achieving monetary and financial system stability and sustainable development. Our organisational capacity therefore needs to be continually enhanced.

Central Banks in this current and future environment also needs to have enhanced capability to interface effectively with other parts of government, with other authorities

and agencies to achieve our mandated objectives. This is given that their actions will have an impact on the outcome that Central Banks need to achieve. Paramount to this is **to preserve Central Bank Independence** that brings with it the trust and the confidence in the Central Bank. The SEACEN Centre can contribute to the process by its role in supporting Central Bank organizational development and by strengthening further regional cooperation.

The SEACEN Centre therefore needs to evolve and keep abreast with the developments in the regional and international economic and financial environment, and the changing needs of its members. In this regard, the quality of the SEACEN Centre's programmes needs continuous improvement and enhancement. Efforts to develop more high quality Asia-specific materials are required to make the programs more contextualized for the region. The Centre also needs to tap the expertise that resides within the members central banks, and strengthen and expand strategic alliances with other international training providers.

Given its current network with its strategic partners, the SEACEN Centre is also in the position to bring together prominent central bankers, financial market leaders and economists from the region as well as across the world, for high-level international meetings and policy dialogues on issues of critical importance to central banking community. This will also be important in contribution towards building greater mutual understanding in the international community. The SEACEN Centre with its access to wealth of information and knowledge that resides within the member central banks can contribute towards facilitating the SEACEN Centre to be a knowledge centre for the region.

Ladies and Gentlemen,

As the host to the SEACEN Centre in Kuala Lumpur, the Centre currently shares the premises of the Bank Negara Malaysia training Centre. I am pleased to inform that the SEACEN Centre will be moving next year to the new premises, with the state-of-the-art training facilities. These premises will house the Bank Negara Malaysia's Human Resource Development Centre which will have the new facilities including new modern residential hostels which will be made available to SEACEN. This is part Bank Negara Malaysia's steadfast commitment and support to the SEACEN Centre in its role of Central Bank organizational development.\_

In conclusion, it is my hope that the SEACEN Centre will rise to the challenges confronting the Centre in its journey to be a premier centre for the central banks in the region, supporting Central Banks organizational development and thereby enhancing our effectiveness in not only maintaining monetary and financial stability but also in unleashing the potential for a greater shared prosperity in the region.

Finally, I would like to take this opportunity to thank Governor Tarisa and staff of the Bank of Thailand for the excellent and magnificent programme that has been arranged for this year's Conference and Meeting, and this special dinner to celebrate the 25<sup>th</sup> Anniversary of the SEACEN Centre. These warmth and special friendship has continued and as time progresses, it has strengthened further to become an important anchor that continues to bind the region together.

Thank you.