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CONCLUDING REMARKS by

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Capital Markets Workshop:
“DEVELOPING FIJI’S CAPITAL MARKETS – 10 YEARS AND BEYOND”

14-15 November, 2012 – Novotel Hotel Conference Centre, Lami, Suva

Colleagues, all good things must come to an end! I am certain most if not all of you will agree that this Workshop on our Capital Markets has been a good one – however, the key challenge will be to translate our consensus on possible actions into reality, in a coordinated and collaborative manner and to have these actions driven forward effectively.

Closing remarks provide an opportunity to reflect on our workshop as well as to look ahead at this extremely important follow-up – I wish to cover both but focus more on the implementation because we are all agreed on the need and there is clearly a strong will to act – as we have been reminded, this topic has been at the discussion level for many years and progress has been marginal. Action is therefore now well-overdue.

The Workshop has been extremely well-attended, given just how busy a period this is – moreover, the presentations have all been of a very high standard. The interactive group discussions have also been productive ones and a range of initiatives have been proposed, some by speakers and the others from the groups.

The key issues raised include:

- 1. Tax** – we need clarification on how FRCA applies tax to capital markets products and companies.
- 2. SMEs** - Recognising and accommodating SMEs in big picture planning is vital – firstly there is need to agree on what our definition for SMEs will be. We also need to consider SMEs in our planning, awareness programmes and discussions but in so doing, we need to adopt the “extension services” way of doing things of old, as suggested by Wah Sing. Rather than planning from the office, we need to go down and work with SMEs at their level so we fully appreciate what their issues are.

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3. *SOEs* – are catalysts for development in the capital markets especially in markets that are illiquid as ours. There are many good reasons to encourage Government to divest some of their holdings in some of the flagship SOEs.
4. *Creating interest and empowering our investors and shareholders* – an important ingredient to developing and growing our capital markets. An empowered investor base will lead to stronger companies that are governed by good corporate governance practices.
5. *Creating partnerships* – with Investment Fiji and other key relevant stakeholders.
6. *Indigenous participation* –
7. *Developing our Managed Funds industry* –
8. *Municipal Bonds Market?* –
9. *Resourcing the Master Plan* -

I believe we have met the principal objectives set for our workshop which is to reach agreement on a Capital Markets Master Plan and how to action this.

Recognition is important in all our activities and in the case where these can have a significant national benefit, this is especially important as these effect all of us. On our behalf, I therefore thank our speakers and panelists for their valuable contributions and in the same breath I express appreciation to all of you for participating. To our RBF team under Chief Manager Vereimi Levula and Manager Wati Seeto, ‘well done’ on organizing and staging this workshop. There are too many people to mention all individually but our Moderators and Market Masters have also played important roles – vinaka vaka levu to each of you. Very importantly, to Governor Whiteside and Deputy Governor Naiyaga, a special acknowledgement for their leadership and support as this event would not have ‘happened’ otherwise.

In going forward with our Task Force and Plan, there are 2 critical ingredients which rises above all in my view and these are commitment and dedication to the mission at hand of growing our Capital Markets in the best possible way. The proposed ‘model’ is a tried and tested one which has been in use for over 2 years now, implementing our National Financial Inclusion Strategy which was developed here at this same venue exactly 3 years ago in November, 2009 – it is working very well and we are making great progress. In fact Fiji’ approach has been singled out and studied by many, including by the Alliance for Financial Inclusion and has also been adopted by several neighbours. In reflecting on ‘success factors’ with our NFIT experience, what stands out for me is, to as far as possible, select people for the Task Force and Working Groups who have a ‘passion’ for the challenge and the work at hand. Ownership is another vital ingredient – it is our Plan! In addition, we all know how critical it is to keep momentum up, to meet regularly

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and to share information on progress and overall to develop a team approach. Of course monitoring achievements against objectives plus indicators and timelines is absolutely critical.

Fortunately our NFIT experience is real and can serve as a valuable guide, in terms of structure and method.

Next Steps

1. Meeting of Taskforce to agree on Terms of Reference for WGs.
2. Identification of WG members;
3. Drafting of Master Plan – WG input will be required for this;
4. First draft of master Plan by April 2013;
5. Launch of Master Plan June 2013 – Master Plan will clearly articulate what activities need to be carried out, by whom and timeframes for meeting each activity.

The Taskforce will meet quarterly to monitor progress of Master Plan initiatives and WG's will meet as regularly as each WG decides.

We all have a vested interest in this most important and historic process and we wish it the success it deserves. The task is a large one and it will require considerable force to deliver!

May I again thank each of you for your time and contribution?