



**P R I M E  
M I N I S T E R**

**KEYNOTE SPEECH BY  
HIS EXCELLENCY THE PRIME MINISTER  
DR RUI MARIA DE ARAÚJO  
AT THE INAUGURAL MEETING OF THE PACIFIC ISLAND  
REGIONAL INITIATIVE OF THE ALLIANCE FOR  
FINANCIAL INCLUSION.**

**Dili  
7 May 2015**



Palácio do Governo,  
Avenida Presidente Nicolau Lobato,  
Dili, Timor-Leste

Mr Denton Rarawa, Governor Central Bank of the Solomon Islands  
and PIRI Chairperson

Ms Atalina Ainuu-Enari, Governor of the Central Bank of Samoa

Dr Sione Kioa, Governor, National Reserve Bank of Tonga

Mr Vereimi Levula, Chief Manager, Reserve Bank of Fiji

Mr Peter Tari, Deputy Governor, Reserve Bank of Vanuatu

Mr Abraão de Vasconcelos, Governor Banco Central de Timor-Leste

Mr Norbert Mumba, Deputy Executive Director, Alliance for  
Financial Inclusion

Mr Brigido de Sousa, Chairman of the Board of Banco Nacional de  
Cómércio de Timor Leste

Mr Miguel Malheiro Reymao, Deputy Director of the Caixa Geral de  
Depósitos, Timor-Leste.

Professor Ross Buckley, University of New South Wales, Australia

Distinguished guests

Ladies and gentlemen

I am very pleased to speak today at this inaugural meeting of the  
Pacific Island Regional Initiative of the Alliance for Financial  
Inclusion. Timor-Leste is honoured to hold the first meeting of this

important initiative and to host so many senior central bankers from throughout the Pacific.

In Timor-Leste we are striving to achieve balanced growth, diversify our economy, reduce poverty and create jobs. To do this we have set a framework for action in our Government Program that was endorsed by the National Parliament at the end of March. This Program is underpinned by our long term *Strategic Development Plan 2011-2030*.

Our ability as a nation to set long term plans is indicative of our peace and stability and the foundation for development that we have built.

We have made great progress as a nation but we know that we have a lot more to do. We also know that we cannot achieve our national objectives without inclusive banking.

We have come a long way since our vote for independence in 1999. We faced massive challenges. Our infrastructure was destroyed and we had a few number of teachers and health professionals, but no public administration. We had no functioning legal system, no



institutions of government and no money. At that time, we also had no financial institutions and no financial services were available.

This was a major barrier to our efforts to build an economy and our nation. Financial institutions provide the money and credit to drive economic growth, and provide services to allow us to save and to borrow.

As you may know, the World Bank has recently published research showing that around 2 billion adults, or around 38% of adults in the world, do not have access to basic financial services.

Regrettably, most Timorese people are in that category. Our small population, and the geographic remoteness of many of our people, make it difficult for them to access even basic financial services. But these are challenges that we are determined to address.

Without banking services our people cannot save for their future and provide financial security for their families. They cannot invest in small start-up businesses to provide them with economic empowerment and help drive our economy.

It has also been shown around the world that access to basic banking services can transform the lives of women and their families. Providing banking services to women helps them pursue opportunities, achieve self-sufficiency and, importantly, develop a sense of confidence.

This is why we must view access to basic banking services as an important part of social justice by providing the disadvantaged with the opportunity and the freedom to pursue a better future.

Providing inclusive banking also unlocks the growth potential of our people which will help drive our economy and create jobs and opportunities.

I know that many Pacific nations have had success with innovative programs to expand inclusive banking and we look forward to hearing about your experiences and learning from your achievements.

Providing access to banking services to all our people not only provides services but also promotes growth across the economy.

Ladies and gentlemen,

Timor-Leste is already moving to improve financial inclusion. Our Central Bank, supported by our financial sector, has launched a program of financial education to teach school children financial literacy and responsibility for their future finances.

And just last week, our Central Bank launched R-TiMOR, a real time settlement system and automated clearing house. This system will not only provide a foundation for the wider use of banking technology but can be used to ensure that all Timorese, regardless of their financial status or where they live, have access to modern financial services which are delivered electronically. I congratulate the Governor on this achievement.

I also understand that our three commercial banks are also working on plans to introduce mobile phone banking in Timor-Leste. This will provide an extraordinary opportunity to bring basic banking services to people who are currently excluded and marginalised.

I know that at this event you will be discussing innovation in financial services and developments in e-money. In many ways, innovative technology will be the best way to provide basic banking



services to our people and we will benefit from discussing the best ways to develop and implement e-money services.

Technology can also allow banking models where schools, health clinics, local stores and even churches can provide basic financial and payment functions. This would be done in partnership with the banks and licensed financial companies and we need to ensure we get the regulatory balance right between ensuring transparency and banking integrity on one end and widespread accessibility on the other.

Ladies and gentlemen,

In providing inclusive banking we must also protect against risks. It is the role of the State to design financial regulatory frameworks that minimise the risk of abuse, including corruption, money laundering and the financing of crime and terrorism, while also ensuring the soundness and stability of the system.

That is why Timor-Leste is committed to implementing a framework that has transparency and integrity while also providing the flexibility for the adoption of innovative banking methods that

expand the reach of banking services to our poor and disadvantaged.

We must also provide financial consumer protection and ensure that our institutional arrangements make sure that user grievances and misunderstandings are properly and professionally addressed.

To implement this regulatory framework, we must be guided by evidence based policy development using comprehensive data and relevant performance indicators.

Ladies and gentlemen,

I look forward to the outcomes of this meeting and I urge you to work together towards a joint vision to make financial inclusion a reality. At this meeting we can share our experiences and knowledge, and we can make long time friends and colleagues.

I urge you to reach agreement on a Communiqué with concrete steps towards financial inclusion outcomes that provide for cost effective services to the people of our region.



I ask that you take hold of the opportunity of this meeting to empower and transform the lives of people and contribute to the achievement of balanced and fair economic growth.

I would like to thank the Alliance for Financial Inclusion and the Banco Central de Timor-Leste for all their work in organising this important event.

I wish you the best of success with this meeting and again welcome all our international friends to Timor-Leste.

Thank you very much

7 May 2015

Dr Rui Maria de Araújo