

THIRTEENTH INFORMAL MEETING OF SAARC FINANCE MINISTERS, NADI, 02 MAY 2019

STATEMENT BY H. E. MR. AMJAD HUSSAIN B. SIAL, SECRETARY GENERAL OF SAARC

Honourable Chairperson,  
Honourable Ministers and Heads of Delegation,  
Distinguished Vice President of ADB,  
Distinguished Delegates,

I wish to thank the Hon. Chairperson for giving me the honour of addressing this august forum of the SAARC Finance Ministers.

I wish to congratulate the Hon. Chairperson for his thought-provoking Opening Statement. We are confident of a successful outcome of this Meeting under his able guidance.

I also wish to convey sincere gratitude to the Hon. Finance Ministers and Heads of Delegation for making it convenient for themselves to attend this Meeting.

We are grateful to Mr. Shixin Chen, Vice President of the Asian Development Bank (ADB), for his insightful remarks. We hope to greatly benefit from ADB's presentation on the theme of this Meeting.

ADB has been an active partner of SAARC since the signing of an MoU in 2004. We wish to thank ADB for its continued support in facilitating informal meetings of SAARC Finance Ministers since July 2006.

We also gratefully welcome ADB's agreement to support SAARC in: (i) economic integration studies; (ii) infrastructure; (iii) connectivity; and (iv) energy. We look forward to exploring the possibility of collaboration with ADB in other areas of mutual interest.

Excellencies,

As the Hon'ble Ministers are aware, the primary objective of SAARC, as enshrined in its Charter, is to promote the welfare of the peoples of South Asia and to improve their quality of life through accelerated economic growth in the region. The theme of this Meeting, *Financial Inclusion*, therefore, draws inspiration from the SAARC Charter itself. Moreover, the theme of this Meeting bears considerable significance in view of the increasing emphasis being given to regional economic and financial integration. As we are aware, at the Eighteenth SAARC Summit, our leaders have reiterated their commitment to achieving the goal of the South Asian Economic Union in a phased and planned manner through creation of a Free Trade Area, a Customs Union, a Common Market, and a Common Economic and Monetary Union.

Financial Inclusion has been a subject of discourse in the SAARC fora for a long time. As early as in September 2007, the Second Meeting of SAARC Finance Ministers held in India had decided to work towards the goal of total Financial Inclusion for all sections of the people of the region. In pursuance of this objective, SAARCFINANCE was established in September 1998 to promote research and other initiatives on economic and financial issues, including, of course, the question of financial inclusion.

Excellencies,

South Asia is home to almost a quarter of humanity. According to Global Findex Report 2017, 70 percent of adults in the region have an account with a financial institution or mobile money provider, which was 47 percent in 2014. Much of this growth was driven by India, where the Government has actively promoted financial inclusion through biometric identification linked to basic savings accounts. However, regional variation is significant.

As we are well aware, despite significant expansion of microfinance and SME activities in the region, a large number of people are still poor and have no access to financial services. Pragmatic policies targeting those people who are still excluded from the financial system are the need of the hour. The nature, scope and cost of services should be monitored to assess whether there is any denial, implicit or explicit, of basic banking services to the people.

Financial institutions, including cooperatives, can play a proactive role in promoting Financial Inclusion across the region. They may be urged to review their existing practices to align themselves with the objective of financial inclusion. In essence, they may promote financial inclusion as a viable business model and opportunity. At the same time, they may make sustained endeavours for monitoring, evaluating and sharing experiences and feedback with a view to improving their services.

With the growing advancement of ICT and its outreach, SAARC region has the potential to further strengthen the financial inclusiveness through its efficient employment. ICT may also be useful in terms of sharing knowledge and experience on adopting new methodology and innovative systems to promote Financial Inclusion.

As Your Excellencies are aware, the SAARC Development Fund is the umbrella funding institution offering opportunities for sub-regional and regional project-based collaboration in social, economic and infrastructure fields. Under the Fund's Economic Window, we may also explore the possibility of funding sub-regional and regional projects to promote Financial Inclusion in the region.

Excellencies,

Mere financial inclusion may not be enough for promoting the welfare of our peoples. In order to achieve this objective, it is essential to work together towards attaining sustainable growth and inclusive development, along with meaningful financial inclusion.

Moreover, in our view, financial inclusion is not a standalone objective. Deeper regional integration is possible through integration in every sphere, including, of course, economy and finance. Considering the low volume of intra-regional trade, and to ensure effective economic and financial inclusiveness across the region, it is necessary to work collectively to bring down tariffs; eliminate non-tariff barriers (NTBs) and para-tariff barriers (PTBs); reduce sensitive lists under SAFTA; enhance energy cooperation; adopt trade facilitation measures; implement SATIS; improve regional connectivity by rail, road, air and maritime; finalize the SAARC Agreement on Promotion and Protection of Investments; widen the scope of the SAARC Agreement on Avoidance of Double Taxation and Mutual Administrative Assistance in Tax Matters; and harmonize customs procedures and documentation to facilitate movement of goods and services across the region.

In concluding my remarks, I wish to once again thank ADB for facilitating this meeting and excellent arrangements made for it.

I wish the Hon. Ministers fruitful deliberations and a pleasant and memorable stay in Nadi.

I thank you.

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