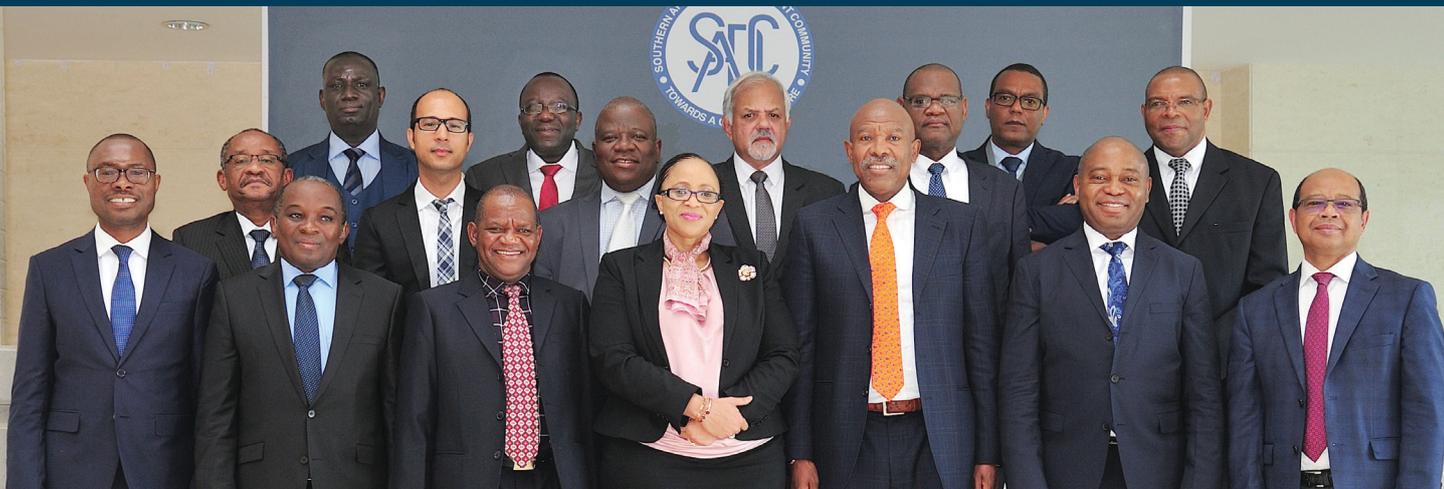


WELCOME ADDRESS BY THE GOVERNOR AT THE OFFICIAL OPENING OF THE COMMITTEE OF CENTRAL BANKS GOVERNORS (CCBG) MEETING



LESOTHO NATIONAL CONVENTION CENTRE (LRCC) MASERU, LESOTHO 7th SEPTEMBER 2018

His Majesty King Letsie III, The Right Honourable the Prime Minister, Honourable Minister of Finance, Chairperson of the CCBG, Deputy Executive Secretary of SADC Secretariat, Distinguished Governors of SADC countries, Deputy Governors, Senior Central Bank official Officials, Distinguished Guests, Ladies and Gentlemen

GREETINGS

1. On behalf of the Government and the people of the Kingdom of Lesotho, and on my own behalf, to officially welcome you to the Kingdom of Lesotho.
2. We feel honoured and privileged to host the Committee of Central Bank Governors in SADC.
3. I know that the weather in our country can be quite an experience for an African country.
4. But we invite you to enjoy Maseru and the Kingdom of Lesotho as a package.

ISSUES OF RELEVANCE AND CONTEXT

5. This meeting occurs at a time when the global economy is on a recovery path.
6. Many of the economies in our region have been experiencing economic downturn for some time now.
7. Countries are confronted with challenges of

- high deficits, depreciating currencies, inflationary pressures, low and sluggish growth, high unemployment and low levels of reserves.
8. Amongst others, the future of our economies has been mortgaged by high public and private debt, one of the things that are choking off growth.
9. Difficult trade-offs have to be made in cutting spending and increasing taxes.
10. Often times economies take a lighter hit to growth if they cut spending than if they raise taxes.
11. With high and increasing levels of poverty and inequality, spending cuts are hard to justify and require having to make difficult tradeoffs.
12. Flawed policies cost our economies dearly, putting pressure on the capacity of the economy to sustain citizens.

CENTRAL BANKS

13. Building resilience and protecting our financial systems to address domestic and external

vulnerabilities has become challenging, yet a matter of survival.

14. It is imperative therefore that Central Banks strengthen the resilience of the financial system while building safeguards.

15. Our Central Banks have worked tirelessly to limit impacts of both internal and external risks on our economies.

16. However, there are limits to the arsenal that is at the disposal of these key institutions.

17. Hence the need for renewed commitment to strive harder for economic convergence and achievement of full integration.

18. Mr. Chairman, this forum has achieved much in a fairly short period of time.

19. We have implemented and consolidated initiatives that strengthen and modernize financial systems so that they anchor our economies.

20. The time is ripe to press to do much more and unleash the great potential that our economies have.

21. The regression of the past couple of years should not discourage us; instead it should motivate us to realize that there's much more work ahead of us; and inspire us to achieve our goals.

22. It is our commitment to take advantage of the recovery in the global economy to position ourselves strategically; and adopt good, sustainable economic policies that will strengthen our economies.

23. We need to ride on the wave of recovery and reverse some of the losses experienced during the prolonged secondary effects of the global financial crisis.

24. But there are uncertainties; at the global level the rising protectionist narrative is not abating.

25. The on-going trade tensions between the United States (US) and China are likely to have detrimental effects on global trade.

26. I acknowledge that reorganizing the structures of our economies is not easy, and but involves serious policy trade-offs.

27. However, it is the only path that will deliver long

term sustainable economic growth in the region.

28. The implementation of the FIP is as critical as getting our economies back on a sustainable recovery path.

29. It is a critical part of our assignment to ensure that financial systems in the SADC region are supportive of the process of regional integration.

30. The on-going digital financial revolution poses some challenges for the financial sector regulators as they have to race against time to provide proper regulatory and supervisory frameworks.

31. It is at this forum that we should focus our attention to dealing with this and other challenges facing our region.

CONCLUDING REMARKS

32. Mr. Chairman, in concluding my remarks, let me once again extend a very warm welcome to all our guests to the Kingdom in the Sky.

33. I hope you will enjoy your stay in the mountain kingdom, and if possible take sometime off to see the beautiful landscapes that we have.

34. I wish us all fruitful deliberations.

I thank you.

KHOTSO