

Greetings

The Honourable Dr. Horace Chang MP

Minister without Portfolio

Ministry of Economic Growth and Job Creation

at the

**42nd Annual Conference of the International Organization of
Securities Commissions**

Gala Dinner

Hyatt Ziva Rose Hall Hotel

Wednesday, May 17, 2017

8 p.m.

SALUTATIONS

Good night. I am delighted to be here to bring greetings on behalf of our Most Honourable Prime Minister. The theme for this year's conference underscores the fact that both the market and the market regulator must work together to achieve balance and success.

The global financial crisis which swept through financial markets and indeed Jamaica's own financial crisis led to a rethinking of markets, economic policy and securities regulation. One of the lessons learnt was that of the highly inter-connected nature of securities markets and the potential for disruption in one market to have major implications in other sectors and other countries; and of course this has become even more evident with increased technology.

Linkages or interconnections have increased due to a number of factors, such as globalization, financial innovations, business strategies, technology and product characteristics. Capital now moves at the click of a mouse and unfortunately digitally driven disruption in various forms is now a reality and we must be ever mindful of this.

Communication technologies have accelerated the speed with which information travels and therefore the speed with which the effect of interconnections are felt.

This Government understands that the Capital Market and the level of investments are crucial to the Growth Agenda. We therefore want to see the Capital Market in a state of constant development, leading to more material progress in Jamaica and the region. This Government's objective is to continue to ensure that the markets perform their fundamental purpose – **funding the real economy and driving economic growth and job creation**. We must create an atmosphere in which we build trust and confidence on all sides by continuing to optimally protect investors and preserve our capital markets as fair, orderly, and efficient engines of economic growth.

Three important advantages that strong capital markets offer to economies are efficiency, stability, and flexibility. A strong capital market provides the opportunity for Jamaicans to leverage the gains made in the productive sector. In order to do this, steps are being taken to:

- **allocate capital more efficiently to promote economic growth.** For example, we have recognized the importance of medium, small and micro enterprises in Jamaica's economy. These enterprises account for a lion's share of Jamaica's jobs, yet the existing structure of Jamaica's capital markets is not always conducive to facilitating growth of these enterprises. The Government is committed to reviewing the MSME sector and working with the stakeholders to lay the foundation for the development of more tailored financial products;
- **increase access to financing; the oxygen of business.** We continue to urge the banking and the financial sectors to be innovative in their financial products and we are also making the necessary amendments to legislation. For example; last year, the Development Bank of Jamaica was approved to be a lending agency by the Bank of Jamaica under the Banking Services Act. What this has done is that it has

reduced the risk weighting for commercial bank loans guaranteed by DBJ's Credit Enhancement Fund, from 100 percent to 20 percent;

- **encourage persons to become investors and take reasonable risks for better returns.** In its mission to achieve 5 percent growth in 4 years, the Economic Growth Council has devised a comprehensive plan to stimulate investment in Jamaica; including from the diaspora;
- **improve retirement security.** Retirement security continues to be an important issue for the Government. With just a little more than 20 percent of Jamaica's labour force participating in a structured pension (retirement) scheme, there is some consternation of the implications; but there is also opportunity to expand the retirement products, and;
- **encourage entrepreneurship and ownership through better managed risk taking.**

We all agree that markets must be organized and supervised to run efficiently and there must be well-

accepted rules and high standards for reporting and transparency. It is clear that countries with developed capital markets grow more and create a stronger foundation for economic stability.

It has been said that a great hindrance to creating a balanced enterprise economy is Government bureaucracy. However it cannot be that Government must get out of the way. What must happen is that Government must facilitate and be the catalyst. Government must be seen as the enabler to a sustainable economy; not the obstacle. This has become even more evident in a post-crisis world where all roles must be participatory and we must rely on innovation to strengthen and expand the financial securities sector and ultimately the economy.

I thank you and I extend a warm welcome to all joining us for this occasion.