

**Speech by His Excellency the Governor of the Central Bank of Kuwait**

**In**

**The 59<sup>th</sup> Meeting of the Committee of Governors of Monetary Agencies and Central Banks in the Cooperation Council for the Arab States of the Gulf "GCC"**

***(Kuwait, 11-12 March 2014)***

In the Name of Allah, Most Gracious, Most Merciful, and Peace and Blessings on the Seal of the Prophets, Prophet Muhammad and his Family and Companions,

**Your Excellencies, Governors of the Monetary Agencies and Central Banks in the Cooperation Council for the Arab States of the Gulf "GCC",**

**Your Excellency, Assistant Secretary-General of Economic Affairs in Cooperation Council for the Arab States of the Gulf,**

**Peace and Blessings of Allah Be Upon You,**

It gives me a very great pleasure to welcome you to the 59<sup>th</sup> meeting of the Committee of Governors of Monetary Agencies and Central Banks in the Cooperation Council for the Arab States of the Gulf, wishing you a pleasant stay in the State of Kuwait, and praying to Allah to guide us all in our endeavors towards the optimal economic cooperation and comprehensive and sustainable development.

I would like to seize this opportunity to express the highest and profound thanks and appreciation to H.E. Rasheed Mohammed Al-Meraj, Governor of the Central Bank of Bahrain, for his sincere efforts during his presidency of Committee of Governors throughout the previous session. My heartfelt gratitude is also extended to all staff of the General Secretariat for their enduring devotion and support for this committee and its subcommittees.

**Dear Brothers,**

I would like also to commend the directions announced in "Kuwait Declaration" by their Majesties and Highnesses, leaders of Cooperation Council for the Arab States of the Gulf in the 34<sup>th</sup> session of the Supreme

Council held during 10-11 December 2013 in the State of Kuwait that implied sincere care and attention by their Majesties and Highnesses to the surrounding regional and international challenges and indicated the importunate need for boosting our synergies and consolidation of efforts to rise above such challenges and safeguard GCC countries from repercussions thereof and willpower of GCC countries to promote joint work and attain more developmental achievements that meet aspirations of our citizens.

**Dear Brothers,**

We are all aware that GCC economic reality and its prospects are affected by the global financial and economic fluctuations. Thanks, however, to special natures and structures of GCC economies, we could feel the robust performance of GCC economies over the past few years stirred up by the prudent financial and monetary policies that favorably affected stability and growth of our countries. However, GCC economies are still facing a panoply of challenges that require intensified efforts to mitigate their repercussions, in particular the increasing reliance on oil to finance budgets, and the hike in current expenditure of those budgets over the past few years. Salient among the other challenges have been both the ever-increasing need to see a larger role for the private sector in the economic activities to support the labor markets and structural challenges repercussions of which should be tackled by exerting continuous endeavors towards sustainable economic growth.

**Dear Brothers,**

Our cooperation structure has reached a state of maturity, whether in vision, mechanisms, or trends and strategies, stimulated by GCC financial and economic stability as signified by developmental and social patterns together with prudent financial and economic policies devised and implemented by GCC monetary agencies, central banks and your esteemed committee. This contributed to invulnerability of GCC financial and economic systems to the various risks and consequences of the successive global financial crises.

**Dear Brothers,**

As noted by the market observers and the international specialized agencies, GCC banking sector had stellar performance. Such performance entails more responsibilities we should assume to retain the present achievements, further develop the sector and, eventually, realize the future aspirations. To this end, GCC central banks addressed the past challenges in an efficient and professional manner at the national level and through your esteemed committee by adopting precautionary policies within the framework of coherent regulatory and supervisory systems and measures, all of which substantially contributed to the fortification of GCC banking systems from the implications of the said challenges.

In addition, GCC monetary agencies and central banks sought to keep pace with the latest global banking and financial developments taking into consideration governance and management standards due to their importance and sensitivity to the banking and financial business, as compliance by the banking and financial institutions with the governance standards plays a vital role complementary to duties undertaken by the regulatory and supervisory authorities to ensure durability of the banking and financial system as well as the sound performance of its institutions with the aim to enhance the financial and monetary stability.

Furthermore, GCC countries have taken significant steps along the path of letter-perfect adherence to applying reforms espoused by “Basel III”, which shall effectively contribute to the strength of the banking system by improving the quality of capital with a focus on the prudent management of liquidity and leverage and, eventually, stimulating banks’ risk management capabilities up to the highest levels of efficiency and professionalism.

**Dear Brothers,**

The agenda of this 59<sup>th</sup> meeting of your esteemed Committee covers numerous essential topics of common concern, first and foremost of which is to assemble our efforts that aims to abide by the directions of our leaders, "May Allah protect them". Topics of agenda are concentrated on intensification of efforts and stirring up our joint work to complete the regulatory and legislative framework for supervision and control over the banking systems and ensure effective linkage of ATM networks and unifying payment systems among GCC banks, in addition to the latest developments

within framework of the financial committee for combat of money laundering and terrorism financing. While I value our committee's tangible achievements buoyed by sincerity and willpower to keep on GCC collaboration, I would like to express my deepest appreciation for the diligent efforts by the Council's General Secretariat and the various technical committees and their teams to boost up this collaboration.

Finally, I would like to express my thanks and appreciation to you for the honor you made us. Once again, welcome to the State of Kuwait, May Allah Almighty crown our efforts with success for the interests of our countries.

***12 March 2014***