

STATEMENT BY THE GOVERNOR DR J D ROGERS

AT THE OPENING CEREMONY OF THE SLEDIC TRADE FAIR AND

EXHIBITION

ON SATURDAY 4TH FEBRUARY 2006

Mr Chairman,

Hon. Ministers

Hon. Members of Parliament

Members of the Diplomatic and Consular Corps

President Chamber of Commerce

President, SLIBA

Managing Director of SLEDIC

Participants in the Trade Fair and Exhibition

On behalf of the Bank of Sierra Leone and the entire financial sector, I wish to express my profound thanks to the organizers of this Trade Fair and Exhibition for inviting me to make a brief statement.

This initiative is important and timely, as trade is and will continue to play a strategic role in economic growth and development. High levels of poverty combined with slow employment growth in the formal sector, have motivated people to direct their energies and resources into trade and related commercial activities, employing and reaching out to a large proportion of the population.

The financial sector has a pivotal role to play in the growth of trade and commerce by providing investment capital and complementary services, which make possible and sustain activities in this area.

The financial sector is made up of :

- The Money Market Institutions consisting of the Central Bank, Commercial Banks and mutual Funds;

- Non-Security Capital Market Institutions, typically dealing in debt related instruments such as term loans and mortgages. These include Savings Banks, Mortgage Banks, Insurance Companies and Development Banks;
- Securities Capital Market Institutions which primarily trade in stocks, bonds and equity related securities.

The Financial Sector contributes to stable and efficient flow of resources, that keep the economy alive. The Financial System is the heart of the economy.

At the apex of the Financial Sector is the Bank of Sierra Leone, working with a retinue of Commercial Banks, Discount Houses, Foreign Exchange Bureaus and Insurance Companies. In addition, Community Banks are being established across the country. The objective is to enrich and deepen the System to provide cost effective, accessible and affordable financial services to the people at their doorsteps.

A stable macroeconomic environment is a pre-condition to trade, growth and development of the economy. The financial system takes responsibility for ensuring low inflation and exchange rate stability, which have significant influence on the health and well-being of trade, commerce and the economy as a whole. We have made important strides in these areas over the last three years. We have also made progress in the management of our foreign reserves, now equivalent to nearly four months import cover, which also have a positive effect on trade.

In spite of our progress thus far, there are important challenges facing the economy, among which are the following:

- Reform of the Financial System to be more responsive to the growing demand for its services.
- Diversification and enhanced competitiveness.
- Sustaining a sound and stable macroeconomic environment.
- Creating a conducive environment for improved access to domestic investment capital.
- Enriching and deepening the market, with introduction of a capital market and longer-term money market instruments.
- Creating a sound legal and regulatory framework including the enactment of sound commercial and bankruptcy laws, implementing the Anti-Money Laundering Act and strengthen the Judicial System to enforce all laws.
- Creating a conducive environment for investment, domestic and FDI.

In closing I would like to thank the organizers once again for putting together this Fair and hope that it will add value to trade and commerce in our country and the sub-region.

I thank you all for your attention.