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Statement by the Hon. **AMANDO M. TETANGCO, JR.**,
Governor of the Fund for the **PHILIPPINES**

Statement by the Honorable Amando M. Tetangco, Jr.
Governor of the International Monetary Fund for the Philippines¹

We are meeting at a time when economic expansion remains at multi-speed and risks to financial stability are increasing. In advanced economies, there is a need to ensure that the nascent economic growth gains traction and fiscal positions are strengthened. For emerging markets, the main challenge is to broaden and deepen domestic sources of growth. Across the globe, policy makers need to be mindful that growth policies do not undermine financial stability.

In the case of the Philippines, the overall resilience of the economy could be attributed to the country's solid macroeconomic fundamentals, including a low and stable inflation environment, strong external position, sound and stable banking system, and healthy fiscal position.² In addition, we put in place buffers to cushion the effects of increased uncertainty due to financial market volatility. As a result, the country posted a robust growth of 7.6 percent in the first half of 2013..... one of the highest in the region. To sustain this trend, we are keeping a close eye on developments in the advanced economies as these impact our own domestic growth and inflation paths.

The IMF is well-situated to take the lead in global surveillance – by monitoring and analyzing not only the likely impact of the policies of the advanced economies on the rest of the world, but also how such effects on the rest of the world would feedback to the advanced economies. We appreciate the Fund's efforts for a balanced view of policy implications across economies.

We also welcome the Fund's new framework on financial crises, one that is designed to guide countries in choosing policy approaches suitable to individual country needs. The framework recognizes that essential crisis-prevention tools may include capital flow management measures and macroprudential policies. The cluster consultation analysis at the regional level should help highlight common concerns and assess potential vulnerabilities.³ We look forward to the time when such consultation shall be done for our part of the world.

The Annual Meeting is a time to assess the progress towards our goal of enhancing the Fund's credibility, legitimacy and effectiveness. For us in the emerging markets, this means, among others, the implementation of the IMF quota and governance reforms. We join the other emerging markets in the call on the membership to complete the 14th General Review of Quotas and to facilitate the move towards an all-

¹ Statement of Governor Amando M. Tetangco, Jr. of the Bangko Sentral ng Pilipinas for the 2013 Annual Meetings of the International Monetary Fund (IMF) and the World Bank (WB), 11-13 October 2013, Washington, D.C., USA.

² The Philippines is one of the few countries in the region with upgraded IMF projections for 2013 from 6.0 percent (April 2013) to 6.8 percent (October 2013, embargoed) based on the IMF's World Economic Outlook (WEO) projections.

³ The IMF conducted a pilot cluster consultation for the Nordic region, covering Denmark, Finland, Norway and Sweden to assess the banking sector and the interdependencies of policy issues.

elected IMF Executive Board. The review of the quota formula needs to be completed in a timely manner to ensure that global economic governance reflects the increasing role of emerging markets in the global economy.

Emerging markets have taken a more proactive stance in monetary and financial issues affecting the global economy. Aside from national and regional measures to strengthen financial safety nets, they have responded to the calls of the IMF to augment its resources for crisis prevention and resolution. The Bangko Sentral ng Pilipinas recently signed the agreement with the Fund that will implement our commitment to provide US\$1 billion for the Fund's crisis firewall. This is a clear demonstration of our proactive engagement with the international community to safeguard economic and financial stability.

Thank you and Mabuhay!