



**Republic of Botswana**

**OFFICIAL OPENING REMARKS**

**BY**

**HONOURABLE O K MATAMBO  
MINISTER OF FINANCE AND ECONOMIC  
DEVELOPMENT**

**AT THE CONFERENCE ON  
BALANCING FINTECH OPPORTUNITIES AND  
RISKS: IMPLEMENTING THE BALI FINTECH  
AGENDA**

**HELD AT**

**AVANI, GABORONE HOTEL  
ON THE**

**24<sup>th</sup> JUNE, 2019**

**Director of Ceremony,  
Governor of Bank of Botswana, Mr. Moses  
Pelaelo,  
Governors of Other Central Banks,  
Distinguished resource persons and all delegates  
here present,  
Members of the Media  
Distinguished Guests, Ladies and Gentlemen,  
  
Good morning!**

1. It is my pleasure to perform the official opening of this high-level conference on **Balancing Fintech Opportunities and Risks: Implementing the Bali Fintech Agenda**, organised jointly by the International Monetary Fund (IMF) and the Bank of Botswana.

2. On behalf of the Government and people of Botswana, and indeed on my own behalf, I wish to extend a warm welcome to all delegates, particularly those from outside Botswana. I am glad that Botswana has been chosen to host the launch of the Bali Fintech Agenda in the Southern and Eastern Africa region. I am informed that in July 2018 the Bank of Botswana, in collaboration with the Bank of Canada and the IMF, co-hosted a Conference here in Gaborone, on a more or less similar theme, entitled, **Fintech, Payments and Financial Inclusion: Unlocking the Potential of Financial Innovation for Sub-Sahara Africa**. In a sense, the theme of this week's conference is a continuation of the important policy dialogue on financial technologies.

It also demonstrates Botswana's sustained interest, alongside development partners and other stakeholders, in pursuing rapid integration of financial technology in economic activity and development.

3. Distinguished Ladies and Gentlemen, you will recall that the Bali Fintech Agenda, launched at the Annual Meetings of the IMF and the World Bank Group in Bali, Indonesia in October 2018, has twelve (12) policy elements aimed at helping member countries harness the benefits and opportunities of rapid advances in financial technology. The broad themes, on which these policy elements are organised, namely; enabling Fintech; ensuring financial sector resilience; addressing risks; and promoting international cooperation, provide a useful framework that all countries should consider in formulating policy agenda aligned and adapted to their respective circumstances and priorities. Similarly, the framework aims to guide staff of the IMF and the World Bank Group in their work and dialogue with national

authorities. This is a welcome development, and I hope that as you discuss further on each of the 12 policy elements, in this conference, you will identify practical ways for effective and beneficial implementation of these elements in your respective jurisdictions, including a possible instrument for monitoring progress.

4. I hope countries in the region will start by appreciating and evaluating the relevance of the Bali Agenda for the region, by aligning it to their development imperatives. In this regard, I believe that we can agree on three aspects. **First**, that there are indeed financial sector development, access and inclusion gaps, in our region. **Second**, that there are opportunities presented by the rapidly changing financial landscape propelled by advances in technology and innovation that we can usefully harness. **Third**, that harnessing of these opportunities has larger economic and society wide benefits.

5. Distinguished Participants, it is evident that countries in the region have achieved varying levels of progress in financial sector development and financial inclusion. Allow me, nevertheless, to use Botswana as an example of crude indication of the current level of financial sector development and inclusion in the region. In terms of financial sector development, as at December 2018, various statistics indicate modest achievement. The ratio of the broader financial sector assets to GDP was 119 percent whereas the total banking sector assets relative to GDP was 48.1 percent. With regard to financial inclusion, the Finscope Consumer Survey in 2014 which indicated that 76 percent of the adult population in Botswana was estimated to have access to some form of formal financial services. The remaining 24 percent were unbanked; did not use any financial products and did not have access to any form of financial services. Against this background a national Financial Inclusion Roadmap that runs from 2015-2021 was developed. The Strategy embraces Fintech as a key element.

In addition, the Electronic Payments Services Regulations, promulgated in January 2019, promote an enabling environment for innovation in financial services delivery. Currently, in terms of infrastructure and access to modern technology, there are eight (8) bank branches and thirty three (33) automated teller machines for every 100 000 adults. Internet connectivity is done to three quarters of the population (72.5 percent in 2018) while mobile telephone penetration is around one and a half times the population. The next FinScope Consumer Survey is planned to be undertaken in this current financial year of 2019-2020.

6. Distinguished Ladies and Gentlemen, you will note that among the broad themes of the Bali Fintech Agenda is financial sector resilience. This suggests that in growing and modernising the financial sector, it should also be safe, sound and stable, capable of withstanding business and economic cycles as well as shocks from any source. In essence, a sound and stable

financial system should facilitate effective financial intermediation, mobilising resources and productively deploying or allocating such resources for private investment, consumption and government funding in a prudent and sustainable manner. Indeed, Fintech should be about expansion of these and related services to businesses and other segments of society which, hitherto, had either not been served or were underserved. Furthermore, the adoption of these technologies and innovative approaches to credit assessments, for example, should enhance allocative efficiency, competitive pricing and inclusive financial systems. I should emphasise, however, that successful and beneficial integration of the Fintechs and related benefits can only be realised if individual financial institutions are managed in a prudent, safe and sound manner, and enjoy public confidence and trust.

7. As you are aware, Distinguished participants, there is a continuing need to adequately mitigate, manage and respond to risks related to the provision of financial



services, and use of information and communications technology or Fintech, for service delivery. While the “traditional” risks remain, there are now added risks relating to cyber threats, infiltration of systems and data, that can spread much more quickly and with wider geographical and customer reach. In the event, there can be financial losses to individual account holders and undermining of the integrity of the financial system.

8. Therefore the next issue for consideration should, be policy development and regulation. The point of departure should be to embrace Fintech as integral to the financial sector development and inclusion agenda. I have no doubt that you will deliberate on this element as well.

9. Finally, I wish to single out and acknowledge the role of international cooperation as evidenced by this conference. The sharing of prospects, level of progress, policy and regulatory initiatives is particularly important. The dialogue must also involve private sector operators, domestic policymakers and regulators, as well as and standard setters.

10. On that note, Distinguished Participants, Ladies and Gentlemen, I wish to conclude my brief remarks by wishing you fruitful deliberations and a successful Conference. The conference is officially opened.

11. I thank you for your attention!!