

Minutes of the Fifteenth SAARCFINANCE Group Meeting held on 15 May 2007 in Dhaka, Bangladesh

The Fifteenth SAARCFINANCE Group meeting was held on the sideline of the 36th Asian Clearing Union (ACU) Board of Directors Meeting on 15 May 2007 at the Dhaka Sheraton Hotel, Bangladesh. The meeting was attended by the Governors/ their representatives from all the SAARC member countries excepting Afghanistan and Maldives. Dr. Salehuddin Ahmed, Governor, Bangladesh Bank chaired the meeting. Agenda of the meeting and the list of participants are enclosed at Annex-1 and Annex-2 respectively.

2. By welcoming the participants, Dr. Salehuddin Ahmed, Governor, Bangladesh Bank explained the background of organizing this brief meeting. He informed the meeting that most of the fellow Governors have given their consent in favor of arranging this meeting on the sideline of the 36th ACU Board of Directors Meeting. He then placed the agenda of the meeting which was accepted unanimously.

2. Dr. Salehuddin Ahmed informed the meeting that Afghanistan formally joined as a full member of SAARC in the last SAARC Summit held in New Delhi during 3-4 April 2007. So, on behalf of the meeting the Chairperson of SAARCFINANCE Group formally welcomed Afghanistan as a new member SAARCFINANCE Group. Dr. Salehuddin Ahmed then presented a brief Report on the Activities of SAARCFINANCE.

3. Dr. Salehuddin Ahmed mentioned in his report that the SAARCFINANCE as a regional network of the SAARC Central Bank Governors and Finance Secretaries has been quite vibrant and effective since its establishment in

September 1998. He also informed that since its establishment the network arranged visits of 197 officials which were hosted by the member central banks under the "Staff Exchange Program". The members have so far arranged 13 seminars, 3 Governors' symposiums, 3 studies and 1 workshop under the auspices of SAARCFINANCE.

4. The Chairperson of SAARCFINANCE also informed the meeting that as per the decision taken in the 14th SAARCFINANCE Group Meeting, Sri Lanka will host a seminar on Payment Systems during 6-7 July 2007 and Maldives also agreed to host a seminar on Implementation of BASEL-II this year. State Bank of Pakistan would organize a seminar during 2nd quarter of 2008 on Significance of Central Bank Independence in a Developing Country. Bangladesh Bank intends to organize a seminar in the first quarter of 2008 on Corporate Governance in Banks and Financial Institutions in SAARC Countries, he added. The Meeting supported the idea of holding these Seminars.

5. The Governor, Bangladesh Bank mentioned in his report that five members have so far created link of SAARCFINANCE at their respective central banks' websites and others will create it soon. He also mentioned that as the current Chair, Bangladesh Bank has uploaded the first issue of half-yearly SAARCFINANCE e-Newsletter in December 2006. The next issue (June 2007) of the e-Newsletter is expected to be hosted in the website of the next Chair, the Reserve Bank of India, he added.

6. Dr. Salehuddin mentioned that central bank Governors within the network have been working to foster cooperation in the fields of banking, trade and other fields of common economic interests. He hoped that the next Chairperson of the SAARCFINANCE Group, Dr. Y.V. Reddy, Governor of the Reserve Bank of India with his vast knowledge and experience, will take us further ahead. He also put

on record the cooperation received from all the Governors of central banks of SAARC countries, the SAARCFINANCE Coordinators, the officials of the SAARCFINANCE Cells and the Finance Secretaries of all SAARC member countries. After presenting the brief Report on the Activities of SAARCFINANCE, Dr. Salehuddin Ahmed invited the participants for discussions on the report.

7. Mr. Yaseen Anwar, Deputy Governor of the State Bank of Pakistan first took the floor and thanked Dr. Salehuddin Ahmed for performing an excellent job as the SAARCFINANCE Chairperson and congratulated Dr. Y.V. Reddy for assuming the Chair of SAARCFINANCE Group. Mr. Ajith Nivard Cabraal, Governor, Central Bank of Sri Lanka also thanked Dr. Salehuddin and invited all in the upcoming high level seminar to be held in Colombo during 6-7 July 2007. Mr. Daw Tenzin, Managing Director, Royal Monetary Authority of Bhutan appreciated Dr. Salehuddin Ahmed for his efforts in making the network a success. He expressed that during the Chairmanship of Dr. Salehuddin the sprit of SAARCFINANCE got momentum and he looked forward to the same sprit under the leadership of Dr. Y.V. Reddy. The Governor, RBI, Dr. Reddy mentioned that during the last few years, South Asian SAARC countries had unprecedented growth in the history. He assumed that as a region South Asia recorded the highest growth rates, inflation rates were in single digit and poverty alleviation efforts accelerated. So, as the SAARCFINANCE Chairperson Dr. Ahmed is lucky and successful, he added. Dr. Reddy also stressed on enhancing the Staff Exchange Program. In this regard, Dr. Salehuddin Ahmed mentioned that SAARCFINANCE may also encourage visit of 1-2 person(s) from a central bank to another, to get insights on a particular topic of interest. Mr. Yaseen Anwar, Deputy Governor, State Bank of Pakistan expressed full support for the Staff Exchange Program. All participants of the Meeting agreed. Citing Dr. Reddy's observation on South Asian recent economic growth, Mr. Ajith Nivard

Cabraal, Governor, Central Bank of Sri Lanka mentioned that it could be a good idea to organize a SAARCFINANCE Governors' Symposium on "South Asia's Recent Growth and Future Prospects". Dr. Y.V. Reddy appreciated the idea and suggested to prepare a position paper by comparing with other regions of the world. It was decided that the Sri Lankan Governor Mr. Cabraal will take initiative for preparing a position paper on this issue and other members may also contribute to it. After getting inputs and comments from the central banks, the paper will be finalized for discussion in the proposed Symposium. The date and venue may be decided by the Governor of the Central Bank of Sri Lanka.

8. Finally, the Chairman of the meeting invited Dr. Y.V. Reddy to take his Chair to act as the new Chairperson of SAARFINANCE Group. The audience welcomed Dr. Y.V. Reddy as the new SAARCFINANCE Chairperson. RBI Governor thanked Dr. Salehuddin Ahmed for his excellent job as the SAARFINANCE Chairperson and assured the audience to continue to uphold the spirit of SAARCFINANCE during his tenure.

ANNEX-1

The Fifteenth SAARCFINANCE Group Meeting 15 May 2007, Dhaka, Bangladesh

Agenda

1. Adoption of Agenda
2. Welcoming Afghanistan as a new member of SAARCFINANCE Group
3. Presentation of the Report on SAARCFINANCE Activities by the Chairperson of the SAARCFINANCE Group
4. Discussions and Decisions
5. Handing over of the SAARCFINANCE Chair to Governor, Reserve Bank of India
6. Any other issue(s)

ANNEX-2

List of Participants at the Fifteenth SAARCFINANCE Group Meeting 15 May 2007, Dhaka, Bangladesh

Name	Institution / Designation
Bangladesh	
1. Dr. Salehuddin Ahmed	Governor, Bangladesh Bank
2. Mr. Habibullah Bahar	Economic Adviser, Bangladesh Bank & SAARCFINANCE Cordinator, Bangladesh
3. Mr. M. Akhtaruzzaman	Deputy General Manager, Bangladesh Bank
4. Mr. M. Julhas Uddin	Joint Director, Bangladesh Bank
Bhutan	
5. Mr. Daw Tenzin	Managing Director Royal Monetary Authority of Bhutan
India	
6. Dr. Y.V. Reddy	Governor, Reserve Bank of India
7. Mrs. Meena Hemchandra	Chief General Manager, Reserve Bank of India
8. Mr. A.K. Misra	General Manager & Executive Assistant to Governor, Reserve Bank of India
Nepal	
9. Mr. Ramjee Regmi	Executive Director, Nepal Rastra Bank
Pakistan	
10. Mr. Yaseen Anwar	Deputy Governor, State bank of Pakistan
Sri Lanka	
11. Mr. Ajith Nivard Cabraal	Governor, Central Bank of Sri Lanka