

Phil Mnisi: Statement - 28th meeting of the COMESA Committee of Governors of Central Banks

Statement by Mr Phil Mnisi, Governor of the Central Bank of Eswatini and Chairman of the COMESA Committee of Governors of Central Banks, at the official opening of the 28th Meeting of the COMESA Committee of Governors of Central Banks, Ezulwini, 8 November 2024.

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- Honorable Secretary General of COMESA
- Governors of Central Banks from COMESA Member States
- Distinguished Delegates
- Invited Guests
- Ladies and Gentlemen, Good morning!

It is my pleasure and great privilege to address this distinguished gathering of the 28th Meeting of the COMESA Committee of Governors of Central Banks. Let me begin by thanking you, Excellencies, Honorable Governors and distinguished colleagues for finding time from your busy schedules to come to Ezulwini, Eswatini for this meeting.

Honorable Governors and distinguished colleagues, allow me to welcome you and your delegations to this meeting. Your presence, certainly, in this meeting, is a sure testimony of our commitment and resolve towards deeper Monetary and Financial Integration for the COMESA region.

Honorable Secretary General
Distinguished Governors
Ladies and Gentlemen

Our meeting is once again coming at a time when our region is faced with considerable macroeconomic policy challenges. Despite the strides we are making in recovery from the recent cascading series of shocks, new challenges continue to emerge such as the funding squeeze driven by limited access to external financing on account of the challenging external financing conditions; escalating geo-political tensions; increasing vulnerabilities to global external shocks; and frequent climate change events, among others.

Fundamentally, these are resulting in dwindling reserves, a significant accumulation of external debt and rising debt servicing costs. There has been a sharp rise in import bills of goods and services, a persistent drop in capital flows and significant pressures on the exchange rate and inflation. At the same time, output levels remain depressed, and unemployment elevated.

Distinguished Governors, our role is striking a balance between containing the ongoing inflationary pressures and supporting the still-fragile recovery. Simultaneously, we must safeguard debt sustainability and manage exchange rate volatilities in response to tightening global financial conditions. Therefore, I cannot overemphasize the need for all of us to devise appropriate policies to address these challenges.

Honorable Secretary General
Distinguished Governors
Ladies and Gentlemen

I am glad that during the symposium we had yesterday, we discussed some of the policies that we could pursue as central banks, along with all government institutions. Particularly, the issue of developing an ecosystem that fosters the development of digitalization whilst ensuring that everyone is cyber-safe. We also discussed strategies to leverage on BigData and Machine Learning in central banking. Fellow Governors, this knowledge exchange from the symposium supports our commitment and effort to accelerate our Monetary and Financial Integration Agenda and safeguard gains we have made as a region.

Honorable Secretary General
Distinguished Governors
Ladies and Gentlemen

Let me turn to our business for today and begin by thanking our two institutions; the COMESA Monetary Institute (CMI) and COMESA Clearing House (CCH), for their work that keeps our monetary and financial integration agenda on course. Our agenda of pursuing deeper monetary and financial integration requires establishing macroeconomic stability, financial system soundness and ensuring compliance with various international standards and practices in the financial sector. These will collectively support regional harmonization in pursuit of Regional Monetary and Financial Integration. The role of central banks in this process cannot be overemphasized. Central banks are pivotal to monetary cooperation which, involves macroeconomic convergence and financial system development and stability.

As will be presented in this meeting, CMI has accomplished many activities, including assessments of macroeconomic convergence and financial systems development and stability in member countries. In addition, the CMI undertook capacity building trainings and research in the region.

Honorable Secretary General
Distinguished Governors
Ladies and Gentlemen

On the agenda for this meeting, we will consider the report of the 28th Meeting of the COMESA Committee of Experts on Finance and Monetary Affairs. We will also consider the agenda item on the status of implementation of Regional Payment and Settlement System (REPSS). I note that while several countries in the region are active in the implementation of the REPSS, I take this opportunity to urge you, Honourable Governors, to ensure full utilisation of the system for seamless intra-COMESA transactions. On the same note, I cannot fail to thank you, Honourable Governors for the unwavering support towards the REPSS upgrade and migration to ISO 20022, being undertaken by CCH.

We will also consider the agenda item on several activities undertaken by the CMI for enhancing monetary cooperation in our region. In addition, the capacity building activities organised by CMI enabled member central banks to improve their skills toolkit

for better macroeconomic management and assessment of financial stability. It also enhanced the successful achievements of agreed targets of the COMESA Macroeconomic Convergence Criteria and contributed to knowledge sharing and networking among COMESA member central banks. We will also receive and consider a progress report on the preparation of the COMESA Financial Stability Report for 2023.

I am aware that this meeting will consider other important issues. However, I chose to highlight the most critical issues because I feel that they should be implemented with urgency to facilitate our monetary and financial integration arrangement.

Honorable Secretary General
Distinguished Governors
Ladies and Gentlemen

All these achievements could not be possible without your support. You have continued to ensure that the two institutions achieve their missions and visions, which among others, is to make our region a zone of macroeconomic and financial stability, a necessary foundation for sustainable economic growth and development. Of course, not to forget the support you have personally given to me as Chairman of the COMESA Committee of Governors of Central Banks.

Lastly, after the job is done, I urge you to find some time to sample the hospitality that our great Kingdom of Eswatini has on offer by visiting some of our tourist sites. I assure you that it will be worth the experience.

With these remarks, I look forward to fruitful deliberations and solid proposals that will further deepen COMESA monetary and Financial Integration.

I Thank you all for your Attention!