

**ASSOCIATION OF NATIONAL DEVELOPMENT FINANCE INSTITUTIONS IN
MEMBER COUNTRIES OF THE ISLAMIC DEVELOPMENT BANK
FORUM 2016
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**The Speech of His Excellency Sheikh Abdullah bin Mohammed bin Saud Al Thani,
Governor of Qatar Central Bank**

In the name of Allah, the Most Beneficent, the Most Merciful.

Your Excellency,

Distinguished guests,

Honorable audience,

Peace and mercy and blessings of Allah be upon you,

First, I would like to welcome you all to the Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank Forum 2016, which we are honored to host this year under the auspices of the Qatar Central Bank under the title: The Development of Central Banking: Issues, Prospects and Challenges.

This Forum is a great opportunity for the exchange of knowledge and experience on development issues and developmental financing mechanisms to keep pace with all the changes and open new horizons for the new deals.

I would like to extend my sincerest thanks to dear guests for attending and participating in this Forum, wish them pleasant stay in the State of Qatar and look forward to benefit from opinions and suggestions to be presented in sessions of the Forum.

Distinguished guests,

This year, the Forum addresses a theme of the utmost importance, which is “the central development bank”; it is given an importance because it comes at a time when central banks in the world are trying to revive the economy, reduce effects of crises, and achieve the required balance.

As you know, prior to the recent global financial crisis the central banks in most of the advanced economies, a number of developing countries and emerging economies were considering price stability as the main goal among the objectives of monetary policy. At that time, according to a widely accepted view, the economic growth and development could be

achieved through price stability, prompting policy-makers to design policies to achieve the target rate in inflation and maintain price stability, which made the developmental role of central banks their secondary role.

However, the recent global financial crisis and long recession that followed had urged banks to reconsider the developmental role played by central bank and emphasize its importance.

Workers in central banks began to play an active and direct role in improving the financial environment and making it ready for economic development.

Discussions on monetary policy involved the development of the financial system for the benefit of the real economy, and the financial stability began to take its place as an obvious objective of central banks.

Dear guests,

The emphasis on the developmental role as part of the central bank's policy will contribute significantly to the economic development. However, the terms of this policy must be determined accurately to avoid the side effects, since the expansion of the powers could lead to a conflict of development policies with policies, which aim at achieving financial stability and price stability, especially since the operating environment, in which central banks operate in, became more complicated.

In addition, the local macroeconomic conditions should be taken into account, as well as the international developments and their repercussions on the economy and financial system through trade and financial channels.

Also, focus should be on the relationship between monetary policy and financial stability, so the financial stability would not be affected by monetary policy, such as the impact of interest rates on credit growth and capital flow rate. Macroprudential policies are necessary to establish a flexible financial system. There is also a need for coordination between macroprudential policies and monetary policies in order to provide a better development environment.

Ladies and gentlemen,

The developmental role of the Qatar Central Bank in supporting the economic growth in the State of Qatar stems from the Qatar National Vision-2030, which has provided an important role for the financial sector in its transition to a developed economy.

The Qatar Central Bank works in coordination with the Qatar Financial Center Regulatory Authority and the Qatar Financial Markets Authority to set a strategic plan for 2013-2016 in order to fulfill this duty. Moreover, the plan focuses on main objectives that are to improve regulatory standards, enhance macroprudential supervision, strengthen market infrastructure, protect consumers and investors, and build human capital.

The Central Bank of Qatar applies the Basel 3 standards for financial regulation in order to ensure financial stability and help the financial sector to play its role in economic growth, in addition to the application of various macroprudential policies.

Our monetary policy has been homogeneous; we also manage liquidity to ensure the provision of the required financing of productive sectors to support growth and achieve diversity. In addition, financial regulations and macroprudential policies are reviewed to promote financial stability, and work on the development of the financial sector infrastructure, especially payments and settlements.

In this regard, the Qatar Central Securities Depository and the Qatar Credit Bureau have been established. Also, the first regional center of the Chinese currency (renminbi) in Doha was launched.

According to the provisions of the Qatar Central Bank and the regulation of financial institutions promulgated by Law No. 13 from 2012, the Qatar Central Bank took over the supervision and control of the insurance sector in the government. It issued a number of decisions and circular for organizations, and recently, private instructions for insurance and governance guidance. It is already working, as it started to work this early April.

Distinguished audience,

One of the important topics to be discussed at this Forum is the role of development financial institutions in economic growth; where these institutions determine the problems affecting the financial market in funding and conducting necessary arrangements to provide funding for these sectors, which are facing difficulties in getting funds from financial institutions.

The experience of the State of Qatar in supporting the small and medium projects is a pioneer and ideal, where the Qatar Development Bank comes in the forefront of the institutions that support these projects in the state, and that is through an offering a wide range of products and services to customers and providing various financing options. Moreover, providing advisory services to small and medium projects to support its activities and enabling them to grow and expand in exporting activities. In addition, the Bank organizes

counseling sessions, prepares market studies, and hosts workshops and training courses for the sector.

The opening of the Qatar business incubator, which was shaped by His Excellency the Prime Minister in 2014, was a unique feature that aims to provide a high-level integrated support to small and medium enterprises in the country by providing office spaces, workshops, laboratories and production services, technical and managerial support, and counseling programs.

The business incubator, which was launched by the Qatar Development Bank in collaboration with the Social Development Center, has become one of the largest multi-purpose incubators in the Middle East and North Africa, with regard to what they offer in terms of businesses and services. This business incubator has already two groups of entrepreneurs that graduated from its entrepreneurship program. In 2014, it also brought together 33 local companies and trained more than 100 entrepreneurs.

Additionally, while implementing policies to facilitate procedures and provide services on the highest levels and standards, the Qatar Development Bank has developed “the single window” system in order to develop and support small and medium enterprises, strengthen efforts to provide the best services by providing all the financial resources, technical experiences and licensing from one place.

Dear guests,

I am confident that the discussions that will take place during this Forum will present important perspectives and scientific thoughts for policy-making in the future. Moreover, the main outputs of this Forum will benefit the decision-makers and reflect on their business development.

In conclusion, I wish this Forum to continue its success in achieving its important goals, for which it is held on the first place. I welcome again the distinguished audience and hope that dear guests will have a pleasant stay in Qatar.

May peace, mercy, and blessings of Allah be upon you!