

Good Evening,

We are at the end of June graduation month, a time when classes of diligent and hopeful people are filled with excitement to attend the traditional graduation ceremonies. These exciting ceremonies are often glamorous, as everyone makes quite an effort, like all of you did, to look special. So the low point of the night is usually the dull speech by the guest speaker, which luckily, for tonight is yours truly. So let me introduce myself to you. I'm Jwala Rambarran, Governor of the Central Bank of Trinidad and Tobago, and if you believe the headlines, the person to blame for why you can't even get 100 US dollars for your vacation.

But don't always believe headlines, and maybe I can also challenge another preconceived notion about Graduation Ceremony speakers, that is.... I'll be boring. Let me assure you, I will just partially bore you. I'll get to the exciting stuff first; I did not bring any US money with me tonight. Instead I brought one simple message for you, worth more than all the excess US dollars in the banking system right now, which stand at around 90 million US dollars. My 100 million US dollar message is:

This is just the beginning for you. Lifelong learning is the best way to keep investing in yourself. You are on the right track with furthering your skills in the financial services sector. There is a skills deficit here at home and continuous learning will be your currency in the job market. As financial services professionals here's where your lifelong learning will pay off.

It's interesting that Trinidad and Tobago did not purposefully start out to become a regional financial centre. Yet, it happened. Today, the financial services industry is the second largest in Trinidad and Tobago, after the dominant energy sector, accounting for almost 15 per cent of GDP.

More than 250 financial institutions perform various roles here and in the Caribbean region, and in some instances, even globally. Our financial sector employs almost 55 thousand people in now diverse and increasingly complex jobs. Even as the country grappled with subpar economic performance and the CLICO crisis, our financial sector still managed to create some 6,000 jobs in the past five years. Apart from traditional retail bank tellers and corporate lenders, many more jobs are being created in higher value-added activities such as trade finance, investment analysis, portfolio management, product structuring, risk management and technology.

As Trinidad and Tobago enters a period of more sustained recovery and growth, our financial sector has significant opportunities ahead of it, which means you have more potential opportunities ahead for you. However, taking advantage of these opportunities will demand deeper knowledge, expertise and skills from you. Be strategic... keep investing in yourself so these opportunities will not pass you, as there are major counteracting forces reshaping global finance that will influence the trajectory of our financial sector.

As Governor, I can give you some premium perspective about these global forces, simply because my television is always on Bloomberg.

As I said, the world is facing an acute skills shortage. A 2012 study by the McKinsey Global Institute found that the most important trend facing the global labour market is too few high-skill workers and not enough jobs for low- and medium-skill workers. At current rates of educational attainment and labour force growth, McKinsey predicts a potential shortage of up to 40 million high-skill workers around the world by 2020, or 13 per cent of demand for these workers.

Second, the global financial system has shrunk, and is now smaller as a proportion of the world economy. For three decades, capital markets and banking systems rapidly expanded and diversified,

but now that process – called financial deepening – has stalled, a lingering effect of the global financial crisis. Global financial assets fell to around 315 per cent of global GDP in 2012, from 355 per cent of global GDP in 2007, before the eruption of the crisis. The drop in financial assets is not only confined to the industrial countries but also extends to the emerging market economies whose financial deepening has largely ground to a halt. This means fewer market players, fewer employers, fewer transactions and ... connect the dots ... possibly fewer employees. Skills deficit and a smaller global financial system mean your skills need to be constantly sharpened.

I'll give you another example of why “today you are in, but tomorrow you are out”, which cements my lifelong-learning-sharpen-your-skills message. In a classic case of “revenge of the nerds”, technology is rapidly redefining the way financial institutions compete, do business and interact with their customers. From online and mobile payments to biometric authorization, the rise of cloud computing means many more financial transactions can be done faster, automatically and at lower cost. Financial technology companies like Pay Pal and Xoom resemble banks, but are not. Yet they are changing the ways in which people borrow and save, pay for things, buy foreign exchange and send money. Technology giant Google is making serious inroads into financial services with the introduction of a new payment system called Google Wallet.

These global forces will fundamentally change the profile of jobs in finance in the coming decade and beyond. At the Central Bank, for instance, we have a growing demand for specialized financial supervision skills in anti-money laundering, specialty insurance, actuarial science, cyber security and operational risk. As financial services professionals it may be of interest to you, to know that almost 15 per cent of Central Bank's new employees since I assumed office are in the area of financial supervision and another 10 per cent are in economic research. I have sought to build capacity in strategic areas to ensure we fulfil our economic and financial stability mandate.

As the country look to the future, we must ensure we are generating the right skills to stay relevant and competitive.

In thinking about how to generate the breadth and depth of skills, I believe we can draw lessons from the actions policymakers usually take when managing a financial crisis. Three distinct remedies are usually applied to a financial sector in crisis: recapitalization programmes, measures to boost liquidity, and a sober look at how the financial ecosystem should work in the future.

As a starting point, Trinidad and Tobago needs to be able to draw talent from a bigger pool than it currently has in the financial services industry. Recapitalization is needed to draw out the talent that currently remains untapped. Here we should quickly leverage our Trinidadian diaspora community. Many of us have a narrow definition of the diaspora as those born in the country but presently living outside the country. However, if we include others with historical links to Trinidad and Tobago, our diaspora becomes at least 360,000 strong, consisting of highly skilled workers, graduates from colleges and universities, management and other professionals. We need to find ways to fully tap into this potential labour pool for human capital and financial investments.

Second, in the same way central banks took steps to increase liquidity in the financial system, we must do better to ensure we have the necessary labour mobility to match supply more easily with demand, both within our borders and from other parts of the world, including the Caribbean. Too often, we hear of the difficulties that finance and other professionals have in moving to another country where their existing qualifications are not recognized. Indeed, I have heard one highly successful Trinidad businessman lament that it is far easier for him to hire a security guard from Nigeria than to employ a financial analyst from Nigeria. At a time when skills shortages are acute, such barriers cannot be allowed to remain. We need to consider creating a common framework for

skills recognition that gives employers and employees the confidence they need to move more freely across borders.

Third, we cannot rely on emergency measures alone. In the longer term, we need to review the financial architecture that governs skills and human capital, if we are to avoid breakdowns in the future. We must develop a strong ecosystem that puts programs in place to address the financial skills gaps before they become critical. As we seek to build a knowledge-driven economy, tertiary education must play an increasingly important role in enhancing the country's human capital base. Tertiary education imparts knowledge and high-level skills as well as provides basic and applied research needed to support innovation and entrepreneurship.

In Trinidad and Tobago, the Government Assistance for Tuition Expenses (GATE) programme has expanded access to tertiary education by making it more affordable. An average of some 53,000 students have benefited annually from this programme over the past five years. Total expenditure on GATE is equivalent to one-tenth of the total recurrent education (secondary and tertiary) budget over the same period. It is not only the level of GATE spending that is important but also the effectiveness of that spending, which needs to be better aligned to economic priority areas and to future skill needs. It may interest you to know that 70 per cent of GATE funding is concentrated in just a few areas – Management, Educational Services, Data Processing/IT, Engineering, Health Services, Natural and Pure Sciences, and Accounting.

Finance, of course, is one economic priority area. At the Central Bank, we are helping to build this financial eco-system through two major initiatives. Over the past decade, we have partnered with De La Rue, our currency printers, to offer the annual, prestigious De La Rue scholarship to students pursuing post-graduate studies in economics. This year, as we celebrate our 50th Anniversary, we

are offering five De La Rue scholarships beyond economics to finance and actuarial science, areas in which we are building skills. From 2015, we will offer three De La Rue scholarships.

Since 2007, we have spearheaded the National Financial Literacy Program (NFLP) to equip our citizens with the knowledge, skills and tools to make informed financial decisions. We are now transforming the NFLP into an accredited training agency. One of the programmes of this new training agency will be a Certificate in Central Banking that will provide our entry level staff with broad-based knowledge and understanding of monetary policy, financial supervision and reserve management.

I firmly believe that IBF has a key role to play in helping to build our financial ecosystem in which finance professionals keep pace with skills challenges to the future. I am pleased to hear about IBF's future initiatives for training in banking and finance, including online learning. But there is always more to be done. For instance, IBF can establish a set of industry standards for finance professionals that provide a clear road map for building their competencies, as they progress in their careers, across different jobs. Such Financial Industry Competency Standards will also help to build a clear pipeline of talent and leaders in finance, so that our citizens can take advantage of the opportunities that a growing financial industry will create.

IBF can also help to develop Trinidadians for positions of leadership in tomorrow's financial world. Many of our industry pioneers and senior professionals have a wealth of experience to share. Every year IBF bestows fellowship awards to stalwarts who've contributed to building the financial services industry. Among those being awarded tonight are Mr. Carl Hiralal who is the Central Bank's current Inspector of Financial Institutions, Ms. Suzanne Roach, our current Financial Services Ombudsman, and Mr. Wendell Mottley a former Minister of Finance and current Chairman of the Unit Trust Corporation. The introduction of a well-structured IBAF Future

Leaders Scheme can help to transfer knowledge from these current leaders to future leaders such as the graduating class tonight. Such an IBF Future Leaders Scheme would complement the succession planning schemes in individual financial institutions.

Clearly as Trinidad and Tobago emerged as the regional financial centre and has aspirations to become an international financial centre you, the graduating class of 2014, will perhaps have many opportunities, which will require you to continuously engage in lifelong learning. As the financial crisis of the last six years has taught us, there are no guarantees in the world of finance, but your training and your own moral compass are the best tools for guiding and defending yourselves against the Wolves of Wall Street.

I wish you well in your future careers.

I thank you.