

The Governor of the Central Bank of Tunisia participates in works of the 79th annual assembly of the Bank for International Settlements (BIS)

Mr. Taoufik BACCAR, Governor of the Central Bank of Tunisia (BCT) participated in works of the 79th annual assembly of the International Bank for Settlement held on 28 and 29 June 2009 in Basle, Switzerland. MR. Jean Claude Trichet, Chairman of the European Central Bank (ECB), Mr. Ben Bernanke, Chairman of the Federal Reserve and a number of Governors of developed countries like Japan, France and Germany as well as many Governors of emerging countries took part in this meeting.

The 79th annual report of the BIS was presented in the assembly. Besides, three reports on activity were accounted for by the economic and monetary Department, the financial stability forum as well as the BIS banking Department, reporting the management results of this institution over 2008/09 financial year.

In his speech, Mr. Jaime Caruana, Managing Director of the BIS recalled the deep-seated causes of the financial crisis while presenting procedures to follow so as to get out of this crisis.

He underlined in this context the need to lay down macro-economic and financial policies within a medium term framework and a viability prospect.

He indicated in this respect that despite the unprecedented scope of the budgetary and monetary policies set up by the monetary authorities and governments, notably of the main industrialised countries, normal conditions have not been yet resumed neither has the balance sheet of a number of financial institutions been cleared up.

To remedy this situation, he considers that new actions must necessarily and urgently be set up to restore soundness of the financial system so as to ensure efficiency of expansion policies as well as the establishment of both a stable and lasting growth.

On the other hand, and in the framework of works of the BIS annual Assembly, two discussion panels were organised on topics related to the international financial crisis and strategies to help get out of the crisis.

The first panel dealt with "financial stability and Central Banks' governance" in an international context that imposed on the issuing institutions new responsibilities further to their main assignment in preserving monetary stability. Panellists were unanimous to say that the Central Bank would henceforth assume a new role by contributing to financial stability monitoring, better control of systemic risk and mainly stronger macro-prudential supervision.

The second panel focused on "how can the crisis change the monetary policy framework". Panellists analysed in this framework changes introduced by Central Banks in conducting the monetary policy so as to restore normal operation of the international monetary market and to help banks fully play their role as liquidity provider to the economy.

On the other hand, and apart from works of the 79th annual report of the BIS, Mr. Taoufik Baccar and Mr. Yves Mersch, Chairman of the Central Bank of Luxemburg signed, in a ceremony organised in the BIS headquarters, a Cooperation Convention between the Central Bank of Tunisia and the Central Bank of Luxemburg.

The two Governors expressed their wishes for contribution of this convention to consolidation of cooperation relations between the two institutions notably in the areas of economic and monetary research, exchange of experience and expertise and young executive training. On, this occasion, The Governor of the BCT recalled Tunisia's firm willingness, under enlightened leadership of President Ben Ali, to go forward in boosting links with the European union.