

**VOTE OF THANKS AT THE
TANZANIA BANKERS ASSOCIATION COCKTAIL
HELD AT THE MOVENPICK ROYAL PALM HOTEL,
DAR ES SALAAM ON 28TH MAY 2008**

The Guest of Honour, Honourable Omar Yussuf Mzee (MP), Deputy
Minister for Finance and Economic Affairs;

Honourable Capt. John Chiligati, Minister for Lands, Housing and Human
Settlement,

Prof. Benno Ndullu, Governor of the Bank of Tanzania;

Deputy Governors;

Chairman of Boards of Member Banks and Financial Institutions;

Fellow Heads of Banks and Financial Institutions;

Members of the Press;

Distinguished Guest;

Ladies and Gentlemen;

Hon. Deputy Minister,

Allow me to join the Chairman of the Tanzania Bankers Association on
behalf of the Banking Community to congratulate you for being appointed

Deputy Minister for Finance and Economic affairs and also to thank you, for accepting our invitation to be here with us this evening.

As noted by the Chairman of the association in his opening remarks, this is the 1st time you are meeting representatives from the banking sector.

Hon. Deputy Minister,

As a banking fraternity we applaud the Government for its commitment to stay the course of reforms aimed at continually improving the business environment and the promotion of private sector participation in the development of the country. As a sector, we fully support these efforts.

Hon. Deputy Minister,

Various surveys conducted in the country on the demand for, barriers to, and access to financial services still indicates that only small population has access to the formal and semi-formal financial services. The rest are basically excluded from any kind of financial services. We understand that this is not a healthy situation and needs concerted efforts by all stakeholders in addressing some of the issues limiting the delivery of financial services to the population not only for the banks but also for other financial service providers. A number of issues are being addressed under the Second Generation Financial Sector Reform Program which encompasses

various initiatives aimed at addressing the dearth of financial services in the country.

We however, wish to call upon the Government to hasten implementation of the National Identity card project as this will address a number of issues on the Anti Money Laundering Regulations, 2007 and also support banks strategies of expanding their outreach.

Hon. Deputy Minister,

In your speech you urged the banks to expand their out reach especially in the rural areas to have more people integrated into the banking system.

You also registered your dissatisfaction on issues that;

- i) Banks are not well represented in the districts towns as they are concentrated in selected Regional centers leaving the bigger portion of our vast country without financial services specifically in the rural areas.
- ii) Banks have not channeled more financial resources in the form of credit to the agricultural sector
- iii) High lending rates relative to the rates offered to customer deposits
- iv) High cost of credit

- v) More banks to take keen interest on the mortgage financing to enable Tanzanian to own decent houses
- vi) Design and develop sustainable financial products for the growth of the SME sector.

Hon. Deputy Minister,

We have taken note of the challenges you have put across and promise that we will work on them as a Banking Community to maximize our contribution to the economic growth of our country.

Hon. Deputy Minister,

We will continue to engage in dialogue with the Government through your Ministry and other Stakeholders to have a more vibrant and responsive financial sector.

Hon. Deputy Minister,

I thank you for your attention.

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