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**Prime Minister of Fiji and Minister for Finance, Strategic Planning, National Development and Statistics, the Public Service, People’s Charter and Change and Progress, Information, iTaukei Affairs, Sugar Industry and Lands and Mineral Resources**

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**SPEECH AT THE OPENING OF HOME FINANCE COMPANY BANK**

Novotel Suva Thurs. 20th Feb., 2014

LAMI 1900 Hours

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**Cabinet Ministers,**

**The Chairman of the FNPF.**

**The Chairman of the Unit Trust Fund of Fiji.**

**The Chairman, Directors and Management of the Home Finance Company Bank.**

**The Governor of the Reserve Bank.**

**Your Excellencies, Members of the Diplomatic Corps,**

**Distinguished Guests,**

**Ladies and Gentlemen.**

Bula Vinaka and a very Good Evening to you all.

In eleven days’ time, Fiji will have a new and important financial institution when the Home Finance Company Bank opens its doors and begins trading.

It will be different from the other commercial banks because it will be 100 per-cent owned by the Fijian people and operate for their benefit – by the people, for the people.

Tonight we launch the HFC Bank and unveil its branding in a spirit of excitement and with great hopes for its future.

It is our bank, the people’s bank, and I am delighted as Prime Minister to be here on this historic occasion and to share the pride we all have as Fijians in seeing this vision realised.

HFC is a joint venture between our national superannuation fund, the FNPF – which owns 75 per cent of the bank – and the Unit Trust of Fiji, which holds the remaining 25 per cent. So in a very real sense, every Fijian has a stake in HFC and their fortunes are directly linked to its success.

They will not only be able to use the Bank to get a return on their savings but as a source of borrowing to invest in improving their lives and those of their families. They will also benefit from the profits that are ploughed back into their national superannuation fund and the Trust Fund. When those profits stay in Fiji, everyone wins. The returns don’t flow overseas but remain in Fiji.

In my budget address last November in which I unveiled the plans for the HFC, I set a target date for the Bank to open of early this year. I want to thank the Board, Management and Staff for meeting that challenge. Full banking operations will commence on Monday, March the 3rd, 2014.

This is a time for celebration but also a time for sober reflection about the sorry history of our first 100 per-cent Fijian-owned financial institution – the debacle of the National Bank of Fiji. The NBF, as you know, was owned by the people of Fiji through the Government.

When it was launched in 1976, there were the same high hopes that it would be a people’s bank that would create a new level of prosperity in Fiji. Instead a greedy elite – after the two coups of 1987 - used the people’s bank as their personal piggy bank. With their noses stuck firmly in the trough, this elite – aided by a grossly irresponsible management and board – raided the National Bank of Fiji for loans that many had no intention of repaying. They ripped off their fellow Fijians.

When the NBF finally crashed in the late 1990s, it had debts of $220-million dollars or 8 per cent of Fiji’s gross domestic product. It remains the biggest financial scandal in Fiji’s history and must never be forgotten or repeated.

The ultimate blame lies with other Governments, which presided over a prolonged period in which the funds of ordinary Fijians were misappropriated. These elites effectively robbed their own countrymen and women – decent, hardworking ordinary people who had put their trust in the Bank and the Government.

Our Reserve Bank – which is meant to oversee the system – also shoulders some of the blame for failing to see what was happening, turning a blind eye to it or at the very least, going public with its concerns.

By the time the whole fiasco ended, 51 per cent of the remnants of the NBF was sold off to foreign interests for what would be considered a pittance. Any notion of good governance took second place to other Government’s political interests. After all, many of those treating the NBF as their personal piggy bank were its ministers, supporters and hangers-on. Under the SDL Government, the remaining 49 per cent was sold at what would again be considered a pittance.

Now, some of those same politicians and hangers-on who were responsible for this scandal – and others who benefited personally - are seeking your vote in the forthcoming general election. They are relying on you having short memories.

They are treating you as if you are stupid. I urge you to call their bluff and consign them to the political dustbin of history.

My Government expects that the proper mechanisms are now in place to ensure that the Home Finance Company Bank meets the highest prudential requirements and the highest standards of good governance.

We will have zero tolerance for anything else and we will continue to insist on quality and stringent levels of performance if the Fijian people give us the mandate we are seeking to lead Fiji after the election.

We have had a vision and we have delivered it – of a range of Fijian institutions operating at the highest level and being symbols of national pride. Our treasured Brand Fiji includes Tourism Fiji, Investment Fiji and Film Fiji.

It also includes the FNPF – whose timely rescue and prudent stewardship of the savings of every Fijian worker has received an important accolade from the global superannuation industry.

And it includes Fiji Airways, which this Government saved and has been returned to profitably with its state-of-the-art aircraft, flying higher, more frequently and very soon, further.

To add to that glittering stable – whose reputation we must do everything to cherish and protect – we now add our own national Bank, HFC, which is specifically tasked to serve our people by giving them better and more affordable access to finance.

We expect HFC to focus especially on making home ownership more affordable for ordinary Fijians. For too long, Fijians have had to pay too high interest rates for home financing. Yes, while interest rates may be lower than usual at the moment, we need consistency.

We need all stakeholders to realise that home ownership and construction grows an economy, creates jobs and provides security for ordinary families.

By having home ownership, we bring those outside the mainstream into the financial sector. We stop them from going to moneylenders. This is vitally important and the reason I announced a $10-million grant to ordinary people in the last budget to help them realise their dream to own their first home. All the CEOs of the banks have met with us and we hope to make an announcement on the release of this grant in the coming weeks .

My Government is also creating a revolution in the banking system – more competition to drive down bank charges and interest rates and drive up the level of service delivery. We have introduced new players in the market, new competition.

Soon, we’ll be implementing the National Switch, which will benefit every ordinary Fijian who conducts an electronic transaction.

I know that the CEOs of the banks have met with the Ministry of Communications and have agreed with its implementation.

This is good news because it will not only, in a very short period of time, reduce the cost of electronic transactions but increase their volume, encourage the unbanked to bank, and get more non-financial institutions which have high levels of monetary transactions such as i’TLTB to interact more directly with their customers. Of course, new banks entering the market such as HFC won’t have to expend their funds in capital infrastructure but rather focus on, as all banks should, competitive pricing and service delivery.

Starting a bank is no easy process. And I want to thank everyone who has had a hand in the immense task of getting this enterprise off the ground – the shareholders, the Board, Management and Staff. To all of you I say: Pursue a culture of excellence. Adhere to the highest standards of honesty, transparency and propriety. Always abide by the rules, the regulations that are there to ensure the highest standards of governance. And remember above all that you are there to serve our people – to provide them with the means to improve their lives and to create wealth for them and our beloved nation.

As I keep saying, these are exciting times to be Fijian – a time to be proud, a time to face the future with confidence.

I now have great pleasure in launching the Home Finance Company Bank and its corporate branding.

Vinaka vakalevu. Thank you.

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