

**KEYNOTE ADDRESS BY THE HONORABLE JOTHAM NAPAT, PRIME MINISTER OF THE REPUBLIC OF VANUATU,
AT THE 3RD RESERVE BANK OF VANUATU ECONOMIC SYMPOSIUM, LUGANVILLE, SANTO, SANMA
PROVINCE, JULY 2, 2025**

I am honored to be with you in Luganville this morning.

Let me first thank you for your presence here and the Reserve Bank of Vanuatu for organizing this event.

As you know, the Government plans to make Luganville an important economic hub that will have economic spill-over benefits, not only to SANMA Province itself, but to the provinces of TORBA, PENAMA and MALAMPA, which are in close proximity to SANMA. These provinces comprise a significant part of Vanuatu's landmass, people and resources, so the economic spill-over of this hub, stands to benefit the entire nation.

The Government has carried out a number of important projects in SANMA that will contribute to making this hub a reality. Upgrades to important infrastructures, such as the Pekoa Airport and the main wharf projects, have been undertaken and direct international flights to Pekoa Airport are now taking place.

Major road projects such as the East Santo Road Project, and within Luganville itself, have or are being carried out. And, the construction of the Vanuatu Climate Resilient Transport Project has now begun. Once completed, the Vanuatu Climate Resilient Transport project stands to bring significant economic benefits through supply response from the agriculture sector particularly.

But an important aspect of making SANMA an important economic hub lies in the development of its financial sector and the degree to which its people are able to participate in financial activity. As we know, an efficient and robust financial sector will lead to businesses to prosper and enable a faster private sector-led growth in Vanuatu.

In this regard, the theme of this symposium, "*An Enabling Environment for Digital & Green Finance for Inclusive Growth and Resilience*" helps us focus on making sure all our people are not excluded from economic development.

And, the groundbreaking ceremony on Monday this week, of the Reserve Bank's northern operations center in Luganville yesterday, will also contribute to making this important aspect of financial sector development, a reality in our northern region. Its operation will provide currency and banking services directly to the banks in Luganville that is going to boost confidence in the financial and business sectors in SANMA.

Financial inclusion means that all our people, irrespective of whether they live in a village or town; and businesses, whether big, or small, have access to and able to use financial services in Vanuatu that are safe with affordable prices.

Access to financial services and financial products such as a loans, deposits and money transfers, is a powerful driver for economic growth and prosperity in Vanuatu. Financial inclusion is important because it empowers people; it fosters economic growth; and, is therefore a powerful agent for promoting social equality among our people.

I therefore, compliment the Reserve Bank of Vanuatu for organizing this *3rd Reserve Bank of Vanuatu Economic Symposium in Luganville*. Forums like this provide an opportunity to consult the wider community for policies that affect their daily lives. I salute all your work in advancing the agenda of financial inclusion in Vanuatu, particularly, the Reserve Bank of Vanuatu, key regulators and statutory bodies, all financial services providers, non-Government Organizations, and development partners.

The findings of the 2024 **Demand-Side Survey** in Vanuatu, carried out by the Reserve Bank and its partners, showed that formal financial inclusion, or adults that have access to a bank account, increased from 47 percent in 2016 to 56 percent in 2024. This is a good development. However, financial exclusion has risen from 32 percent to 43 percent, while the use of informal financial mechanisms has declined. The findings must be the basis for appropriate policy formulation and interventions to bring those that have been left out to the formal financial system.

The Government recognizes that the agenda of financial inclusion must form an important component of an inclusive and sustainable development in Vanuatu.

We must all remain committed to address the remaining financial inclusion gaps in Vanuatu. This morning, the Reserve Bank of Vanuatu will be launching its second **National Financial Inclusion Strategy** which is aligned to Vanuatu's National Sustainable Development Plan. I take this opportunity to acknowledge the contributions of the United Nations Capital

Development Fund and its partners – the Government of Australia through the Department of Foreign Affairs and Trade (DFAT), the Government of New Zealand through the Ministry of Foreign Affairs and Trade (MFAT), and the European Commission in Assisting Reserve Bank of Vanuatu in developing the second *National Financial Inclusion Strategy* and *Digital Financial Services Regulatory Framework*. Furthermore, special recognition also goes to the Asian Development Bank in the development of the *Financial Consumer Protection Policy and Guidelines*.

These frameworks and guidelines will be launched in this 3rd RBV Economic Symposium and are testimonies to our commitment in addressing financial inclusion in Vanuatu. Therefore, I call on the Reserve Bank of Vanuatu to work closely with the Government, Financial Service Providers, and Development Partners in addressing financial inclusion gaps in Vanuatu. I commend the Reserve Bank of Vanuatu's partnerships through MOUs it has signed with key Government Ministries such as the Ministry of Trade, the Ministry of Education & Training and the Ministry of Agriculture, Livestock, Forestry and Biosecurity that will help mainstream financial inclusion in our development agenda.

I call on the financial institutions to continue to be responsive to the needs of the ni-Vanuatu women in gender-specific policies and products so that women can be financially empowered to further contribute to economic and social development in Vanuatu.

Similarly, we must continue to design policies that empower the youth, those with special needs and the elderly, to be able to engage in innovative and sustainable businesses.

We must include all sectors, particularly the rural areas and the agriculture sector that remained the least banked in Vanuatu, even though they provide for the livelihood of a large part of our population.

I thank you for participating in this important forum. Your participation helps us in the design of policies that will assist in creating a more prosperous outcome for the people of Vanuatu.

Excellencies,

Hon. Ministers, Members of Parliament;

Ladies and Gentlemen;

I now have the pleasure of declaring the 3rd RBV Economic Symposium in Luganville, officially OPEN.

I thank you all for your attention!