

# **BANK OF UGANDA**



**Remarks by Dr. Louis A. Kasekende**

**At a Cocktail held in his Honor for the renewal of  
his Contract as Deputy Governor**

**Friday February 27, 2015**

**The Permanent Secretary and Secretary to Treasury**

**The Governor and Mrs Mutebile**

**Members of the Board of Directors of the Bank of Uganda**

**The Deputy PS/ST and other Senior Officials of MFPED**

**Chairman UBA & CEOs of Financial Institutions**

**Senior Management and Colleagues at the Bank of Uganda**

**Ladies and Gentlemen**

Good evening,

In the words of a famous American businessman and writer, Max de Pree, *“the first responsibility of a leader is to define reality. The last is to say thank you. In between, the leader is a servant.”*

Allow me to start by thanking the almighty God for the gift of life, for my wife and family, and the people that I have been privileged to interact and work closely with, over the years within the Bank and in other jurisdictions. I thank God for enabling me complete the last five (5) years and the renewal of my assignment.

I want to thank H.E the President of the Republic of Uganda for the confidence and trust in my abilities to support the delivery

of a public good – *price stability and a sound financial system*. I thank the Hon Minister of Finance, the PS/ST, and the other technical colleagues at the Ministry of Finance, Planning and Economic Development, for the wise counsel and the good working relationship with the Bank. The existing mechanisms for policy coordination and information sharing are no doubt, a bedrock of the macroeconomic stability that Uganda has enjoyed over the last nearly three decades.

I see the renewal of my contract as a sign of the commendable performance of the Bank as an institution, and the teams that expend vast energies in lengthy technical discussions each day to realize our vision of becoming “***a centre of excellence in upholding macroeconomic stability***”. I thank the Members of the Board for the effective oversight over all the operations and policies of the Bank. I thank all staff of the Bank for the tremendous support and we should all share in this trust by the appointing authority and the success of our service. More importantly, the decision by the President speaks to the exemplary stewardship and leadership of Governor, Prof. Tumusiime-Mutebile. I believe I speak for all present here when I say, that we are such a privileged lot to have you, Prof Mutebile as our team leader. Governor Mutebile has successfully steered the Bank amidst many challenges including but not limited to – the shift in the monetary policy framework in 2011 at a time when there were renewed

questions from stakeholders about our values and our ability to execute our constitutional mandate.

Looking ahead, these may not be the easiest of times for Central Banks especially the Bank of Uganda. We have the debate as to whether we should focus on controlling inflation only (price stability) or include other objectives like boosting economic growth as part of the core mandate of the central Bank. The challenge of reducing the Bank's operating deficit remains, in spite of our recent efforts to rationalize our operating expenses. Further, there is the urgent need to resolve the quandary between operational independence of the central bank and the needs for recapitalization by the Ministry of Finance, Planning and Economic Development. In addition, we cannot be oblivious to the continued uncertainty around the global economic prospects and its impact on the domestic economy.

With regard to the financial sector; the increasing automation, expansion in terms of size, innovation of products and globalization, comes with higher risks. It places more demands on our regulation and supervisory capacity to ensure the continued safety, efficiency and reliability of systems, and the stability of the financial sector as a whole.

However, I am confident that we shall be up to the task if we fully implement the Bank of Uganda Strategic Plan (SP-2017) and continue to proactively deal with any new emerging challenges.

Let me leave all of you with a quote from the State of Union address by President Obama on Tuesday January 20, 2015.

*“...We are a strong tight knit family who has made it through some very, very hard times.....I still believe that together , we can do great things, even when the odds are long...*

*...If we’re going to have arguments, let’s have arguments—but let’s make them debates worthy of this body and worthy of this country.”*

I thank you all for listening to me.

For God and My Country!