

Address by

The Honourable Minister of Finance
Karen Nunez- Tesheira

Co-Operative Credit Union League of Trinidad and Tobago Ltd
Presidents' Meeting &
Launch of Developmental Initiatives 2008

Thursday 24th January 2008
Crowne Plaza Hotel
Wrightson Road, Port of Spain

The Honourable Fritzgerald Jeffrey, Minister of State in the
Ministry of Science, Technology and Tertiary Education;

Deputy Inspector of Central Bank – Ms. Wendy Hussein

Mr. Brian Moore, President, Co-operative Credit Union
League of Trinidad and Tobago;

Mr. Gary Cross- Vice President

Distinguished Guests;

Ladies and Gentlemen;

I would like to express my sincere thanks to the Co-
operative Credit Union League for inviting me to address
you on the launch of your Training and Development
Initiatives for 2008.

I am particularly encouraged at the priority that the Credit
Union Cooperative League has been giving to training and

development. This emphasis on training, particularly in the conduct of audits by supervisory staff and principles of corporate governance to members of Boards and credit committees speaks volumes for the commitment of the League to building a platform for a sustainable credit union sector.

I congratulate the Credit Union League for the enviable track record that it has established. From the most humble of beginnings, the credit union movement has evolved into a significant feature of Trinidad and Tobago's financial landscape.

The League now has over seventy constituent units throughout the country and comprises approximately 500,000 members with assets exceeding **\$4 Bn.**

The credit union movement has done a remarkable job of providing access to financial services to a wide cross-section of society and particularly to those sections of

society that had not been adequately served by the traditional financial and banking institutions.

Ladies and Gentlemen, Credit unions have been instrumental in mobilizing substantial financial resources which have helped to promote economic growth and diversification. Credit unions by their efforts have promoted the saving habit, supported the educational aspirations of its members and provided much needed financing for small business investment.

It has not always been easy and I must congratulate the League for having persevered and triumphed for over sixty years. This is testimony to the resilience of the sector.

Clearly, the movement's focus on Education and Training, Co-operation among Co-operatives, Voluntary and Open Membership, Concern for Community; and adherence to the principles of democracy have worked well for the movement.

I endorse fully the League's efforts to build a robust movement and in particular the establishment of the Credit Union Stabilization Fund, which was introduced in 1999 to ensure the security of members' shares and deposits. In so doing, the League is able to monitor the evolving risks among its members and provide preventative and curative assistance.

The Central Financing Facility, which was launched in 2002 allows member unions to reap the benefits of economies of scale in their investment portfolios.

Today's discussion on the theme "Building a Sustainable Credit Union Movement" is most timely and appropriate in light of the trend of increasing involvement by credit unions in non traditional activities.

I am heartened that the credit union movement as a whole recognizes the need for an appropriate regulatory framework and has demonstrated its commitment to

collaborate with Government in developing this framework in an ever expanding and sophisticated financial sector.

The financial marketplace is very competitive and continues to be even more even more so with the ongoing dismantling of barriers at the global level.

When compared with other financial institutions, one of your unique strengths is that your members share a common bond: they are either a part of the same association, or community; employed in the same firm or government agency; or perform similar tasks. You ought to leverage this strength, this comradery, to develop appropriate products and services. Moreover, this unique feature could also be used to lower your risk and operating cost.

There is also need to ensure that your managerial capacity is continuously upgraded as you move towards building a sustainable credit union movement.

Government considers that the credit union sector remains very relevant to the growth and development of Trinidad and Tobago.

In particular, Credit Unions in Trinidad and Tobago have the potential to play a very significant role in wealth creation.

The current buoyancy of the economy has been accompanied by significant expansion in consumer credit as people spend and borrow at high rates instead of making the financial decisions to ensure financial security.

I strongly urge the credit union sector to leverage its position to influence the financial decisions of its membership away from consumption to greater savings. There is need for even greater involvement of the sector in financial literacy programmes.

Furthermore, the Credit Union Movement ought to be proactive and examine the opportunities that the CSME will present and so position itself to reap the rewards of a burgeoning market.

The success of Trinidad and Tobago's thrust to becoming an International Financial Centre is predicated on the existence of a robust financial sector; one that inspires trust and confidence. The comprehensive reforms being undertaken in the financial services sector, including the credit union sector are intended to achieve this result.

Ladies and Gentlemen, it is clear that a collaborative approach is required in order to build a sustainable credit union movement. You can be assured that Government is doing its part to create a supportive regulatory framework to ensure credit union longevity.

Once again I thank the Credit Union Cooperative League for giving me the opportunity to address you. I wish you all

the best in your endeavours as we work together towards
‘Building a sustainable Credit Union Movement.’

Thank You