



The CBUAE outlines key policy responses to encourage post pandemic recovery of emerging market economies

Abu Dhabi (10 September 2020): The Governor of the Central Bank of the UAE H.E. Abdulhamid M. Saeed Alahmadi participated as a lead speaker at the Meeting of Governors from Major Emerging Market Economies organized by the Bank for International Settlements, which was held on September 9, 2020 via video conference. The meeting was attended by Governors from across the globe to discuss policy response and medium term challenges arising from the Covid-19 pandemic in emerging markets.

His Excellency Alahmadi opened his speech highlighting the important role of central banks in mitigating the repercussions of the crisis in economies and underlined the structural trends in the banking and financial industry accentuated by the present crisis, especially the importance of further digitalization and the delivery of financial services through new channels. His Excellency also highlighted while capitalizing on the benefits of the digitalization, countries in emerging markets also need to address financial inclusion and ensure that traditional banking channels remain available for people of determination and elderly people.

His Excellency discussed that central banks in emerging markets need to think strategically about the adequacy of their power to address crises such as COVID-19 pandemic. Policy space may be more restricted in emerging markets, which calls for a close policy coordination between fiscal and monetary authorities.

An additional discussion point included the broader issue of exiting from the temporary regulatory relief measures developed to support the economy during the pandemic. Once economies are in a position to recover, central banks need to act in a careful and phased manner, in order to avoid a sharp deterioration of credit supply.

Lastly, H.E. Governor closed his statement indicating that as a regulator, monitoring credit quality and provisioning international best practices shall remain the focus of central banks yet thriving for innovation to continue to promote financial stability and protect the economy.

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