

Opening Remarks

JAIME CARUANA: Welcome all of you to the BIS on the occasion of the Per Jacobsson Lecture. And it is a particular pleasure to welcome Dr. Reddy back to Basel, where he has so many friends. As you know, Dr. Reddy has a long record dedicated to public service. As a senior official in the Ministry of Finance he took a leading part in the liberalization of the Indian economy that began in the early 1990s. And in later years as Governor of the Reserve Bank, he did much to ensure that the Indian banks avoided these precrisis excesses. And therefore, he knows very well from personal experience how difficult it is to constrain this process, and he showed really great fortitude during this difficult period and under heavy pressure. So after the excellent Per Jacobsson Lecture last year with Andrew Crockett, I think this year we have also an excellent panelist, an excellent presenter.

So before giving the floor to Guillermo Ortiz, I just wanted to give you a few words about practical arrangements. You will note that we are videotaping the proceedings of this morning. The Per Jacobsson Lecture is a semipublic event. The lecture itself will be put on the BIS public website immediately following delivery. Copies of the text will be available when you leave the room, and I understand that the Per Jacobsson Foundation normally publishes at a later stage the question-and-answer (Q&A) portion of the session without identifying who asks the questions. The videotape of the Q&A will be for internal purposes and certainly will not have any kind of distribution.

And with that and welcoming you again, I ask Guillermo to take over. Thank you.

GUILLERMO ORTIZ: Good morning. I'm Guillermo Ortiz, the Chairman of the Per Jacobsson Foundation. Kate Langdon is with us, also, who is the Vice President and Secretary of the Per Jacobsson Foundation. She's also with the IMF.

So it's a great pleasure to welcome you to this year's Per Jacobsson Lecture. And I have today the distinguished honor of complementing Jaime's presentation of Yaga Venugopal Reddy as the speaker for this occasion with a lecture entitled "Society, Economic Policies, and the Financial Sector." He is without

a doubt an authority on the subject, and I'm sure his talk will be as inspiring and thoughtful as his professional trajectory has been. And indeed, as most of you know, he has led an exemplary career dedicated to public service.

Dr. Reddy served for five years as governor of the Reserve Bank of India. And as Jaime mentioned, in his position, I think he played a key role in directing India's financial development and regulating the financial sector in a prudential and thoughtful manner, which doubtless contributed to the country's strengthening of the macro policy framework and was instrumental in actually driving India through the recent crisis. It's not an overstatement to say that Dr. Reddy's contribution to his country's economic development has been vital in the strong performance of India as exhibited over the last two decades.

Dr. Reddy has also been a chairman of the Bank for International Settlements' Asian Consultative Council; Executive Director for India at the IMF; chairperson of SAARCFINANCE, a group of governors of the central banks of the South Asian Association for Regional Cooperation; and an advisor to the World Bank. Dr. Reddy has also held key positions in the Indian government, both at the state and central levels. He served as Secretary for Banking in the Ministry of Finance, Additional Secretary in the Ministry of Commerce, Joint Secretary in the Ministry of Finance in the government of India, and Principal Secretary in the government of Andhra Pradesh.

In academia, Dr. Reddy's contribution has also been noteworthy. Beyond his publications in the area of finance, he has taught in important universities and research centers. I will skip the rest of his academic background. Let me just say that I had the distinct pleasure of interacting very frequently with Dr. Reddy as former governor of the Bank of India, including in Mumbai and in Mexico City. And I consider him an exemplary central banker and also a very good friend.

So welcome, and we are here to listen to you now.