



Financial Services Commission
Mauritius

Promoting Financial Literacy & Young Talent Competition

Award Ceremony

19th June 2013

Speech of Ms. Clairette Ah-Hen, Chief Executive, Financial Services Commission

Mr Marc Hein, Chairperson of the FSC and FSC Board Members,
Members of Jury Panel: Mr. Jean-Yves Violette, Mr. André Chung, Mr. Steeve Yue, Mrs. Aisha Allee-Mosaheb, Mr. Prakash Seewoosunkur and Mr. Amit Ramjeet.
Students - Finalists,
Distinguished Guests,
Ladies and Gentlemen,

I wish you all a very Good Morning!

It is indeed a pleasure to see all of you here today, especially so many young people who took part in our second edition of the Young Talent Competition (YTC) 2013. YTC promotes financial literacy.

“Financial literacy is the ability to understand how money works in the world: how someone manages to earn or make it, how that person manages it, how he/she invests it (turn it into more) and how that person donates it to help others. More specifically, it refers to the set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources.”

http://en.wikipedia.org/wiki/Financial_literacy

This award ceremony is a testimony of how our young talents here understand the importance of financial literacy. The theme this year ‘*How will the Mauritius Insurance Industry look in 2020?*’ was not an easy one. Whilst last year’s topic “*Sustaining the development of the financial services in Mauritius*” was probably more accessible, there was a clear reason behind our decision to narrow it down to the insurance sector this year. The launch of the YTC on 1 December 2011 coincided with the tenth anniversary of the creation of the FSC. Our aim was to encourage the young to consider financial services as an opportunity for economic growth and to make enquiries so as to better understand how financial products and services are used on a daily basis to meet the needs of

businesses and individuals. For 2013, we wanted a more targeted approach; we wanted our younger generation to project themselves into the future and consider a sector which has shown resilience, worldwide, during the financial crisis and which is essential in risk management – that is Insurance.

The Financial Services sector is one of the rare continuously growing sectors of our economy. Insurance, private pension schemes, securities (more widely known as investments and capital markets), to name a few of the non-banking financial services products and the global business sector (which is more specific to Mauritius) together create employment opportunities for dynamic, creative and hard-working people.

Some of you from the tertiary level, University Students, will be faced with the prospect of finding a job soon, so the financial services sector may be of interest to you already. For those who are at secondary level, attending secondary schools, you still have a few years before being confronted with this choice but that doesn't mean you are not connected to financial services already. And I am happy that you have decided to make that connection with the FSC.

Just as the Web inventor Tim Berners-Lee, who helped found, the World Wide Web Consortium ([W3C](http://www.w3.org/)) said: "*The World Wide Web is the universe of network-accessible information, an embodiment of human knowledge.*" Likewise, financial services is a web of interconnected and interdependent players – the operators, users, intermediaries, beneficiaries and regulators. Financial services encompass a broad range of organisations, companies, funds, governments that manage money.

Developing the financial services sector in Mauritius requires the participation of all – the operators – insurer, professionals – lawyers, accountants, actuaries, the media - press, teachers, parents and students - the future generation - and also the regulator, the FSC.

For us at the FSC, the Risk / Return is part of the investment equation that everyone should understand and learn how to balance:-

- Sometimes, you can afford to take all the risks and if you succeed, get all the benefits.
- Sometimes you cannot afford any risk taking and need to pass on these risks to others and therefore get no benefits at all.
- Sometimes it is possible to share these risks and keep only what you can afford and therefore get a share of some of the benefits.

Each benefits according to his/her risk appetite or risk taken. This is what insurance does - "*Insurance is the equitable transfer of the risk of a loss, from one entity to another in exchange for payment.*" <http://en.wikipedia.org/wiki/insurance>

There is an element of risk in every investment and there is no guarantee. If a deal looks too good to be true, then it is too good to be true. For this reason, the FSC keeps reiterating to all that returns as well as risks are involved when dealing with investments and financial services products.

Another advice which we give at the FSC – *‘don’t be afraid to ask questions’*.

There is no such thing as a stupid question; what is really stupid is not asking; what is really dumb is putting on a ‘know-all’ appearance.

Again, do not be ashamed to ask if you need help to understand a financial product and pass on this message to everyone around you.

The FSC as the regulator for non-banking financial services is very aware of the need to have financial consumer education. This is why we have financial consumer roadshows, outreach campaigns in financial education for the Mauritian public. We started with youngsters like yourselves, then at the end of last year 2012, the general public and this year 2013, the senior citizens, welfare officers, officers of citizen advice bureaus (CABs), NGOs, etc.... The fact still remains that the financial services education is not a job solely to be done by the FSC.

Everyone present here, today, are finalists of our competition, so I have no doubt in mind that you have an understanding of the financial services sector, at least - broadly - of the insurance sector. It is your role to carry on sending the message out there – as young ambassadors of the financial services and future decision-makers.

On this note, please allow me to congratulate all of you for your participation. Let me wish you “best of luck”. From what I have heard so far, it was indeed a tough decision.

I will take this opportunity to also thank all jury members and participants for their contribution and dedication in making this event a success.

Thank you.