

Remarks by Deputy Chairman at TDC Listing Ceremony, Thursday 26 June, 2003

Thank you Mr Chairman. General Manager of the Securities Exchange Mr Baljit Vohra, Mr Michael Morton, Chairman and CEO of TDC, Directors and Staff, Fellow Commissioners, Staff of the ECCB and ECSE, Sir Cecil Jacobs, Distinguished Ladies and Gentlemen.

It is my distinct pleasure to be part of this morning's ceremony to mark the listing of TDC's shares on the Eastern Caribbean Securities Exchange.

In today's world of rapid change, one has to be in constant search for alternatives to the status quo. The St Kitts Nevis Anguilla Trading and Development Company ([TDC](#)) could so easily have established itself in the old family tradition, which as we all know is hardly sustainable in modern times beyond a generation or two. But, born out of foresight and enlightened leadership, and now at 30, entering the age of maturity, the company is suitably placed to move up the ladder to a new platform by listing on the Securities Exchange. In so doing, it is venturing outside of its comfort zone in order to add value to its operations.

Those of you who have shares in the company will begin to know the value of those shares on an ongoing basis. You now have a mechanism for trading of those shares and the company is afforded another avenue for raising of capital to expand its operations.

The question you may be posing to yourselves is, what is the role of the Eastern Caribbean Securities Regulatory Commission in all of this. The ECSRC, or simply the Commission as it is often called, is the body that has responsibility for performing the regulatory function. It comprises five commissioners and is mandated to regulate the Eastern Caribbean Securities Exchange and all other participants in the market. These would include other stock exchanges if and when established, depositories, broker dealers, investment advisers, mutual funds and public holding companies under the Eastern Caribbean Securities Act (2001). The key functions of the Commission include, inter alia:

- (i) The licensing, supervision and monitoring of activities of all persons engaged in the securities industry.
- (ii) Ensuring that the Securities Act is complied with.
- (iii) Setting standards for those engaged in the Securities Industry.
- (iv) Promoting investor protection and ensuring integrity among licensed participants.

The Commission's capacity to perform its regulatory and supervisory function is facilitated by a Memorandum of Understanding between the Central Bank and the Commission. Under this arrangement, the Commission has access to a dedicated pool of professional resources, which reside in the Bank Supervision Department of the Bank. In performing this critical regulatory function, the Commission would, in light of an ever-changing business environment be expected to recommend changes

to existing legislation, and to implement new practices that will serve to enhance the integrity of the region's financial system. The Commission will also strive to meet international benchmark standards laid down by other leading regulatory type institutions, such as the International Organization of Securities Commissions ([IOSCO](#)).

In reading through the Research Report on TDC, my attention was drawn to the following and I quote.

"Recent years have witnessed the establishment of better organized and better capitalized competitors, including some from outside of our region. These and other factors have resulted in some erosion of the group's share of the market for its core trading business. But management has responded through marketing initiatives, technological innovation, and expense controls to pave the way for a new era of improved performance."

That statement has led me to the conclusion that here is a company which is prepared to face up to the realities of the twenty-first century. A couple of examples would more graphically emphasize the point I wish to make. For a time when Apple Computer got an early start in micro computer business, IBM quickly reversed Apple's lead when it threw its worldwide distribution might behind the PC. But in a world of discontinuous change, a company that misses a critical bend in the road may never catch up again, as is demonstrated by this next example. Between 1994 and 1997 the number of mobile phones sold each year exploded from 26 million to nearly 300 million. At the same time the technology changed from analog to digital. Motorola, the world leader in the cellular telephone business until 1997, missed the shift to digital by just a year or two. In that window of opportunity Nokia, a hitherto unknown company became the world's new number one.

A decade earlier, Nokia had been making snow tyres and rubber boots. Suddenly it became one of Europe's fastest growing high tech companies. Similarly Nike learnt a painful lesson about the attention span of 14 year olds. They were no longer badgering their parents to lay down US\$100 for a pair of Air Jordans. To them Michael Jordan was just an old guy leading a second rate basketball team. But Nike's sales could receive a new boost with all the publicity surrounding the transfer of their celebrity, David Beckham from Manchester United to Real Madrid. The statement I read earlier, suggests to me an awareness by TDC that in the contemporary business environment there is no room for complacency. One constantly has to be on the look out for improved performance.

In somewhat unobtrusive fashion the Bank has been busily engaged in putting in place a financial infrastructure and a platform on which growth and development could be based. And with the deepening of this financial landscape, we have the opportunity to be more closely integrated into the world financial system. This is a process from which the dividends to be realized are largely dependent on the response of the private sector. We can only be facilitative; it is incumbent on the business sector to take advantage of the opportunities offered. While our cultures may not permit us to be as intrusive as a Lee Kuan Yew's Singapore where young men are persuaded to marry women as well educated as themselves, (or it may be the case of young women being persuaded to select a spouse from among those who are as well educated as themselves) in order to build the ideal society, our development path rests nevertheless, very firmly in our hands.

The Eastern Caribbean Securities Regulatory Commission is mindful of the onerous responsibility that has been thrust upon it, and is fully committed to working in tandem with all the critical players in the industry to ensure the integrity of the markets that have been placed under its control.

TDC has shown itself to be an enlightened corporate entity, with a clear vision for the future. It must continue to be vigilant in order to ensure it does not miss any critical bends along the road that lies ahead. I congratulate them on their achievements over the past 30 years and on the significant milestone they have reached today.

I wish the company continued success for the future.