



**WELCOME ADDRESS BY PRESIDENT OF GSIA
(Mr. Emmanuel Alex Asiedu)**

Distinguished ladies and gentleman, on behalf of the Governing Council of the Ghana Securities Industry Association (GSIA) I welcome you to the 3rd annual capital Markets Week. The theme for this year's series of events is **'The Role of good corporate governance in the transformation of Ghana's capital markets'**. Before I go on however, I would like to say a heartfelt thank you to our immediate past president, Reginald France, who put in all the legwork to get the GSIA to this point. Reggie Ayekoo!!

A few years ago, someone I know in the investment industry got an interesting offer from the Treasurer of a bank. He was to channel client assets to the bank for a fee that would come directly to him – business promotion – the Treasurer called it. This was an offer to line his pockets at the expense of his clients. He refused, and the bank has since collapsed. Fortunately, his firm did not have a cedi invested in it. Sticking to proper governance standards probably cost him some ill-gotten personal wealth in the short-run but saved his clients their money in the long-run.

This is not a far-fetched tale. Sadly, it is our 'new normal'. Across the capital market and the financial services industry, we have become mired in poor governance practices that promote the self and (occasionally our firms) at the expense of the client and the overall collective. There is a tall list of reasons why the capital market has been underwhelming at creating positive wealth outcomes for Ghanaians and poor corporate governance ranks high on that list. Corporate governance is not the only fuel that feeds capital market and broad economic growth. Yet it plays an important role in shaping behaviour and fostering trust – and financial markets thrive on trust. Bad corporate governance may lead to immediate gain for a few people while creating widespread pain in the long run. A sorry statistic illustrates the point; it will cost us more in cedi terms to clear up the rot in the banking sector than we borrowed from the IMF over a 3-year period. And it might cost us even more in foregone earnings through lost jobs and its ripple effects on the broad economy.

The securities industry may be the understated sibling of the banking sector but given its role and increasing scale it desperately needs better governance. It is a 192-firm industry that also includes the Ghana Stock Exchange and the 41 firms that are listed on it. Investor assets under management, in particular, have increased by 48% per annum over the last 5 years creating a Ghs 40 billion juggernaut that could, without adequate governance structures, create systemic chaos. In comparison banking assets, currently Ghs 104 billion, have grown by 19% annually over the same period.

The GSIA has applied for self-regulatory status from the Securities and Exchange Commission, a measure that will hopefully allow us to curb some of our own excesses. Setting ourselves on the path of proper corporate governance however, begins with the basics and involves putting others first ahead of ourselves. It also involves operating within a system of company structures and broad regulations that are seen to be enforced.

We hope that this seminar will deepen the debate on governance and how it can fuel capital market growth. And we hope that at the end of it all we will be able to walk the talk and be, each one of us, agents of the change we want to see in our industry and the country as a whole. Welcome once again.