



NATIONAL BANK OF CAMBODIA

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**Remarks by**

**His Excellency Chea Chanto, Governor of the National Bank of Cambodia  
at 7<sup>th</sup> China-ASEAN on Financial Cooperation and Development Leaders Forum  
Nanning, 19<sup>th</sup> September 2015**

- Mr. Tang Renjian, Vice Chairman of Government of Guangxi Zhuang Autonomous Region
- Mr. Director/Deputy Director of Financial Markets Department of The People's Bank of China
- Mr. Song Yuqin, Vice General Manager of Shanghai Gold Market

It is a great pleasure and honor for me to participate in the 7<sup>th</sup> China-ASEAN Financial Cooperation and Development Leaders Forum held on the occasion of the 12<sup>th</sup> China-ASEAN Expo. I would like to express my deep appreciation to Shanghai Gold Exchange for inviting me to these events, which provided an excellent opportunity to exchange views and experiences on today's important theme. It is also a great opportunity to further enhance the cooperation between China and ASEAN on regional trade and financial sector development.

Let me take this opportunity to share how much Cambodia has worked hard to genuinely contribute to the economic and financial integration of the region in the context of ASEAN integration with the purpose of establishing the ASEAN Economic Community (AEC) at the end of this year, ASEAN+3 as well as the China-ASEAN group.

**Excellencies, Ladies and Gentlemen,**

Cambodia is a young economy that has been developing on the basis of a free and open market scheme since the early 1990s. Over the last two decades, Cambodia has experienced robust economic growth, averaging at around 8%, and rapid poverty reduction of more than 1% per annum. These achievements have been supported by both political and economic stability, and the government's strong reform momentum to achieve sustainable and inclusive growth. Macroeconomic stability has been preserved, as reflected by the low and manageable inflation rate, averaging 4% and the stability of the exchange rate. These foster an enabling environment for a favorable business climate, thereby enhancing investors' confidence and promoting regional integration.

In addition, the banking sector has steadily developed. It has been resilient, stable, and integrated within regional and global markets. Its sound development is crucial to the growth of economic activities and diversification, especially financial integration in the region. Credit has steadily increased and has benefited various sectors of the economy. With this healthy financial intermediation, the National Bank of Cambodia has been promoting financial inclusion while also ensuring financial stability. These are priorities and milestones of ASEAN financial integration. This is reflected through the substantial growth in the number of adults using financial services, which is now at around 46% compared to 7% a decade ago. These improvements have significantly contributed to enhancing regional banking integration.

As a member of ASEAN, Cambodia has constantly promoted China-ASEAN trade and financial cooperation. The bilateral trade between Cambodia and China has substantially increased during the last decade, from only USD 1.4 billion to USD 6.5 billion in 2014, which makes China the number one importer to Cambodia. As for foreign direct investment, China is also number one with the amount USD 4 billion, increased from USD 429 million. China has invested in many sectors, especially in garment, hydropower, and the banking and agriculture sector. Chinese tourists are ranked number 2<sup>nd</sup> to visit Cambodia.

### **Excellencies, Ladies and Gentlemen,**

Cambodia is aware that openness to the world economy, and also to ASEAN economies, involves a certain number of risks: 1/- economic risks on exports and imports that depend on the economic health of partner countries and on international trends in global prices and 2/- financial risks due to the interconnectedness of the country with the financial health of other countries and with the variations of volatility.

Higher and better regulation, increased coordination between regulators of partner countries, and a large common commitment in safeguarding financial stability are all necessary to allow harmonious and sustainable growth. I know that these are all objectives that are core elements of the ASEAN Economic Community, particularly the financial integration framework. With the support of our ASEAN partners, I am confident in achieving of our goals for the benefit, wealth and well-being of all our economies and our people. Cambodia is committed with ASEAN members to further promote the China-ASEAN cooperation, especially on trade and financial sector development for mutual interests.

Let me conclude by wishing all of you good health, happiness and great success in all endeavors in the coming years.

**Thank you for your attention!**