

Regional conference on Microfinance in Kampot province on October 27, 2006

RESS RELEASE

The National Bank of Cambodia is honored to inform the general public that the Regional conference on Microfinance took place in Kampot province on October 27, 2006, and was presided over by H.E. Chea Chanto, the governor of the National Bank of Cambodia.

Participants in the Regional Conference from:

- Representatives of the Royal Government of Cambodia;
- Representatives from various national and international organizations;
- Representatives from various banking and financial institutions;
- Microfinance operators, rural microfinance customers and small and medium enterprises,

Actively discussed and shared their experiences and successes in the field.

In his opening remarks, the National Bank of Cambodia governor expressed his appreciation of stakeholders who have actively contributed to the development and the strength of microfinance in Cambodia, which up to now has shown remarkable progress. The Governor reiterated the speech of Samdech Prime Minister who declared the year 2006 as the Year of Microfinance of Cambodia. The Regional conference participants expressed their enthusiasm and appreciation for this important declaration.

The Regional Conference had been processed with the discussions and exchange experiences in this field participants from representatives of the authorities in charge of rural credit policy, national and international organizations, microfinance operators from several provinces, the microfinance association, and beneficiaries of microfinance services.

The subjects of the discussions included:

- The role of the National Bank of Cambodia in Rural Finance
- The role of microfinance in Economic Development
- Interest Rates: Are MFI Interest Rates high?
- Savings Mobilization and Risk Protection
- SME Access to Financing in the Context of the Government Policy, and
- Micro-entrepreneurship.

The Regional Conference applauded the great achievements in the microfinance sector in Cambodia over the last few years that have contributed to the RGC's policy of poverty alleviation and raise the living standard of rural families.

The Regional Conference focused on the necessity of National Bank of Cambodia role in of strengthening the supervisory supervising microfinance institutions through the issuance of regulation oversight, and an establishment of a conducive environment to enable the microfinance sector to further expand its outreach countrywide and to diversify microfinance services.

The Regional Conference praised and encouraged government institutions, non-government organizations, and international organizations and other donors that have contributed to the development of microfinance in Cambodia, especially by giving support in the form of financial resources, technical assistance and training.

The Regional Conference applauded and supported the policy of the Royal Government of Cambodia with regard to the development of the microfinance sector and small and medium enterprises, which is an important component of the economy, by constructing and rehabilitating roads, irrigation system as well as improving the modernization of the agricultural sector and creating a safe and secure environment everywhere.

The Regional Conference also discussed and sought ways to further and means to facilitate and increase the rural poor's access to microfinance services, including credit and deposit facilities. The conference also succeed to find any measure to protect risk of savings

The Regional Conference discussed ways to further reduce the interest rates that have already been brought down somewhat by encouraging the expansion of microfinance services and promoting competition in this sector.

The National Bank of Cambodia expressed its sincere thanks to all institutions, organizations and all participants for their active contributions and cooperation in bringing success to this Regional Conference.

Phnom Penh, May 3, 2006