



## Press Release

### Conference on “Credit Guarantee Schemes’ Potential to Strengthen SME’s Financial Inclusion in Cambodia”

**Phnom Penh, 18 August 2022:** Ministry of Economy and Finance (MEF) and Credit Guarantee Corporation of Cambodia (CGCC) co-organized a “**Conference on Credit Guarantee Schemes’ Potential to Strengthen SME’s Financial Inclusion in Cambodia**” presided over by **H.E. Ros Seilava**, Secretary of State, Ministry of Economy and Finance, and Chairman of CGCC, and **H.E. Dr. Chea Serey**, Assistant Governor and Director General of Central Banking, National Bank of Cambodia, with the participation of representatives from the Government, development partners, financial institutions, business associations, and business owners, especially SMEs, of more than 100 participants. The Conference aims to discuss using credit guarantees to strengthen SME’s financial inclusion, raise awareness of credit guarantees, and share experiences and lessons learned from guaranteed loan disbursements.

**H.E. Ros Seilava**, Secretary of State, highly appreciated today’s Conference, which is an important forum to raise awareness of the credit guarantees through the discussion and experience sharing among related stakeholders. **H.E. Secretary of State** said, *“The Government launched the public credit guarantee scheme by establishing CGCC more than one year ago. As of July 2022, CGCC has supported the disbursement of about \$57 million new loans with credit guarantees to businesses that lack collateral through the Participating Financial Institutions (PFIs). Even though this \$57 million is a small amount, it is the starting of new lending practices that do not rely on collateral in Cambodia’s credit market.”*

**H.E. Dr. Chea Serey** mentioned in her keynote address the contribution of the National Bank of Cambodia (NBC) as the regulator who plays a critical role in supervising the banking sector. **H.E. Dr. Chea Serey** said, *“Understanding the importance of SMEs in the economy and their challenges in access to finance to the banking and financial institutions, the Government decided to establish the credit guarantees to support SMEs that lack collateral. CGCC’s credit guarantee is a good policy tool; however, SMEs should not remain laissez-faire. SMEs shall continue to improve their capacity, i.e., by leveraging technology.”*

**Mr. Wong Keet Loong**, Chief Executive Officer of CGCC, expressed his gratitude to the Royal Government of Cambodia, who, through the Ministry of Economy and Finance, has always provided strategic guidance to CGCC to expand the credit guarantees to support the Government’s financing policy. **Mr. Wong** said, *“As of the start of Q3 2022, CGCC has expanded its guaranteed coverages to all over the country, even in the remote provinces, thanks to the vast branch networks of CGCC’s PFIs across the country. However, more still needs to be done to improve financial inclusion for different groups of businesses in other parts of the country.”*

During the conference, the representatives from CGCC’s PFIs, Canadia Bank and Sathapana Bank, shared common views on the importance of credit guarantees in supporting banks to disburse more loans to businesses, especially businesses that lack collateral. The banks’ representatives also shared their lending strategies with credit guarantees.

Two SME borrowers were invited to share their practical experiences in access to guaranteed loans with CGCC's PFIs. Credit guarantees helped both business owners who did not have collateral to get loans for their business's operations.

Moreover, representatives from relevant stakeholders, including the Government (a representative from the MEF), the regulator (a representative from NBC), the lender (a representative from Maybank Cambodia), the business owners (a representative from the Young Entrepreneurs Associations of Cambodia) and the credit guarantee institution (a representative from CGCC) joined the panel discussion on **"Roles of Credit Guarantee in Banking and Business Sector Development."** The panelists discussed the challenges, solutions, and recommendations to improve the effectiveness of using credit guarantees to support business sector development, especially the SMEs, which are the backbone of the economy.

CGCC provides credit guarantees on business loans disbursed by banks and microfinance institutions to support potential businesses that lack collateral. CGCC serves the Government's policy to improve financial inclusion and develop SMEs in Cambodia. For more information, please contact CGCC via 023 722 123 or 016 242 033 or visit CGCC at [www.cgcc.com.kh](http://www.cgcc.com.kh). Thank you.

*Phnom Penh, Thursday, 18 August 2022*