



PRESS RELEASE

**Signing Ceremony on MOU Between CGCC and Cambodia Rice Federation
and Rice Export Guarantee Scheme Agreement Between
CGCC and Participating Financial Institutions**

On 10 May 2024, at the Business Development Center, Credit Guarantee Corporation of Cambodia (CGCC) organized a Signing Ceremony on the “Memorandum of Understanding (MOU) between CGCC and Cambodia Rice Federation (CRF) and the “Portfolio Guarantee Agreement on Rice Export Guarantee Scheme” between CGCC and Participating Financial Institutions ” presided over by **H.E. Ros Seilava**, Secretary of State of the Ministry of Economy and Finance (MEF), with the presence of the Board of Directors of the CGCC, the management and members of CRF, the management and staff of the PFIs and CGCC, a total of more than 70 people.

The ceremony was held to seal the official cooperation between CGCC, CRF, and PFIs on the Rice Export Guarantee Scheme (REGS), which aims to increase the productivity and competitiveness of Cambodia’s rice industry and boost rice exports in line with the Royal Government of Cambodia's policy on agriculture.

After receiving high approval from His Excellency Deputy Prime Minister, Minister of Economy and Finance, CGCC launched the USD 30 Million REGS as a Portfolio Guarantee Scheme (PGS), having 7 financial institutions participating in this scheme, including AMK Microfinance Institution, Canadia Bank, Foreign Trade Bank of Cambodia (FTB), Maybank (Cambodia), Prince Bank, Sathapana Bank, and Wing Bank. (Cambodia).

H.E. Ros Seilava, Secretary of State of MEF mentioned that *“The launch of the USD 30 million REGS project is a reflection of the Royal Government's strong commitment to support Cambodian rice production and rice exports through the public credit guarantee scheme, of which CGCC is the operator, by providing guarantee coverage of 80% on the maximum loan of up to USD 3 million. The REGS will support the financing need of rice exporters and rice millers to purchase paddy from farmers to produce rice for exports in line with the Royal Government of Cambodia's policy to increase rice production and exports.”*

Oknha Chan Sokheang, President of CRF said *“Today's signing ceremony is a further symbol of the readiness process to further enhance the rice sector through private-to-private and private-sector cooperation with the Government. The first phase of the rice credit guarantee package will now help millers expand their scope to stockpile rice for milling, processing, exporting, and increasing local value-added products derived from its by-products milling all rice to other sectors such as aquaculture, livestock farming, etc. The guarantee package is also an additional catalyst for the implementation of the rice production policy and export of 1 million tons per year set by the Royal Government, and we believe that this plan will be achieved in the up-coming 2025.”*



Mr. Wong Keet Loong, CEO of CGCC said *“CGCC is launching a new guarantee scheme, the Rice Export Guarantee Scheme (REGS) amounting to USD30mil to support working capital loans for rice millers to produce rice for exports. Seven Financial Institutions have committed to provide the guaranteed loans to enable the rice millers to have more capacity to export rice. The scheme comes with special features eg. lower guarantee fees, higher guarantee cover and loan interest rate not exceeding 11% pa. We are supporting the aspirations of the Royal Government of Cambodia to export 1mil ton of rice by 2025. This is our first tranche for the scheme and will request to increase the scheme size if there are higher demands for the guarantees.”*

CGCC launched REGS to accommodate financing needs and address the challenges of rice exporters and millers facing a lack of collateral to pledge loans to financial institutions, especially during the harvest season. Rice exporters and millers who are active members of CRF and who need financing for working capital and business expansion, especially for the purchase of processed paddy rice to export rice, can contact CRF to obtain facilitation of access to this financing.

CGCC is a state-owned enterprise under the financial and technical guidance of the Ministry of Economy and Finance with a main mission to provide credit guarantees to improve financial inclusion and support the development of small and medium enterprises.

Phnom Penh, 10 May 2024

CREDIT GUARANTEE CORPORATION OF CAMBODIA



WONG KEET LOONG