



## Opening Remarks

By

**H.E. Chea Chanto, Governor of the National Bank of Cambodia**  
**5<sup>th</sup> SEACEN-CCBS/BOE Advanced Course on Macroeconomic and**  
**Monetary Policy Management**

**Siem Reap, 19 March 2012**



- H.E. Dr. Yuba Raj Khatiwada, Governor of Nepal Rastra Bank,
- Dr. A.G. Karunasena, Executive Director, the SEACEN Centre,
- Ms. Gill Hammond, Director, Centre for Central Banking Study, Bank of England,
- Distinguished Resource Speakers,
- All Delegates, Ladies and Gentlemen,

Good morning!

Today on behalf of the National Bank of Cambodia I am very honored and pleased to be the host of the Advanced Course on Macroeconomic and Monetary Policy Management, in collaboration with the SEACEN Centre and the Centre for Central Banking Study of the Bank of England from 18 to 24 March 2012 in Siem Reap Province.

Firstly, I would like to warmly welcome our guests and honorable speakers in Cambodia and especially in the Ancient Angkor City in Siem Reap Province: H.E. Dr. Yuba Raj Khatiwada, Governor of Nepal Rastra Bank, Dr. Karunasena, Executive Director of the SEACEN Centre, Ms. Gill Hammond, Director of the Centre for Central Banking Study of the Bank of England, Professor Dr. Peter Sinclair from the University of Birmingham, Dr. Ole Rummel and Mr. Garreth Rule from the Bank of England, Dr. Victor Pontines from the SEACEN Centre, and all SEACEN staffs as well as all delegates from their respective Central Banks and Monetary Authorities.

I would like also to express my sincere gratitude to the SEACEN Centre and to the Centre for Central Banking Study of the Bank of England for making this course possible and for providing excellent opportunities for SEACEN Member Central Banks, not only to improve technical skills, but also to exchange knowledge and experiences of the recent global economic and financial developments and on the current and future challenges to monetary policy in emerging market economies.

It will be an excellent opportunity to discuss the implications for SEACEN Member Countries as well as the steps forward in formulating and managing policies to maintain dual stability in prices and financial markets.

### **Excellency, Distinguished Speakers, Delegates, Ladies and Gentlemen,**

As a forward, let me share with some views regarding the last developments in global economic landscape and the main lessons that SEACEN Member Countries have already learnt. Indeed, this one week course takes place in a very challenging period. All Member Countries have to sustain economic growth, to upgrade the regional integration and to continue their efforts for developing their own economy, whereas the environment is rather hostile and the European debt crisis is still overwhelming international markets.

The crisis has dramatically changed the macroeconomic situation, particularly in advanced economies, reducing the growth, expanding public debts, reducing fiscal spaces, impacting monetary policy operations and creating banking fragilities, which pose new challenges both to emerging and developing economies, especially in our region.

Key policy lessons from these developments notably are 1) a sufficient fiscal space is needed in order to cope with vulnerabilities to external shocks – it means greater fiscal prudence, 2) price stability and financial stability are strongly connected – it implies better coordination between monetary policy and macro-prudential policy, and 3) financial liberalization and integration crucial for domestic financial development and growth – it demands more financial liberalization / integration.

Therefore, the most expected economic targets of the post-crisis period should be higher growth, lower debt and more financial stability. Of course, in order to achieve this new environment, it will take time and closer policy coordination is essential.

The monetary policy framework will have to interact better with macro-prudential policy, while fiscal policy will be largely targeted towards fiscal consolidation; whereas structural reforms will help promote economic growth in the long term.

**Excellency, Distinguished Speakers, Delegates, Ladies and Gentlemen,**

You perfectly understand that, facing these challenges and these stakes, our responsibility now is to define appropriate policy priorities and actions. To this respect, I strongly believe that this one-week course will represent a very important step for our respective central bankers and that it will produce fruitful discussions. I have no doubt that, by the end of the course, all of you will have obtained a better understanding of monetary policy, financial stability and their interaction, as well as of macroeconomic implications and policy responses.

For these reasons, I would like to take this opportunity to highlight our deep appreciation for your effective support and your kind cooperation in participating in this course.

Last but not least, I am convinced that all of you enjoyed yesterday's social program and took pleasure in discovering the marvelous site of Angkor, surrounded by soaring towers and exquisite bas-reliefs of the temples, which are ranked among the World's Wonders and registered as a UNESCO's world heritage site. There are many other interesting places that we intend to show you more during the post-course sight-seeing program. Even though you have a tight schedule in Siem Reap, I hope you will find time to visit these other places and that you will know more about our people and culture.

Finally, I wish you all good luck and I sincerely hope that you will have a very pleasant stay in our ancient capital city of Siem Reap Angkor. Now, let me wish you again an active, interesting, productive and successful discussion!

I thank you very much for your kind attention.