



IFC Workshop on Financial Inclusion Indicators
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The situation of credit to agriculture & SME¹

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¹ This presentation was prepared for the workshop. The views expressed are those of the author and do not necessarily reflect the views of the BIS or the central banks and other institutions represented at the workshop.

The situation of credit to Agriculture & SME

Agenda

- The necessity of Monitoring

- Credit to agricultural sector

namely three-A: Agriculture, rural area, peasantry

- Credit to SME

The necessity

- Agriculture is the basis of one nation's economy
- Peasants contribute a large percentage (nearly 60%)
- SME play an important role to solve the unemployment and overcome poverty
- Financial availability emerge as an critic topic for sustainable long term growth

Credit to Three-A

- The monitoring framework

- The situation

as of the end of Jun, 2012

Monitoring framework of Credit to Three-A

- Set up in 2007, revised along the time
- Mainly quarterly, some indicators monthly
- Institutional coverage: DTs
- Both in national and foreign currency

Monitoring framework of Credit to Three-A (cont.)

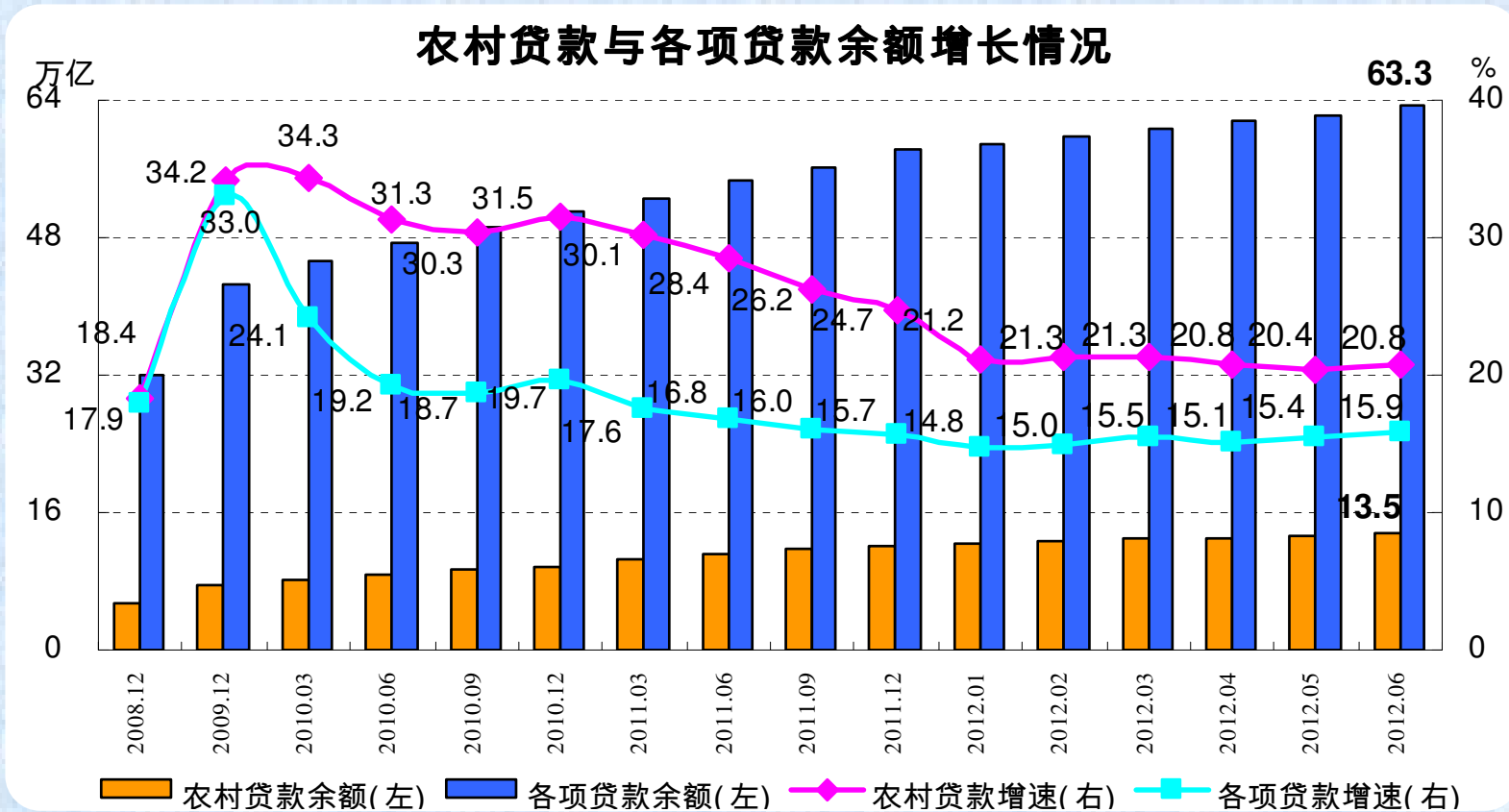
Indicators reflect different aspects

- regional classification
Rural area and municipal institution related to three-A
- borrower classification
peasants, corporations, organizations....
- usage classification
farming, forestry, fishery, infrastructure, sci & tech support, product circulation, capital goods...
- Credit quality classification
5 classes according to the definition of CBRC
Normal, interested, substandard, doubtful, loss

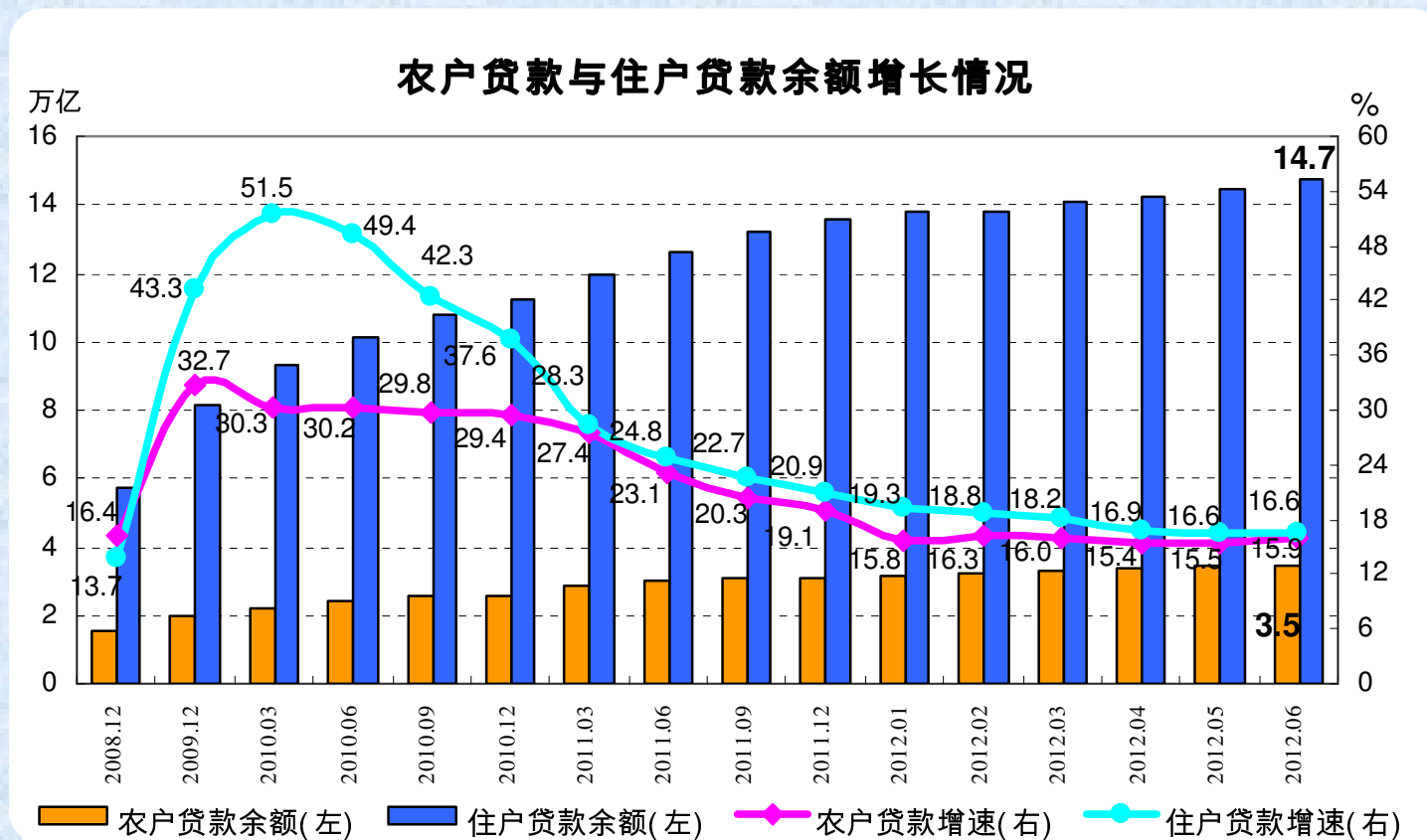
Monitoring framework of Credit to Three-A (cont.)

- Difficulties mainly lie in hard to define what is “three-A related” (brewery?)
- Planning improvement
 - Monitor the flow of money in rural area
 - Set up survey on financial service requirement related to three-A

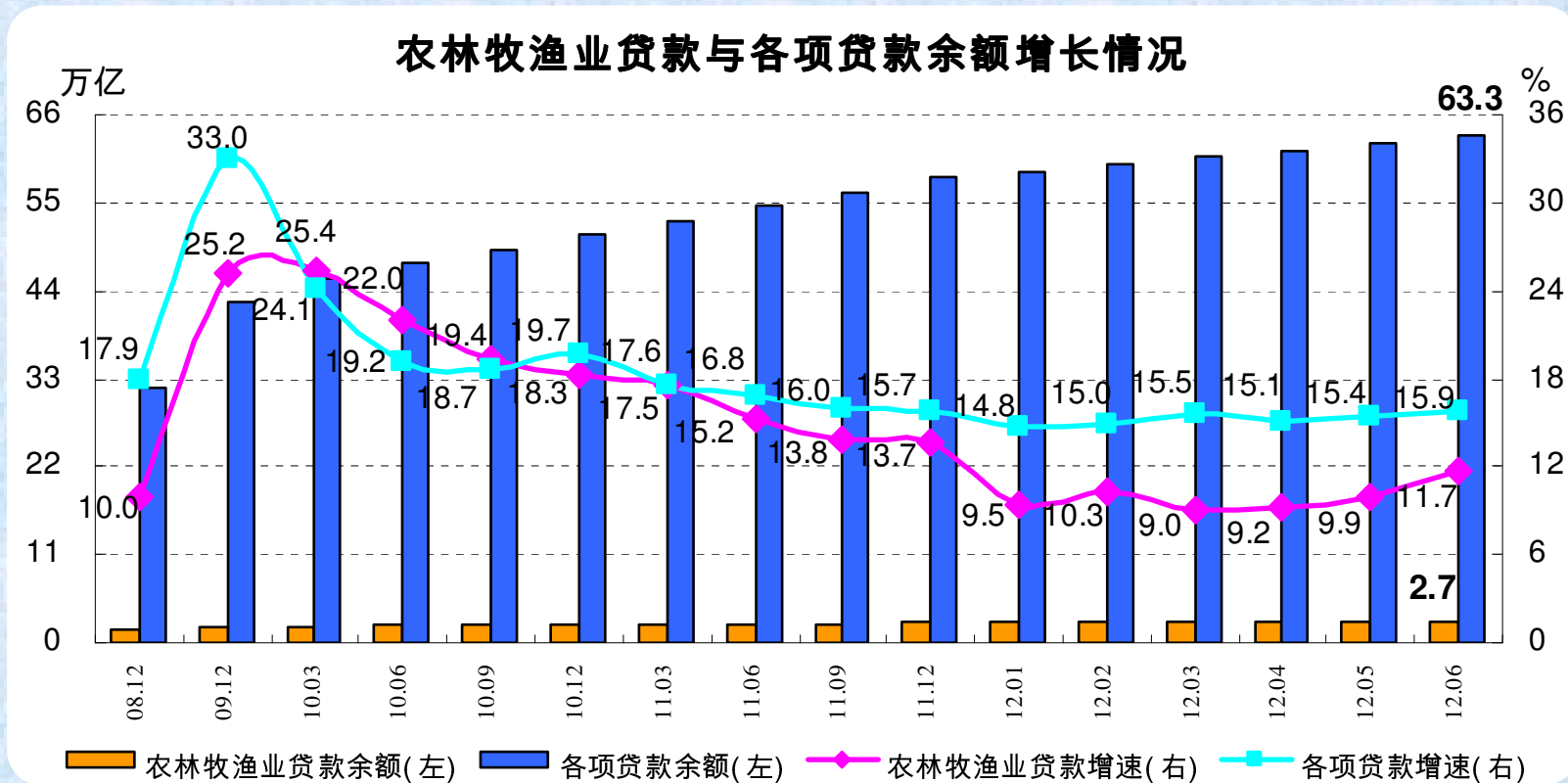
Situation of June 2012



Situation of June 2012



Situation of June 2012



Credit to SME

- The monitoring framework

- The situation

as of the end of Jun, 2012

Monitoring framework of Credit to SME

- Set up in 2009, revised along the time
- Monthly report
- Institutional coverage: DTs
- Both in national and foreign currency

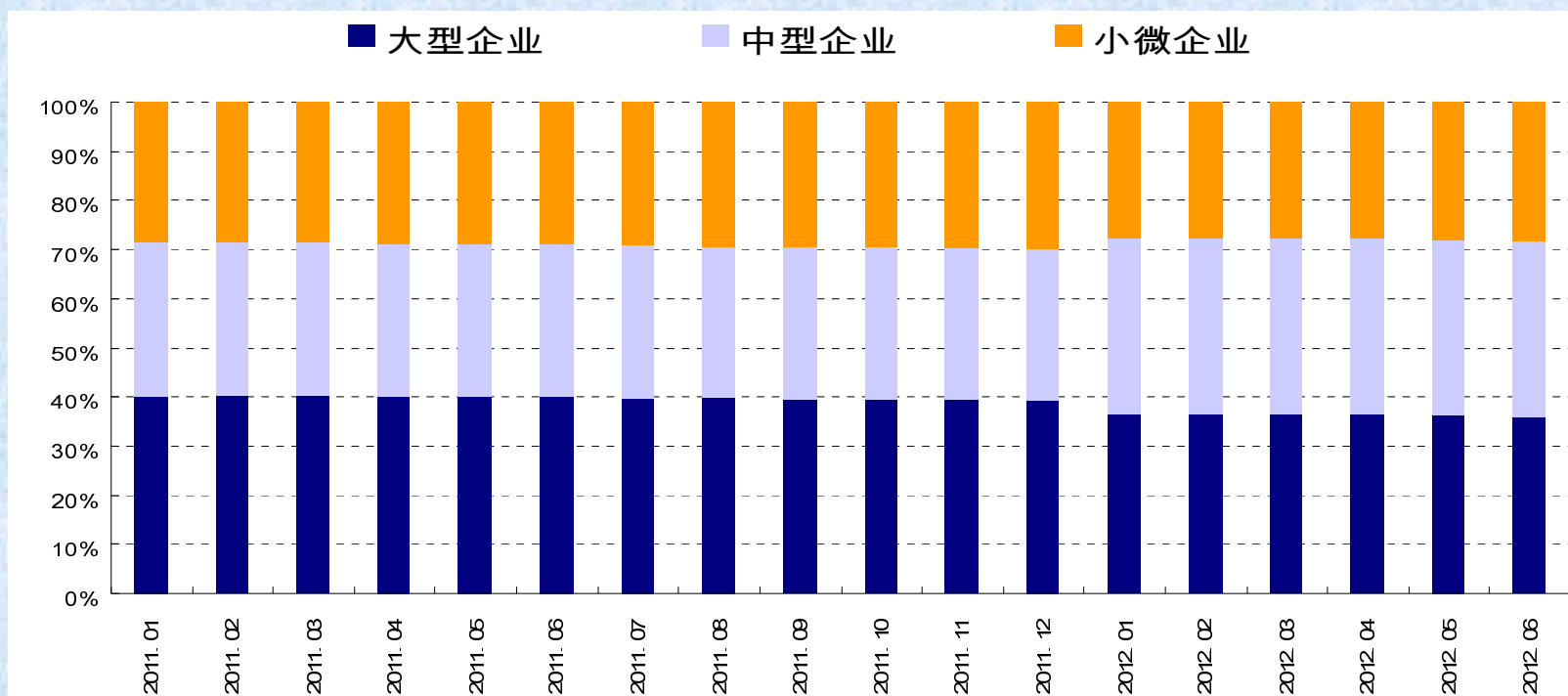
Monitoring framework of Credit to SME (cont.)

- Adopt national standards
 - Classification of corporation size
 - Classification of industries
- When national standards change, the framework revised

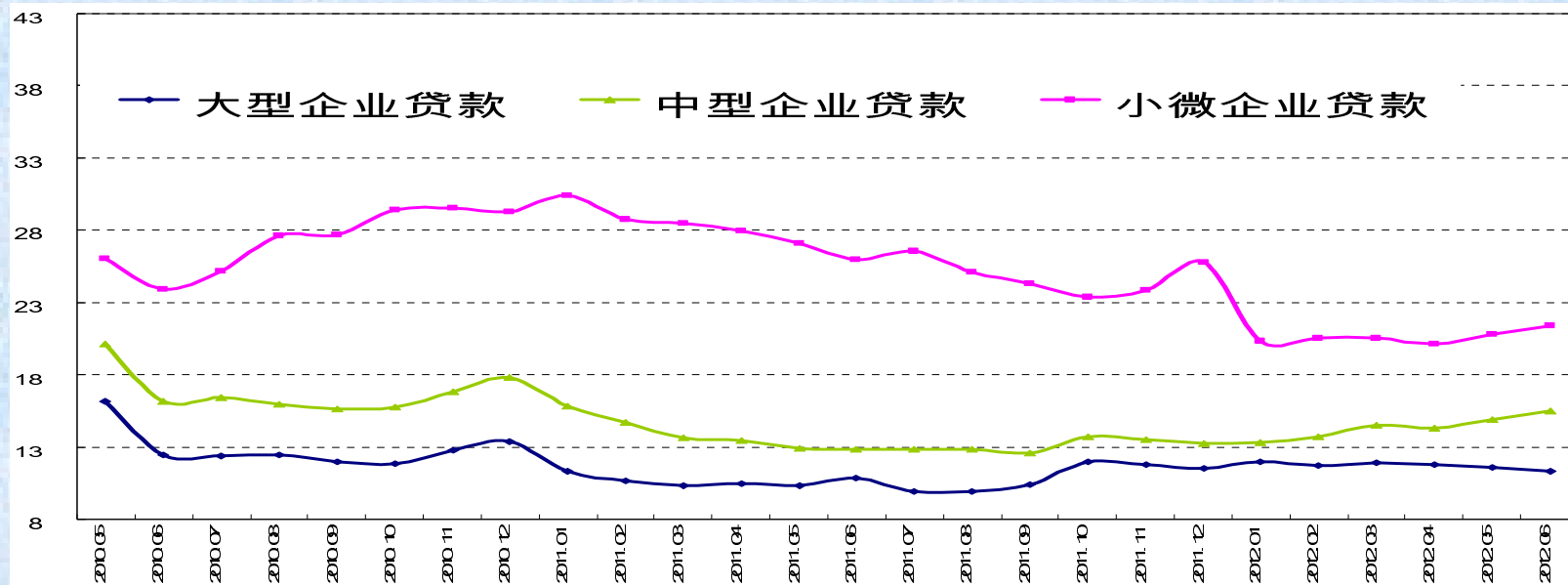
Monitoring framework of Credit to SME (cont.)

- ☞ Credit classified by corporation size
 - big, medium, small, micro
- ☞ Credit classified by quality
 - 5 classes according to the definition of CBRC
 - Normal, interested, substandard, doubtful, loss
- ☞ Credit classified by industries
 - 20 industries according to national standard
- ☞ Credit classified by ownership
 - state-owned, private, foreign controlled...

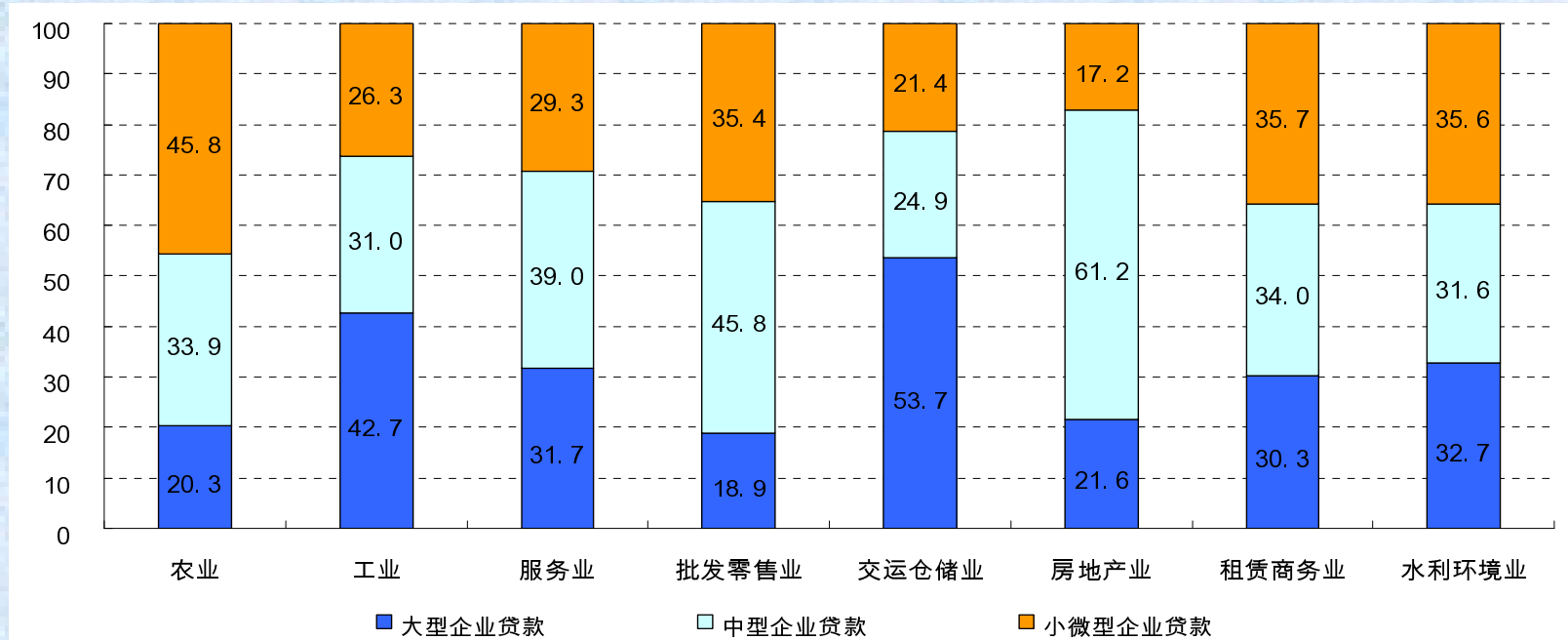
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Thanks