

Zhou Xiaochuan: Opening ceremony of the Bank of Korea Beijing Representative Office

Speech by Mr Zhou Xiaochuan, Governor of the People's Bank of China, at the opening ceremony of the Bank of Korea Beijing Representative Office, Beijing, 4 December 2003.

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First of all, on behalf of the People's Bank of China, I would like to express my sincere congratulations on the opening of the Bank of Korea Beijing Representative Office and warm welcome to the representatives of the Bank of Korea to work in Beijing. I believe the establishment of the Bank of Korea Beijing Representative Office will further improve the cooperation between the two central banks and economic and trade relations between the two countries.

There has been a rapid development in the Sino-Korean cooperation in the economic and financial sectors since the establishment of diplomatic relations between the two countries. China has become Korea's biggest export destination, third largest trade partner and biggest overseas investment destination, while Korea is China's fourth largest export destination, fifth biggest trade partner and sixth largest investment destination. China-Korea economic and financial cooperation is characterized by complementarity and has great potential.

I am happy to see that, with the increasing needs of economic and financial exchanges between the two countries, cooperation between the two central banks has become increasingly close. Since former BOK Governor Cho Soon visited Beijing in the year when diplomatic relations were established between China and Korea, high-level exchange of visits between the two central banks has continued. For the moment, there are a number of formal and informal consultation mechanisms in place. Next week, Deputy Governor Li Ruogu will lead the delegation of the People's Bank of China to attend the eleventh Sino-Korean Financial Cooperation Meeting to be held in Seoul. The regular business consultation at the Director-General level was successfully held three times. In addition, the informal meetings between central bank governors of China, Japan and Korea were successfully held eight times.

The Establishment of the Bank of Korea Beijing Representative Office is a welcome response to the demands for closer cooperation between our two institutions and a reflection of the foresight of the Bank of Korea. Governor Park Seung visited China in June of 2002 and expressed the desire to set up a representative office in Beijing. Under the joint efforts of the two sides, the Bank of Korea Beijing Representative Office was today officially established, becoming the first one by foreign central banks in Beijing. I believe the Office will serve as an important bridge to further strengthen cooperation and deepen understanding between the two central banks, and will certainly play an important role in enhancing bilateral economic and financial cooperation.

The establishment of the Bank of Korean Beijing Representative Office will help to promote exchange of information and experience between financial sectors of our two countries. In the wake of Asian financial crisis in 1997, Korea managed to stabilize its macro-economic situation, effectively adopted reforms in the financial and corporate sectors and labor market, and recover the economy in a turbulent external environment. Since challenges facing China's financial sector are similar to what Korea has experienced, we will continue to learn from Korea's valuable experience in financial reform.

Ladies and gentlemen, the opening China in the process of reform is dynamic and full of vitality. This will bring more opportunities for cooperation between our two countries in the economic and financial sectors. The effective cooperation between the two central banks will provide better service, better and stable business environment and financial institutions. I am sure the Bank of Korea Beijing Representative Office will play a great role.

Thank you.