

Su Ning: Pilot bank card service in Guizhou Province

Speech by Mr Su Ning, Deputy Governor of the People's Bank of China, at the Inauguration of Pilot Bank Card Service tailored for rural migrant workers in Guizhou Province, Guiyang, 29 December 2005.

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Distinguished Guests,

Comrades,

Migrant Farmer Friends,

This ceremony marks the launching of Pilot bank card service in Guizhou tailored for migrant workers from the countryside. This service, after its inauguration, enables migrant workers to deposit cash on China Union-Pay bank cards in the place where they work and withdraw money from the rural credit cooperative service network at their home town. This pilot project provides service to migrant workers and is made possible by joint efforts of the People's Bank of China and other relevant parties as a concrete measure to implement the scientific development approach, facilitate coordinated development of rural and urban China, properly solve problems associated with the development of rural economy, and build a well-off society; it is an important step to improve the clearing and settlement environment in rural areas, expand the bank card service system, diversify fund remittance methods for migrant workers, and enhance the financial services in rural areas. I would like to congratulate, on behalf of the People's Bank of China (PBC), on the opening of this service in Guizhou, and express our sincere thanks to the Industrial and Commercial Bank of China (ICBC), Agricultural Bank of China, China Union-Pay and Guizhou Rural Credit Cooperatives who have completed operational and technical preparation for the project, and to the PBC Guiyang Sub-Branch who has organized the project's implementation. Our thanks also go to everyone who has worked hard for it.

The State Council has attached great importance to rural economy and formulated a series of strategic plans to solve problems associated with the development of rural economy. The 11th 5-Year Plan adopted at the 5th Plenum of the 16th CPC Central Committee put forward strategic ideas, objectives and plans to build a socialist new countryside. The PBC has always regarded rural financial service as a high priority. In response to the call by the State Council, the PBC has taken active measures to support structural reform of the rural credit cooperative system, including formulating and implementing a plan to provide financial support for the reform. In addition, a number of steps have been taken to diversify clearing and settlement modes for rural credit cooperatives and boost their payment capacity. The large-value payment system launched on 30 June 2005 and introduced nationwide has significantly improved the payment methods of rural credit cooperatives and contributed to providing a level playground for the rural credit cooperatives. This pilot project of bank card services tailored for migrant workers is another important measure by the PBC to speed up rural financial infrastructure building and increase competitiveness of rural credit cooperatives.

In recent years, thanks to the efforts of many parties, bank cards have seen rapid development in China. With issuance increasing significantly, card acceptance environment and payment function improving continuously, bank card has become the most frequently used means of non-cash payment. But the development has not been evenly distributed among regions; therefore we have always attached importance to introducing this modern payment instrument to rural areas and enabling farmers to benefit from it. This pilot project in Guizhou represents a business innovation that offers migrant workers the convenience of withdrawing their deposit from a different location. It also helps broaden the business scope of bank card operating institutions such as card issuing banks, rural credit cooperatives and China Union-Pay Co. Ltd, brings a win-win situation for all and promotes a rapid development of the industry.

This tailored service effectively offers another way for migrant workers to send money to their home town. According to statistics, there are more than a hundred million migrant workers in mainland China that produce fund flow totaling several hundred billion yuan between urban and rural areas each year. The flow is expected to increase by dozens of billion annually in the future. At the moment, the fund remittance system is not fully developed for migrant workers as the fund transfer mode is not diversified and takes a long time. The need of these workers for a convenient, safe and rapid way of

transferring fund is yet to be satisfied and many of them have to personally carry large amount of cash home. With the opening of tailored bank card service, rural migrant workers can transfer the fund deposited at their place of work to the rural credit cooperatives at their hometown and withdraw cash at the rural credit cooperatives with a swipe of card, in a matter of several seconds. This not only offers a new way of fund transfer, but also helps migrant workers use card more than cash and build a socialist new countryside.

Comrades,

The pilot project of bank card services tailored for migrant workers is of far-reaching significance. We should look at this project from the strategic point of serving the people and the economy in the rural areas and explore, through the project, effective ways and experiences of rural bank card services. The PBC, as the organizer and coordinator, shall continue to give publicity to the project, monitor and examine the services; the ICBC and Agricultural Bank of China shall continue to conduct cash withdrawal business according to the established plan and provide good cash issuing service as well as security support; the China Union-Pay Co. Ltd. shall provide technical support and related training to improve the quality of cross-bank service; the rural credit cooperatives in Guizhou shall continue to seize the good opportunity to improve service, provide a safe transaction environment, and work to prevent crimes such as fraud and money laundering. The PBC and all other parties will study problems that come up in the experiment and gradually spread the service to other areas.

I am confident that, with the support of PBC and the Guizhou Provincial Government and the joint efforts of ICBC, Agricultural Bank of China, China Union-Pay Co. Ltd and the Guizhou rural credit cooperatives, this pilot project will definitely contribute to rural economic development and the building of a well-off society in the countryside.

Thank you!