

Cambodia launches securities market trading

PHNOM PENH (Kyodo) -- After a long delay, Cambodia launched securities market trading Wednesday, highlighting it as a big leap forward for the country's financial sector.

Presiding over the launch of "Securities Trading of Cambodia Securities Exchange," Keat Chhon, deputy prime minister and minister of economy and finance, said, "Today will be inscribed as the date of birth of Cambodia's securities market, the date of a big leap forward of Cambodia's financial sector and the historic date of the whole Kingdom of Cambodia."

"A securities market is the gate for foreign investors who can take part in Cambodia's economic activities by buying the stock of a company listed on the Cambodian Stock Exchange," he said.

While admitting Cambodia has spent a long time for trading to begin, Keat Chhon said to establish a market is easy, but to establish and develop a securities market with "transparency, efficiency, safety, fairness, and investor protection, as well as with an assurance of market liquidity is a critical issue to be thoroughly considered."

In 2006, Cambodia signed a memorandum of understanding with South Korea for an establishment of Cambodia Securities Exchange, but it was not launched until July last year, and trading only began Wednesday.

As trading started, only one state-run enterprise, Phnom Penh Water Supply Authority, was issuing 13 million shares -- 15 percent of the company.

At \$1.57 a share, the sale is to generate more than \$20 million.



Cambodian Finance Minister Keat Chhon, second left, and Yoo Jaen-hoon, right, Standing Commissioner of the Financial Services Commission of South Korea, walk together before the ceremony to start trading at the Cambodia Securities Exchange in Phnom Penh, Cambodia, Wednesday, April 18, 2012. (AP Photo/HengSinith)

At the launch of trading, Ek Sonn Chan, director of the water company, said, "I am very happy to witness the official launch of securities trading. Before this opening, almost no Cambodian really knew what is a stock exchange."

He said proceeds from the share sales will be used to expand the water supply system throughout Phnom Penh and if the government allows, he will consider expanding service to other parts of the country.

When trading began at 9:09 a.m., the share price was 6,300 riel (\$1.57) and when the first market session ended it had risen to 9,400 riel on 392,313 shares sold.

Sorn Sokna, chairman of Sonatra Securities Plc, one of four securities brokers approved by the government, said he bought more than 800,000 shares from the PPWSA and sold back roughly 50,000.

"I am really happy with the trading, which is finally started. I think this is a proper timing for a Cambodian securities exchange," he said.

The exchange is a joint venture between the Cambodian government, which holds 55 percent, and Korea Exchange, which holds the rest.

While trading just involves with one enterprise so far, Keat Chhon called on two other state-owned enterprises -- Telecom Cambodia and Sihanoukville Autonomous Port -- to complete the process of issuing stock to the public and listing on the CSX in the near future.

The two companies are expected to be listed this year.

Kim Bong Soo, chairman of the Korea Exchange, said, "Based on the 56 years of market-operating experience, KRX will constantly cooperate with the Cambodian government to make the securities market the Indochina region's hub capital market."

He said when the securities market was established in Korea in 1956, the country was one of the poorest countries in the world, but the market played the role of locomotive to drive the country to rank now among the world's top 10 economies.

"I strongly believe Cambodia will lead the Southeast Asian economy in the foreseeable future if it maintains the determination and passion towards

accomplishing a successful securities market as the government the people of Cambodia has shown over the past three years," Kim said.

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