

**VICE GOVERNOR MR. MÁRTON NAGY WELCOME REMARKS  
ON BUDAPEST RENMINBI INITIATIVE 2016 CONFERENCE**

Distinguished guests, welcome you at the second meeting of the Budapest Renminbi Initiative. I give special welcome to His Excellency Mr. Duan Jielong ambassador of the People's Republic of China in Hungary, Ms. Jin Mei Head of People's Bank of China Representative Office to London and Mr. Ádám Zoltán Kovács Deputy State Secretary for International Cooperation at the Ministry of Foreign Affairs and Trade. I give special thanks to all speakers for accepting our invitation.

Dear guests, **China is a great power in the 21st century.** Its role in international trade and economic relations, its influence on international markets is unquestionable. **Its significance was marked by the last year's decision of the International Monetary Fund, according to which the Chinese renminbi is going to be a part of the SDR-basket from October 1, 2016.** The decision was a significant milestone and success in renminbi internationalization.

**It is my pleasure to say that the central bank of Hungary can have a part of this success. The bilateral swap agreement between the central Bank of Hungary and the People's Republic of China, the Renminbi Program of the MNB and the Budapest Renminbi Initiative launched by the MNB has contributed to renminbi internationalization.** The central bank's Renminbi Program – among others – aims to develop settlement and market infrastructure related to Chinese renminbi and in the frame of it the central bank of Hungary has entered into the Chinese onshore bond market. It was my pleasure to take part in the opening ceremony of the first Central-European clearing bank in Hungary. I would like to congratulate again to the Bank of China Hungary for being appointed as a clearing bank in Hungary and for launching its renminbi clearing services.

**Last year, when the central bank of Hungary launched its Renminbi Program it promoted a balanced approach that both contributes to market development and takes into account financial stability and regulatory issues.** The Budapest Renminbi Initiative, that held its plenary meeting last spring, provides a forum for discussion and cooperation – in line with the aims of the Renminbi Program –

among stakeholders in the fields of real economy and financial markets. Further cooperation and discussions are needed in order to evaluate the current economic and financial environment, to detect both the opportunities and the potential challenges.

**Both China and Hungary have provided examples for how a country can overcome challenges and how to succeed. One way is through careful risk assessment, adequate strategy formulation, innovation, development and cooperation.** China's One Belt One Road Initiative offers potential for the real economy via trade relations and investments and to the financial sector via related banking services. The 'Opening to the East' policy of Hungary can help to realize these potentials. The Renminbi Program of the central bank and the Budapest Renminbi Initiative also contributes to the detection and realization of the potential in Chinese-Hungarian economic and financial matters. It was my pleasure to take part in the first Sino-Hungarian Financial Forum in January this year and held discussions with distinguished leaders about the potential for further development in Chinese-Hungarian relations.

**Distinguished guests, today we are here to consider those steps which lead to further cooperation and market developments taking into account the challenges.** Our invited speakers are decision-makers and experts in Chinese-Hungarian international economic relations and financial markets. They will offer us further insights into these fields.

I have already mentioned the launch of the renminbi clearing services in Hungary by the Bank of China, which can make Hungary a Central-European renminbi clearing hub. Let me mention another opportunity. The People's Bank of China offered a Renminbi Qualified Foreign Institutional Investor (RQFII) quota of 50bn renminbi to Hungary which has opened a door to the onshore Chinese securities markets for qualified financial institutions.

**Dear guests, I would like to thank you for accepting our invitation and wish you fruitful discussions for today that can pave the way for further cooperation.**