

Introduction speech for the Special Focus Session – China- at the 2022 APPMC

Albert Cheng, CEO, SBMA

Good morning, ladies, and gentlemen. It is an honour to be invited to open this “**special focus session**” - **China** put together by the Shanghai Gold Exchange International.

Roland Wang has just given us a crisp and concise view on the China Gold Market, no doubt it has slowed down due to the pandemic, however, with the gradual loosening we have seen in Shanghai and other major cities, I think China gold market will catch up in the later half of this year.

SGE International started trading since **2014** and has been making steady progress in volume and geography expansion through its members.

Singapore has quite a few SGEI members, among the more active Southeast Asian based members, such as YLG and MTS which are key players in the Singapore and its home base in Thailand; not to mention, other major bullion banks who have their regional desk located in Singapore, masterminding the flow of trade and physical gold movement in the Asia Pacific region which included two major bullion markets - China and India.

On average, there are 800 -1200 tonnes of gold moving into China per year, SGEI is playing its role in this physical flow and facilitate the trading and transactions. Although, the SGEI has set up **additional vaulting facility in Shenzhen** other than the Shanghai Pilot Free Trade Zone **to promote participation, improve capital and logistic efficiency**; however, the voice from the industry is, perhaps, a discussion on **adding a new vaulting facility in Singapore** would encourage more international members to make use of the arbitrage trading opportunity on currency, location and the state of physical demand and supply, **thus bringing more actions and liquidity with the SGEI**. The platform at the APPMC would be a good starting point to have vigorous discussion on these and other related issue. Ms, Zhao, the podium is yours.