

DEVELOPING BOND MARKETS IN APEC

Toward Greater Public-Private Sector Regional Partnership



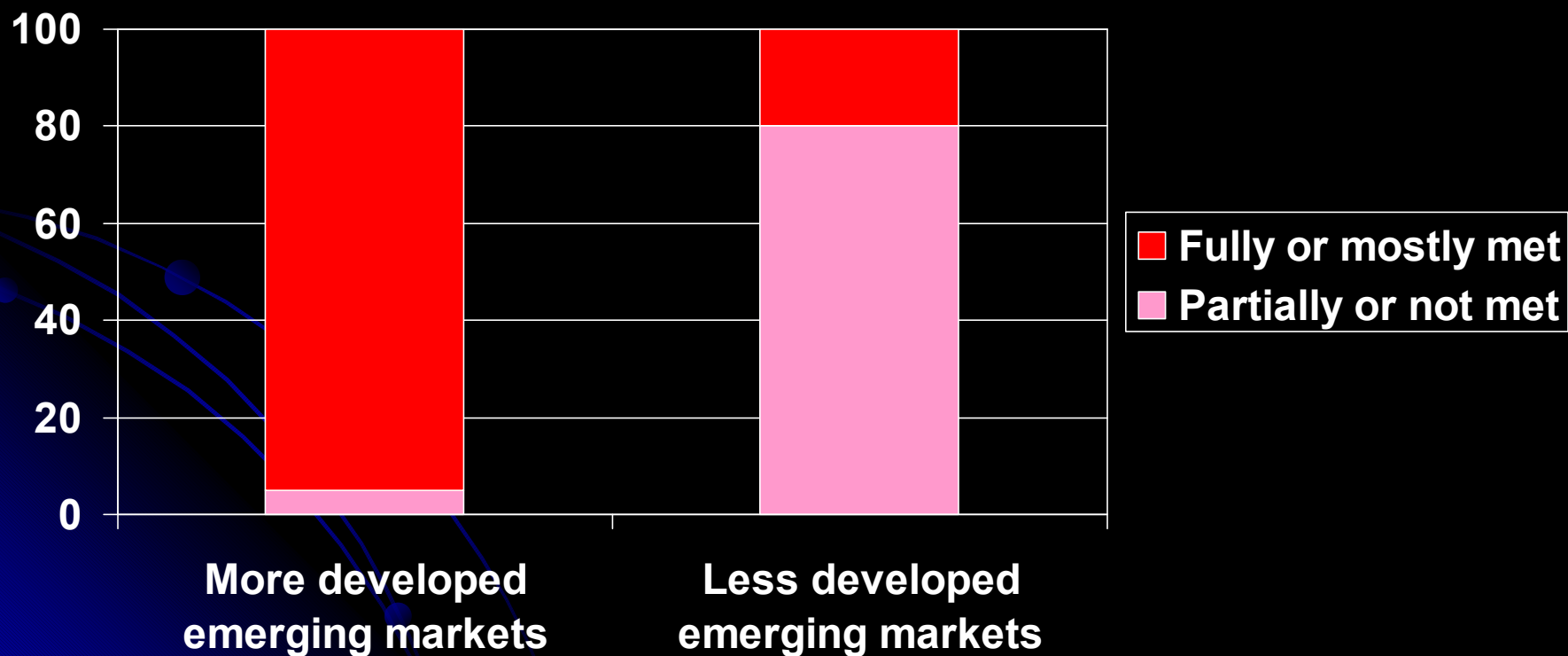
Report of the ABAC/ADBI/PECC
Conference
June 21-22, 2005
Tokyo, Japan

Conference Objectives

- Assess extent to which key objectives are met in APEC economies
 - Key objectives that allow private sector to expand activity in bond markets
 - Objectives identified by private sector in ABAC/PECC 2004 Taipei bond market conference – contained in ABAC template
- Define a regional cooperation agenda based on public-private sector partnership

Assessment of APEC Economies

Percentage of total no. of key objectives mostly and partially met, by groupings



Emerging Market Categories


More developed:

- Chile
- Hong Kong
- Korea
- Malaysia
- Singapore
- Chinese Taipei

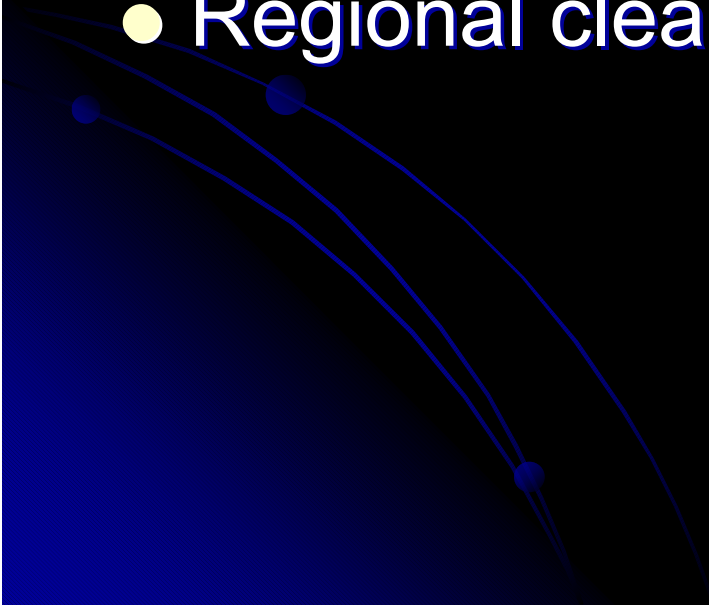
Less developed:

- Brunei
- China
- Indonesia
- Mexico
- Papua New Guinea
- Peru
- Philippines
- Russia
- Thailand
- Vietnam

Main focus of concern

- More developed markets:
 - Enhancing market depth and liquidity
 - Less developed markets:
 - Fundamental issues related to market depth and liquidity
 - Regulatory framework
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Three Long-Term Issues for Regional Bond Market

- Impediments to cross-border investment and issuance
 - Securitization: domestic and cross-border aspects
 - Regional clearing and settlement system
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Public-Private Sector Partnership

- Bond market initiatives in Asia-Pacific: entering a critical stage
 - from goal-setting to technical issues
- Multiplicity of initiatives
 - how to ensure consistency among each other
 - how to ensure consistency with APEC vision
- Broad, regular, institutionalized private sector involvement: only in APEC

Recommendations

- Review / implement key recommendations of ABAC/PECC 2004 Taipei conference
 - Focus on priorities identified in Tokyo conference
- Action plan process for bond market development
 - To ensure progress
- General principles on bond market development cooperation
 - To ensure consistency

