



# The Advisory Group on APEC Financial System Capacity-Building

**A Public-Private Sector Initiative**

Document: AGFSCB 27-004  
Draft: **FIRST**  
Source: AGFSCB Chair  
Date: 15 February 2007  
Meeting: Seattle, USA

## **First Meeting 2007**

28 February 2007

The Grand Hyatt Seattle (Menzies Suite, 6<sup>th</sup> Floor)  
Seattle, U.S.A.

## **AGENDA ITEM 3**

### **PAPER 3-A**

## **Concept Paper: APEC Public-Private Sector Forum on Bond Market Development**

*Office of the Advisory Group Chair*



# The Advisory Group on APEC Financial System Capacity-Building

A Public-Private Sector Initiative

## APEC PUBLIC-PRIVATE SECTOR FORUM ON BOND MARKET DEVELOPMENT

*First Draft  
As of 7 February 2007*

### BACKGROUND

During the past two years, various public-private sector dialogues on the development of local currency bond markets in the region have been conducted.<sup>1</sup> Aside from producing important insights and a compendium of key recommendations, these exercises have proven very useful to both public and private sectors – the former obtaining a better picture of which measures are likely to successfully encourage private sector activity to deepen and increase the liquidity of bond markets, and the latter a better grasp of how markets are likely to develop in response to measures being planned and undertaken by authorities.

At their meeting in Hanoi on 7 September 2006, APEC Finance Ministers welcomed a proposal submitted by ABAC that the Advisory Group facilitate in-depth discussions with individual economies on how the public and private sectors can collaborate to develop their respective bond markets (with special attention to corporate bond markets). These discussions will take the form of a series of one-day sessions, each focused on three or four developing member economies' bond markets. The Australian Treasury has agreed to host the first Forum on 8 May 2007 in Melbourne, back-to-back with the Second Senior Finance Officials Meeting (SFOM II).

The central objective will be a dialogue among interested economies, private sector market players and experts from international public and private sector organizations, aimed at identifying aspects in the policy and regulatory areas which could be addressed by authorities to enhance the environment for bond market development, and in particular, corporate bond issuance. The dialogues would also aim to identify capacity building initiatives, which might include public/private partnerships to build the environment conducive to bond market development.

### THE 2007 FORUM

**Focus.** The focus of the 2007 Forum would be the bond markets of Indonesia, the Philippines and Vietnam. These three economies would be requested to (a) arrange for senior policy makers and regulators responsible for key aspects of their respective bond markets' development to participate in the Forum; and (b) collaborate with the Advisory Group in developing the program and identifying participants of the Forum.

**Participation.** Participants will include the following: (a) participants from the above-mentioned 3 economies; (b) participants from other interested APEC economies, including, importantly, members of the Senior Finance Officials' Meeting; (c) participants from the Advisory Group; and (d) key experts and representatives from investment banks, institutional investors, fund managers, rating agencies and other relevant private sector organizations, to be selected and invited by the organizers.

**Format.** Officials or regulators from each of the three economies would make a presentation on (a) the current situation of their respective markets, (b) the measures being planned or undertaken, (c) the challenges, and (d) possible areas of cooperation with the private sector, followed by inputs from the other participants, an open discussion and a summary by the respective session chair.

**Output.** The results of the Forum will be reported to the 2<sup>nd</sup> Senior Finance Officials Meeting (SFOM). A complete report will be prepared and submitted to the APEC Finance Ministers before their 2-3 August 2007 meeting in Coolumb, Australia. The office of the Advisory Group Chair will be responsible

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<sup>1</sup> Notable among these were the bond market conferences organized by ABAC and PECC in Taipei in May 2004 and in cooperation with the Asian Development Bank Institute (ADBI) in Tokyo in June 2005.

for drafting the conference report, in collaboration with Advisory Group participants and relevant officials from the three economies.

# The First APEC Public-Private Sector Forum on Bond Market Development

8 May 2007  
Sofitel Hotel  
Melbourne, Australia

## PROGRAM

- 8:30 AM      **SESSION 1: INTRODUCTORY SESSION**
- Session Chair:* Dr. Jeffrey L.S. Koo, *Chair, Advisory Group on APEC Financial System Capacity-Building and Chairman, Chinatrust Financial Holding Co., Ltd.*
- 8:30            *Introduction by the Session Chair*
- 8:35            *Welcome remarks*  
                  Australian official
- 8:45            *Capacity-building for the development of bond markets: Update on current regional cooperation efforts*  
                  Representative of ADB
- 9:00            *The role of the private sector in bond market development: Insights from the work of ABAC*  
                  Mr. Mark Johnson, *Chair, ABAC and Vice Chairman, Macquarie Bank*
- 9:15            *Market perspectives on the development of corporate bond markets in the Asia-Pacific*  
                  Representative of a regionally active private sector financial institution
- 9:30            *Open discussion*
- 9:50            *Summary and concluding remarks by the Session Chair*
- 10:00          Break
- 10:30          **SESSION 2: THE INDONESIAN BOND MARKET**
- Session Chair:* Mr. Mark Johnson, *Chair, ABAC and Vice Chairman, Macquarie Bank Ltd.*
- 10:30          *Introduction by the Session Chair*
- 10:35          *The Indonesian bond market*  
                  Senior official from Indonesia
- 11:05          *Comments by private sector representative*
- 11:15          *Comments by representative of international finance/development organization or developed APEC economy*
- 11:25          *Comments by PECC representative*
- 11:35          *Open discussion*
- 11:55          *Summary and concluding remarks by the Session Chair*
- 12:00 Noon    Lunch

1:30 PM	<b>SESSION 3: THE PHILIPPINE BOND MARKET</b>
	<i>Session Chair: To be announced</i>
1:30 PM	<i>Introduction by the Session Chair</i>
1:35	<i>The Philippine bond market</i> Senior official from the Philippines
2:05	<i>Comments by private sector representative</i>
2:15	<i>Comments by representative of international finance/development organization or developed APEC economy</i>
2:25	<i>Comments by ABAC representative</i>
2:35	<i>Open discussion</i>
2:55	<i>Summary and concluding remarks by the Session Chair</i>
3:00	Break
3:30	<b>SESSION 4: THE VIETNAMESE BOND MARKET</b>
	<i>Session Chair: Mr. Ken Waller, Senior Advisor, ABAC Australia</i>
3:30	<i>Introduction by the Session Chair</i>
3:35	<i>The Vietnamese bond market</i> Senior official from Vietnam
4:05	<i>Comments by private sector representative</i>
4:15	<i>Comments by representative of international finance/development organization or developed APEC economy</i>
4:25	<i>Comments by PECC representative</i>
4:35	<i>Open discussion</i>
4:55	<i>Summary and concluding remarks by the Session Chair</i>
5:00	<b>SESSION 5: CONCLUDING PANEL DISCUSSION</b>
	<i>Session Chair: Mr. Michael Phillips, Chair, ABAC Finance and Economic Working Group and Chairman, Russell Investment Corporation</i>
5:00	<i>Introduction by Session Chair</i>
5:05	<i>Comments by panelists</i> Representative from the ADB Representative from the IMF Representative from the World Bank Representative from Indonesia Representative from the Philippines Representative from Vietnam
5:35	<i>Open discussion</i>
5:50	<i>Summary and closing remarks by the Session Chair</i>
6:00	<i>End</i>