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

More developed emerging markets
Less developed emerging markets

- Fully or mostly met
- Partially or not met
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
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
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