

OECD-ADB Roundtable on Capital Market and Financial Reform in Asia

22-23 March 2016, Tokyo, Japan

Sponsored by the Government of Japan

DAY ONE: 22 March 2016 (Tuesday)	
09:00 – 09:30	Registration of participants
09:30 – 09:50	Opening Remarks <ul style="list-style-type: none"> • Mr. Rintaro Tamaki, Deputy Secretary-General, OECD • Mr. Naoyuki Yoshino, Dean, ADBI
09:50 – 10:20	KEYNOTE ADDRESS: <ul style="list-style-type: none"> • Mr. Masamichi Kono, Vice Minister for International Affairs, FSA, Japan
10:20 – 10:40	Coffee break
10:40 – 13:15	<p>SESSION 1: Capital flows in Asia – impacts and implications of the recent global economic developments and the normalization of the US monetary policy</p> <p><i>Having overcome the financial crises in the late 1990s and in 2008, the Asian economies have developed significantly, benefitting from international capital inflows. However, external environments have been changing in the recent years: the humble global economy, especially the slowdown in China, and low oil and materials prices, have brought about the economic slowdown, current account deterioration and decrease in the international reserves in many of these economies. Moreover, the US FRB finally decided last December to raise the FF rate to normalise its monetary policy, while Europe and Japan continue the massive quantitative easing. The recurrence of the Asian crisis may not be likely, as Asian economies have improved their resilience against potential shocks, such as by floating currency, the current account surplus and a pile of the international reserves. However, the next crisis may come in a different shape, often attacking the most vulnerable points.</i></p> <p><i>This session will discuss:</i></p> <ol style="list-style-type: none"> 1. <i>How would the recent developments in the Asian economies and their capital flows be assessed?</i> 2. <i>What would be the prospects for the Asian economies and their capital flows in the near future? Could the recent and forthcoming FF rate hike by the US FRB have any impacts?</i> 3. <i>How could the next crisis happen? What are the major vulnerabilities of the Asian economies?</i>
10:40 – 12:10	<p>Moderator: Mr. Toshinori Doi, Deputy Director-General of the International Bureau, MOF, Japan</p> <p>Speakers:</p> <ul style="list-style-type: none"> • <i>Capital flow: direction, impacts, and policy options</i> Mr. Kenichiro Kashiwase, Economist, IMF, Regional Office for Asia and the Pacific • <i>International banking flows and intra-regional banking in Asia</i> Mr. Ilhyock Shim, Principal Economist, BIS • <i>Capital flows in Asia: recent change and its driving forces</i> Mr. Kenji Fujita, Associate Director-General, Financial Markets Department, Bank of Japan • <i>Global economic risks and their impacts on Asian emerging market economies</i> Mr. Jae-Ha Park, Senior Fellow, Korea Institute for Finance • <i>The implication of interest rate normalization on equity market - the Malaysian/ASEAN experience</i> Mr. Roselee Shah Shaharudin, Assistant General Manager, SC Malaysia (AFPAC Visiting Fellow) • <i>Capital flows and financial crisis: the Indian experience</i> Mr. Manu Vettickan, Deputy Director, Ministry of Finance, India

12:10– 12:15	Short break
12:15– 13:15	Lead discussant: Mr. Peter Morgan , Senior Consultant for Research, ADBI Open Discussion
13:15 – 14:30	LUNCH
14:30 – 15:10	KEYNOTE ADDRESS: Greening capital markets <ul style="list-style-type: none"> • Mr. Rintaro Tamaki, Deputy Secretary-General, OECD
15:10 – 17:50	SESSION 2: Bond market development in Asia <p><i>In the last decade, the major emerging Asian countries have developed the bond markets considerably although the achievements vary significantly among the markets. While government bonds hold the larger portion except for Korea, corporate bonds have gained importance notably in China. These bonds are mostly denominated in local currencies, but foreign currency-denominated bonds have also been increasing in recent years especially in the corporate bond markets. The development of bond markets in Asia is at least partly led by foreign investors, who have expanded their investment in these markets in search for yield under the exceptionally low interest rate environment in developed economies. However, such international investment flows may be changing particularly due to the economic slowdown in the region. ASEAN+3 nations in cooperation with ADB are continuing their efforts to develop the bond markets and to promote their regional integration under the Asian Bond Markets Initiative, but further development in near future is not obvious.</i></p> <p><i>This session will discuss:</i></p> <ol style="list-style-type: none"> 1. <i>How can the most recent development of Asian bond markets be recognised? What is happening for international bond investment worldwide?</i> 2. <i>What would be the major challenges for the economies with less developed bond markets?</i> 3. <i>What would be the prospects and major challenges for the Asian bond markets and their regional integration?</i>
15:10– 16:30	Moderator: Mr. Stephen Lumpkin , Senior Economist, Financial Affairs Division, OECD Speakers: <ul style="list-style-type: none"> • <i>Global trends in corporate bonds and the financing of growth companies</i> Mr. Serdar Celik, Economist, Corporate Affairs Division, OECD • <i>Infrastructure finance, investor base, and credit gap: role of bond markets</i> Mr. Noritaka Akamatsu, Senior Advisor, ADB • <i>Bond market development: the Philippines</i> Mr. Ephyro Luis Amatong, Commissioner, Securities and Exchange Commission, Philippines • <i>Enhanced transparency and corporate governance could alleviate headwinds</i> Ms. Naoko Nemoto, Vice President, S&P Japan • <i>Recent developments and possible scenarios for China's bond market</i> Mr. David Fernandez, Managing Director, Barclays Bank PLC, Singapore
16:30– 16:50	Coffee break
16:50– 17:50	Lead discussant: Mr. Daikichi Momma , Director-General, International Bureau, MOF, Japan Open Discussion
18:00 – 20:00	Reception dinner hosted by ADBI and OECD <i>Venue: Kazan Kaikan Restaurant, “Shosetsu + Kobai” Room Common Gate Building 37F (Next building to ADBI, Kasumigaseki Bldg)</i>

DAY TWO: 23 March 2016 (Wednesday)

<p>09:30 – 12:15</p>	<p>SESSION 3: Effective and efficient support for SME finance in Asia</p> <p><i>In any economy, the vast majority of businesses are SMEs. They are the critical engine for economic growth and employment. This is not precise: a large number of SMEs are self-employed or family businesses that often focus on day to day operations and have no ambition for growth. It is “growth companies” that have the potential and the will to escape from a static state of being small, and thereby to create growth and employment. In order to be effective and efficient in the SME support, selecting them is of critical importance. One of the popular measures to address the issue of SMEs’ limited access to finance is “public credit guarantee schemes for SMEs”. In order to save the associated public costs, these schemes need to be designed, structured and managed to select growth companies appropriately so as to ensure their maximum effectiveness and efficiency, while in practice, their specifications and operations vary considerably among jurisdictions.</i></p> <p><i>This session will discuss:</i></p> <ol style="list-style-type: none"> 1. <i>What are the costs as well as the benefits of the public credit guarantee schemes for SMEs?</i> 2. <i>How could their performance be evaluated?</i> 3. <i>How should these schemes be designed, structured and managed in order to maximise their effectiveness and efficiency?</i>
<p>09:30 – 10:45</p>	<p>Moderator: Mr. Bokhwan Yu, Deputy Dean, ADBI</p> <p>Speakers:</p> <ul style="list-style-type: none"> • <i>Importance of credit guarantee systems in SME financing: evidence from Asia</i> Mr. Naoyuki Yoshino, Dean, ADBI and Mr. Farhad Taghizadeh-Hesary, Faculty Member, Keio University and Visiting Professor, The University of Tokyo • <i>Evaluating publicly supported financial guarantee programmes for SMEs</i> Mr. Sebastian Schich, Principal Economist, Financial Affairs Division, OECD • <i>Opening the black box of financing high growth companies</i> Mr. Erik Vermeulen, Professor, Tilburg University • <i>A comprehensive financing ecosystem for SMEs: the Malaysian experience</i> Ms. Karunajothi Kandasamy, Deputy CEO, SME Corporation Malaysia • <i>SMEs Financing: Thailand case</i> Ms. Sujaree Monchon, Director, Examination Department, Bank of Thailand
<p>10:45 – 11:15</p>	<p>Coffee break</p>
<p>11:15 – 12:15</p>	<p>Lead discussant: Mr. Shigehiro Shinozaki, Financial Sector Specialist (SME Finance), ADB</p> <p>Open Discussion</p>
<p>12:15 – 13:30</p>	<p>LUNCH</p>
<p>13:30– 14:15</p>	<p>KEYNOTE ADDRESS: Economic Effects of Infrastructure Finance</p> <p>Keynote speech</p> <ul style="list-style-type: none"> • Mr. Naoyuki Yoshino, Dean, ADBI <p>Commentary</p> <ul style="list-style-type: none"> • Mr. Takahiro Yasui, Head of Special Projects and Outreach Unit, OECD <p>Open Discussion</p>
<p>14:15 – 14:30</p>	<p>Short break</p>

<p>14:30 – 17:15</p>	<p>SESSION 4: Promoting long-term investment and savings in Asia</p> <p><i>Savings and investments by individuals are important both for individuals' own personal financial well-being and for economic growth. However, some means by which individuals save are more suited to short-term savings purposes and income smoothing, whilst others provide long-term savings to draw on in future periods. Many governments facing long-term investment needs seek in this context ways to encourage their citizens not only to save more, but to save more appropriately, by promoting in the first instance formal institutions to encourage saving rather than reliance on informal savings arrangements and encouraging diversification and other sound investment principles. Measures to promote long-term savings should also help support the development of institutional investors with business models focused on the longer term. Efforts can include policies that support the development of pooled investment vehicles and collectively organized long-term savings and retirement plans.</i></p> <p><i>This session will discuss:</i></p> <ol style="list-style-type: none"> <i>1. What steps have been taken to promote the introduction of new financial products specifically designed to meet the long-term financing needs of the economy in Asia?</i> <i>2. What effective measures have been adopted in the region to ensure there is a sound and sustainable balance between bank lending and capital markets-based financing of long-term investments?</i> <i>3. What are the necessary conditions to achieve an acceptable balance between the need to foster long-term financing and facilitate the flow of adequate resources to support the economy with the traditional objectives of stability of the financial system and investor protection?</i>
<p>14:30 – 15:45</p>	<p>Moderator: Mr. Timothy Bishop, Head of Financial Affairs Division, OECD</p> <p>Speakers:</p> <ul style="list-style-type: none"> • <i>Promoting long-term savings vehicles and instruments</i> Mr. Stephen Lumpkin, Senior Economist, Financial Affairs Division, OECD • <i>Global infrastructure hub perspectives on long-term infrastructure investment</i> Mr. Mark Moseley, Senior Director, Global Infrastructure Hub • <i>Enhancing the role of capital market in long-term financing: case of Indonesia</i> Ms. Ety Retno Wulandari, Deputy Commissioner, OJK, Indonesia • <i>Optimal financial structure and financial reform: a perspective from China</i> Mr. Fan Zhai, Managing Director, China Investment Corporation • <i>Strengthening infrastructure and capital market through retirement income policies</i> Ms. Vanessa Wang, Managing Director and Asia Pacific Head of Pensions, Citigroup, APFF
<p>15:45 – 16:15</p>	<p>Coffee break</p>
<p>16:15 – 17:15</p>	<p>Lead discussant: Mr. Makoto Okubo, General Manager, International Affairs, New York Representative Office, Nippon Life Insurance Company</p> <p>Open Discussion</p>
<p>17:15 – 17:30</p>	<p>Conclusions and Closing Remarks</p> <ul style="list-style-type: none"> • Mr. Rintaro Tamaki, Deputy Secretary-General, OECD • Mr. Naoyuki Yoshino, Dean, ADBI