



Bank of Japan

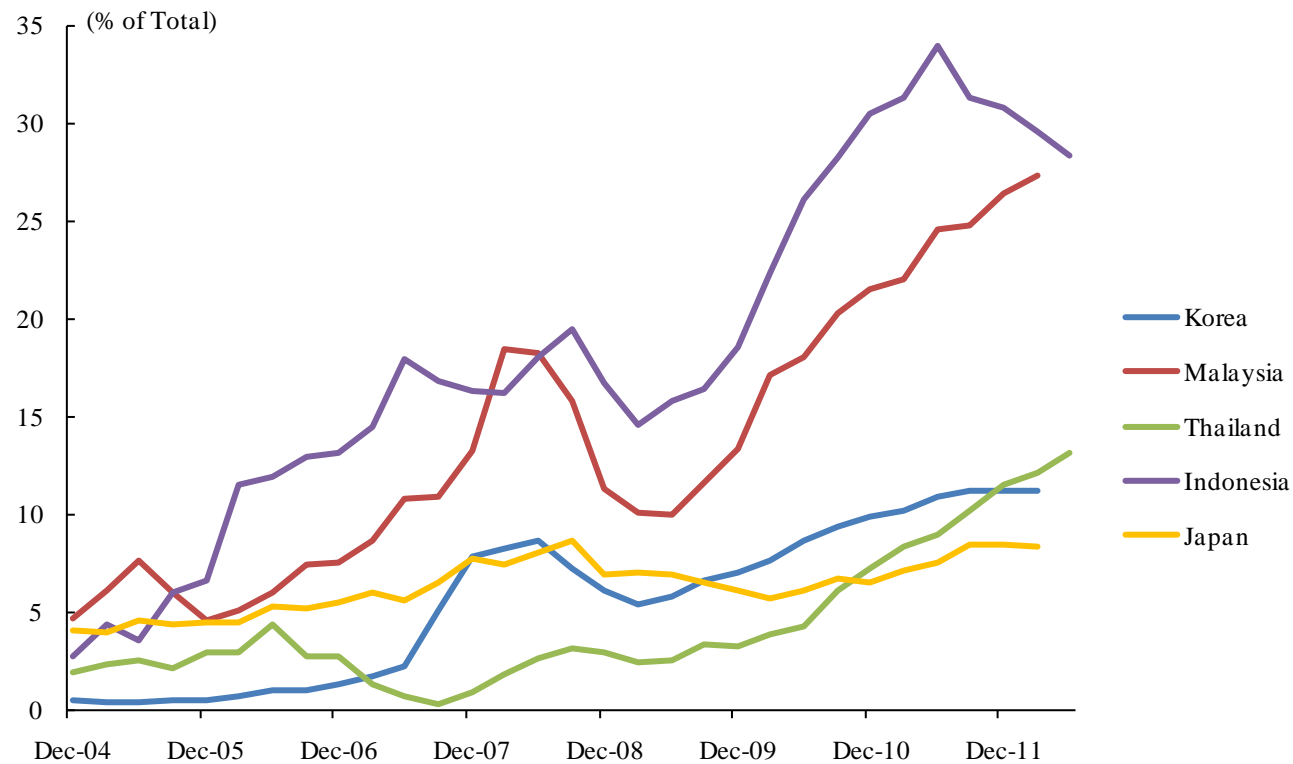
Future of Central Bank Cooperation in Asia, Latin America, and Caribbean States

Kiyohiko G. Nishimura

Deputy Governor, Bank of Japan

(Figure 2) Foreign Holding in Local-Currency Government Bonds

- The ratio of foreign holding in local-currency government bonds has surged in a number of economies.



Note: The percentage in local currency government bonds held by foreign investors relative to the amount of local-currency government bonds outstanding in a specific market.

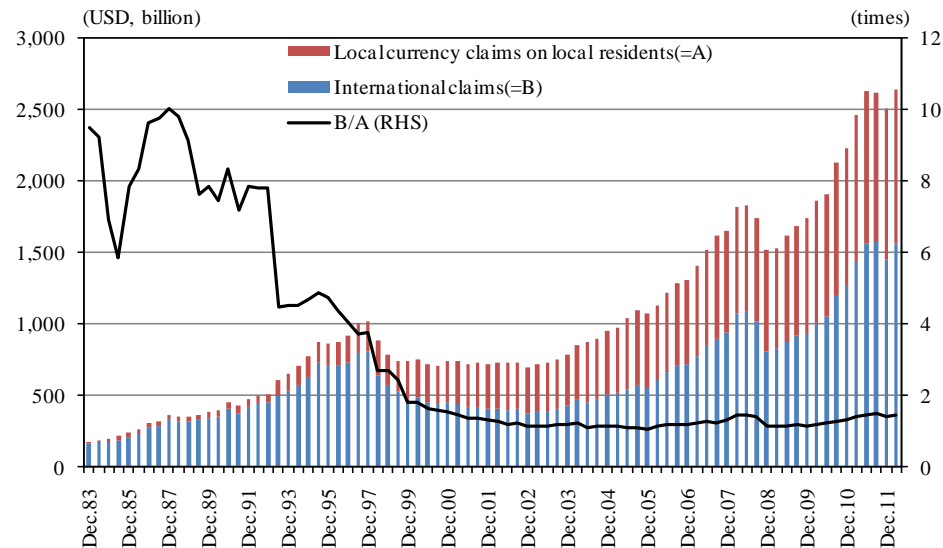
Source: ADB.

(Figure 3) Double Mismatch (Currency and Maturity)

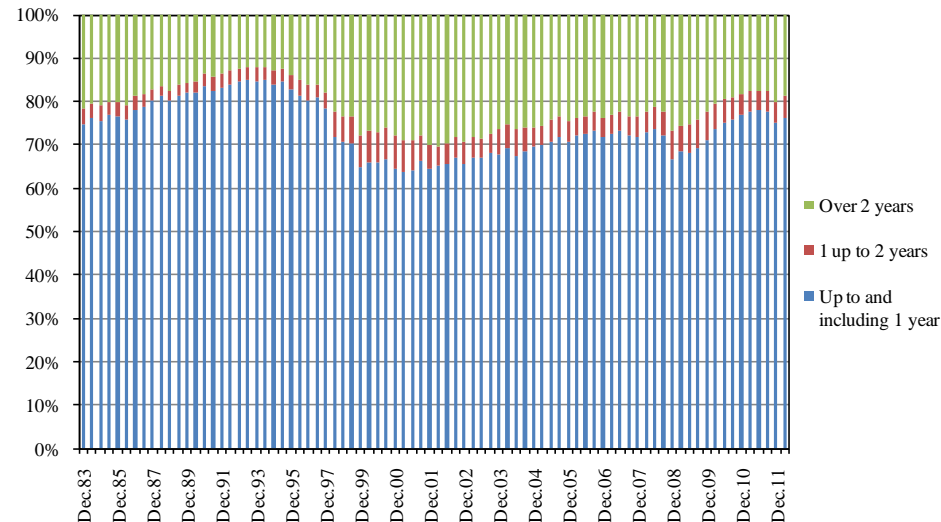
- Currency mismatch seems to have lessened gradually (left).
- Maturity mismatch still lingers (right).

Ratio of short-term maturity bond remains high.

International Claims and
Local Currency Claims on Local Residents



International Claims by Maturity



Note 1: Local Currency Claims are the local currency denominated claims held by local branches/subsidiaries of foreign banks on residents.

Note 2: International Claims are the claims (denominated mainly in foreign currencies) held by foreign banks on residents and the foreign currency denominated claims held by local branches/subsidiaries of foreign banks on residents.

Note 3: All figures are the aggregate of China, Hong Kong, Taiwan, Korea, Singapore, Malaysia, Indonesia, Thailand, and Philippines.

Data from 1983 to 1999 is semi-annual, quarterly thereafter.

Source: BIS Consolidated Banking Statistics.