Development of Asia's Capital Markets: Roles and Challenges

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Asia's Capital Markets

**Share of Global Stock Market Capitalization**

- **2000**: East Asia & Pacific (excluding High Income) 1%, Rest of the World 99%
- **2017**: East Asia & Pacific (excluding High Income) 15%, Rest of the World 85%

**Amount Outstanding of Local Currency Bond Markets as a Share of GDP**

- **2000**: East Asia & Pacific (excluding High Income) 2000%, Rest of the World 2018%

Notes:
1. In the left-hand chart, "East Asia & Pacific (excluding High Income)" covers the "East Asia & Pacific" (a country and region grouping employed in the World Bank's World Development Indicators) excluding high-income countries and regions (Australia, Hong Kong, Japan, South Korea, New Zealand, and Singapore).
2. In the right-hand chart, the figures are based on the aggregated amount outstanding of local currency bond markets in China, Hong Kong, India, South Korea, Malaysia, the Philippines, Singapore, Thailand, and Vietnam.

Sources: Asian Bond Online; World Bank, "World Development Indicators."
Share of the World's Middle-Income Class

Note: The share of the number of people with daily per capita income of between 10 and 100 U.S. dollars in terms of purchasing power parity.
Issuance Activity in East Asia during the Global Financial Crisis


Source: Dealogic.
Interest Rate Benchmark Reform

• Raising awareness is the key to success.
• In Japan, the Cross-Industry Committee on Japanese Yen Interest Rate Benchmarks held the *Interest Rate Benchmark Reform Forum* on August 1, 2019.


Participated widely by:
- Financial Institutions
- Non-financial Corporates (e.g., TOYOTA)
- Institutional Investors (e.g., Insurance Companies)
- Relevant Industrial Groups

Photo: Shoichi Nose