



Development of Asia's Capital Markets: Roles and Challenges

Keynote Speech at the ASIFMA Annual Conference 2019

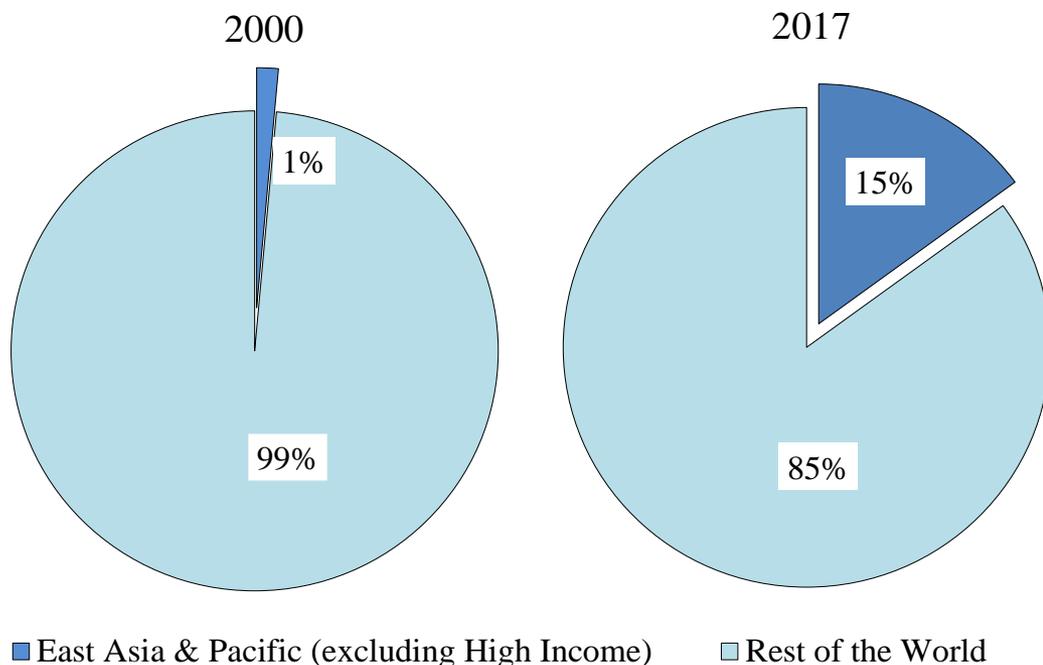
October 10, 2019

Masayoshi Amamiya

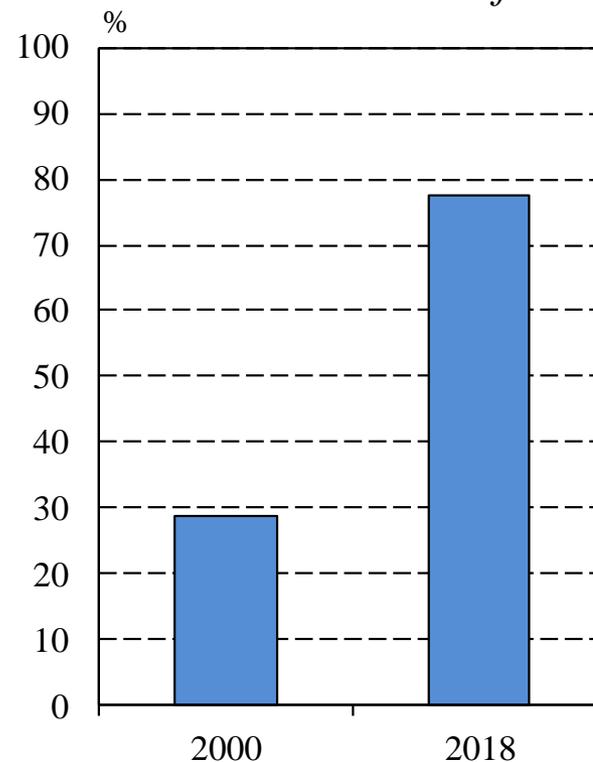
Deputy Governor of the Bank of Japan

Asia's Capital Markets

Share of Global Stock Market Capitalization



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

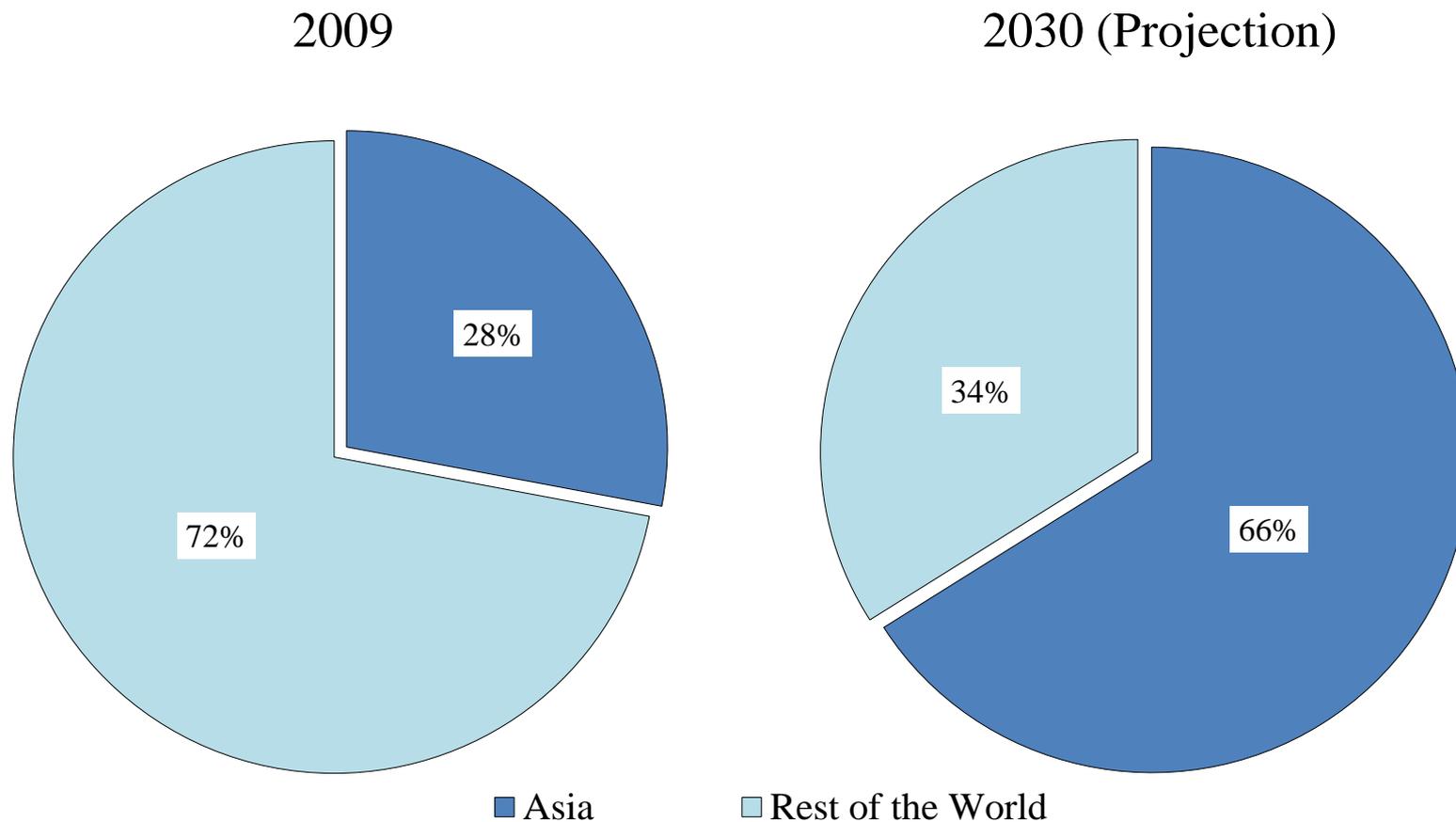


Notes: 1. In the left-hand chart, "East Asia & Pacific (excluding High Income)" covers the "East Asia & Pacific" (a country and region grouping employed in the World Bank's World Development Indicators) excluding high-income countries and regions (Australia, Hong Kong, Japan, South Korea, New Zealand, 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.

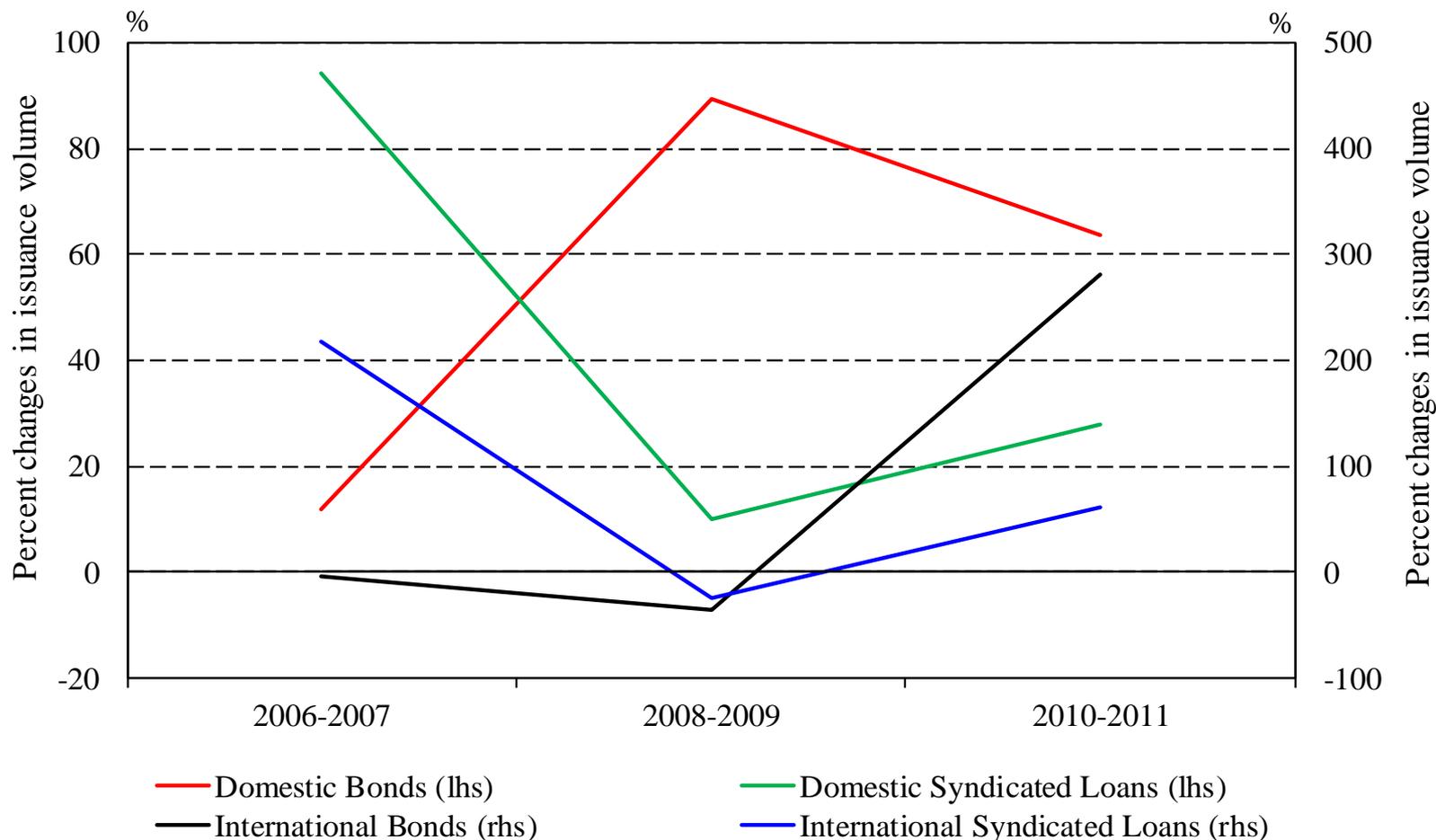
Sources: Asian Bond Online; World Bank, "World Development Indicators."

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.
Source: Kharas, H. (2010), "The Emerging Middle Class in Developing Countries," *OECD Development Centre Working Paper*, No. 285.

Issuance Activity in East Asia during the Global Financial Crisis



Note: Percent changes in aggregated total issuance volume of domestic and international bonds, and domestic and international syndicated loans in each sub-period. The figures are calculated by referencing Abraham, F., J. J. Cortina, and S. L. Schmukler (2019), "The Rise of Domestic Capital Markets for Corporate Financing: Lessons from East Asia," *World Bank Group Policy Research Working Paper*, No. 8844. The top and bottom 10 percentile of the sample has been excluded in the aggregation of data for each sub-period.

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.

http://www.boj.or.jp/en/announcements/release_2019/re1190830f.htm/



Photo: Shoichi Nose

Participated widely by:

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