

Joint Seminar
Risk Management Institute
And
Singapore Centre for Applied and Policy Economics

Details of Seminar

Date: 9 October 2008, Thursday

Time: 4:00pm – 5:30pm

Venue: [Lim Tay Boh Seminar Room, AS2/03-12](#); (AS 2 Building)

Speaker

Prof. Naoyuki Yoshino

Keio University

Title

Steps Toward the Development and the Integration of Asian Bond Market

Abstract

This paper describes the following issues. Firstly it examines how the high savings in the Asian region can be circulated within the region. Second, it examines the prospects for development of the bond market and other related financial markets in Asian region in order to promote active financial investment in the Asian region. Third, it discusses the steps toward the integration of the Asian bond market. The Fourth is the description of the revenue bond for infrastructure investment as one of the urgent needs for basic infrastructure investment in Asia. Development of the government bond market is the key for all the bond market in each country. Since the government bond is regarded as benchmark for all the bonds in each country. The paper discusses the basic prerequisites and initiatives necessary for development of local bond markets. Besides government bonds, prospects for development of corporate bonds, infrastructure revenue bonds and SME financing bonds are examined.

Infrastructure revenue bonds explained in this paper are one of the instruments that can be deployed for development of Asian bond markets. Most Asian countries have high savings rates, and given the high economic growth rates and investment rates in region, it would be possible to secure investment funding if savings were put to use within Asia. Unfortunately, most of the funds collected in Asia are invested in North America and Europe, because Asia only offers safe assets in the form of deposits or risk assets in the form of equity, with virtually no bonds or investment trusts, etc., to serve as intermediate financial instruments. In other words, the quality of the financial instruments traded in the region's financial markets is extremely fragile. The paper goes on to discuss financial market initiatives necessary to prevent a recurrence of a financial crisis in the region. Currently, Thailand, Sri Lanka, Mongolia and India are studying the introduction of revenue bonds for infrastructure investment led by UNESCAP (United Nations) and JBIC (Japan Bank for International Cooperation) in which the author is an active project member.

Prof. Naoyuki Yoshino

Professor Naoyuki Yoshino is a Professor of Economics at Keio University. He obtained his PhD from John Hopkins University in 1979. His thesis supervisor was Sir Alan Walters who was Margaret Thatcher's Economic Advisor. Professor Yoshino was a visiting scholar at the MIT and has been a visiting professor at various universities such as New South Wales University (Australia), Fondation Nationale Des Sciences Politiques (Paris), and Goteborg University (Sweden). He was an assistant professor at State University of New York at Buffalo before he joined Keio University in 1991 as a Professor of Economics. His professional career includes membership of government committees. Since 2004, he has been a Director of Financial Research and Training Center at Japan's Financial Services Agency (FSA). In recognition of his wide ranging scholarship and contribution to policy formulation, Professor Yoshino was conferred an Honorary Doctorate by Goteborg University in Sweden in 2004. He was appointed as a Board Chair of Financial Planning Standard Board (FPSB) in 2007. He is a chairperson of Foreign Exchange Council, Ministry of Finance and he also serves as a chairperson of Fiscal Council (FILP Section), Ministry of Finance. Prof. Yoshino has published widely, his works include "Postal Savings and Fiscal Investment in Japan" (Oxford University Press, Cargill and Yoshino) and "Small Savings Mobilization and Asian Economic Development" (M.E. Sharpe, Scher and Yoshino).