



## II<sup>nd</sup> SBP International Conference

### Call for Papers\*

#### **Fixed Income Market Development in Emerging Market Economies**

Apart from its fundamental role of achieving allocative efficiency, a well developed government bond market strengthens the monetary policy implementation framework by equipping a central bank with market-based indirect instruments. More recently, the many lessons of the emerging market's financial crises have revealed the need of well-functioning corporate-bond market. The inability of emerging markets to borrow long-term in local currencies forced them to commit 'original sin' that was later exposed in the form of 'sudden stop' of capital inflows and in the exasperation of crises. A deep and liquid bond market that ensures long-term loans in local currency should therefore help abate crisis fears.

However, some emerging economies, including crisis-ridden one, still lag behind in the development of the very market, especially that of corporate-bonds. According to the *Global Financial Stability Report (2005)* of the International Monetary Fund, the corporate-bond markets of China, India, Russia, and Brazil were worth 0.7%, 0.4%, 1.5%, and 0.6% of the GDP respectively [compare this to Korea (21.1%), Malaysia (38.2%), Japan (16.3%), and U.S.A. (22%)]. As of June 2005, the very ratio for Pakistan was 0.5%.

Therefore, the conference seeks to address the following questions:

- What are the prerequisites to the development of bond market?
- How to further deepen and impart greater liquidity to bond market?
- What role a central bank can play in the development of bond market?
- How to diversify the product base of fixed income securities and exploit Islamic financial instruments?

\* Only one author of the accepted paper will be reimbursed of traveling and lodging expenses

#### **Important Dates**

Conference Date:	18 – 19 December, 2006	
Conference Venue:	Learning Resource Center, State Bank of Pakistan, I.I. Chundrigar Road, Karachi, Pakistan	
Deadline for submission of papers:	15 October, 2006	[To: sbp.conference@sbp.org.pk]*
Arrival of participants:	17 December, 2006	
Departure of participants:	20 December, 2006	

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\* Or, through snail-mail: Conference Coordinator, Research Department, State Bank of Pakistan, I.I. Chundrigar Road, P.O. Box No. 4456, Karachi – 74000. Pakistan.