



**II<sup>nd</sup> SBP INTERNATIONAL CONFERENCE**

**FIXED INCOME MARKET  
DEVELOPMENT IN EMERGING  
MARKET ECONOMIES**

**STATE BANK OF PAKISTAN, LEARNING  
RESOURCE CENTER, I. I. CHUNDRIGAR  
ROAD, KARACHI**

**18-19 December, 2006**

## **THEME**

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?

## **PROGRAM**

**Day 1: December 18, 2006**

### **Opening Session**

- 9:30–10:00** Arrival of Guests and Participants
- 10:00–10:05** Recitation from the Holy Quran
- 10:05–10:30** Keynote Address: **Shamshad Akhtar**  
(Governor, State Bank of Pakistan)
- 10:30–11:00** *Tea*

### **Session I**

**Chairperson: Shamshad Akhtar**  
(Governor, State Bank of Pakistan)

- Jacob Gyntelberg** (Bank for International Settlements)
- 11:00–11:45** *Developing Asia Pacific Non-Government Fixed Income Markets*
- Suresh Menon** (Rating Agency Malaysia Berhad)
- 11:45–12:30** *Development of Bond Markets in Emerging Market Economies*
- Ahmed M. Khalid** (Bond University, Australia)
- 12:30–13:15** *Bond Market Developments in Emerging Markets: Prospects and Challenges for Pakistan*

**13:15–14:15** *Lunch*

### **Session II**

**Chairperson: Riaz Riazuddin**  
(Economic Adviser, State Bank of Pakistan)

- Muhammad Imran Usmani** (Meezan Bank)
- 14:15–15:00** *Fixed Income Securities: Shari'a Perspective*
- Marshall Mays** (Emerging Alpha Advisors, Hong Kong, China)
- 15:00–15:45** *The Importance of Domestic Institutional Investors in Pakistan's Growing Bond Market*
- Jamshed Y. Uppal** (Catholic University of America, U.S.A.)
- 15:45–16:30** *Role of Securities Law in the Development of Domestic Corporate Bond Markets*
- 16:30–17:00** *Tea*

**Day 2: 19 December, 2006**

**Session III**

**Chairperson: Asad Qureshi**

(Adviser, Financial Markets/Reserve Management,  
State Bank of Pakistan)

**9:00–9:45** **Pongpen Ruengvirayudh** (Bank of Thailand)  
*Fixed Income Market Development in Emerging  
Market Economies: Thailand*

**9:45–10:30** **Farhan Hameed** (Debt Office, Ministry of  
Finance, Government of Pakistan)  
*Fostering the Corporate Bond Market in  
Pakistan*

**10:30–11:00** *Tea*

**11:00–11:45** **Muhammad Arif** (State Bank of Pakistan)  
*Developing Bond Market in Pakistan*

**Closing Session**

**11:45–12:15** Concluding Remarks: **Ahmed M. Khalid**  
(Bond University, Australia)

**12:15–12:30** Vote of Thanks: **Riaz Riazuddin** (Economic  
Adviser, State Bank of Pakistan)

**12:45** *Lunch*