

# DEVELOPING CORPORATE BOND MARKETS IN EAST ASIA

## 发展公司债券市场

**ASEAN+3 Seminar**

**Asia-Pacific Finance and Development Center**

Shanghai, September 27, 2007

东盟+中日韩 发展公司债券市场高层研讨会

亚太财经与发展中心

2007年9月27日

# China's Corporate Bond Market: Developments and Challenges

中国公司债券市场：发展与挑战

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August-September 2007

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# Summary 小结

- **Corporate bond markets (CBM) can play important role in economic development.**  
公司债券市场（CBM）在经济发展中起着重要作用。
- **For China, also helpful for rebalancing economy.**  
对中国而言，也有助于解决经济失衡问题。
- **But, in China, CBM is small. Regulatory burden is high.**  
但是，中国的公司债券市场规模还很小，监管负担很重。
- **Authorities emphasizing CBM development (NFWC, Jan. 2007). Progress being made.**  
相关部门越来越重视公司债券市场的发展（2007年全国金融工作会议）。已取得一些进步。

# International experience 国际经验

- Corporate bond markets **relatively recent phenomenon** (exceptions, e.g.: U.S., Germany).

公司债券市场相对较新（除美国、德国外）

- **Market growth since early 1980s:**

- Japan (deregulation; financial reforms);
- Europe (particularly since start of Euro);
- Emerging Asia (since late 1990s).

债券市场从上世纪**80**年代初开始发展：

- 日本（取消金融管制；金融改革）；
- 欧洲（从欧元产生开始）；
- 亚洲新兴市场（从上世纪**90**年代末起）

- Role of **reforms** (approval process, ratings agencies, benchmark yield curves, market eligibility) and **corporate restructuring**

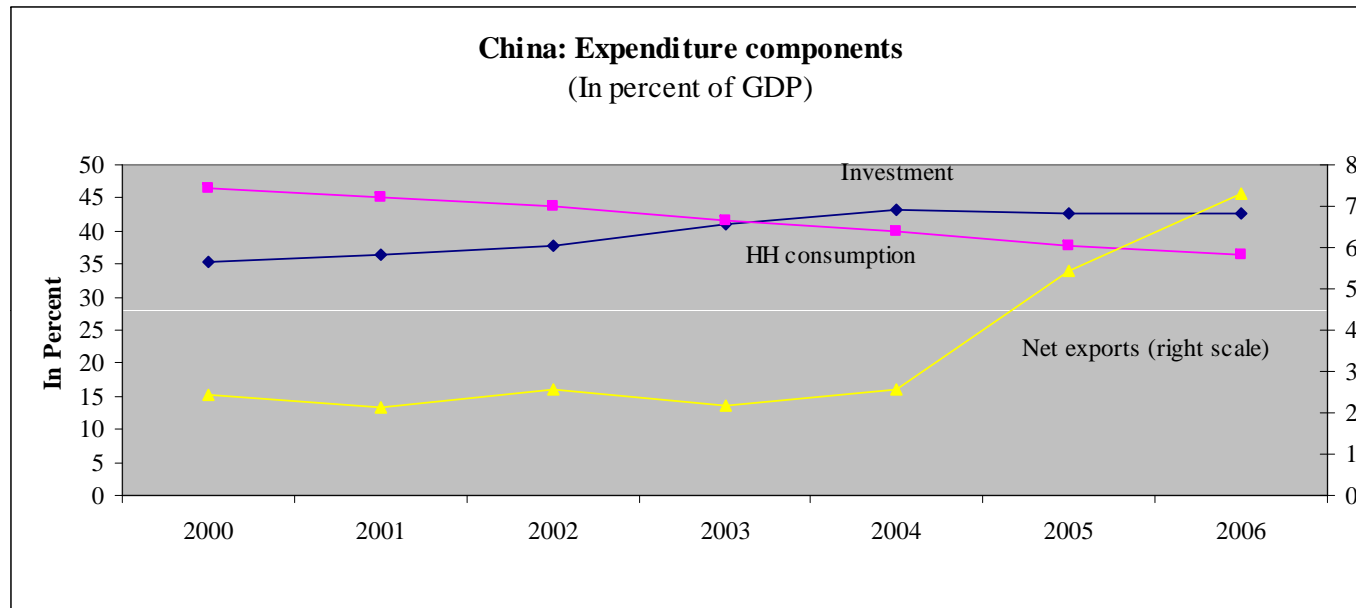
改革的作用（审批程序、评级机构、基准收益率曲线、市场资格）  
与公司重组

## Corporate bond markets can play important role in development

公司债券市场能在经济发展中扮演重要角色

- Lower cost of financing.  
融资成本更低
- More efficient pricing of risk and better allocation of capital.  
风险定价更高效，资本配置更合理
- Less crowding out of SMEs from bank financing.  
与中小企业通过银行融资相比，融资途径更通畅
- Diversify/lower balance sheet risk.  
资产负债表内风险分散化或更低

# And, in China, would also help in re-balancing economy 有助于中国经济重新获得平衡



**Need for re-balancing:** towards consumption, away from net exports and investment

中国经济需要重新平衡：由净出口与投资驱动型经济逐渐向消费驱动型经济转变

# Re-balancing requires financial and social sector reforms

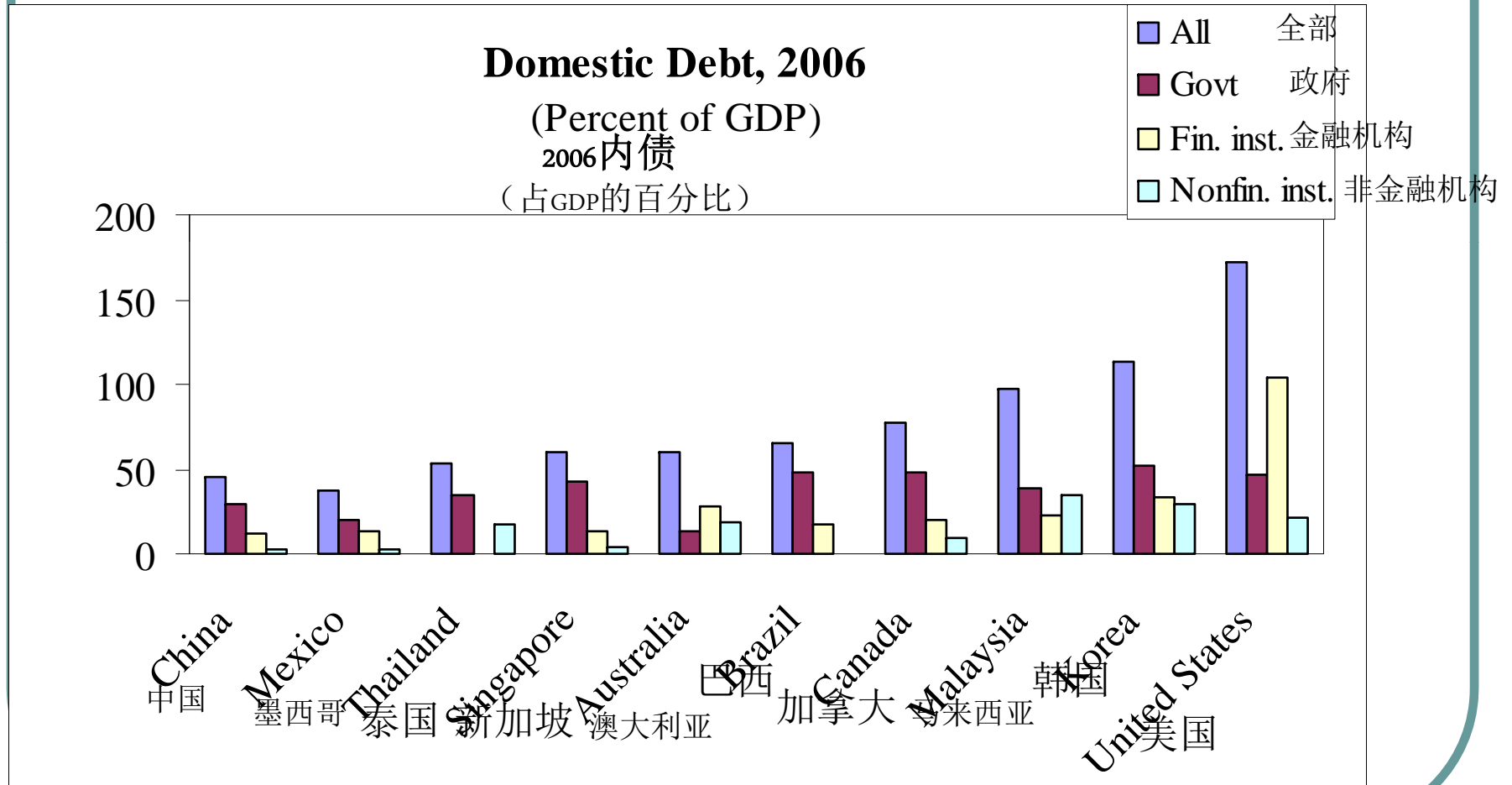
重新平衡需要金融部门和社会部门的配套改革

- **Financial sector development** (banks, equity- and bond markets).
  - **Corporate bond market development** would reduce need for excessive corporate saving.  
发展金融部门（银行业、股票市场及债券市场）
  - 公司债券市场的发展会减少公司过度储蓄的需求
- **Better social services:** health; education; pensions.

更好的社会服务：健康、教育、养老保险

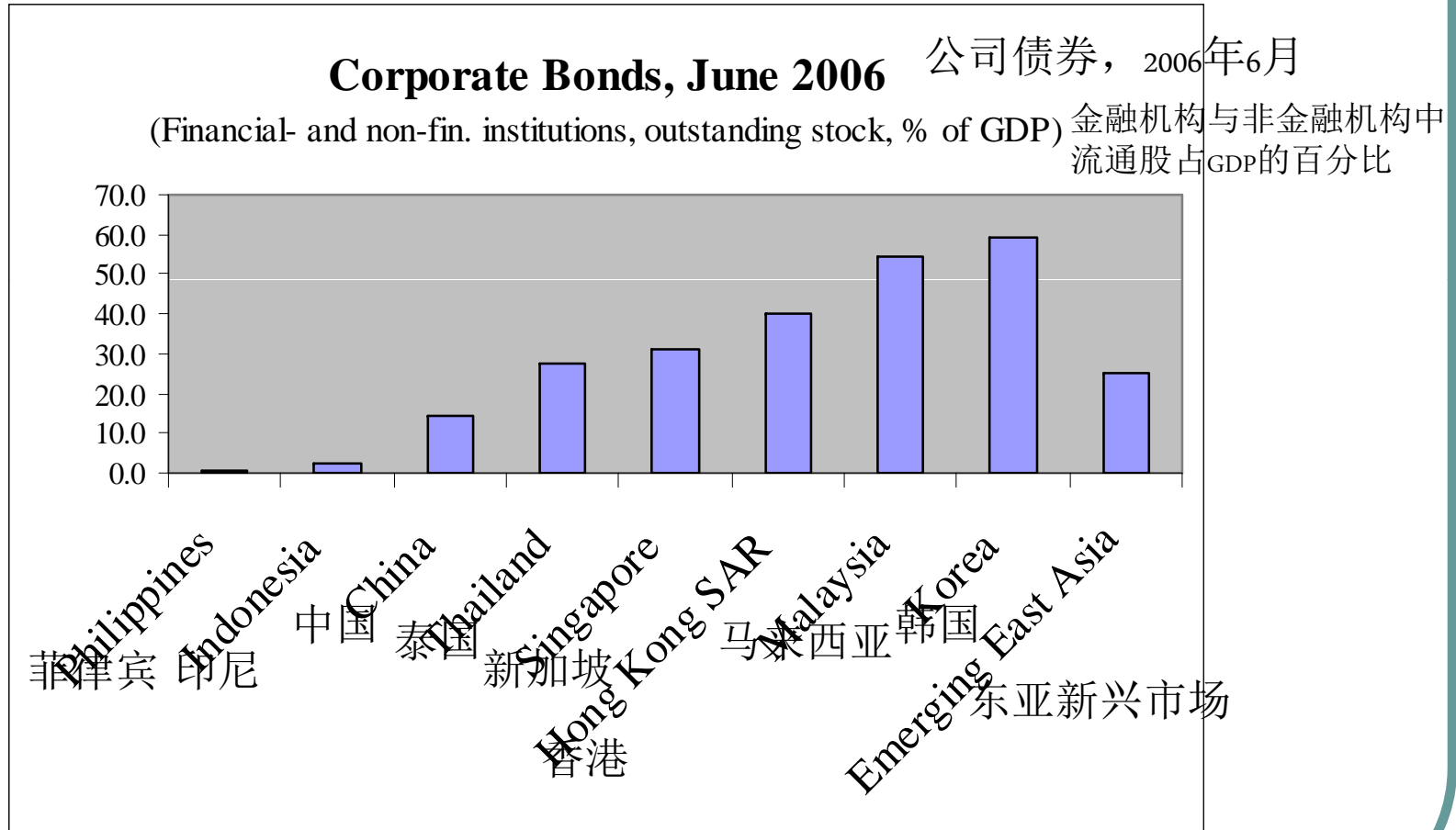
# In China, domestic debt is low

## 中国内债低



# Corporate bond market is small...

## 公司债券市场规模小...



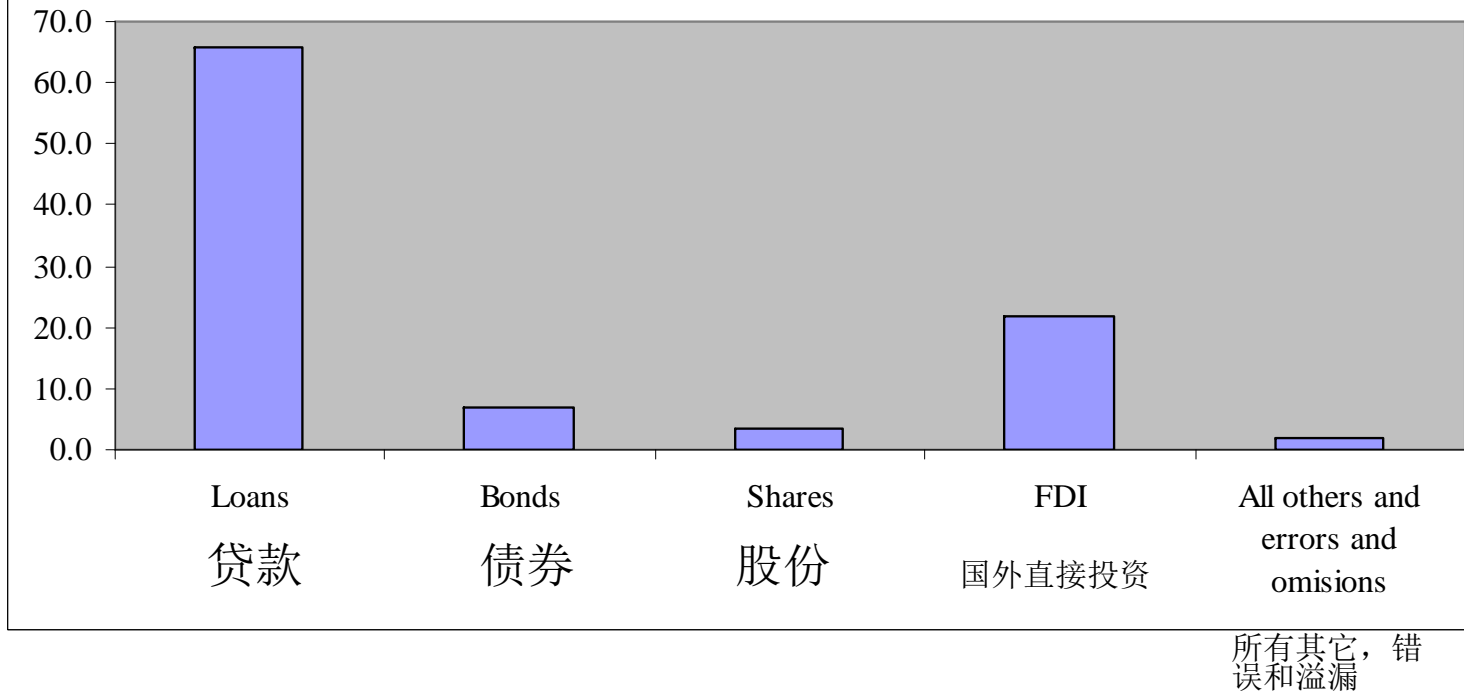
# ...and bonds play small role in corporate financing

债券在公司融资中的作用很小

## Nonfinancial corporations: Sources of outside funds, 2005

(In percent of total funds raised)

非金融公司：外部基金的来源 占总筹得基金的比例



## Limited size of corporate bond market leads

to: 公司债券市场有限的规模带来

- Efficiency costs, as capital allocation is skewed toward large firms.
- 效率成本，因为资本分配偏向大型公司
- SMEs squeezed out of financing, as banks focus on large firms.
- 由于银行关注大公司，在融资方面，中小企业被挤出局。

# Problems in developing corporate bond market in China

## 中国发展公司债市场的问题

- **Regulatory burden:** approvals not “disclosure-based”. Multiple regulators (being addressed).
- 监管负担：审批并不是以披露为本的。多重监管方。
- **Limited institutional investor base.**
- 有限的机构投资者基础
- **Credit ratings agencies.**
- 信用评级机构

## Regulatory factors 监管因素

- **Merit-based**, not disclosure-based, system. Also: quota; interest ceiling.
- 评审为本，非披露为本的体系。还有：配额，利率上限
- **Multiple regulators 多重监管方**(being addressed正在得到处理):
  - Primary issue 主要问题 (NDRC 发改委)
  - Listing and trading (CSRC 证监会)
  - Interest rate (PBC 中国人民银行).

# Institutional investors

- Role of insurers, pension funds, mutual funds.
- 保险公司，养老保险基金，共同基金的角色

## Credit ratings信用评级

- Development of domestic capacity.
- 国内能力的发展
- Potential role of international ratings agencies.
- 国际评级机构潜在的角色

# In China, authorities focusing on corporate bond market development

在中国，相关部门正关注发展公司债市场

- **National Financial Work Conference**全国金融工作会议 (2007).  
Emphasis by senior PBC officials 由人民银行高层官员强调(2005, 2006).
- **Corporate bills market** est. by PBC (2005).
- 人民银行建立公司票据市场
- **Some key impediments being addressed** (2007)一些关键的困难正得到解决:
  - Elimination of annual quota;取消每年的定额
  - Liberalization of interest rate cap (?);利率上限自由化
  - Other liberalization (e.g., use of bond proceeds).其他的自由化（比如，债券收益的使用）
- **But still 评审为本 (not disclosure) based** 但仍是评审为本，而非披露为本的

## Conclusion总结

- Corporate bond markets can play positive role in economic development. And in rebalancing. 公司债市场可以在经济发展和重新平衡经济增长方面起到积极作用。
- In China, corporate bond market is small. Regulatory burden is high.
- 在中国，公司债券市场规模小，监管负担高
- Authorities emphasizing corporate bond market development (NFWC, Jan. 2007). Progress being made.
- 相关部门重视公司债券市场发展。目前正取得进展

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