

Min Zhu
International Monetary Fund

January 12, 2016

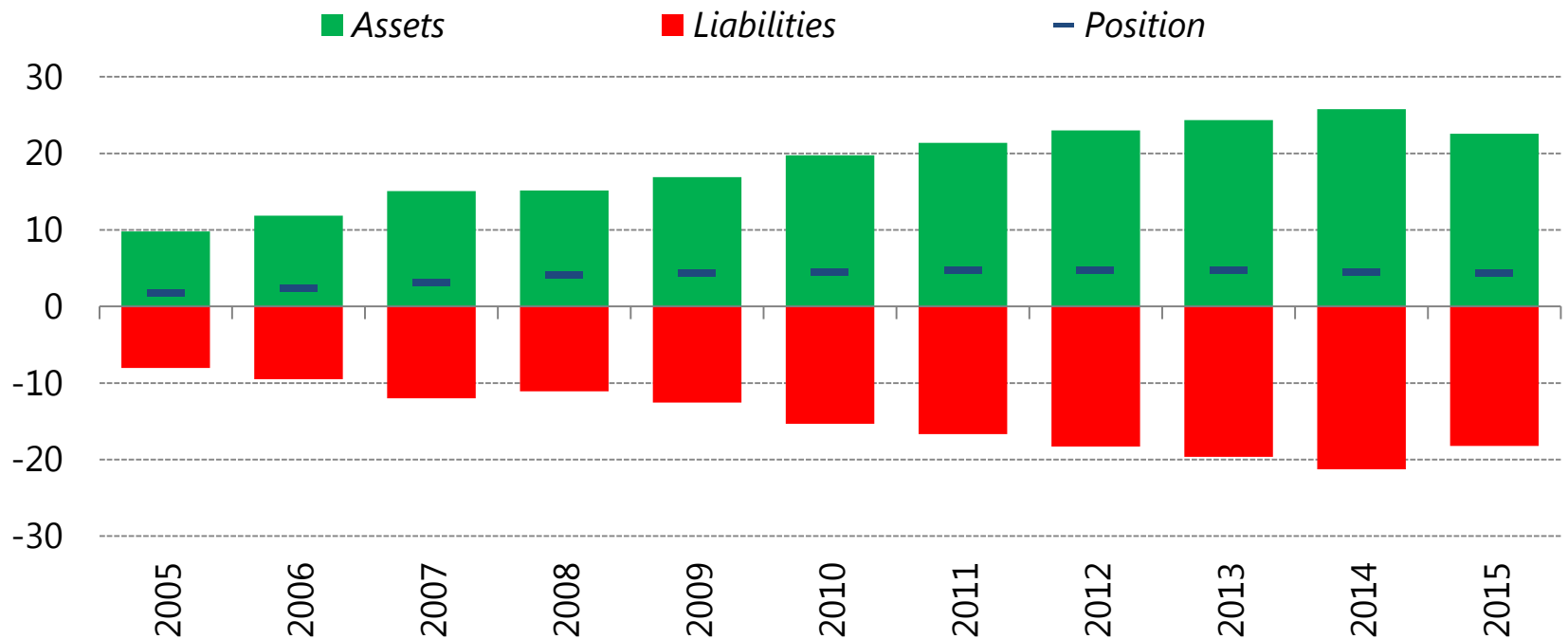
Capital Markets: Market Structure

		Share in World (in percent)				Share in own economy (in percent of GDP)			
		Stock Market	Debt	Bank Assets	Total	Stock Market	Debt	Bank Assets	Total
		Cap	Securities			Cap	Securities		
United States	2002	50	44	27	35	106	182	221	509
	2013	36	35	13	25	133	206	95	434
Euro area	2002	16	23	30	26	52	151	388	591
	2013	12	23	28	23	58	171	275	504
Japan	2002	9	16	18	16	52	175	384	612
	2013	7	13	9	10	93	249	234	576
Asia (ex. JPN, AUS, NZ)	2002	9	3	6	5	52	36	129	216
	2013	20	9	23	18	76	52	183	311
China	2002	2	1	3	2	27	25	148	200
	2013	5	4	16	10	35	43	213	292

Foreign assets and liabilities

Asia: International Investment Position ¹

(In trillions of U.S. dollars)

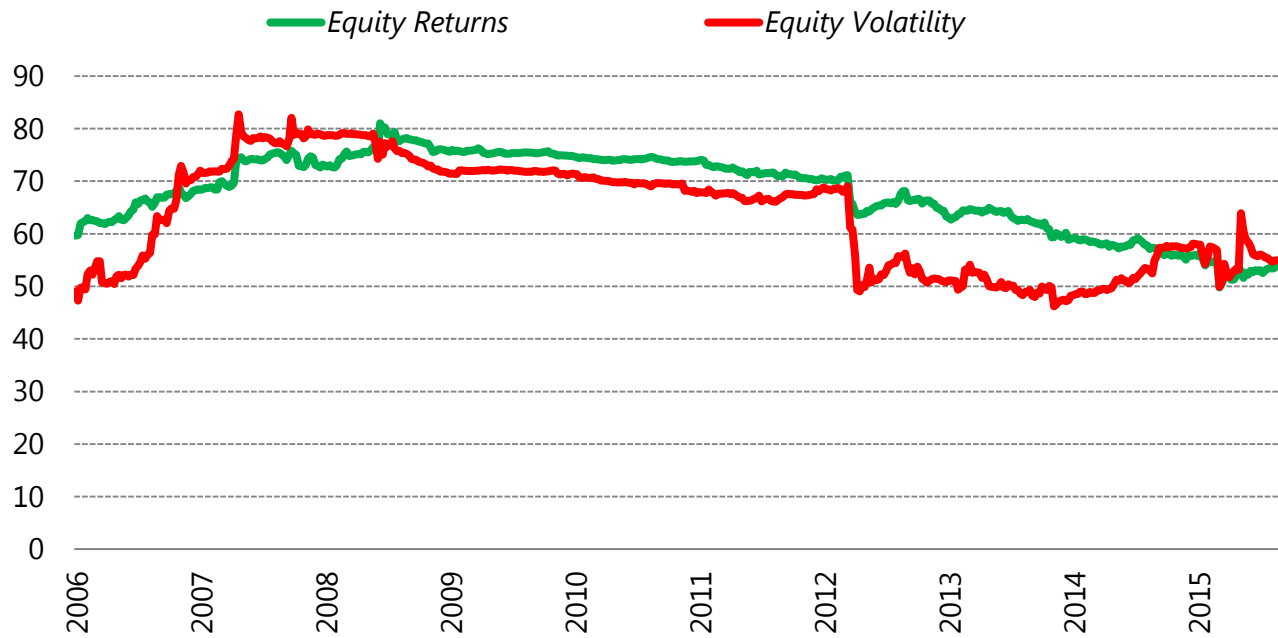


Sources: IMF, *IFS* database; and IMF staff calculations.

1/ End-year, except end Q2 in 2015.

Financial Spillovers

Connectedness Index: AEs to EM Asia

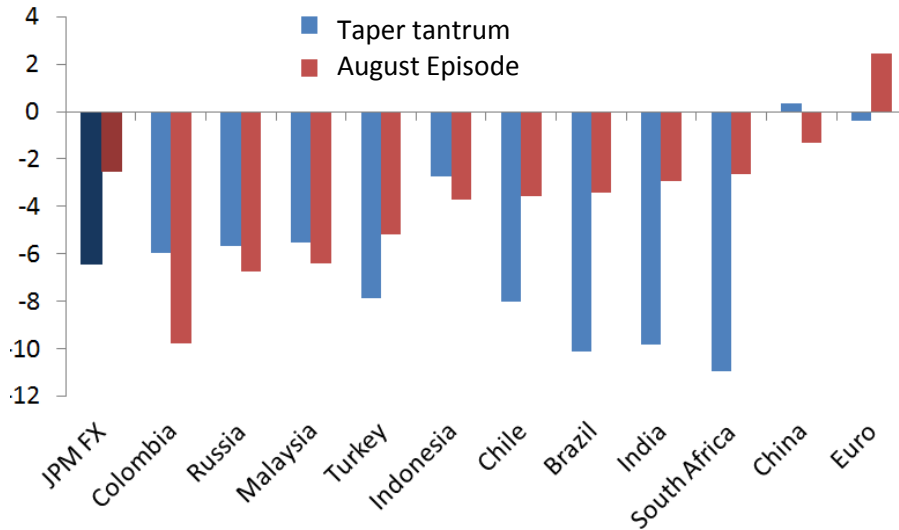


Source: IMF staff calculations.

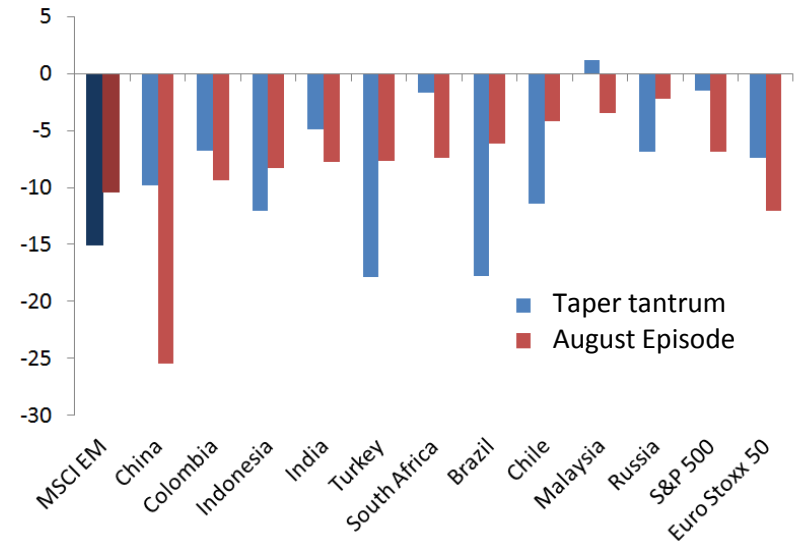
2013 Taper Tantrum vs. August 11, 2015 Episode

(%, Taper Tantrum = May to Jun 2013; August Episode= Aug 11 – 27)

Currencies

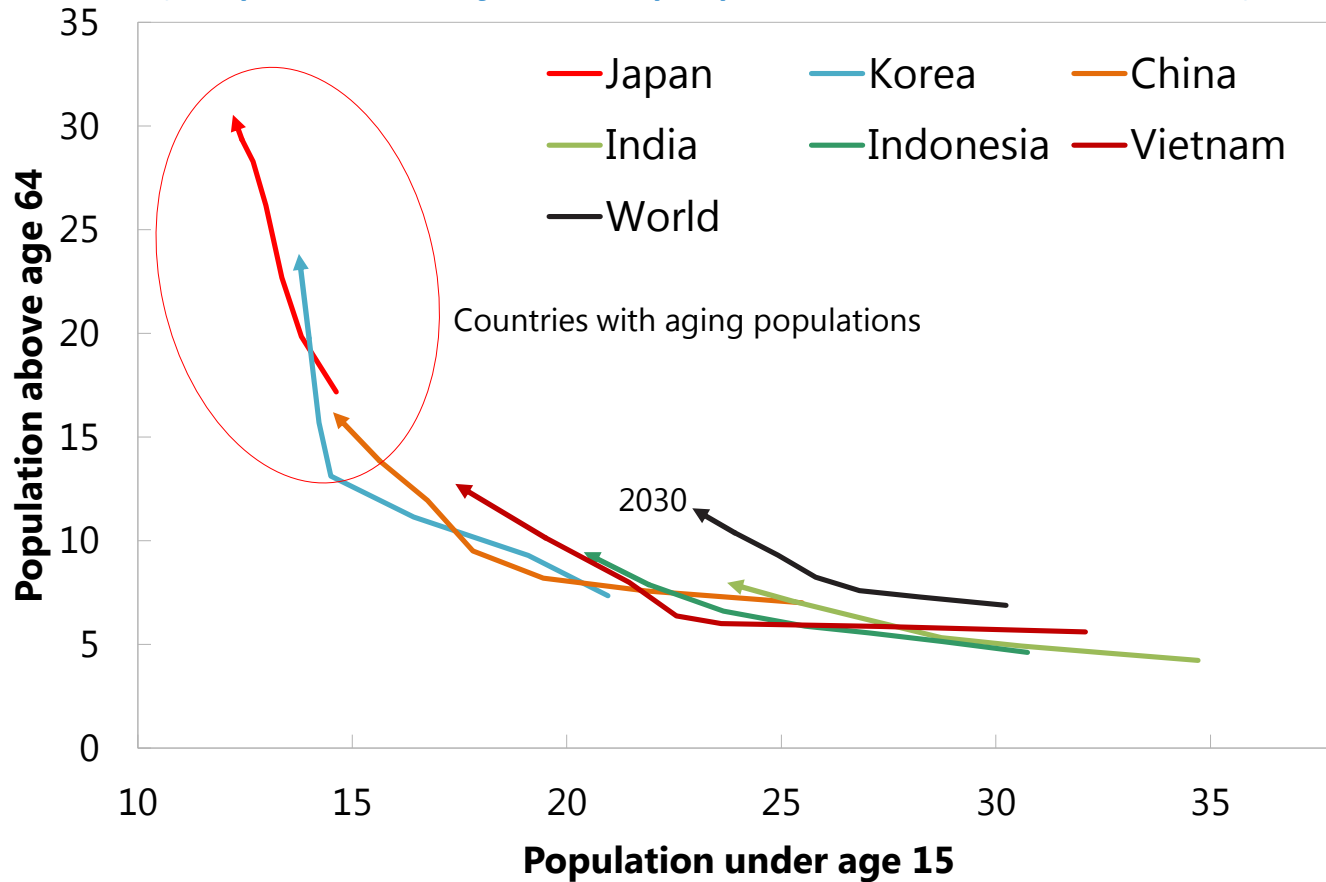


Equities



Asia's Demographic Change

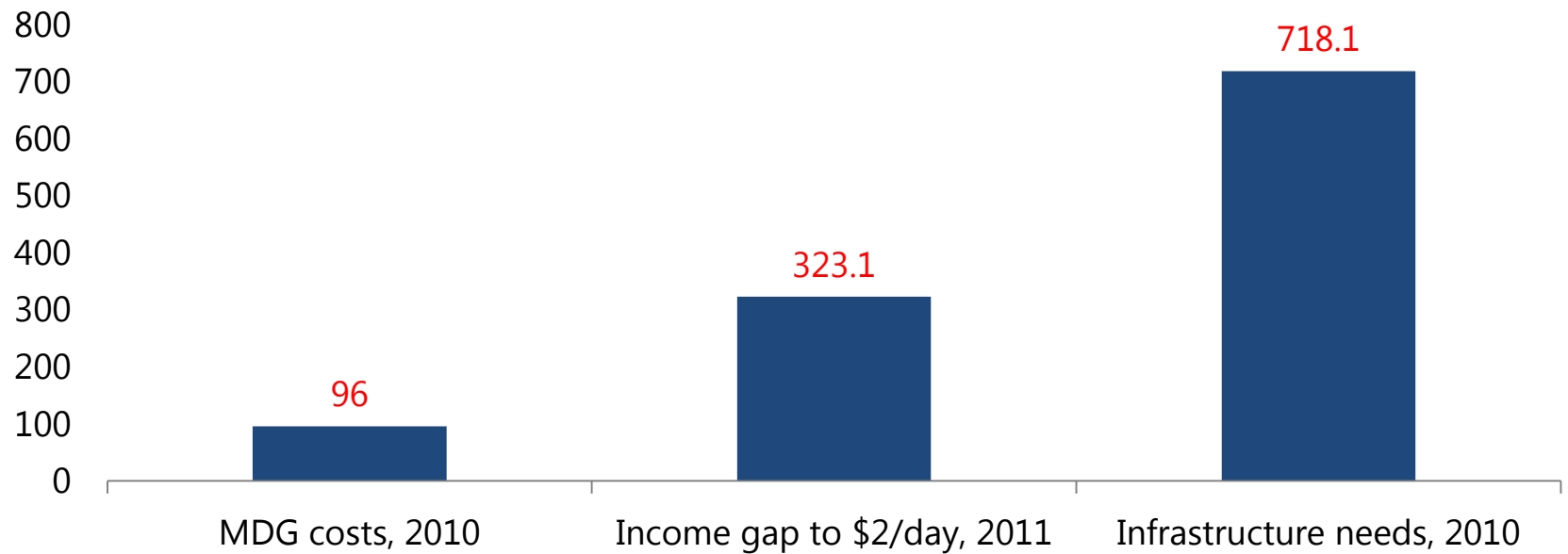
(In percent of total population, 2000-2030)



Infrastructure needs

Asia-Pacific: Investment Needs per Year

(In billions of U.S. dollars)

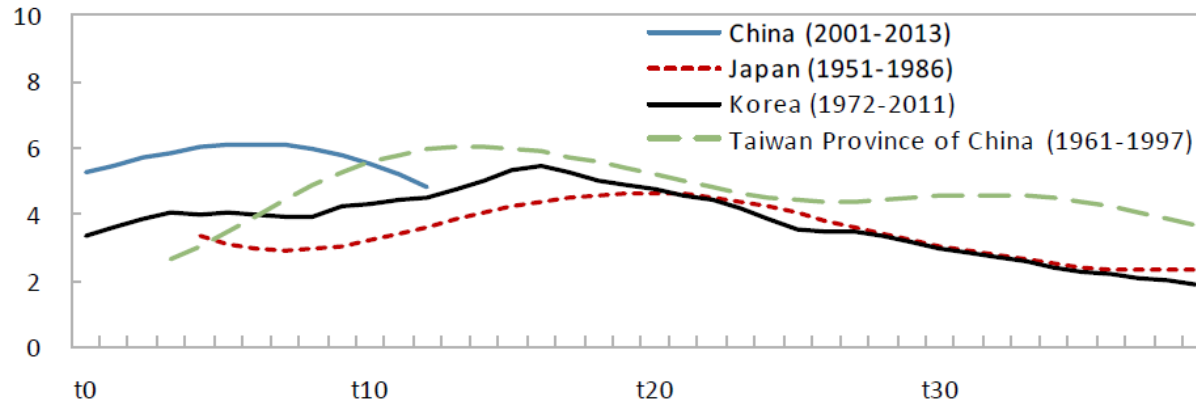


Source: Asia-Pacific Regional MDGs Report 2014/15.

Productivity

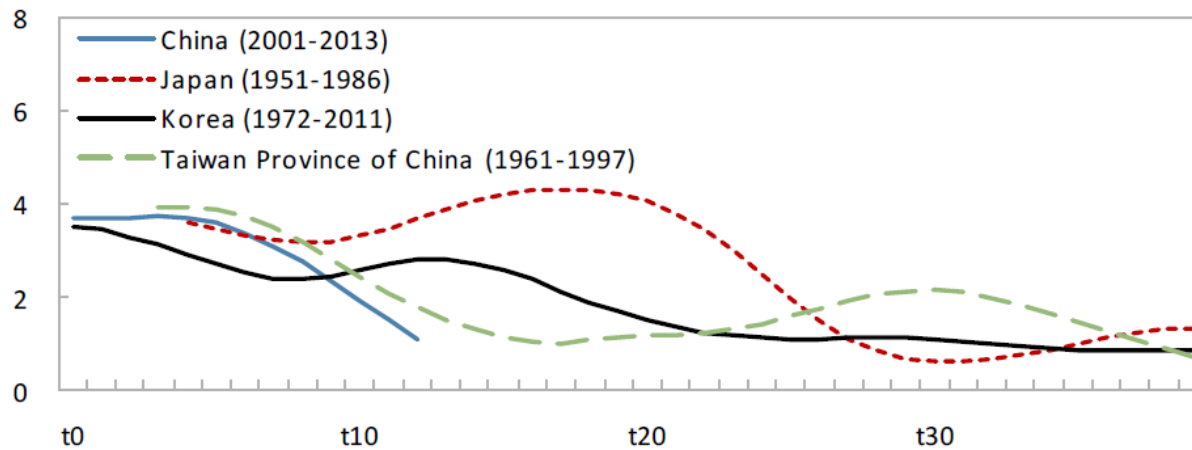
Capital Contribution to Growth

(in percent)



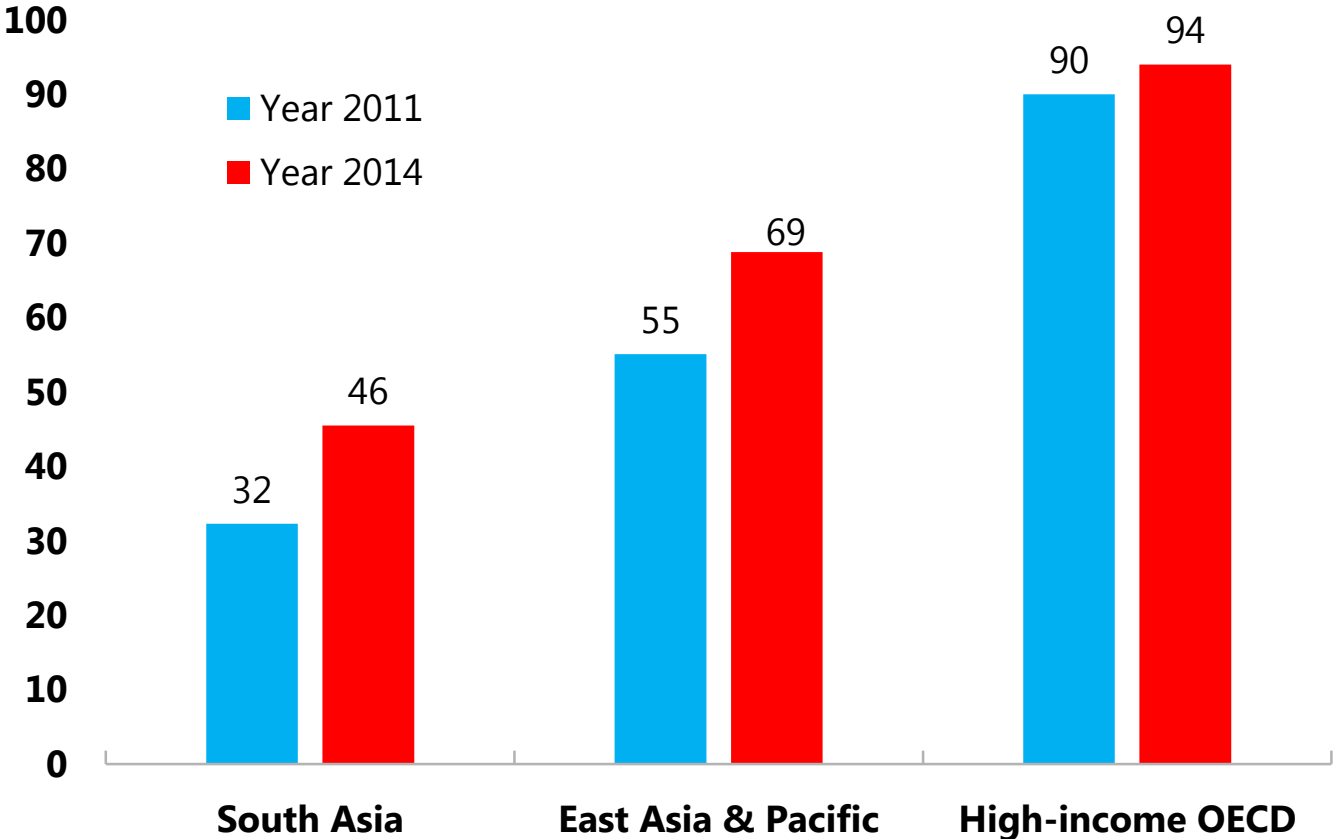
TFP Contribution to Growth

(in percent)



Inclusion: Rising, But Large Gaps Remain

Share of Adults with Accounts



Key Policy Recommendations

Enhancing financial deepening and integration

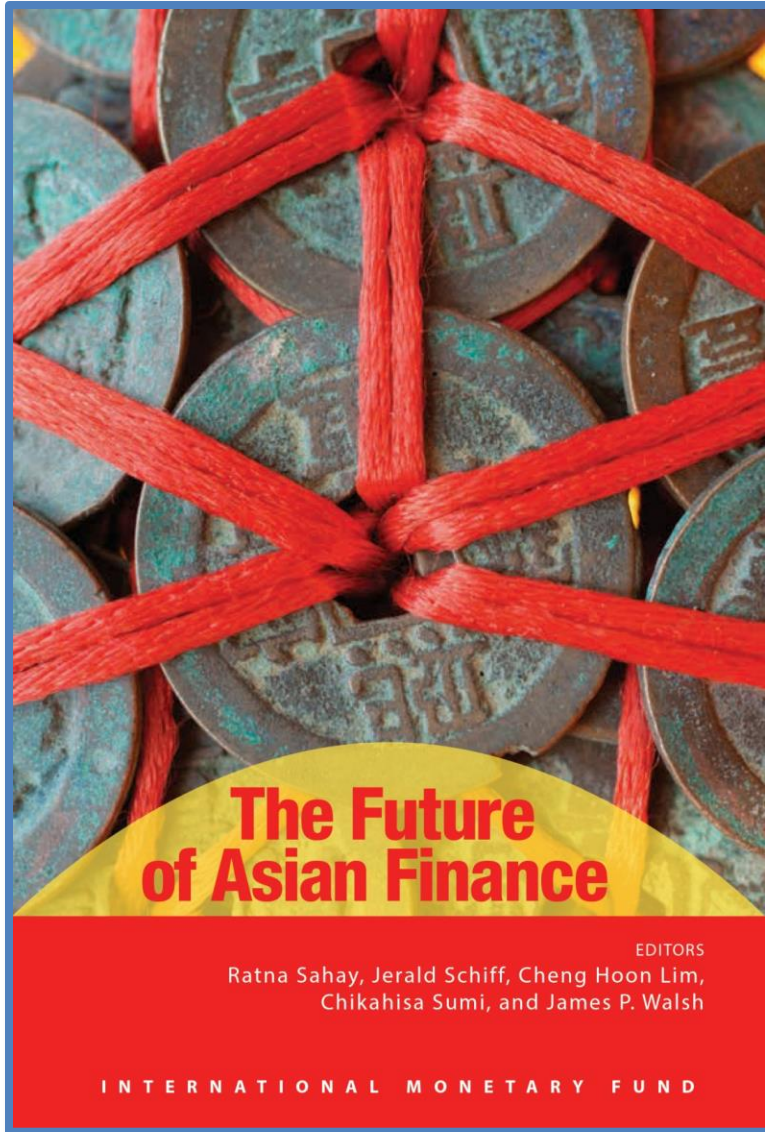
- a) Mobilizing financial resources for EM Asia
- b) Fostering consensus on roadmap to ASEAN financial integration

Building resilience

- a) Maintaining sound macroeconomic policies
- b) Strengthening macro-prudential framework and toolkit
- c) Continuing with financial sector reforms

Strengthening policy coordination in the region

- a) Data and information sharing
- b) Harmonizing market standards and rules
- c) Building market infrastructure



Thank You