



15th PECC General Meeting

Brunei Darussalam



Focus Workshop on Finance

September 1, 2003
Room J-2
International Convention Centre

8:30 - 9:00 Registration

9:00 - 10:45 Session I

Financial Cooperation and Integration in East Asia: Prospects and the Roadmap

After the financial crisis exposed the need to build up a regional cooperation scheme in finance, there have been many discussions on it. This session will highlight the state of regional scheme for financial cooperation in East Asia. The session will outline some constructive steps to ensure an effective regional infrastructure and to meet the needs of business in East Asia with regard to financial cooperation.

Chair: Soogil Young, Finance Forum Coordinator

Overview Presentation:

Present state of financial cooperation in East Asia and the way ahead,
by Eiji Ogawa, Hitotsubashi University

Panel Discussion:

1. *Current state of the ASEAN+3 process beyond CMI*, by Anwar Nasution, Deputy Governor, Bank Indonesia
2. *Chilean experience in financial and trade integration: implications for East Asia*, by Sergio Lehmann, Central Bank of Chile
3. *Regional cooperation in monetary policy and exchange rate system*, by Huang Wiping, Renmin University of China
4. *Financial markets and institutions: conditions for cooperation*, by Edward Ng, Director, Dren Analytics Pte Ltd., Singapore
5. *How to cooperate in finance*, by Kevin Davis, University of Melbourne
6. *Policy dialogue and surveillance as a necessary condition for financial cooperation*, by Deok Ryong Yoon, KIEP

10:45 - 11:00 Break

11:00 - 13:00 Session II (Joint with Trade Forum)

New Regional Integration Initiatives in the Asia-Pacific: Trade and Finance Dimensions

While proposals for preferential trading arrangements have been proliferating in the Asia-Pacific region, there have also been regional integration initiatives directed towards monetary arrangements for intra-regional exchange rate stability. After the East Asian crisis, the latter kind of initiatives emerged earlier than proposals for new East Asia-wide trading arrangements, but more recently the development of preferential trading proposals appears to be outpacing the development of proposals for monetary integration. These developments raise questions about the way forward for economic integration in the Asia-Pacific region and its sub-regional components, and also about the relationship between trade and monetary integration in these processes. This session will:

- *Review the developments that have taken place to date*
- *Highlight key issues in the relationship between trade integration and monetary integration within the Asia-Pacific region*
- *Offer perspectives on these developments from different sub-regions in the Asia-Pacific*
- *Provide a business perspective on these developments*

Chairs: Soogil Young, Finance Forum Coordinator
Robert Scollay, Trade Forum Coordinator

Introductory Presentations:

1. *Overview of monetary integration initiatives in the Asia-Pacific*, by Soogil Young
2. *Overview of RTA developments in the Asia-Pacific*, by Rob Scollay
3. *Issues in the relation between trade and monetary integration*, by Yunjong Wang, Korea Institute for International Economic Policy

Regional Perspectives:

ASEAN: Hadi Soesastro, Centre for Strategic and International Studies, Indonesia
Chia Siow Yue, Singapore Institute of International Affairs

Northeast Asia: Eiji Ogawa, Hitotsubashi University, Japan
Huang Weiping, Renmin University of China

United States: Charles Morrison, President, East West Center

Latin America: Fernando Gonzalez Vigil, Universidad del Pacifico, Peru

Business Perspectives: *to be confirmed*

13:00 - 14:30 Joint Luncheon

**Launch of World Bank's Global Economic Report 2004:
"Realizing the Promise of the Doha Agenda"**

Chair: Christopher Findlay (PECC Coordinating Group Chair)

Presentation: Dominique van der Mensbrugge (World Bank)

14:30 - 16:00 Session III

Creating Asian Bond Markets: Necessity and Roadmap

The creation and promotion of a regional bond market are taken for granted without raising a more fundamental question about why we need a regional market in the presence of an increasing integration between regional and global bond market activities. This session will highlight: a) underlying reasons that justify the promotion of a regional bond market; and, b) the roles of the public and private sectors in creating a regional bond market so that the creation of a business environment sheltered from the outside competition can be avoided.

Chair: Charles Morrison, President, East West Center

Overview Presentation:

Promotion of a regional bond market: regional efforts and initiatives and underlying reasons for the creation an Asian bond market, by S. Ghon Rhee, University of Hawaii

Panel Discussion:

1. Cecile Saavedra, Managing Director, Asia-Pacific Standard & Poors Credit Market Services
2. Stephen Williams, Head of Debt Finance, HSBC
3. Graham Egan, Director in Finance, Municipal Finance Authority of British Columbia

16:00 - 16:15 Break

16:15 - 18:00 Session IV

**Risk Management and Bank Governance in APEC Emerging Markets:
Are We Ready for Basel II?**

The impending implementation of the New Basel Capital Accord underscores the importance of risk management and governance in the banking sector for financial system stability. This session discusses the challenges of promoting sound risk management practices in banking

systems in the region in preparation for the new accord, as well as the possibilities for regional capacity-building efforts to help regulators and banks meet these challenges.

Chair: Mr. Ken Waller, Commonwealth Bank Australia

Presentations:

1. *Trends in Banks' Risk Management Practices in APEC Economies: Report of a PECC Survey*, by J.C. Parrenas, Chinatrust Financial Holding Co./Taiwan Institute of Economic Research
2. *Challenges and requirements for adoption and development of advanced credit and operational risk management systems*, by Nick Minogue, Macquarie Bank
3. *The role of corporate governance of banks in risk management*, by John Farrell, Former Chief Executive, New Zealand Securities Commission
4. *Essential elements of capacity-building for sound risk management in the banking sector*, by Kevin Davis, University of Melbourne
5. *Challenges for Asian emerging market banks in the implementation of the new Basel capital accord*, by Victor Mallet, Financial Times