

APEC

VIET NAM 2006

Savings Policy Workshop

A Dialogue on Savings and
Capital Market Development

HANOI
1 SEPTEMBER 2006



Asia-Pacific
Economic Cooperation



THE TREASURY
Kaitohutohu Kaupapa Rawa

Savings Policy Workshop

A Dialogue on Savings and Capital Market Development

New Zealand, Chile, and Viet Nam would like to invite you to attend the Savings Policy Workshop.

The workshop will be co-hosted by New Zealand, Chile, and Viet Nam as part of the APEC Finance Ministers' (FMP) policy dialogue on savings and capital market development. This first workshop will be held in Hanoi on Friday 1 September 2006 and will bring together world-recognised experts to discuss:

- the key drivers of savings behaviour
- the links between savings and capital market development, and
- how savings policies affect the private sector as a key participant in developing capital markets.

The workshop provides a unique opportunity for officials from APEC economies to share experiences and benefit from discussion with policy experts from the area of savings and capital market development. As this will be the first workshop in a multi-year programme, participants will also be given the opportunity to shape the policy dialogue in coming years.

Background — objectives for the workshop

Strong savings and well-designed savings policy can create strong benefits for APEC economies. Savings can protect the living standards of ageing populations, stimulate economic growth, and boost financial market development and stability. Leading policy experts have now identified strong linkages between well designed savings policy and the development of strong and stable capital markets. This workshop will provide information on leading research in this field.

This workshop is the first of a number to be held under the *Policy Dialogue on Savings and Capital Market Development* — a multi-year initiative contributing to the *Voluntary Action Plan for Supporting Freer and More Stable Capital Flows*. The policy dialogue will provide information on how governments can design savings policy that exploit savings-capital market linkages to both strengthen domestic savings patterns and deepen capital markets.

The workshop will provide a unique opportunity for APEC economies and expert bodies to share their experiences and draw upon leading research presented by experts in this field. This will assist economies in developing best practice principles which may be of use for future policy development. An understanding of the policies that can exploit these linkages will be of use to economies that are seeking to deepen their capital markets, achieve strong and stable capital markets and adjust to future challenges such as demographic change or population ageing.

Participants will also be given the opportunity at the end of the workshop to shape the agenda for further research on savings and capital market policy. This will allow participants to focus future work on the critical issues that are important to both member economies and the APEC region.

Expert speakers will lead sessions on:

- **The links between savings and capital market development** — providing an introduction to the two-way relationship between savings and capital market development. The focus will be on how capital markets may affect savings and how portfolio allocation of those savings affects further financial sector development.
- **Key policies and tools for developing savings and capital markets** — identifying policies that governments may use to encourage both the growth in the level of savings and development of capital markets.
- **Private sector perspectives** — providing a private sector perspective on how governments can structure policies to encourage the development of efficient private sector capital markets.

These sessions will include case studies highlighting the experiences of relevant APEC economies.

The agenda for the workshop provides time for participants to discuss their own economy experiences with expert speakers and other participants.

Target Audience

All policy experts and officials from the APEC region are welcomed. Especially those responsible for or having an interest in:

- the development of savings-related policy
- pension reform, and
- the development of capital markets to support wider economic growth objectives.

Registration

To register for the Savings Seminar: A Dialogue on Savings and Capital Market Development please:

Either

Email savingsworkshop@treasury.govt.nz and provide the following details:

- Name
- Position
- Agency
- Economy
- Special dietary requirements
- Contact telephone numbers
- Other requirements e.g. wheelchair access.

or

Complete the attached registration form and fax it to:

Aimee Morris
The Treasury
Wellington
New Zealand

Fax: +64 4 499 0992
Tel +64 4 817 6290

Registration forms can also be downloaded from www.treasury.govt.nz/apec2006vietnam/savings/.
Registrations should be received by **10 August 2006**.

Speakers

Chair: Dr Brian McCulloch

Brian McCulloch is a Director in the New Zealand Treasury attached to its Strategy Unit. Since joining the Treasury in 1989, Dr McCulloch has undertaken various management and advisory roles, mainly in the area of financial management policy and strategy. He led the policy development for the establishment of the New Zealand Superannuation Fund and he has presented various papers and articles on the structure and governance of public funds. Dr McCulloch is a Chartered Accountant and he holds a Ph.D. in accounting and finance from the School of Business at the University of Washington.

Session 1: Alberto Roque Musalem

Alberto Roque Musalem holds a Ph.D. in Economics from the University of Chicago. Since 2005, he has been the Chief Economist at the Center for Financial Stability in Buenos Aires, and occasionally works as a consultant to the IMF and the World Bank. From 1985 to 2004 he was a staff member of the World Bank. From 1998-2004, he was an adviser on contractual savings (pension and life insurance) and the tax treatment of financial instruments in the Financial Sector Development Department. He pioneered the work on contractual savings at the Bank when he led the production of the first report of its kind: Mexico - Contractual Savings in 1990. He also worked on similar projects in countries such as Argentina, Bahrain, Bulgaria, Costa Rica, Egypt, El Salvador, India, Korea, the Lebanon, Morocco, the Philippines, Russia, Saudi Arabia, Sri Lanka, Thailand, and Uruguay. Mr. Musalem also has contributed to the research and analysis of the effects of contractual savings on national saving and financial markets. During 1985 to 1997, Mr. Musalem led the dialogue on trade and financial sector policies in several countries in Latin America, Middle East and Eastern Europe. His experience prior to joining the World Bank includes work for the Rockefeller and Ford Foundation as a visiting professor in graduate economics programmes in Argentina, Brazil, Colombia, and the United States (1971-1984). From 1968 to 1970, he worked as a staff of the Harvard Institute of International Development as advisor to the Economic Planning Department of the Government of Colombia on macroeconomics, trade and financial sector policies. He is the author of numerous publications in Argentina, Brazil, Colombia, Chile, Germany, the USA and working papers at the World Bank Working Papers Series.

Session 2: Dr Klaus Schmidt-Hebbel

Dr. Klaus Schmidt-Hebbel is Chief of Economic Research at the Central Bank of Chile. He was a Principal Economist in the Research Department of the World Bank before joining the Central Bank of Chile in 1996.

He holds a Ph.D. in Economics from the Massachusetts Institute of Technology. He is Full Professor of Economics at Catholic University of Chile and Associate Professor of Economics at University of Chile. His main areas of research are in macroeconomics, development economics, pension economics, and monetary economics. He is the author or editor of eight books and has published extensively in international journals and books. He has consulted widely with governments, central banks, and international organizations on topics of his expertise. He is Vice-President of the Chilean Economic Association.

Among Dr. Schmidt-Hebbel's main topics of research are the behaviour of saving and the relationship between policies and savings. He was the task manager of the World Bank's Project on World Saving, carried out between 1994 and 1998. Among his publications are one book and 11 articles in international journals on savings behaviour and savings policies. As part of his extensive research on pension systems and reforms, he has analyzed the relationship between pension reform, saving, the allocation of savings, and capital market development. He has advised six governments and four international and national organizations on pension reform.

Session 3: Mr Takayuki Urade

Takayuki Urade is a senior researcher at Nomura Institute of Capital Markets Research in Tokyo. He has a variety of experiences in corporate/project finance, data management and workout in commercial/investment banking, as well as in ODA consulting for central banks, finance ministries and statistics authorities in East Asian countries. His current research topics include regional capital flows, capital market developments and regional cooperation in East Asia. He holds a B.A. from Keio University in Tokyo, a M.P.A. from Harvard University in Cambridge, and is currently a Ph.D. candidate at Hitotsubashi University in Tokyo.

Further Information

More information on the workshop can be obtained by emailing New Zealand Treasury:

savingsworkshop@treasury.govt.nz.

Draft Programme

	Topic	Possible Speakers
Introduction		
9:00 to 9:30	Welcome address Introduction to savings and capital market development dialogue: <ul style="list-style-type: none">• Objectives for the workshop• Agenda• Links to VAP• Links to earlier Mexican work	Dr Brian McCulloch The Treasury, New Zealand
Session 1		
9:30 to 10:45	The links between saving and capital market development. Aim: To present an introduction to the two-way interdependent relationship between savings and capital market development. The focus will be on how portfolio allocation of various levels of savings between different savings vehicles affects financial sector development. Covering: <ul style="list-style-type: none">• The importance of both savings and efficient capital markets for economic growth• The role of capital markets in stimulating savings• The impact that expanding savings, and the portfolio allocation of those savings, have on financial sector development• Different vehicles for saving and their role in capital markets• The effect of different savings vehicles in terms of stimulating financial sector development• The contribution of pension funds and contractual savings to capital market development and macro economic stability, and• Whether foreign savings have a different impact on capital market development compared with domestic savings. Case Studies Comments from Panel and General Discussion	Dr Alberto Musalem CEF Center for Financial Stability Argentina
Refreshment break		

Session 2

11:15 to 12:30

Policies and tools for Increasing savings and developing capital markets

Aim: To present possible ways that a Government may influence both the level of savings and capital market development.

Covering:

- How policy may affect the level of savings
- How policy may influence savings portfolio allocations
- How policy may stimulate capital market development, and
- Which policy levers are most effective?

Four potential policy/regulatory measures will be covered:

- i. Financial sector regulation
- ii. Taxation
- iii. Publicly available information and education, and
- iv. The institutional environment.

Case Studies

Comments from Panel and General Discussion

Lunch

Session 3

1.30 to 2.45

Private Sector Perspectives

Aim: To present private sector perspectives on how governments may encourage the development of efficient private sector capital markets.

Covering:

- How can governments use policy to affect capital market development
- How different policies affect the private sector participants within capital markets
- The benefits and burden of regulation, and
- The effect of policy on the private sector offering of savings instruments such as bonds, pensions and equities.

Case Studies

Comments from Panel and General Discussion

Refreshment break

Dr Klaus Schmidt-Hebbel

Central Bank of Chile
Chile

Mr Takayuki Urade

Nomura Institute of Capital
Market Research
Japan

Session 3 (continued)

3.15 to 4.45 Chair to summarise discussion/Present potential future work agendas

Discussion: sub-groups to discuss future areas for work agenda and report back

Final comments from the panel and close by the chair

5.30 Cocktail Function hosted by New Zealand

Registration Form

Savings Policy Workshop

A Policy Dialogue on Savings and Capital Market Development
1 September 2006, Hanoi, Viet Nam

Please complete this form and return it to The Treasury by email or fax.
Registrations close **Thursday 10 August, 2006.**

Section A: Participant

Title: _____

First Name: _____

Last Name: _____

Position: _____

Organisation: _____

Economy: _____

Contact phone number: _____

Contact email address: _____

Section B: Participation

Please indicate if you will also be attending the Cocktail Function

☐ Yes

☐ No

Section C: Miscellaneous

Kindly inform us if:

- you have any dietary requirements:

- there are any physical conditions we should be aware of:
