

Cross-Border Investment in Asian Bonds

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Size of Local Currency Bond Markets

Unit: US\$ Billion

	<u>1997</u>	<u>2004</u>	<u>Annual Growth Rate</u>
Worldwide	\$25,420	\$44,049	8.2%
United States	\$12,000	\$19,187	6.9%
EU-15	\$7,013	\$11,385	7.2%
Japan	\$4,148	\$8,867	11.5%
East-Asia excl Japan	\$402	\$1,420	19.8%
Latin America	\$468	\$651	7.2%

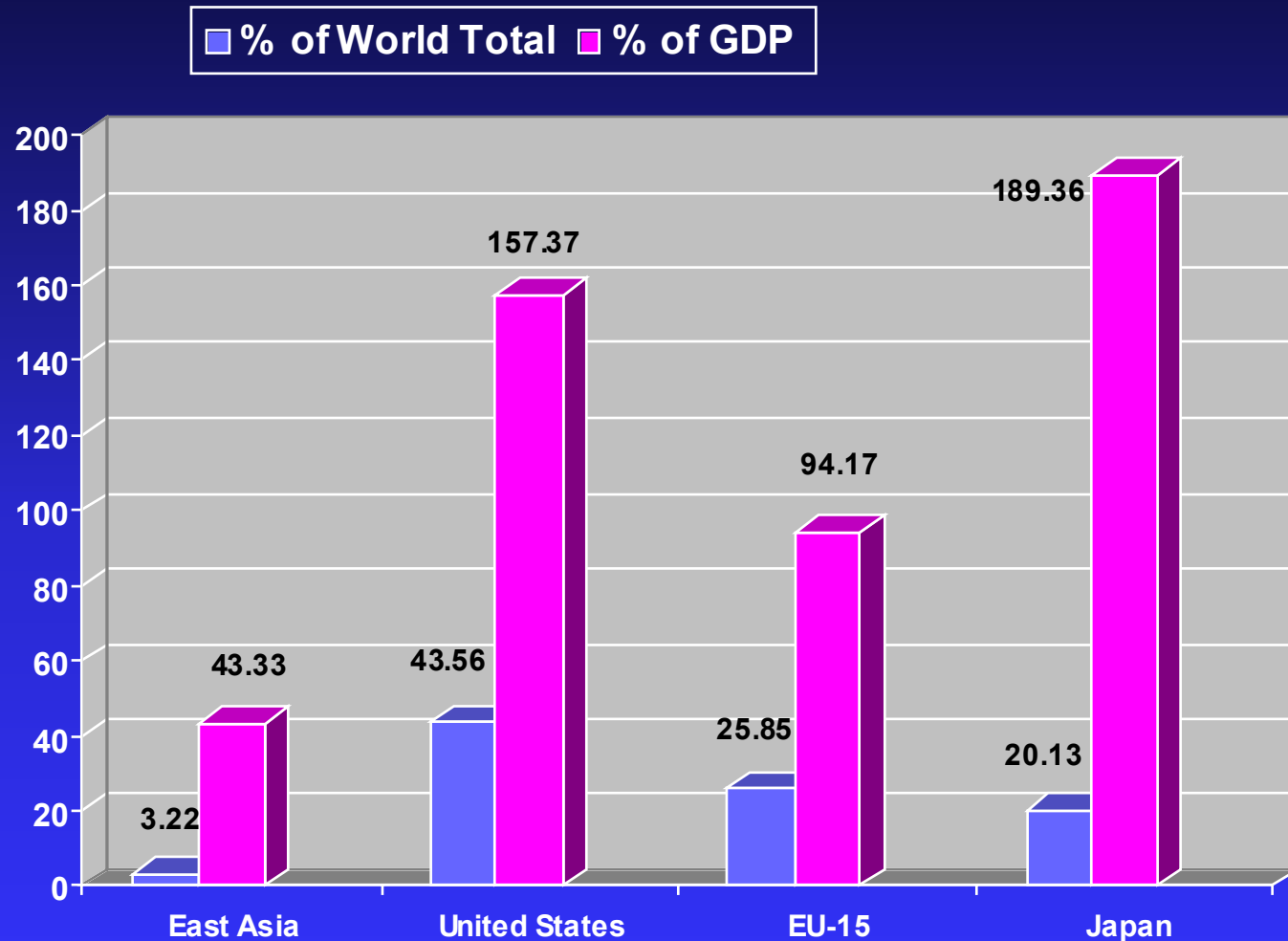
Size of Local Currency Bond Markets in East Asia w/o Japan

Unit: US\$ Billion

	<u>1997</u>	<u>2004</u>	<u>Annual Growth</u>
China	116.3	483.3	22.6%
Hong Kong, SAR	41.1	46.5	1.8
Indonesia	4.3	57.8	44.9
Korea	130.3	568.4	23.4
Malaysia	57.0	106.6	9.4
Philippines	18.4	25.2	4.6
Singapore	23.7	66.3	15.8
Thailand	10.6	64.9	29.5
<u>Viet Nam</u>	-	0.8	-
East Asia w/o Japan	401.7	1,419.8	19.8%

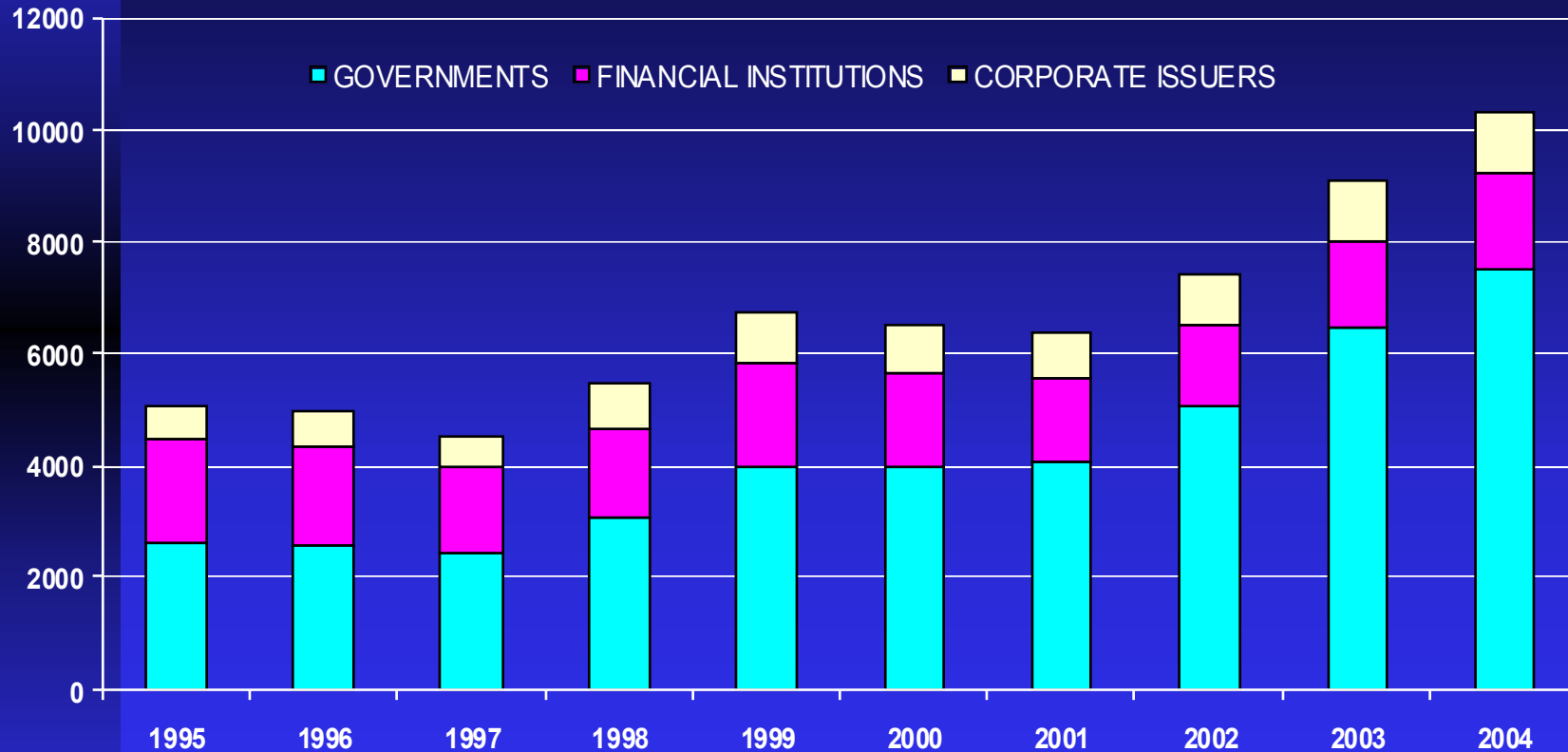
Source: BIS

Relative Size of East-Asian Bond Markets (2004)



Composition of Asian Bonds

Unit: US\$ Billion



Source: BIS

Relative Size of Corporate Bond Markets as % of GDP (As of 2004)

<u>Economy</u>	<u>As % of GDP</u>
China	0.73%
Hong Kong	3.65%
Indonesia	1.47%
Korea	23.41%
Malaysia	38.14%
Philippines	0.12%
Singapore	5.14%
Thailand	11.74%
East Asia w/o Japan	7.70%
Japan	16.86%
United States	21.17%

Source: BIS

Local Currency Bond Issues by Foreign Institutions

	Unit: US\$ Billion			
	Hong Kong	Japan	Korea	Singapore
1994		12.62		
1995		20.50	0.10	
1996		32.68	0.00	
1997	4.64	12.16	0.08	
1998	10.79	1.30	0.00	0.18
1999	13.47	8.41	0.11	1.60
2000	17.81	1.21	0.02	1.47
2001	25.91	12.15	0.78	0.92
2002	23.07	5.50	0.12	1.69
2003	26.84	7.05	0.17	0.90

Note: Local currency converted at year-end exchange rates

Foreign Currency Bond Issues by Foreign Institutions

Japan: Shogun Bond Markets

Dormant since 1994

Singapore: Non-Sing\$ Bond Markets

2003: US\$27.49 billion

2002: US\$10.72 billion

Hong Kong: No Statistics Available

Source: MAS, JSDA

Who is Receiving Investments in Asian Bonds (As of 2003)?

Unit: US\$ billion

Total Investments in Bonds Worldwide	\$9,127.8
Total Investment in Asian Bonds	190.5

Japan	\$107.5 (56%)
Korea	24.6 (13%)
Malaysia	14.4 (8%)
Philippines	11.7 (6%)
Singapore	11.5 (6%)
Hong Kong	9.2 (5%)
Indonesia	4.2 (2%)
China	4.1 (2%)
Thailand	3.1 (2%)
Viet Nam	0.2 (0.1%)

Source: IMF

Who is Investing in Asian Bonds (2003)?

Unit: US\$ billion

EU-15	\$70.2	(37%)
United States	53.8	(28%)
Hong Kong	22.3	(12%)
Japan	10.8	(6%)
Singapore	9.9	(5%)
Korea	1.1	(0.57%)
Philippines	0.2	(0.01%)
Indonesia	0.2	(0.01%)
Malaysia	0.1	(0.00%)
Thailand	0.1	(0.00%)
Others	21.8	(11%)
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Total	\$190.5	(100.00%)

Source: IMF

Investment in Asian Bonds by Asian Economies In Proportion to Total Bond Investments (2003)

Singapore	17.22%
Hong Kong	14.45%
Malaysia	15.25%
Indonesia	11.78%
Philippines	11.04%
Korea	7.83%
Thailand	2.20%
Japan	0.76%

Source: IMF