



NEWS RELEASE

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Inaugural Forum aims to Improve Capital Markets Development in Carec

ISLAMABAD, PAKISTAN (29 August 2019) — Developing strong capital markets can help countries under the Central Asia Regional Cooperation (CAREC) improve people and businesses' access to finance, support private sector development, as well as strengthen regional cooperation and integration, delegates at an inaugural forum on capital markets development held in Islamabad heard today.

The CAREC First Capital Market Regulator's Forum, held from 29 to 30 August, provides a platform for development leaders and industry experts to discuss solutions to global challenges faced by capital market regulators for better capital markets development in the CAREC region, which include the use of technology. Better capital markets mean better prospects for inclusive growth and sustainable development to countries.

The forum, organized by the Securities and Exchange Commission of Pakistan (SECP), the Asian Development Bank (ADB), Central Depository of Pakistan (CDC), and the National Clearing Company of Pakistan Limited (NCCPL), also promotes better cooperation and coordination between capital market regulators to develop stronger capital markets in support of access to finance and private sector development. Dignitaries who attended the event include Pakistan's Adviser on Finance Dr. Abdul Hafeez Shaikh; ADB Vice-President Mr. Shixin Chen; and SECP Chairman Mr. Aamir Khan.

"Capital markets can play a key role in financing economic growth through facilitating trade and investment flows," said Dr. Hafeez Shaikh. "As economies develop and investment projects become larger and more complex, efficient resource allocation and risk-sharing are facilitated by the development of capital markets."

"This forum underscores the need to evolve strong and meaningful cooperation among our capital markets. This will expand access to finance, improve regulatory structures, and support private sector development in the CAREC region," said Mr. Chen. "The region needs much more financing and investments than public sector resources can alone provide. I believe that this forum is a first step towards developing a strong regional capital and bond market for CAREC countries."

The Chairman SECP, Mr. Aamir Khan in his welcome speech considered this Forum as a first among many to develop a strong network of capital market regulators in the CAREC region and a great step towards accelerated development of capital markets in the CAREC region. He emphasized that "the forum has provided an avenue for capital market regulators to exchange ideas and share best practices, besides promoting an inclusive reform agenda for attracting private capital for development and growth across the region". He highlighted four key needs that the region must collectively address i.e. the need for integration as an engine for growth, the need to embrace technology as an enabler, the need for linkage of capital markets

with real economy, and the need for improving ease of doing business and breaking down regulatory barriers.

The forum, attended by around 150 delegates from all CAREC member countries, includes panel sessions and open discussions covering country case studies as well as specific topics such as lessons from capital markets integration, derivative market development, and fintech's regulatory and regional implications. Representatives from ministries of finance, central banks, capital market supervisory bodies from all CAREC countries, as well as relevant industry professionals participated as panelists in the various sessions to share and discuss best international practices with the participants.

CAREC Program is a partnership of 11 countries—Afghanistan, Azerbaijan, the People's Republic of China, Georgia, Kazakhstan, the Kyrgyz Republic, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan—to promote economic growth and development through regional cooperation. Several international development partners, including ADB, the International Monetary Fund, the United Nations Development Program, and the World Bank support the activities of CAREC. ADB hosts the CAREC Secretariat in its headquarters in Manila.

Since its inception in 2001, CAREC Program has invested heavily in improving regional connectivity, promoting energy trade, and facilitating regional trade, with a total financing of over \$34 billion. In 2017, a new long-term strategy—CAREC 2030—was adopted by the 11 countries. This strategy expands the objective of the program to strengthen economic and financial stability, including through promoting cooperation among capital markets and strengthening the investment climate in Central Asia.

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. In 2018, it made commitments of new loans and grants amounting to \$21.6 billion. Established in 1966, it is owned by 68 members—49 from the region.