



Romania at the Heart of Domestic Market Financing

Romania at the Heart of Domestic Market Financing
4th Annual "World Bank Government Bond Market Conference focuses on outlook and challenges for local currency bond markets
The 4th Annual "World Bank Government Bond Market Conference, organized jointly by the World Bank, the Ministry of Public Finance, and the National Bank of Romania, is being held in Bucharest, on March 12th - 14th. This years event provides investor-country insights on the outlook and challenges for local currency bond markets.
Over the last decade, emerging market governments have increased the proportion of their financing in the domestic markets, primarily in local currency. Currently over 80 percent of emerging sovereign public debt outstanding is in the domestic markets.
While there is scope for improving the efficiency of these markets, the trend of domestic market financing is expected to continue, making it important for emerging market economies to pursue debt market reforms that will enable them to meet their financing needs in a cost-efficient manner at prudent levels of risk.
The Romanian government debt market represents an example of comprehensive reforms to improve functioning and efficiency. As recognition of this progress and improvements in the domestic debt market Romania gained international visibility and attracted global investors interest. In early 2013, Romania was included in two major global bond market indices that comprise todays leading emerging market economies.
The Romanian Ministry of Public Finance, in close coordination with the National Bank of Romania, is implementing a reform program to limit the financial risks of the public government debt portfolio and to develop the government debt market to support broader financial sector development.
"Supporting the financial sector development is a high priority on our agenda, said Liviu Voinea, Romanian Minister Delegate for Budget. "Supporting the local markets to improve the financial stability and the capital flows is linked to macrostability and is aligned with the G20 agenda. Romania needs additional capital in order to sustain high growth rates and to continue the convergence with the EU.
"Romania must make efforts to attract capital in the ever more competitive international environment, said Elisabetta Capannelli, World Bank Country Manager of Romania. "The local currency bond markets will finance business investment and infrastructure - sectors that, in turn, support economic growth, create jobs, and lift people out of poverty.
The World Bank Group is supporting the Ministry of Public Finance in strengthening its public debt and cash management practices in several aspects that can improve Romanias domestic bond market. These include a more robust regulatory and operational framework for cash management and liability management transactions, mapping of trading infrastructure upgrades for effective execution of Romanian Treasury's primary and secondary market transactions, and capacity-building for Romanian Treasury staff to implement active cash and liability management.
Representatives from Ministries of Finance, Central Banks, and securities regulators from 20 emerging market countries, and several global and local investors, as well as other market participants will be attending this weeks conference. For the participants, it is an opportunity to discuss the trends, themes, and potential hurdles likely to shape the local bond markets over the coming years.
On the sidelines of the conference, a technical workshop targeting country officials addresses the overall theme of domestic bond market development, focusing on policies and tools for improving price discovery and transparency.
The World Bank
1818 H Street, NW
DC 20433 Washington
USA
Telefon: (202) 473-1000
Telefax: (202) 477-6391
Mail: investigations_hotline@worldbank.org
URL: <http://www.worldbank.org/>


Pressekontakt

The World Bank

DC 20433 Washington

worldbank.org/
investigations_hotline@worldbank.org

Firmenkontakt

The World Bank

DC 20433 Washington

worldbank.org/
investigations_hotline@worldbank.org

The World Bank is a vital source of financial and technical assistance to developing countries around the world.