

GEMLOC: Peer Group Dialogue Meeting

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| Date: | March 31st , 2009 |
| Place: | Conference call lead by GEMLOC Team in DC Supported by go-to-meeting conference tool |
| Time: | 9 a.m.-10.30 a.m. (EST time) |
| Attendees: | <ul style="list-style-type: none">• Brazil: Guilherme Pedras, Rodrigo Cabral, Lena Carvalho (Ministry of Finance)• Colombia: Viviana Lara, William Ortiz (Ministry of Finance)• Hungary: Laszlo Buzasbuzasl (Ministry of Finance)• India: Rabi Sankar, (Central Bank)• Malaysia: Kamilah Mohamad, M Reeza Mustaffakamilah (Ministry of Finance)• Mexico: Octavio Lara, Rodolfo Campos (Ministry of Finance)• Poland: Anna Suszynska, Marek Szczerbak (Ministry of Finance)• South Africa: Anthony Julies, Phumzile Maseko, Bheka Fakude (Ministry of Finance)• Turkey: M. Coskun Cangoz, Ufuk Hazırolan (Ministry of Finance)• Gemloc Team: Anderson Silva, Yibin Mu, Yoshiko Saito, Tamuna Loladze, Varsha Marathe, Baudouin Richard, Catiana García, Lili Xijia Li, Xiaohong Li, Alison Harwood, Colleen Mascenik |
| Discussion topic | <ul style="list-style-type: none">• Impact of the financial Crisis on Domestic Markets and Recent Policy Responses |
| Objectives: | <ul style="list-style-type: none">• Introduction to Peer Group Dialogue through a pilot exercise• Initial exchange of experiences and knowledge on recent developments in local currency debt markets |
| Issues discussed: | <ul style="list-style-type: none">• Each country representative made a brief description of developments in their local Government debt markets and issuance policy• Countries are facing different problems depending on their balance of payment positions and their dependency on foreign investment but the following common issues were discussed:<ul style="list-style-type: none">✓ Funding needs are increasing after lower revenues and higher spending because of the economic slowdown (all countries)✓ Original targets to fund longer term are being reduced in favor of shorter term funding, but rollover risk is low (all countries)✓ In some countries, longer term financing is still an option: lower inflation and monetary policy rates are keeping longer term bonds' costs low and still attractive to investors (Turkey, Colombia, Poland)✓ Some countries are temporarily using bilateral or multilateral debt (Hungary, Mexico, Colombia)✓ Large investor outflows were not critical in most countries because they were replaced by domestic investors. In 2009 there is a gradual return of foreign investors (Malaysia, Colombia, Brazil) |

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| | <ul style="list-style-type: none"> ✓ Markets did become less liquid and measures to provide liquidity by either MoF or CB were adopted (Mexico, Brazil, Turkey) |
| Documents discussed: | <ul style="list-style-type: none"> • Template with standardized presentation with information on macro variables and debt market and issuance developments for each participating country. |
| Next steps: | <ol style="list-style-type: none"> 1. Presentations provided by each country will be posted in the Gemloc Peer Group Dialogue section of the Gemloc webpage. 2. The Gemloc Advisory Services will follow up with a letter and questionnaire to get feedback from conference participants on content, organization, logistics and suggestions for next topic for discussion. 3. A second Peer Group discussion will be planned during the month of July 2009. Topic and exact date will be discussed with participants. |