



Public Debt Symposium

Strengthening local-currency debt markets

5 – 6 December 2017
Cape Town, South Africa



PROGRAMME

While debt levels remain sustainable, most of African countries' borrowing has been in foreign currency. With higher interest rates and stronger currencies expected in the Eurozone and United States, countries face refinancing risks and higher debt-service costs.

This symposium will facilitate exchange and learning on how local-currency bond markets can be developed to provide a source of long-term financing and to reduce the volatility associated with foreign-currency borrowing. The strengthening of these markets will increase the financing options available to governments and increase the choice of assets available to investors.

Tuesday 5 December 2017	
08:30 – 09:00	Arrival and registration
09:00 – 09:30	Keynote address: Neil Cole (Executive Secretary: CABRI)
Session 1 09:30 – 11:00	Panel discussion: developing local-currency debt markets Establishing and strengthening local-currency debt markets provides a sustainable and stable source of financing for governments. There are however many challenges that debt managers must confront during this process of market development. When is developing the local-currency market appropriate and how have countries with very different contexts gone about this? Panellists: Yves Lopez Assi (Directorate of Public Debt and Grants: Ministry of Finance and Economy, Côte d'Ivoire) Patrick Smith-Assan (Treasury: Central Bank of Ghana) Nancy Chanda Mwilwa (Domestic Market Operations: Bank of Zambia) Nouma Znaidi (Debt Office: Ministry of Finance, Morocco) Moderator: Fifi Peters (Financial journalist: CNBC Africa)
11:00 – 11:30	Tea and coffee



Session 2 11:30 -13:00	What is the role for debt managers in developing local-currency debt markets? How do debt managers strengthen their position and drive local-currency debt market development, while reacting to continued pressures to fund expected and unexpected expenditure? Presenter: Phakamani Hadebe (former Deputy Director-General: Asset and Liability Management, National Treasury of South Africa and former Chief Operating Officer, Absa Bank) Moderator: Fifi Peters
13:00 – 14:00	Lunch
Session 3 14:00 – 17:00	Roleplay: developing the local-currency debt market requires coordination between all stakeholders Nimanda is a lower-middle income country, with almost all its macroeconomic indicators in a deteriorating state. Nimanda’s debt-to-GDP ratio is climbing steadily and the budget deficit has been financed primarily in foreign currency. Capacity and infrastructure within the local-currency debt market remain underdeveloped. Key stakeholders, namely a primary dealer, stock exchange, debt office, budget office, central bank and fund manager are asked to present their perspectives and strategies on: (i) the costs and benefits of issuing more local-currency debt, (ii) ways to strengthen the local-currency market and boost demand, (ii) what market infrastructure is most effective in different contexts, (iii) how regulation can be used to build an enabling environment and (iv) how to attract long-term investors. Chair: Phakamani Hadebe Moderator: Fifi Peters (Tea and coffee: 15:00 – 15:30)



Wednesday 6 December 2017	
Session 1 09:00 – 09:30	Keynote address: How can governments work with market participants to develop local-currency debt markets? Anthony Julies (Deputy-Director General, Asset and Liability Management: National Treasury of South Africa)
Session 2 9:30 – 11:00	Panel discussion: Local-currency bond market development from the perspective of market participants Market participants, like governments, encounter many obstacles when establishing and transacting in government debt markets. Collaboration between government and market participants can address these challenges and facilitate mutual understanding of stakeholders' incentives and demands. Panellists: Cedric Achille Mbeng Mezui (African Financial Markets Initiative (AFMI): African Development Bank) Donna Nemer (Capital Markets and Group Strategy: Johannesburg Stock Exchange and representative of the Committee of SADC Stock Exchanges (CoSSE)) Neville Mandimika (Africa Analyst: Rand Merchant Bank) Discussant: Zoya Sisulu (Debt Primary Markets South Africa: Standard Bank) Moderator: Bronwyn Nielsen (Financial journalist and Executive Director: CNBC Africa)
11:00 – 11:30	Break and group photo
Session 3 11:30 – 13:00	What emphasis do investors place on good governance and macroeconomic policies? Investors consider myriad factors when deciding where to invest their funds. These include good governance and macroeconomic performance and sound fiscal and monetary policy. But how does the market understand good governance and policies and how does it price these? By considering its clients' perspectives, the debt office will be better equipped to serve their preferences and demands and build trust and credibility. Presenter: Ashok Parameswaran (Founder: Emerging Market Investors Alliance) Discussants: Gill Raine (Association for Savings and Investment South Africa (ASISA)) Malaquias Gomes Lopes (General Directorate of the Treasury, Cape Verde)
13:00 – 14:00	Lunch



Session 4 14:00 – 16:30	Closing session: how can the debt office build demand for its local-currency debt? By the close of the symposium, government officials should have greater insight into the priorities of market participants. Debt officials will be asked to consider what they will focus on, when returning home, to boost demand for their local-currency bonds. Market participants will consider the groups' proposed areas of focus and note which of these are most likely to convince them to invest. Facilitator: Neil Cole (Executive Secretary: CABRI)
18:00 – 22:30	Excursion