

PRESS RELEASE

ASIFMA Releases Results of Capital Markets Survey on Market Development, Operational and Regulatory Perspectives

Results Reveal Continued Optimistic Perception of APAC Region and Majority Intend to Further Expand Presence

8 December 2022 (Hong Kong) - The Asia Securities Industry & Financial Markets Association (ASIFMA), the region's leading financial industry association, today released the [ASIFMA 2022-23 Asia-Pacific Capital Markets Survey](#) of nearly 40 industry participants from both the buy and sell sides in selected APAC markets. The purpose of the survey was to address how member firms view the surveyed jurisdictions in the region from market development, operational and regulatory environment perspectives. The survey responses provided reflect the views of industry participants and their regional headquarters. ASIFMA engaged Ernst & Young Advisory Services Limited (EY) to provide technical assistance in administering the survey which covers the following 13 markets: Australia, Mainland China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand and Vietnam. The survey was conducted during the period of July to September 2022, representing a snapshot of the industry perception of the survey respondents with slightly different respondent mix from last year's survey.

"Overall, the survey results indicate a continued optimistic perception of APAC markets, reflected in the fact that a majority of participants intend to expand their business presence in the region," said Alice Law, CEO of ASIFMA. "Given the importance of sustainable finance as an emerging issue in capital markets, a key focus of the report is on sustainable finance business in APAC markets, with nearly half of this year's participants already having ESG and sustainable finance products/services. Sustainable finance is also considered the development area with most potential with 57% of respondents planning to expand their offerings."

"Key market attractions for conducting business in APAC have been highlighted as workforce skills, trading and exchange infrastructure and transparent regulatory policy," continued Ms. Law. "However, some challenges are cited in the survey results which reflect geopolitical tensions in the region and post-COVID recovery stages that some locations are working through."

"Sustainable finance is taking increased importance around the world, as we've seen the past two years with government and business leaders unveiling plans to reduce global warming and carbon emissions. Financial services firms will play a critical role in funding this transition to net-zero, particularly here in Asia where we have strong candidates for global green finance hubs," said Andrew Gilder, EY Asia-Pacific banking and capital markets leader. "There's huge growth potential in the region, particularly in green bond issuance, as well as other sustainability-linked financing opportunities. With the positive regulatory environment, ESG disclosure rules and government incentives, Asian markets will certainly be front and center in the global green finance boom."

Key Findings

The key findings from the survey can be categorized into four main areas as follows:

1. *Ease of doing business across APAC markets*

The ease of operating in APAC capital markets has largely been stable both historically (based on participants' three year look back) and prospectively (looking forward three years). However, three exceptions are noted:

- Hong Kong: participants view the regulatory environment in Hong Kong as improving and being easier to operate in but do see the operating environment as challenging.
- Mainland China: participants viewed it as having a more challenging operating and regulatory environment in the past three years, but the participants' views on the outlook for the next three years is mixed.
- India: market development and the operating environment are projected to improve in the next three years, whereas historically the regulatory environment has been regarded as somewhat

2. Business Expansion in the next 3 years

The current market perception across APAC remains predominantly optimistic, with 64% of survey participants intending to expand their business operations in APAC markets. Areas of expansion reflect predominant existing business profiles of survey respondents, i.e., capital market trading in particular equities and fixed income trading.

3. Factors that survey participants value in rating markets highly

Singapore, Australia and Japan markets scored the highest across the three factors (market development, regulatory and operating environments), with participants citing workforce skills as the key attraction under operating environment, trading and exchange infrastructure under market development, and predictable and transparent regulatory policy under regulatory environment. Mainland China and Singapore were identified as the most prominent target markets for expansion, mainly due to Mainland China's growing customer and wealth base and Singapore's political environment and predictable and transparent regulatory policy

4. APAC sustainable finance

Participants have ranked international financial centers (Hong Kong and Singapore) and mature markets (e.g., Australia and Japan) as the leading markets to conduct sustainable finance business. In addition, participants have noted government/regulator facilitation of sustainable finance product offerings as a key factor for sustainable finance developing over the next three years including in the following areas:

- Green and other sustainable bond issuance
- Financing renewable energy projects
- Sustainability-linked financing

The survey results can be found [here](#).

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About ASIFMA

[ASIFMA](#) is an independent, regional trade association with over 165 member firms comprising a diverse range of leading financial institutions from both the buy and sell side, including banks, asset managers, law firms and market infrastructure service providers. Together, we harness the shared interests of the financial industry to promote the development of liquid, deep and broad capital markets in Asia. ASIFMA advocates stable, innovative, and competitive Asian capital markets that are necessary to support the region's economic growth. We drive consensus, advocate solutions and effect change around key issues through the collective strength and clarity of one industry voice. Our many initiatives include consultations with regulators and exchanges, development of uniform industry standards, advocacy for enhanced markets through policy papers, and lowering the cost of doing business in the region. Through the [GFMA](#) alliance with [SIFMA](#) in the United States and [AFME](#) in Europe, ASIFMA also provides insights on global best practices and standards to benefit the region. More information about ASIFMA can be found at: www.asifma.org.