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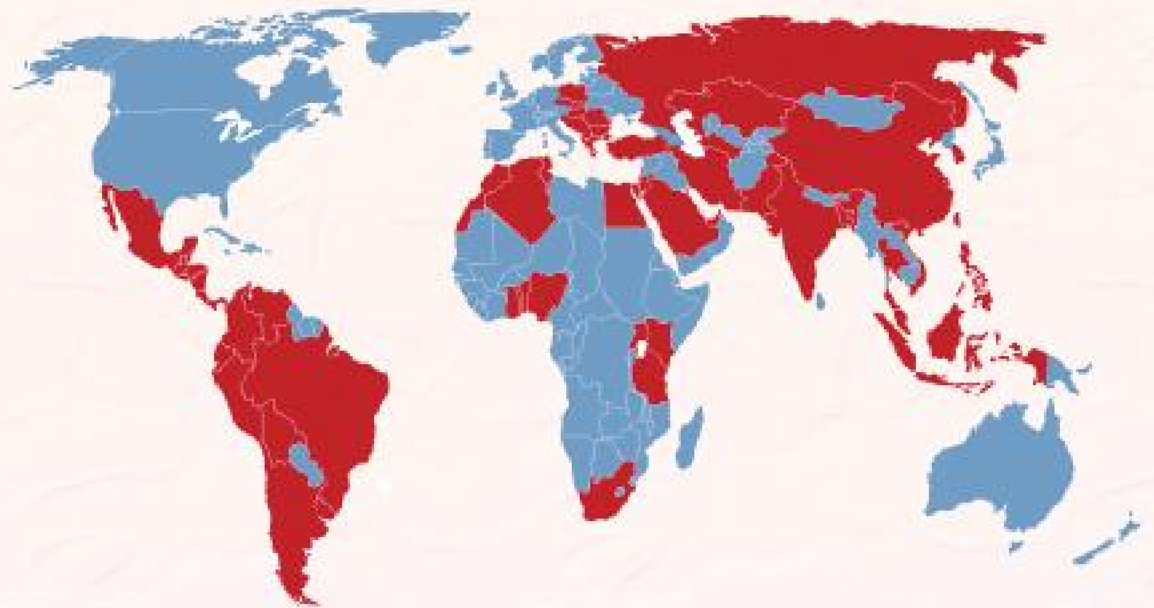

Securing International Finance

Issues of Debt Management, Prospects and Modalities

Paul A. Acquah

Discussion Draft

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AFRICA EMERGING MARKETS FORUM 2008

SECURING INTERNATIONAL FINANCE

ISSUES OF DEBT MANAGEMENT, PROSPECTS AND MODALITIES[1]

Paul A. Acquah

Introduction

A remarkable development in global financial markets has been a fundamental shift in the size, composition and distribution of capital flows to developing countries in recent years. African debt is emerging as an asset class of strong interest to investors, attracted by substantially improved economic policies. A number of these countries have secured HIPC and MDRI debt relief contributing to a significant reduction in external debt indicators from distress levels to sustainable thresholds. A small group of post HIPC/MDRI economies have been classified as "matured stabilizers" and are at the cusp of becoming emerging market economies seeking access to international capital markets.

Most countries in Africa have successfully gone through stabilization programmes and structural reforms for more than a decade resulting in improved economic trends that have combined with high commodity prices to sustain growth rates. Sub Saharan Africa (SSA), has in recent years experienced its strongest growth and lowest inflation levels in more than three decades.

An increasing block of countries among the top reformers (*frontier emerging market economies)* across the sub-Saharan African region have achieved a significant degree of macroeconomic stability and growth, with increasing good governance. Most have opened up their capital accounts, allowing foreign investors to participate in the domestic money market and are gradually opening up to the dynamics of the international capital flows. All these have worked together to reduce the perceived (and in most cases real) risks associated with investment in Africa. From the global market perspective, the pull of these countries as a group is much stronger than the strength of each of the

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[1] *Paper prepared for the African Emerging Market Forum, Casablanca, Morocco, April 7-9, 2008, session on Finance and Trade. This paper benefited from the experience gathered from the maiden sovereign bond issue by Ghana in September, 2007.*

individual countries; making them better positioned to access international capital markets and be an alternative destination of both official and private capital flows.

Foreign investors at the end of 2007 held an estimated 14 percent of Zambia's local currency government debt; 11 percent in Ghana with similar shares in Tanzania and Uganda (IMF Survey, January 2008). At the end of 2006, net portfolio investment into each of these countries - Zambia, Ghana, Kenya, Tanzania, and Uganda – increased to between US$200 million and US$400 million. For the African region as a whole, total foreign direct investment (FDI) flows have also increased significantly over the past four years – from US$13.6 billion in 2002 to US$35.5 billion in 2006, translating into an increase from 1.6 percent in 2002 to 2.7 percent in 2006, in terms of Africa's share in global FDI flows (World Investment Report 2007). There is evidence of a shift of concentration of private flows in Latin America and Asia; with Africa becoming more and more attractive to private capital flows.

The paper provides broad picture of transformation of the African economic landscape, from a region that for decades has been outside the radar screen of the capital market, to one that has advanced to the frontier of the market for international finance, with some countries already having issued maiden sovereign bonds. It highlights the broad convergence of macroeconomic indicators that have occurred to steer these economies in this direction. It discusses the experience of Ghana as an illustrative case of this process as it has been unfolding in Africa.

The paper raises questions as to how to manage the role of international finance, especially capital market borrowing as a financing option for public investment; and how to establish a virtuous debt dynamics for growth.

It concludes that commitment to economic and structural reforms, improved good governance, participatory process and consensus building in national policy-making, and strong institutions are important for success. They bear on the capacity to implement policies to ensure value for money and efficiency in the use of public resources, and also the ability to manage with transparency and trust, relations with creditors and investors, the international

financial institutions and donors, and secure a stable access to international finance.

Reforms: The Path to International Capital Market

Economic and structural reforms to establish sound fundamentals that underpin macroeconomic stability and sustainable debt indicators are necessary to set the stage for access to international capital markets. The critical question is how these matured stabilizers have positioned themselves to tap international capital markets.

A churchillian wind of change has been unleashed on the landscape of reforms. A combination of strong and improved institutions; good governance and the rule of law sweeping across especially these group of countries in the African region; increasing degree of accountability and transparency; coordinated public policy (particularly coordination between fiscal and monetary policies) have translated into strong and sustained economic performance in the region for about a decade now. There is commitment to the African Peer Review Mechanism (APRM) and the NEPAD agenda. In addition, there is a strong degree of commitment and political will towards integration in the sub-region. Pursuing an agenda of trade-liberalization across regions, common currency arrangements, and common markets has provided an external anchor for convergence in macroeconomic policies, institutions, and legal and regulatory frameworks.

Economic growth in Africa as a region has averaged 5.0 percent over the past decade and is estimated at 5.8 percent in 2007 (IMF Regional Economic Outlook). Average inflation, despite higher food and energy prices, has been the lowest over the past three decades and estimated at 7.5 percent in 2007 and expected to decline to 6.7 percent in 2008.

Comment [m1]: Check this fact

It is striking from the comparative charts (see panel of charts below) that this emerging new class of countries in Africa (Ghana, Tanzania, Zambia,

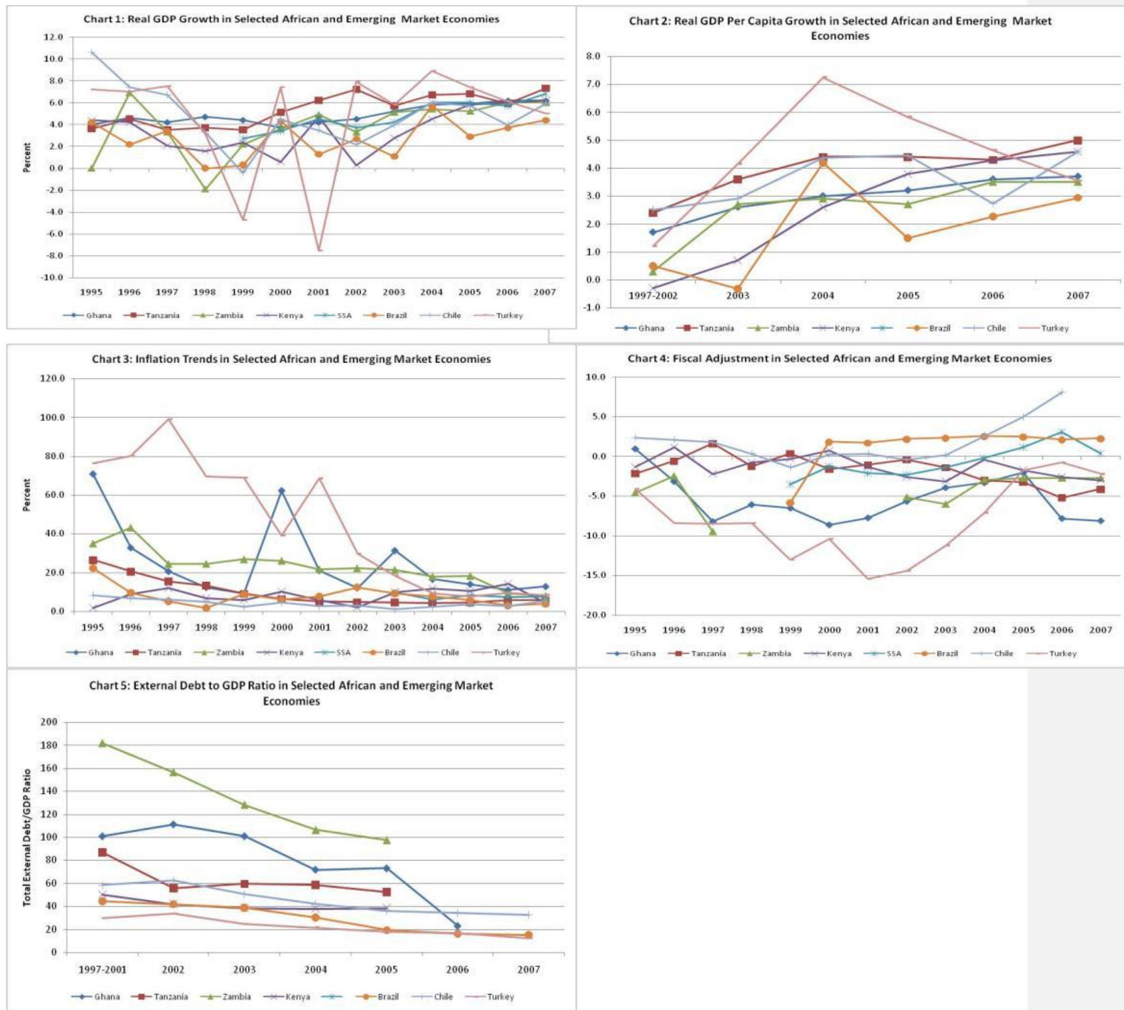
Kenya)[2] have achieved a degree of macroeconomic convergence that are broadly similar to those of some emerging market economies (Brazil, Chile, and Turkey). And, their performance has been markedly better than the average for the sub-Saharan African (SSA) region. Moreover, the successful disinflation process has come with rising GDP growth over the years (see Charts 1, 2 &3).

- Growth has accelerated and is showing more stable patterns in all the countries (Ghana, Tanzania, Zambia and Kenya).
- Inflation and inflation variability have declined significantly in the Africa region as a whole and particularly in this new class of emerging economies in Africa (Charts 3, 4 & 5). Average inflation in the SSA has registered its lowest levels in the last three decades, averaging 7.7 percent in the last five years[3].
- There is evidence of a break from the long period of fiscal dominance which has been characteristic of economic management and a major driver of macroeconomic instability. This is the result of considerable levels of fiscal adjustment and better coordination between fiscal and monetary policy over time, anchoring improved macroeconomic performance of the region. Fiscal deficits to GDP ratio has dropped from an average of 7 percent in the 1990s to 2.8 percent in the last five years.
- Fiscal deficit reduction in these countries has been accompanied by huge debt reliefs (HIPC and MDRI), with significant reduction and improvement in debt indicators (Chart 5).

[2] The analysis is limited to this cluster of countries but they are not exhaustive. There are other African countries with Sovereign Credit Ratings like Senegal, Namibia, Botswana, Uganda, Mauritius, Gabon, Burkina Faso, and Cameroun among many others that have not been covered here.

[3] Excluding Zimbabwe

Panel 1: Macroeconomic Indicators for Selected African and Emerging Market Economies



Capitalizing on International Financial Market for Growth

After going through a period of successful stabilization, the emerging Africa has been confronted with the common need to move from stabilization to accelerated and shared growth. At the same time a large infrastructure deficit has been identified as a binding constraint to growth.

These cluster of countries emerged with major deficiencies and handicaps in the necessary infrastructure, particularly energy, a good network of transportation, and safe drinking water to mention just a few. These shortfalls and handicaps have underpinned the current drive to access international capital markets to invest in growth catalytic areas, particularly when scaling-up of aid by the international community has not materialized yet; and in most of these countries donor flows have been directed at social sectors by design.

It is estimated that the expected annual investment needs of infrastructure far outweigh resources available. Fay and Yepes (2003) estimate that between 2005 and 2010, sub-Saharan African countries are expected to invest a total of 5.6 percent of GDP (US$25.9 billion) annually in infrastructure mainly in energy and transportation for a continuous five year period in order to close the huge infrastructure deficit. Out of this, 2.9 percent of GDP (US$13.3 billion) has to be new annual investment and 2.7 percent (US$12.6 billion) earmarked for maintenance (Table 1).

Table 1: Expected Annual Investment Needs in Infrastructure 2005-2010[4]

	New		Maintenance		Total	
	US$'Mn	*%GDP*	*US$'Mn*	*%GDP*	*US$'Mn*	*%GDP*
By income group						
Low Income	49,988	3.18	58,619	3.73	108,607	6.92
Middle Income	183,151	2.64	173,035	2.50	356,187	5.14
High Income	135,956	0.42	247,970	0.76	383,926	1.18
Developing Countries by Region						
East Asia & Pacific	99,906	3.67	78,986	2.90	178,892	6.57
South Asia	28,069	3.06	35,033	3.82	63,101	6.87
Europe & Central Asia	39,069	2.76	58,849	4.16	97,918	6.92
Middle East & N. Africa	14,884	2.37	13,264	2.11	28,148	4.48
Sub-Saharan Africa	13,268	2.84	12,644	2.71	25,912	5.55
Latin America & Carrib.	37,944	1.62	32,878	1.40	70,822	3.02
All Developing Countries	233,139	2.74	231,654	2.73	464,793	5.47
World	369,095	0.90	479,624	1.17	848,719	2.07

Source: Fay and Yepes (2003)

The critical question is how these countries could meet these needs to remove these binding constraints to growth and poverty reduction. There lie the tempting prospects for “frontier” emerging market countries to capitalize on the current desire of fund managers to find yield, diversification, and potential, and the attractiveness these emerging economies in Africa have gained as a result of improved economic policies and growth prospects. This has been demonstrated by the huge success of the maiden issues by Ghana (US$750 million and more than four times over-subscribed), and that of Gabon (US$1 billion) – all in late 2007. The outcomes of these issues underscore the strong investor interest in Africa, and in emerging and developing countries worldwide, and set the benchmark for the new class of countries both for sovereign and private sector borrowing on the capital market.

[4] These estimates are consistent with estimates in World Development Report 1994.

Should governments take on the full burden of this estimated annual investment of US$26 billion? It is not difficult to see at this stage that government budgets in these countries cannot take on all the investments required to fill the infrastructure gap mainly because the very factors making this new emerging African countries attractive have been recent developments in macroeconomic stability, and a break away from fiscal dominance that has become a critical component of public policy success in these "*frontier*" emerging market economies in Africa.

Most of these countries have benefited from massive debt relief under the Highly Indebted Poor Country (HIPC) initiative and Multilateral Debt Relief Initiative (MDRI). And, this legacy makes taking on new debt risky although the potential gains from investment in infrastructure could be large, as long as efforts are made to preserve debt sustainability.

There are options available to ease the burden of new loans for countries that have just come out of debt distress[5]. One important option is to consider putting together a transparent public private partnership (PPP) frameworks (ensuring consistency with environment, social responsibility and equity) to leverage resources borrowed from the market without placing undue contingent liabilities and risks on the budget.

Another option is a systematic policy of promoting non-debt creating inflows and private sector direct investment. In addition, these countries would have to ensure that growth strategies are geared towards exports to underpin balance of payments sustainability. For, private sector debt and capital investments have to be serviced in transfers of dividends, profits, and other payments, and the external payments of these countries have to be strong to support these flows to sustain stability and preserve the gains made and the attractiveness of the region to the new capital flows.

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[5] Particularly those benefiting from debt re-structuring, HIPC and/or MDRI initiatives.

Debt Management and Growth

Growth acceleration should be pursued on the back of gains made in macroeconomic stability. Strong economic fundamentals – a healthy fiscal account and monetary policy credibility, and efficient markets are needed to support growth and build resilience against shocks. These require comprehensive debt management systems that allow these countries to choose different financing options that are consistent with economic policy objectives. The focus of debt management needs to be on total debt as this new cluster of emerging African economies have virtually liberalized their capital accounts and opened up their domestic money and bond markets to foreign investment, and therefore the line between external and domestic debt is becoming increasingly blurred. This gives rise to the need to ensure that capacity is built in the areas of debt and public finance management and it would help detect early warning signals of distress to prevent relapse into debt crisis. The joint IMF/World Bank Debt Sustainability Analysis (DSA) framework sets the foundation for the new way of looking at debt sustainability, as it looks at total debt (domestic and external) and helps the early detection of debt vulnerabilities, and guides the design of policies to prevent the re-emergence of debt distress, in a way that is most relevant for the new “frontier” emerging market economies..

Box 1: Reforms: Catalyst for Ghana's Transformation and Access to International Capital Market

"In September 2007, Ghana issued US$750 million of Sovereign Bond with 10-year tenor which was three (3) times oversubscribed"

Introduction

Ghana is one of Africa's most developed democracies. Strong leadership has created the stable political conditions for reforms over the past six (6) years. The World Bank, ranked Ghana among top ten reformers globally in 2007, based on performance measures in four main areas (macroeconomic management; structural policies; social inclusion and gender; and institutions)

After a successful stabilization programme Ghana has been classified as a matured stabilizer by the IMF. In 2005, the Government adopted a strategy of reaching a middle income status by 2015 (per capita GNP of at least US$1000). Growth is to be accelerated from the current 6 percent to 8 percent per annum over the next decade.

Significant constraints and risks to growth have been identified to be associated with for example, infrastructure gaps in the areas of energy, road and rail transportation, water and sanitation, and information technology (ICT). An energy crisis which began in 2006 brought to the fore the need for a comprehensive energy policy to improve supply of energy to underpin the strategy of accelerated growth.

Reliable energy supply, efficient and well integrated transportation network, reliable and state-of-the-art information and communication technology (ICT), safe drinking water and sanitation are the basic tenets of emerging market economies. The question therefore, is not whether this infrastructure gap has to be filled, but rather how to fill the gap without compromising debt sustainability. And the bigger question is "whether the fundamentals are strong to withstand the vagaries of international capital markets".

Reforms

In 2005, Government published its second Growth and Poverty Reduction Strategy (GPRS II), a medium term framework focused on pursuing continued macroeconomic stability, accelerated growth in the private sector, vigorous human resource development, good governance and civic responsibility.

In line with the goals of the GPRS II, privatization was identified as key to improving efficiency. The Government sought to derive from these privatizations the benefits of job creation; distribution of capital amongst large social classes; development of partnership with large strategic players to ensure transfer of technology and management expertise; and last but not least, revenue generation. A programme of structural and policy reforms in the financial sector has also been implemented.

Some of the most critical structural reforms covered were (i) the tax system with a view to broadening the tax base and removing nuisance taxes, (ii) mining law, and (iii) reforms in social benefits and pensions.

A new macroeconomic policy framework was introduced in 2001 to engineer a switch from high inflation and exchange rate depreciation to low inflation and exchange rate stability. Fiscal policy under this new framework is set to deliver sound public finances anchored on domestic debt reduction to deal with the problem of fiscal dominance, but also crowd-in the private sector. Monetary policy on the other hand, is set to focus on achieving price stability as the primary statutory goal. This has been operationalized through the adoption of an Inflation Targeting framework since 2002.

The new Bank of Ghana Act 2002 (Act 612) granted operational independence to the central bank and set the primary objective of the central bank to maintain stability in the general level of prices. In addition, the new Act charged the central bank to without prejudice to the primary objective of price stability, support the general economic policy of the Government and

promote economic growth and effective and efficient operation of banking and credit systems in the country, independent of instructions from the Government or any other authority. Transparency in both policy arms (fiscal and monetary) has increased coordination between fiscal and monetary policy and this is fundamental to the stability achieved so far.

I: Financial Sector Reforms:

- Introduction of:
  - Credit Reporting Act
  - Borrowers and Lenders Act
  - Know Your Customer (KYC)
  - Anti-Money Laundering law
  - Foreign Exchange Act
  - Banking Amendment Act –IFSC
- Abolition of Secondary Reserves
- Non-resident Participation in domestic money market
- Licensing of New Banks
- Re-denomination of the local currency (Cedi).
- Listing of Government Securities on Stock Exchange.
- Adoption of Risk-Based Supervision

II: Financial Sector Reforms:

- Reforms to modernize the Payments Systems
  - Introduction of Real Time Gross Settlement System (2002).
  - Central Securities Depository System established in 2004.
  - Establishment of a common National payment System Platform under GHIPSS (Ghana Interbank Payments and Settlements System).
  - Common Payments Platform (2008) with a state-of-the-art switch (e-zwich) with a biometric smartcard as a vehicle for financial inclusion of the unbanked and underbanked.
  - Introduction of the Payments Systems Law in 2006

Impact of Reforms

- The Ghanaian economy has responded well to these reforms and stabilization programme. Real GDP growth rose steadily from 3.7 percent in 2000 to 6.2 percent in 2006. Growth has accelerated and is showing more stable pattern:
- Inflation and inflation variability have declined significantly since the adoption of the new macroeconomic framework in 2002. Inflation has fallen from about 40.5 percent in 2000 to 12.7 percent in 2007, with an inflation target over the medium-term (18-24 months) horizon of 5 percent.
- The overall fiscal deficit reduced from 9.0 percent of GDP in 2000 to 2.7 percent at the end of 2005. However, the fiscal deficit increased to 7.8 percent at end of 2006 due to a combination of non-recurring expenditures related to the hosting of the 2008 African Cup of Nations and the 9th African Union Summit (Accra, July 2007), the celebration of the Golden Jubilee Anniversary (2007), the energy crisis, and overruns in spending on wages relative to budget.
- The economy has seen considerable stability in the local currency (the cedi) against the major trading currencies.
- International reserves have increased from US$364 million (1.2 months of import cover) in 2001 to US$2.8 billion (3.4 months of import cover) at the end of 2007.
- Poverty has been halved from 58 percent in 1998/99 to 26 percent in 2005; and Ghana could meet the MDG goal of halving poverty ahead of the 2012 target date.

Modalities for Accessing International Capital Markets

With macroeconomic stability relatively well anchored, the policy objective is to move from stability to “growth with stability”

An accelerated growth strategy requires both concessional and non-concessional funding to close major infrastructure deficit and remove other constraints. And the fundamental principle is to ensure sound economic fundamentals and preserve a comfortable degree of debt sustainability.

The Government set up the Capital Markets Committee (CMC) with the main objective of preparing the country for the maiden sovereign debt issue. The overall objective of the bond issue was raise funds to invest in growth catalytic areas and also set a benchmark for the private sector

and corporate entities in Ghana; and also to link it to the development of the domestic capital market.

The CMC among other things have the following terms of reference:

- Re-prioritize the infrastructure needs submitted by the MDAs by re-shaping public investment in the light of huge financing gap between MDAs wish-lists and available resources.
- Scale down the initial US$8 billion estimate into high priority areas which are growth catalytic with high rates of economic returns.
- Setting up a high level Project Finance Unit (PFU) at the Ministry of Finance and Economic Planning charged with ensuring value for money for the identified projects to be funded from non-concessional sources.
- Prepare the background work for accessing the international capital markets.
    - The CMC put together a short-list of high yielding and growth oriented projects, that is, building the investment portfolio and the use of proceeds.
    - The CMC was responsible for requesting for proposals and recommending to Government a short-list of Lead Managers and Lead Counsels in the preparation for the debut bond issue on the International Capital markets.
    - The Government took a position to also partner the international Lead managers and Counsel with local counterparts mainly for capacity building and exposure for the development of the domestic capital market.
    - Liaising with lead Managers and Lead Counsel to undertake market intelligence in terms of investor interest in the bond, the likely size and tenure.
    - The CMC was also responsible for (together with the Lead Managers) undertaking price discovery of the bond ahead of the roadshow and help government determine the appropriate pricing of the bond.
    - Preparing the prospectus and presentation for the roadshow prior to the issue of the sovereign bond.

Financing from the international capital markets is not considered a substitute for donor support, which is currently estimated at about US$1.5 billion anually. Policy makers ensured that policy objectives and debt sustainability assessments are transparently communicated to the international community, mostly channeled through the Multi-Donor Budget Support (MDBS) arrangement. This ensured strong participatory processes and consensus building including prior approval by Parliament for the issuance of the bond.

Modalities for Accessing International Capital Markets

Emerging Africa can attract new forms of resources and use these resources as a vehicle for growth, development, and poverty reduction. Tapping the resources themselves is at the tail end of the spectrum of pre-access preparations needed to be put in place. In the first place, it is important that these economies try to understand the workings of the capital markets.

- In particular, the timeliness and integrity of data (both political and economic) are critical and “frontier” emerging market economies have the challenge of ensuring that economic and other country information that bother on risk assessment of their economy (both political and

economic risk) are consistent with developments in these economies. In short, it requires a lot of preparatory work.

- It requires the provision of transparent information on the economy because bond holders and fund managers in general require a standard form of reporting on economies in which they hold investments.
- Due to the competitive nature of the international capital markets, which in most cases reflects in the spreads on issues, there is the need to put together a good programme of "use of proceeds". Otherwise the market would respond in terms of spreads which could be harsh on debt servicing.
- It is also important to court and maintain good investor relations before and after the issue of the bond. This helps in effective communication and helps tell the story better.
- As a means of assessing risk and peer comparison, it is important that countries acquire credit ratings from at least two reputable credit rating agencies. This subjects economic policies and other risks to international scrutiny for the benefit of the market; and in most cases serves as an initial signal of price building prior to market launch.

The structured nature of the process of accessing international capital markets imposes a huge responsibility on institutions. This requires strong institutions to lead the strategy for securing access to the international capital market. In some cases there is the need to partner other established institutions (choice of Lead Managers and Counsel) to acquire market knowledge and also create the platform for further capacity building.

In Ghana, the Government, as a strategy to strengthen the existing institutions and also create a focus for the access strategy, created the Capital Markets Committee (CMC), drawn from the key institutions – the Ministry of Finance, The Bank of Ghana with powers to invite key stakeholders to report to the committee on as needed basis. The main responsibility of the CMC was to prepare the country for the maiden sovereign debt issue. The overall objective of

the bond issue was to raise funds to invest in growth catalytic areas and to set a benchmark for the private sector and corporate entities in Ghana as new options of finance open up; and also to link it to the development of the domestic capital market. In addition the Government set up a high level Project Finance Unit (PFU) at the Ministry of Finance and Economic Planning responsible for managing the use of proceeds by undertaking value for money analysis of prioritized projects earmarked for the proceeds from the international capital markets.

In this regard, the CMC played an important role:

- The CMC put together a short-list of high yielding and growth oriented projects, that is, building the investment portfolio and the use of proceeds.
- The CMC was responsible for requesting for proposals and recommending to Government a short-list of Lead Managers and Lead Counsels in the preparation for the debut bond issue on the International Capital markets.
- The CMC was responsible for maintaining good investor relations which helps in acquiring market intelligence information and initial pricing indications.
- The CMC works closely with the PFU on the use of proceeds and technical advice on structuring PPPs and IPPs.
- The CMC maintained a close relationship with the IFIs and donor community through transparent discussions of policies to ensure that accessing the capital markets is not seen as a substitute for donor support.

In short, the success of accessing the international capital markets and ensuring better use of proceeds hinges on the existence of strong and reliable institutions and the credibility of policies. It also requires potential issuers to be

responsive to the demands of the international capital markets in terms of transparent and timely reporting of both political and economic information that bothers on the risks of the respective economies. Finally, strong institutions are required to manage the proceeds from the international capital markets to ensure that investments are able to pay for themselves – thus avoiding a relapse into debt distress and maintain rapid growth with stability.

Concluding Remarks

As has been argued throughout this paper, international capital is now seeking for yield, diversification, and potential. The new cluster of emerging countries in Africa at the "frontier" of emerging market economies now have relatively strong legal, political, and economic fundamentals with macroeconomic indicators converging in a pattern similar to those of some emerging market economies. These economies in Africa are increasingly attractive to investors and fund managers. This has created the possibility for access to the international capital markets.

Most of these economies have emerged from long periods of successful stabilization with deficiencies and handicaps in infrastructure, mostly concentrated around energy and transportation that have been identified as constraints to accelerated and shared growth. However, with macroeconomic stability and debt sustainability gaining prominence as an anchor in economic management across the region, and even with the promise of scaling up of aid, access to international capital markets remains an option to the extent that it is predicated on debt sustainability. And, this implies ensuring value for money in the use of proceeds.

Success demands that countries build strong institutions capable of implementing such policies to support and manage the strategy of borrowing on the international capital markets as an option for financing public investment. Strong institutions are needed to design the framework and structure the use of proceeds, and also effectively build and maintain strong investor relations, policy credibility, and market confidence.

But ultimately, the way forward for sustainable growth in sub-Saharan Africa is switching to financing by the private sector, including non-debt-creating foreign direct investment. For this, it will be essential to continue to improve the environment for doing business, and maintain political and economic stability.

The Way Forward: The Role of the Emerging Market Forum

The paper has outlined the opportunities available to emerging countries in Africa to tap into the international capital markets to close the huge infrastructure gaps constraining the pace of accelerated growth. Obviously there are challenges and therefore a role for the Emerging Market Forum (EMF).

Successful and sustainable access to the international capital markets cannot be viewed in isolation from the development of the domestic capital markets. This is an area EMF can play a role in facilitating the development of domestic capital markets for these emerging countries to position them to effectively tap international finance.

Another area is the need to build the capacity in the area of debt management to avoid a return to debt distress prior to HIPC and MDRI.

It was clear from the paper the importance of maintaining and managing relations between countries planning to access international capital markets and the international financial institutions, not to create the view that capital market finance is a substitute for donor and multilateral assistance.

These are areas where the EMF can play a catalytic role in preparing and positioning matured stabilizers at the frontier of emerging market status.

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