

## Welcome Speech

by Mr. Aftab Ahmad Ch., Secretary General SAFE

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The honorable Chief Guests, dear delegates, representatives from the SAFE member entities, ladies and gentlemen, I take this opportunity to welcome you all to the 2010 edition of the South Asian Capital Markets Conference.

After having organized two earlier conferences; first at Colombo during 2006 and the second at Dhaka during 2008, when the selection of Mauritius for this conference was made, the Executive Committee of SAFE had looked at couple of factors such as the growing relevance of Mauritius to the South Asian and African economies, and the continued progress made by Mauritius in broad basing its domestic capital market. However, after having been here this morning, I reckon that the most compelling reason for us to decide about Mauritius, was to get here and enjoy the wonderful landscape and the hospitality, of our local hosts. The organization of this conference would not have been possible without the active support and help from the Global Board of Trade and the Stock Exchange of Mauritius. I thank both of these institutions for enabling us to gather here and inaugurate this Conference. I also thank MCX SX-our co host, and FTKMC our knowledge partner, for making this conference a reality. My thanks also to all our sponsors and patrons without whose help such an event could not have been organized. The large scale sponsorship for this event today also underscores the keenness of our corporate sector to benefit from the cross border opportunities of business, finance and trade.

The format of the conference during the next two days shall be such that the conference shall start with the discussion on the performance of the individual capital markets of the region. The panelist for this discussion shall be the leading experts of our respective constituent markets. Then the conference will go on to discuss various important aspects related to the development of our markets in panel discussion formats. Besides the panel

discussions, the conference shall also have many other individual presentations on different aspects of the South Asian finance, policy, market management & development issues. I am sure that the delegates would get to enjoy these discussions from the leading capital and financial sector experts invited here for the conference.

Side by side the holding of the conference, SAFE shall also celebrate the first ten years of its existence. It is quite heartening to note that the Federation, which was established under the initiative of Chittgong Stock Exchange during 2000, has now come of age. With the acceptance of two more memberships during the course of today's proceedings, our Federation now comprises of 24 members - 18 stock & commodity exchanges as the Primary Exchanges, 5 Associate Members and one affiliate member.

The journey of expansion and the financial strength of the Federation started after the establishment of the permanent secretariat of SAFE at Islamabad, Pakistan during year 2005, after the initial working of the Secretariat from Chittagong, Bangladesh. I am glad to inform you all that after five years of its operations from Islamabad, our Federation is not only on the path to financial and operational independence but the SAFE fraternity is growing with each passing day. Such a progress of SAFE had been possible through broad strategic plans adopted by the Executive Committee of the Federation post 2005. Under the initial strategic plan adopted during 2006, it was decided that in order to make collective progress, the region needed to be marketed as a combined asset class. This led to the concept of organizing South Asian Capital Markets Conferences. Secondly, it was also decided that in order to realize the dream for the true integration of our markets, the involvement of other kind of exchanges i.e the commodity & derivate exchanges and the post trade institutions like the depository & the clearing companies was also critical. As a result of this, the Associate Membership class was opened for the post trade institutions of the region and for the non-regional stock & commodity exchanges.

As part of the second strategic plan approved by the SAFE EC during the year 2009, it has been decided to roll out the plans for the organization of the country roundtables so as to promote individual countries, and to also open the new class of membership under the

‘Affiliate Membership class’. I am glad to inform you that the first of the Country roundtables was held at Karachi, Pakistan during Dec 2009 which met with a roaring success. The philosophy behind the opening of the new membership category was, to promote the spirit of bilateral and multilateral partnerships between the related institutions of the region, through our platform. We believe that in the times to come, many other capital market related entities of the region, would join our Federation and our body would become a broad based capital market association of the region.

Besides the implementation on the above strategic plans, SAFE has also worked on developing the model listing standards within the region, has worked on the agenda of cross border listing, and now together with the SAARC Secretariat, plans to work on the project of codifying the differences in the regulatory regimes of the member countries. The next step towards the path of greater regional harmonization would be to develop and adopt a standardized code for the regulation of our securities markets. In this way, the securities markets of the region are slowly working towards the goal of enabling the cross border trading of the securities and the free flow of portfolio investments within the region. We do hope that in the meantime, the central bank regulators of the region would also finalize plans for the free convertibility and the liberalization of the capital accounts within the region. The launch of the first ever regional index ‘the Dow Jones SAFE index’ had also been under the idea of promoting the region as one asset class and give combined visibility and comparability options to the international investors. Furthermore, SAFE has also helped the regional regulators to establish a separate body called “South Asian Securities Regulators Forum.” This was aimed to enable the regulators to meet on the sidelines of our annual meetings, and remain involved with the progress for the integration of our markets.

In order to help develop our regions markets, SAFE has also given a go ahead to a study for the improvement of trading systems of Bhutan, Nepal and the Maldives. Post implementation of recommendations of this study will ensure live transmittal of trading data from these exchanges on a real time basis to international data vendors, which is the most critical element for the coverage of these markets by the global investors.

Furthermore, in order to create a direct correlation between our markets and the agricultural economies of the region, SAFE is actively pursuing the goal of introducing a fully functional commodity eco system in the region having three distinct elements; one the electronically connected physical/spot market centers; two a large scale network of accredited warehouses & distribution channels; and three, the availability of post harvest financing to the farmers. Similarly, in order to promote the goal of financial inclusion and help inculcate the sense of financial security amongst our masses, SAFE also plans to focus on promoting financial literacy through our associated body -the SAFE Institute of Knowledge Management.

We remain confident that such activities and contributions made by SAFE shall help our respective countries to integrate their economies and create a market system which stands to empower the investing communities of our region. For this to happen, we need the constant support and involvement of all those who believe in seeing our region as one economic union in the times to come, and who believe in using the domain knowledge of the markets for the betterment of the masses.

At the end, I once again welcome you all to this conference and also take this opportunity to thank all those who have made to the conference at our request; be they the worthy speakers, the delegates, and the members of the media.

Thank you all.