



PRESS RELEASE



The Association of Southeast Asian Nations and Japan, the People's Republic of China (PRC), and the Republic of Korea (ASEAN+3) and the Asian Development Bank (ADB) held the Organizational Meeting for the Credit Guarantee and Investment Facility (CGIF) in Xian, PRC on 25 November 2010. CGIF is a trust fund of ADB established to promote the resilience of the financial sectors in the region and to promote the regional financial market integration. CGIF is an integral part of the Asian Bond Markets Initiative (ABMI) to promote the development of local currency bond markets within the region. The capital contributed by ASEAN+3 and ADB is US\$700 million.

CGIF will provide credit guarantee for bonds denominated in local currencies to increase access of investment-rated corporations to local currency bond markets. Access to local currency bond markets for these investment-rated corporations will help reduce their dependency on short-term foreign currency loans as well as the financial markets' vulnerability to sudden disruption of capital inflows to the region. As a key part of a regional initiative of ASEAN+3 and ADB, CGIF has been prepared through policy coordination and collaboration among ASEAN+3 and ADB.

Initial guarantee operations by CGIF are expected to be initiated in 2011. CGIF will begin operations with support from ADB in Manila, Philippines.
