



*The Fourth FRTC International Conference
Regional Finance in Recent Period and the Way Forward*



Jointly organized by Financial Research and Training Center and Keio University

**Auditorium, Common Government Office No.7 (3F), Tokyo
January 18, 2008**

Program

To enhance the functions of relationship-based banking, each regional financing institution is promoting various activities to revitalize small and medium-sized enterprises (SMEs) and the regional economy. However, it seems that regional economies have yet to be revitalized in spite of these programs.

Comparing the situation in Germany (where the regional banks are seemed to have activated the regional economies) or that in Asia (where the regional SMEs are being funded extensively) with the current status of regional finance in Japan, we will be able to consider what the nature of regional finance will be in the future.

10:00~10:10 am ***Opening Remarks***

Mr. Takafumi Sato, Commissioner, Financial Services Agency(FSA), Japan, introduced by Professor Naoyuki Yoshino, Professor, Keio University and Director of the Financial Research and Training Center, FSA

10:10~11:40 am ***[Session 1]***

Experience and current status of regional finance in Japan

A comparison of regional finance in some countries, reporting the transitions made by regional finance and SMEs, their current status and the implementation and evaluation of regional finance from the point of view of regional SMEs. Comments are offered with regard to these issues.

- Chair : Mr. Nobuyoshi Chihara, Deputy Commissioner for International Affairs, FSA, Japan
Speakers : Mr. Akira Watanabe, Director of Cooperative Financial Institutions Office, Supervisory Bureau, FSA, Japan
: Mr. Osamu Tsukahara, Senior Executive Director of Japan Finance Corporation for SMEs
: Mr. Atsushi Abe, President of North Japan Maritime Corporation

11:50~12:30 am ***[Session 2]***

Experience and current status of regional finance in Germany

Regional economies in Germany are said to have been widely revitalized due to regional financing activities. The current status and challenges pertaining to regional finance in

Germany will be discussed. Then, after a comparison with the current status of regional finance in Japan, we will discuss how the regional economies of Germany were revitalized by regional finance and how the regional economic infrastructure (which includes regional finance) was developed by retaining the autonomy of Germany's regions in order to successfully revitalize the regional economy. Also, we will review the positive impact that the regional financial system has had on regional economies and the differences between the issues faced in Germany and those faced in Japan with a view to determining what can be learnt from regional financing in Germany.

- Chair : Professor Naoyuki Yoshino, Professor, Keio University, and Director of the Financial Research and Training Center, FSA
- Speakers : Dr. Thomas Keidel, Director of the Financial Market Relations Department at the Deutscher Sparkassen- und Giroverband
- Discussant : Mr. Nobuo Yamamura, Associate Professor of Takushoku University and Special Research Fellow of the Financial Research and Training Center

12:30~14:00 *Lunch Break*

14:00~15:15 [*Session 3*]

Experience and current status of regional finance in Asia

Turning to Asia, we can see that regional SMEs are being funded actively by banks in Thailand and Korea. The banking system, which up until now funded large enterprises, is actively focusing on regional SMEs. Consequently, there seems to be high economic growth together with the development of regional finance.

Reports on Thailand and Korea will be given and the status of regional finance in Asia will be compared with that of Japan. We will consider why regional finance in Asia has progressed rapidly, whether it only seems to be developing properly in accordance with its potential for growth, or because expert monitoring is working to start developing regional companies. We will also review whether the combination of regional policies and the unification of regional finance has helped activate the economy, and look at the major differences in urban-based SMEs, and other regional SMEs in Asian countries, to see what Japan can learn from them.

- Chair : Mr. Osamu Tsukahara, Senior Executive Director of Japan Finance Corporation for SMEs
- Speakers : Mr. Pongsak Chewcharat, President of SME Development Bank of Thailand
: Mr. Byung-Sun, Cho, Head of Industrial Bank of Korea Economic Research Institute
- Discussant : Mr. Tsuguo Fujino, Adviser of Shinkin Central Bank Research Institute
: Mr. Hiroshi Hayakawa, Deputy President (Representative Director), The Bank of Yokohama, Ltd

15:30~17:10 **[Session 4] Panel Discussion: Challenges going forward**

Examples of programs displaying the features of relationship-based banking in Japan will be discussed so as to discern the trend in regional finance. Then we will discuss the role of regional finance in activating regional economies in each country, the role of regional finance institutions in promoting regional finance, and what programs should be implemented by regional financial institutions . We will also discuss what kinds of operations should be conducted with a view to making profits for regional financial institutions. Finally, we will consider the status of regional finance in the future.

Moderator : Mr. Junichi Maruyama, Deputy Commissioner for International Affairs, FSA, Japan

Panelists : Mr. Yasushi Hasegawa, Director of Banks Division II , Supervisory Bureau, FSA, Japan
(lead)

: Mr. Takashi Yoshikai, Director & Managing Executive Officer, The Bank of Fukuoka, Ltd

: Former speakers and discussants from Germany, Thailand, and Korea.

: Professor Naoyuki Yoshino, Professor, Keio University, and Director of the Financial Research and Training Center, FSA

17:10~17:15 ***Closing Remarks***

Professor Naoyuki Yoshino, Professor, Keio University and Director of the Financial Research and Training Center, FSA