

Finance and growth

The financial sector

- Functions:
 1. Produces information ex ante about possible investments and allocate capital
 2. Monitor investments and exert corporate governance after providing finance
 3. Facilitate the trading, diversification, and management of risk
 4. Mobilize and pool savings
 5. Ease the exchange of goods and services
- Financial development:
 - How well does the financial sector provide these functions

The case for both bank- and market-based finance

- It does not matter whether finance comes from banks or markets
- Bank and market-based finance are complementary:
 - the availability of both systems may spur competition to provide finance
 - Each system may be more appropriate for a certain type of firms: e.g. banks finance low-risk projects, markets high-risk ones

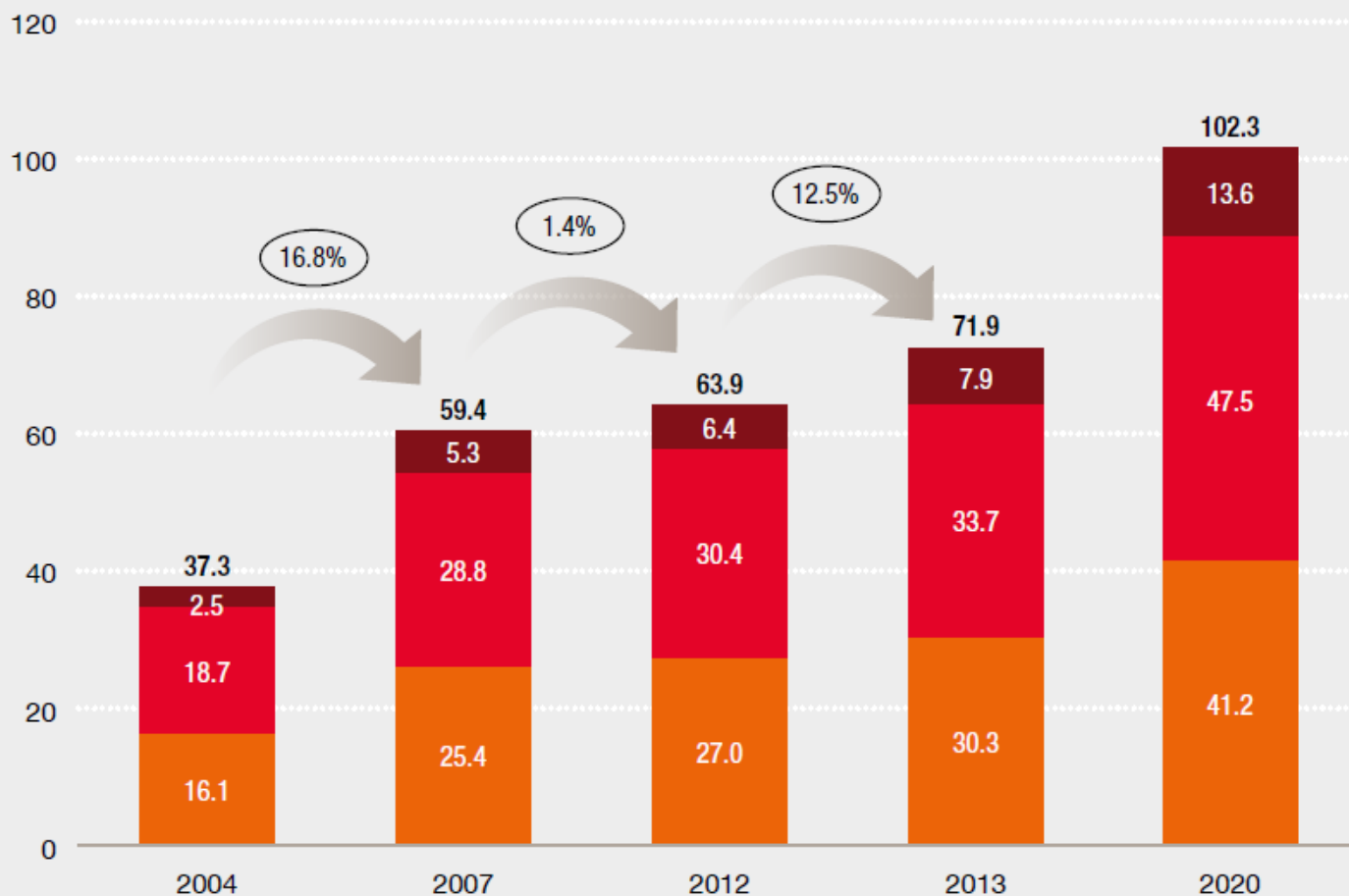
King and Levine (1993)

- They use various measures of financial development and show positive correlation with subsequent economic growth
- Endogeneity issue:
 - Does finance causes growth or does growth causes finance?
 - Robinson (1952): « where enterprise leads finance follows »
 - Miller (1988): « the idea that financial markets contribute to economic growth is a proposition too obvious for serious discussion »
- Partially addressed in Levine et al (2000)

Rajan and Zingales (1998)

- Growth in industries that rely more heavily on external finance should benefit more from higher financial development than growth in industries that do not rely so much on external finance
- They regress the value-added of industry k in country i on:
 - Country and industry dummies
 - The share of industry k in total manufacturing in country i
 - The interaction between:
 - Financial development (stock market+credit) in country i and
 - Industry k 's dependence upon external finance

○ = Compound Annual Growth Rate (CAGR) AuM in USD trn
□ = Growth



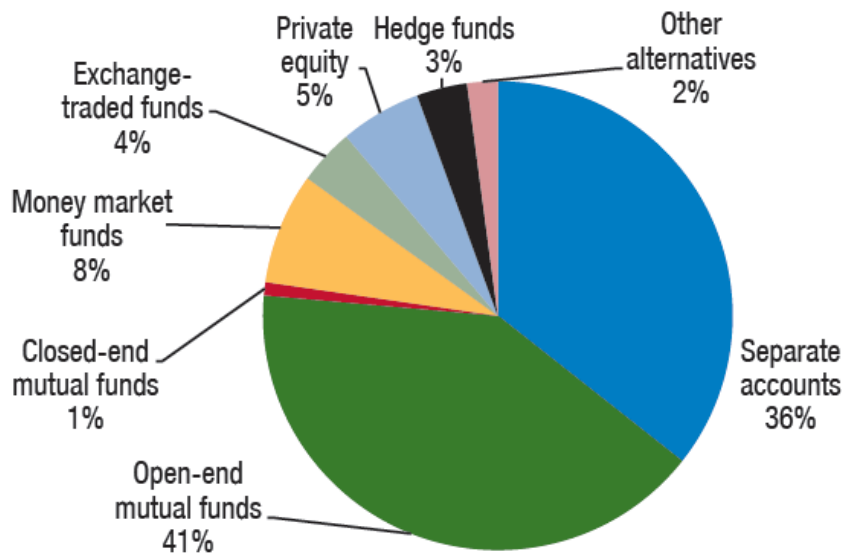
■ Mutual funds ■ Mandates ■ Alternative investments

Source: PwC analysis

Note: We have revised our estimates for Alternative investments in 2020 upwards to USD13.6trn given strong market performance in 2013 and H1 2014.

Plain-vanilla products and privately offered separate account services dominate the markets as measured by assets under management.

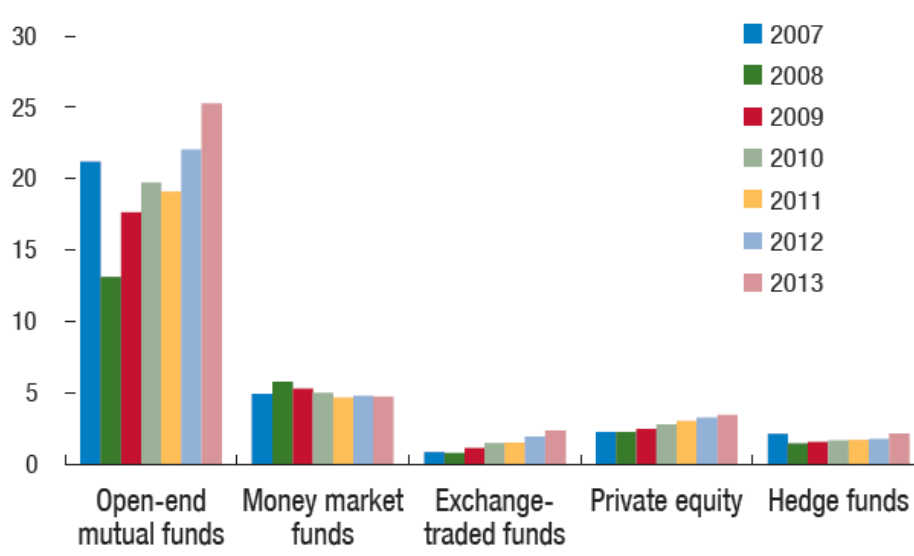
1. Asset Managers' Intermediation by Investment Vehicles
(Percent of \$79 trillion total assets under management, end-2013)



Sources: BarclayHedge; European Fund and Asset Management Association; ETFGI; Organisation for Economic Co-operation and Development; Pensions and Investments and Towers Watson (2014); Preqin; and IMF staff estimates.

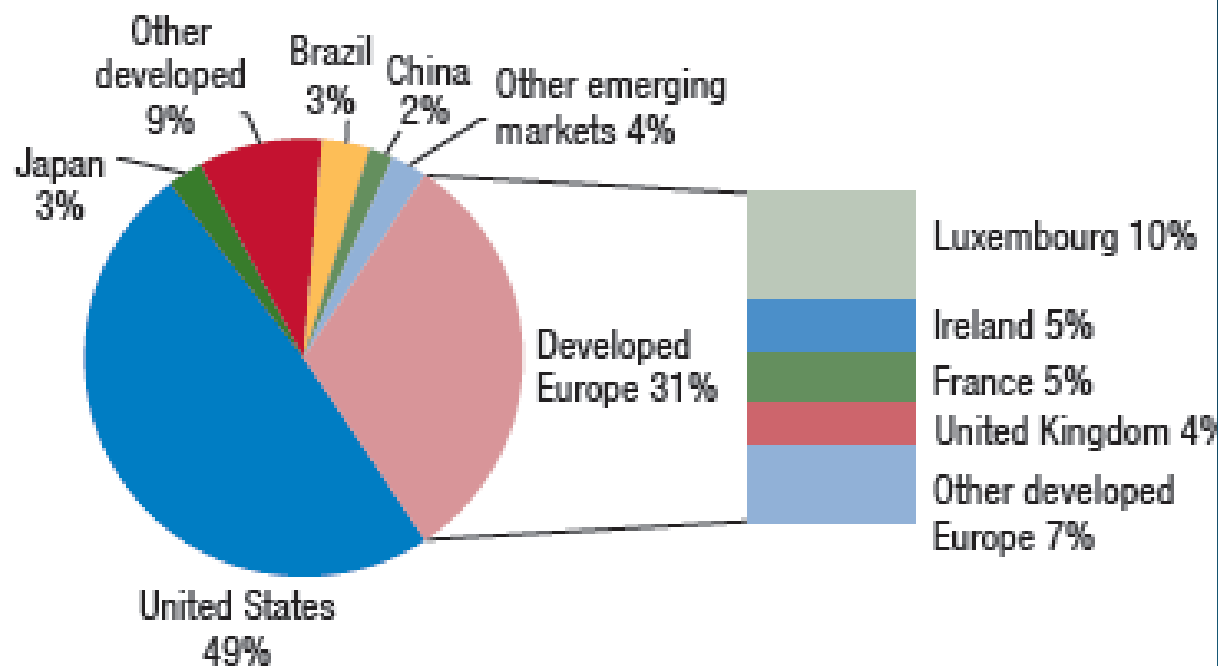
Open-end funds, exchange-traded funds, and private equity funds have shown strong growth since the global financial crisis.

2. Recent Growth of Selected Investment Vehicles
(Assets under management in trillions of U.S. dollars)



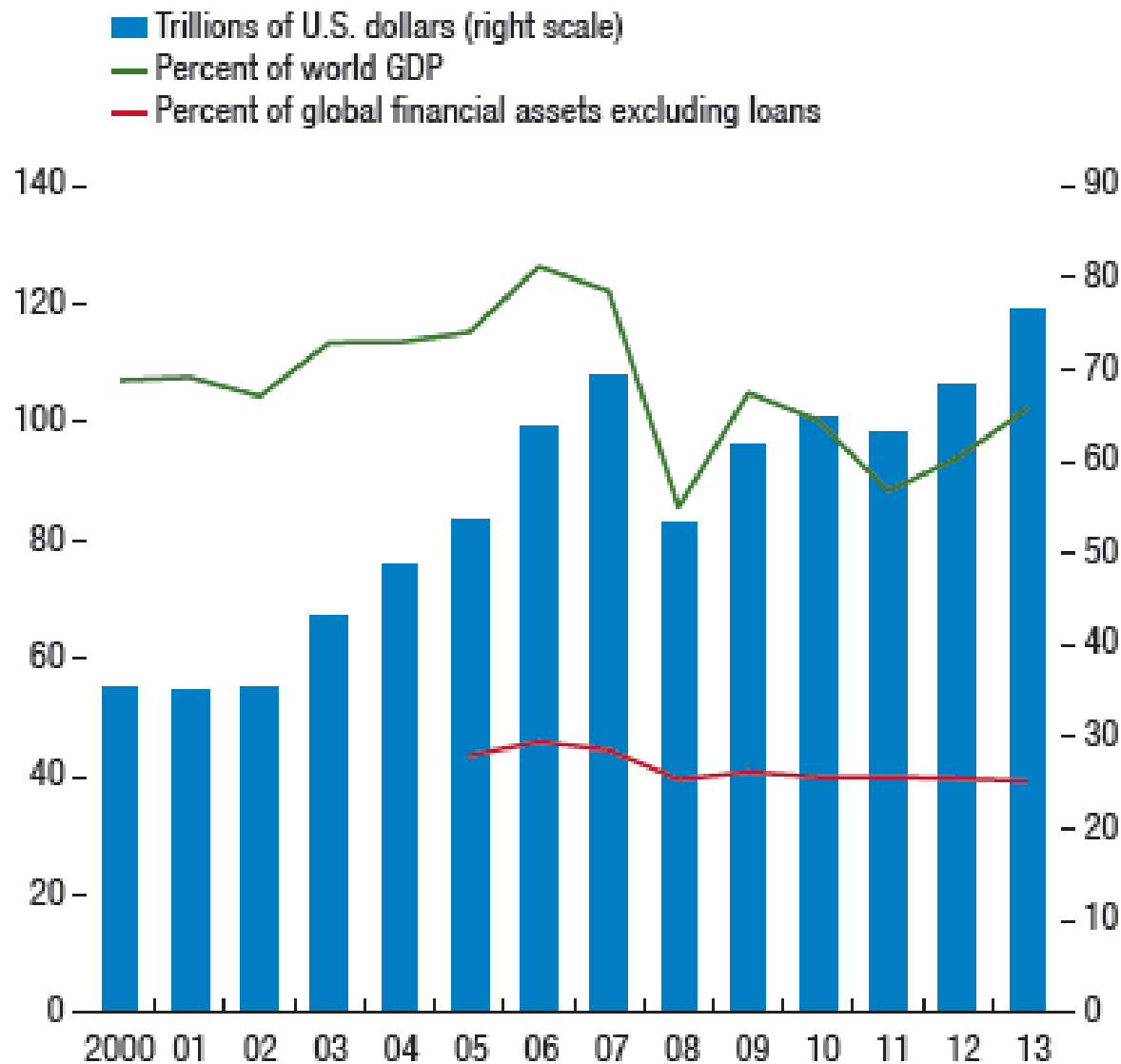
Sources: BarclayHedge; European Fund and Asset Management Association; Organisation for Economic Co-operation and Development; Preqin; and IMF staff calculations.

The mutual fund industry is dominated by U.S. and European funds.
Among emerging market economies, Brazil has the largest fund sector.



Sources: European Fund and Asset Management Association; and IMF staff calculations.

1. World Top 500 Asset Managers' Assets under Management¹



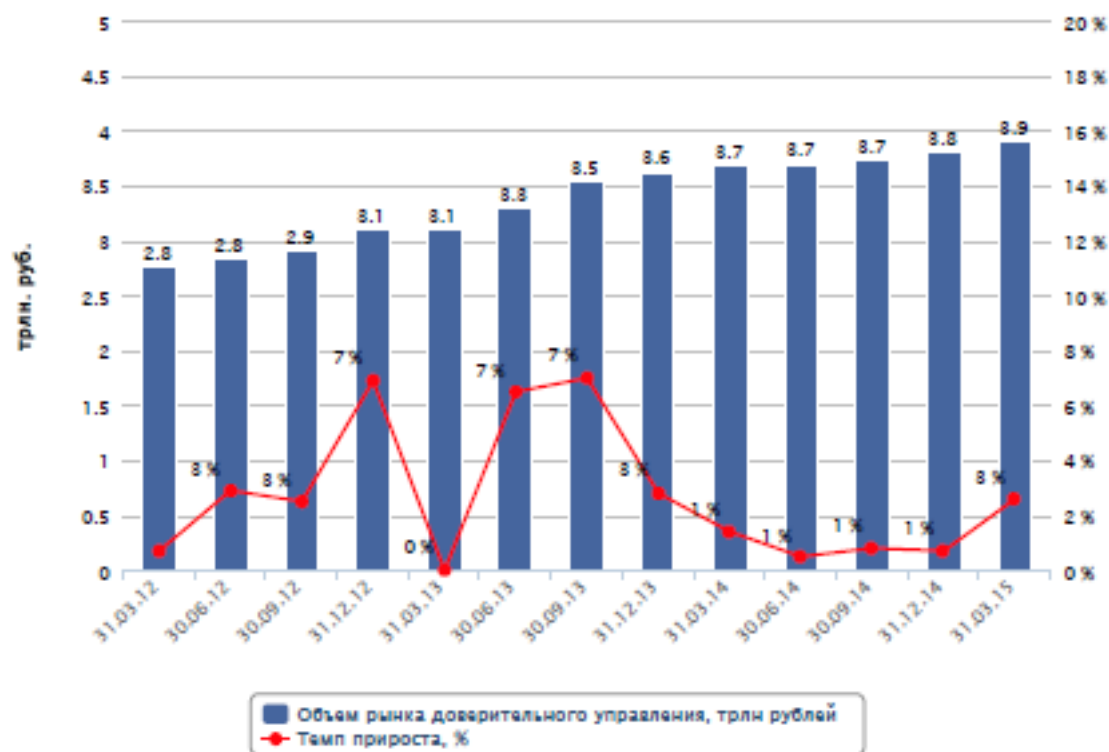
Sources: Bloomberg, L.P.; McKinsey (2013); Pensions and Investments and Towers Watson (2014); IMF, World Economic Outlook database; and IMF staff estimates.

¹The change of asset under management is determined both by valuation changes of underlying assets as well as net inflows to funds.

Коллективные инвестиции в России

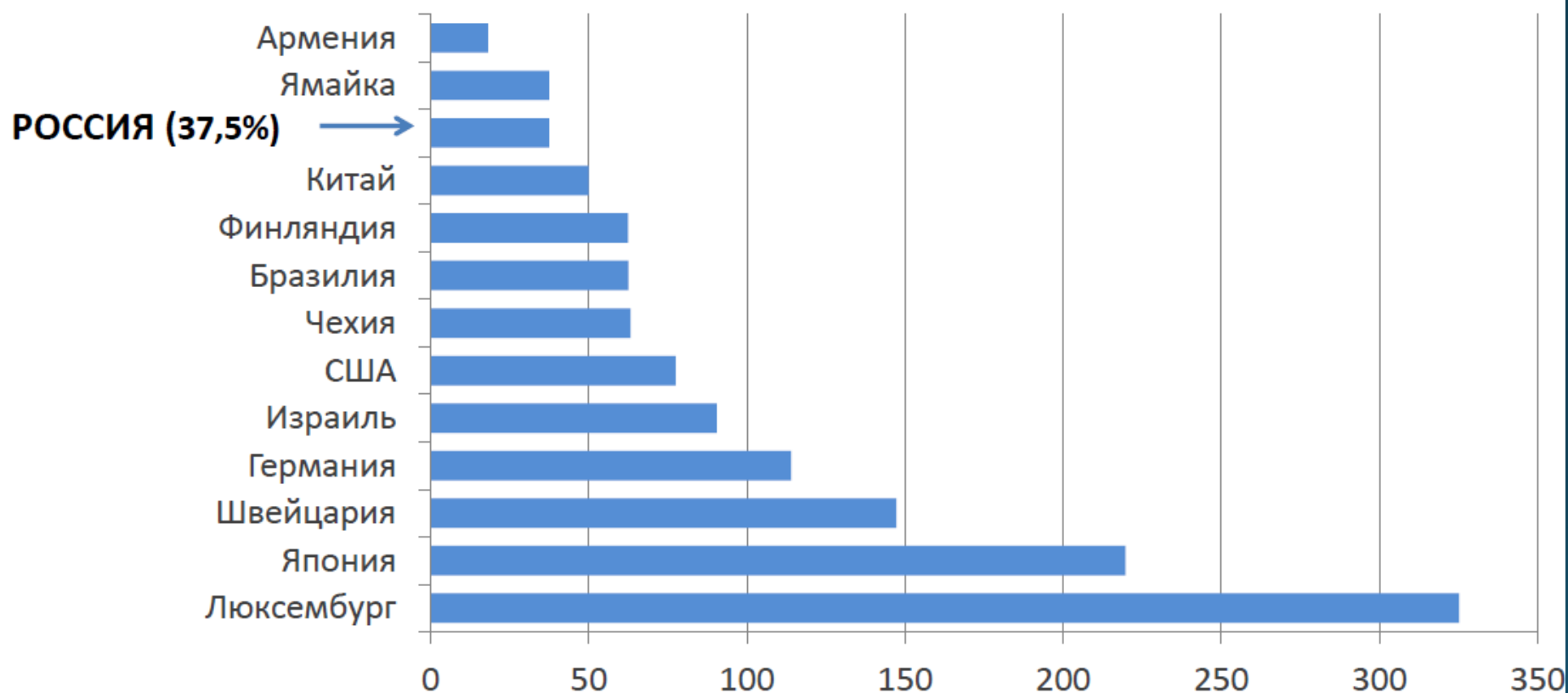
- Пенсионные накопления + резервы : 3.6 трлн. руб.
- ПИФы : 1.7 трлн. руб.
- Индивидуальное доверительное управление : 0.3-0.4 трлн. руб.
- Военная ипотека: 150 млрд. рублей
- Страховые резервы: 60 млрд. рублей
- Эндаумент фонды: 30 млрд. рублей
- _____
- Объем средств коллективных инвестиций в России не превышает 6 трлн. руб. (80-90 млрд. Долларов ???)

График 1. В I квартале 2015 года рынок ДУ и коллективных инвестиций достиг 3,9 трлн рублей



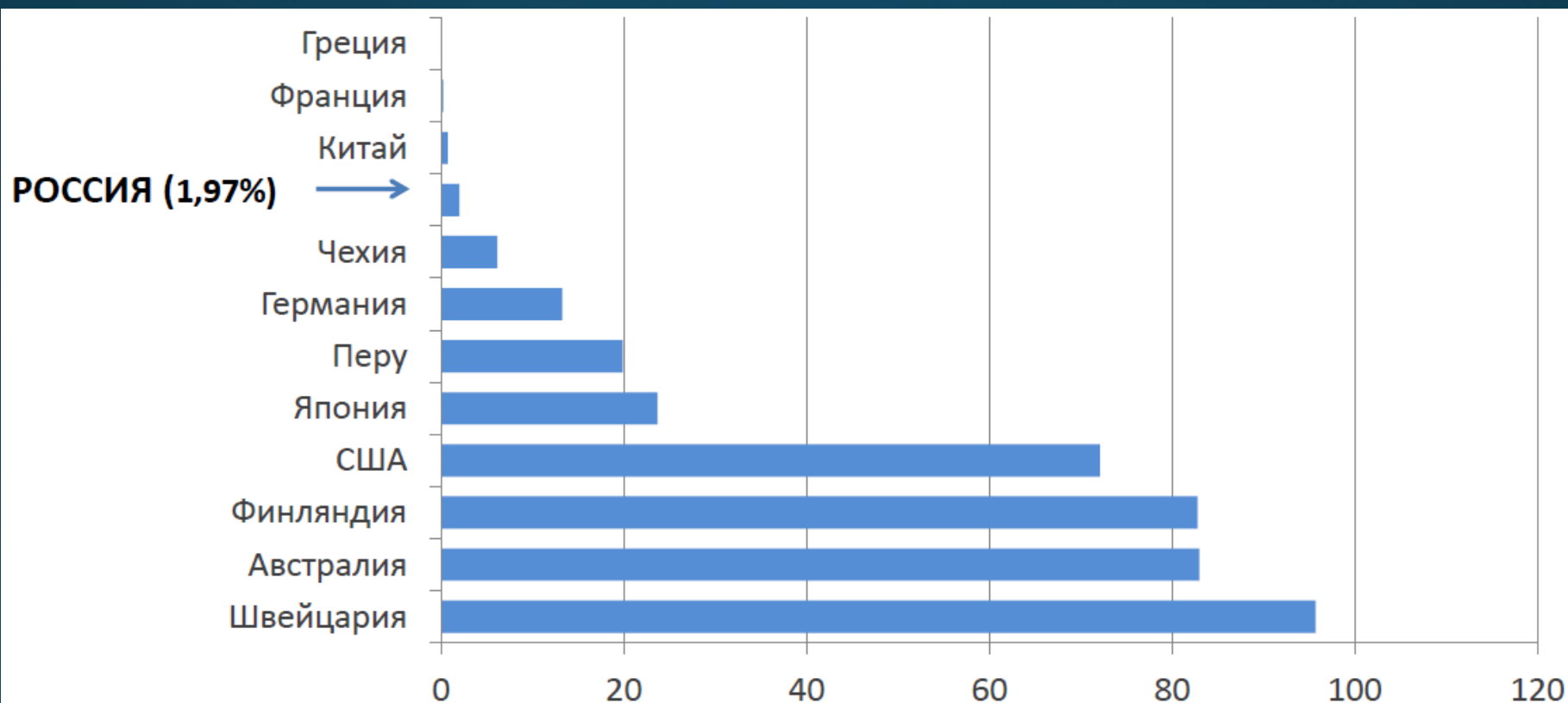
Источник: Источник: RAEX (департамент РАФ)

Объем банковских депозитов



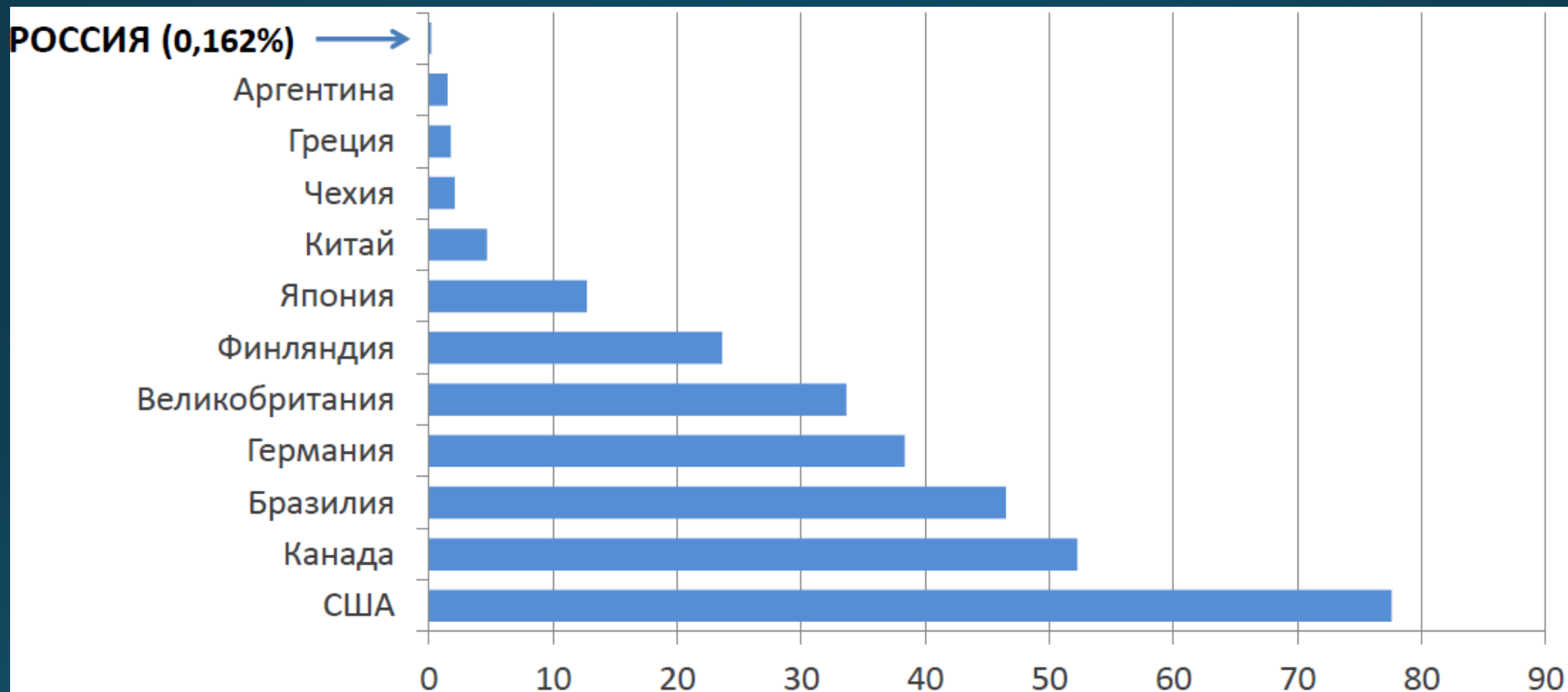
ОТНОШЕНИЕ ОБЪЕМА ДЕПОЗИТОВ ЧАСТНЫХ ЛИЦ В КОМЕРЧЕСКИХ БАНКАХ К ВВП СТРАНЫ НА 2011 ГОД, %

Негосударственные пенсионные накопления



ОТНОШЕНИЕ ОБЪЕМА АКТИВОВ НЕГОСУДАРСТВЕННЫХ ПЕНСИОННЫХ ФОНДОВ К ВВП СТРАНЫ НА 2011
ГОД, %

ПИФы



ОТНОШЕНИЕ ОБЪЕМА АКТИВОВ ПОД УПРАВЛЕНИЕМ ПАЕВЫХ ИНВЕСТИЦИОННЫХ ФОНДОВ (ИЛИ ИХ АНАЛОГОВ) К ВВП СТРАНЫ НА 2011 ГОД, %

СТРУКТУРА АКТИВОВ НПФ и ГУК(ВЭБ)

