



FOREWORD

This issue of *Nomura Journal of Asian Capital Markets* features articles from experts on noteworthy themes in Asian financial and capital markets with an eye toward the post-COVID era.

Chi Hung Kwan, Senior Fellow at Nomura Institute of Capital Markets Research (NICMR), highlights the importance of a shift from indirect to direct financing in China. In the 14th Five-Year Plan, the Chinese government pledged to implement six measures to increase the share of direct financing, including improving the multi-layered capital market system, enhancing the quality of listed companies, and promoting market access to long-term funds.

Eiichi Sekine, Managing Director, and Liangye Song, Financial Industry Analyst, in the Beijing Office of NICMR introduce China's first personal defined-contribution pension plan. This newly launched account-based personal pension scheme is expected to supplement the first pillar of the pension system—China's state-sponsored basic public pension plans that combine individual accounts with a social pool—and the second pillar which consists of private enterprise and occupational pension plans.

Minki Kim, Research Fellow at Korea Capital Market Institute, writes about the recent evolution of the exchange traded fund (ETF) market in Korea. The ETF has been preferred by many retail investors because of its low cost and high liquidity. In recent years, the rise of thematic ETFs that track a basket index of equities related to a specific theme and active ETFs that are purposed to outperform the benchmark index has become the key to the growth of the Korean ETF market.

Arunima Haldar, Assistant Professor, and Hemant Manuj, Associate Professor, at S.P. Jain Institute of Management and Research present the challenges Indian micro, small and medium enterprises (MSMEs) face and the enabler for them. MSMEs have suffered from a lack of adequate financing and are under heightened pressure from various stakeholders to comply with environmental, social and governance (ESG) norms. Fintech-based lending using big data and machine learning is expected to help MSMEs' access to financing.

Bordin Bordeerath, Lecturer at Thammasat Business School, discusses the importance of family business groups (FBGs) in Thailand. FBGs can effectively create a so-called "internal capital market" within the group and contribute to propelling economic growth through efficient resource allocation within the economy. His analysis suggests, though, that business groups can become inefficient as they grow too large, and some business groups in Thailand might be too large to allocate resources efficiently.