

Roundtable on Financial Stability

James R. Barth

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Lowder Eminent Scholar, Auburn University

First Annual

Asian Bond Market Forum

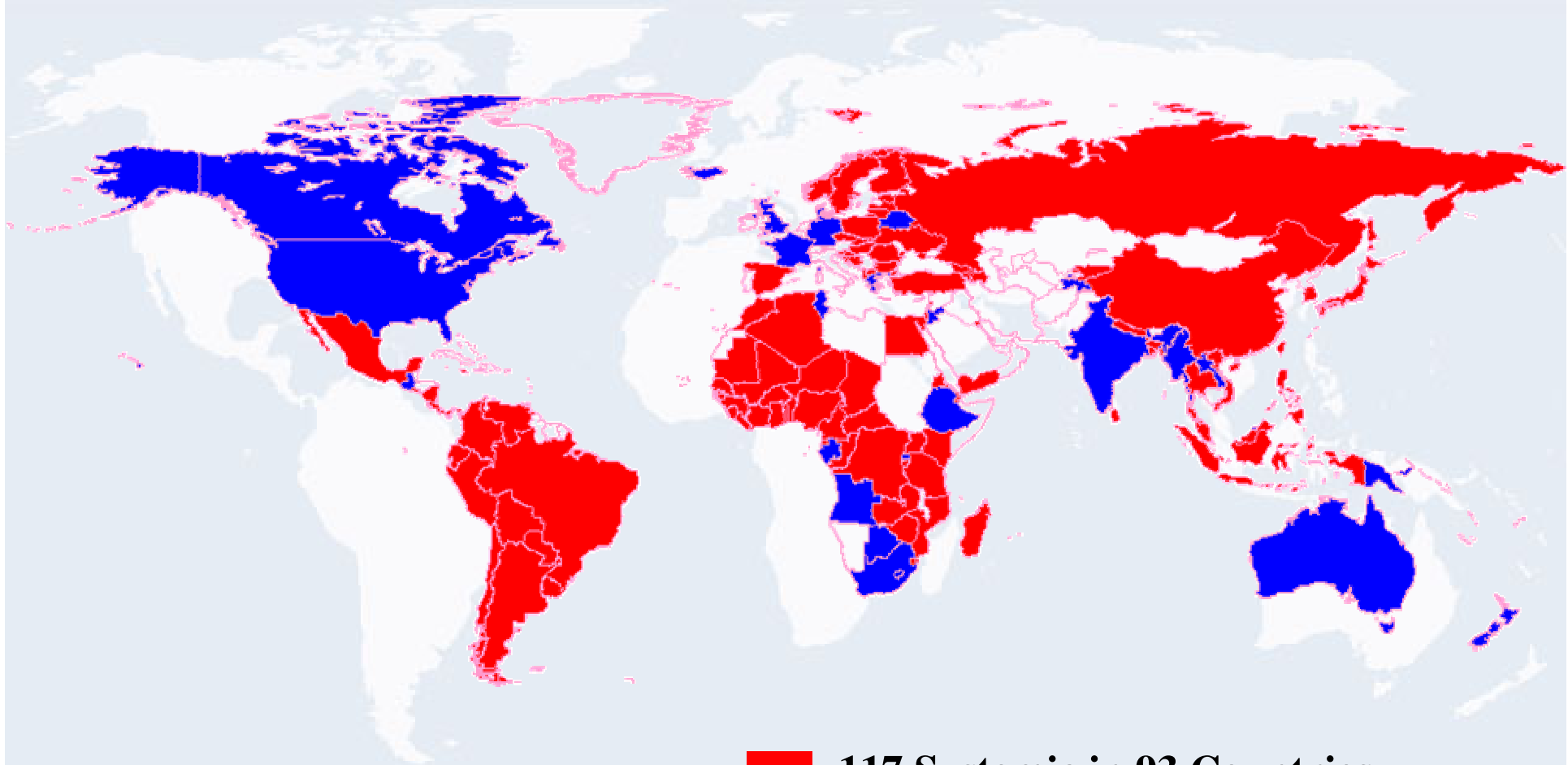
Hong Kong, China

November 11-14, 2003



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Banking Crises Since Late 1970s

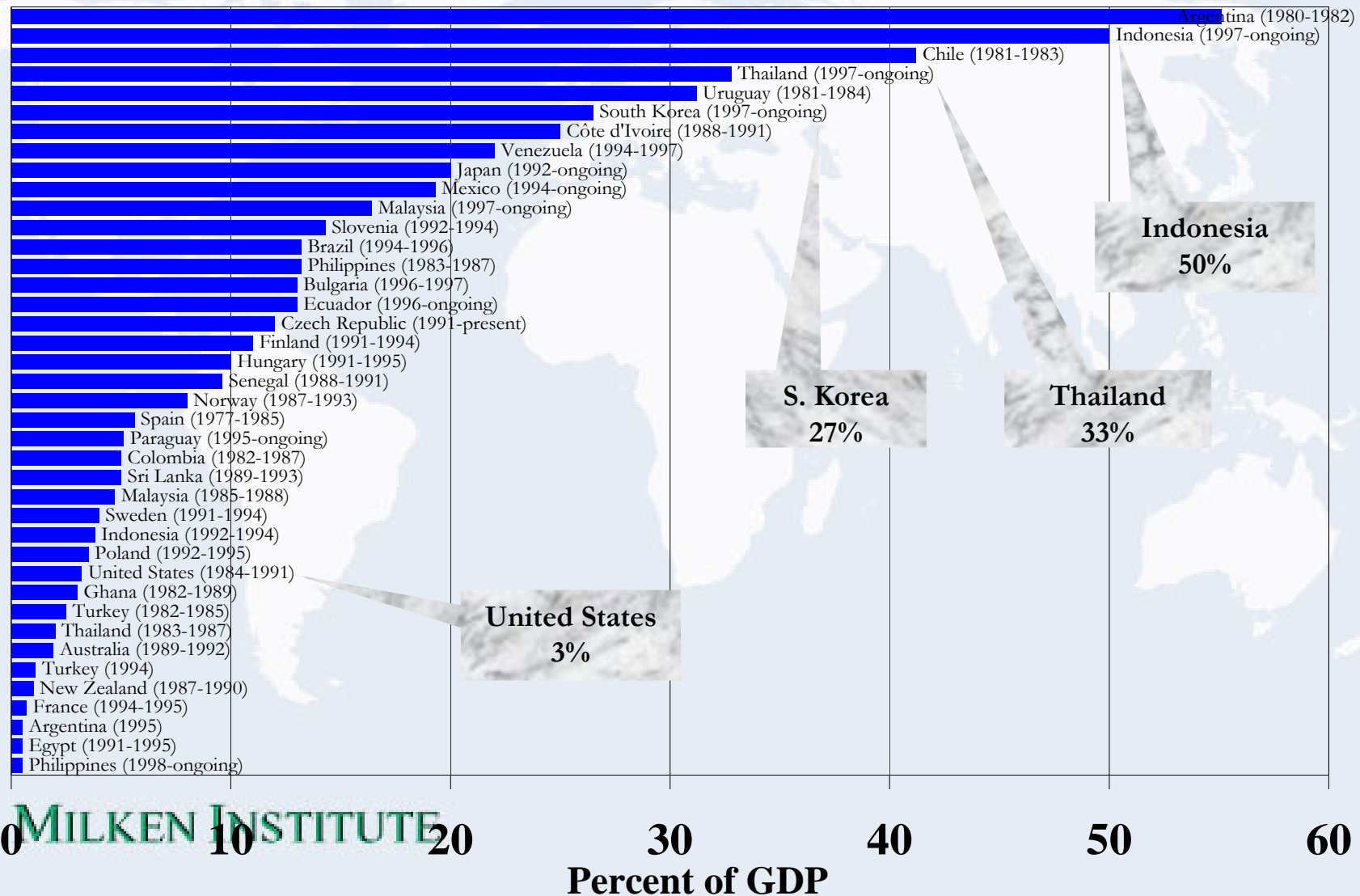


- 117 Systemic in 93 Countries
- 51 Nonsystemic in 45 Countries
- Information not Available



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Estimated Cost of Resolving Bank Problems Can be Enormous



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0

10

20

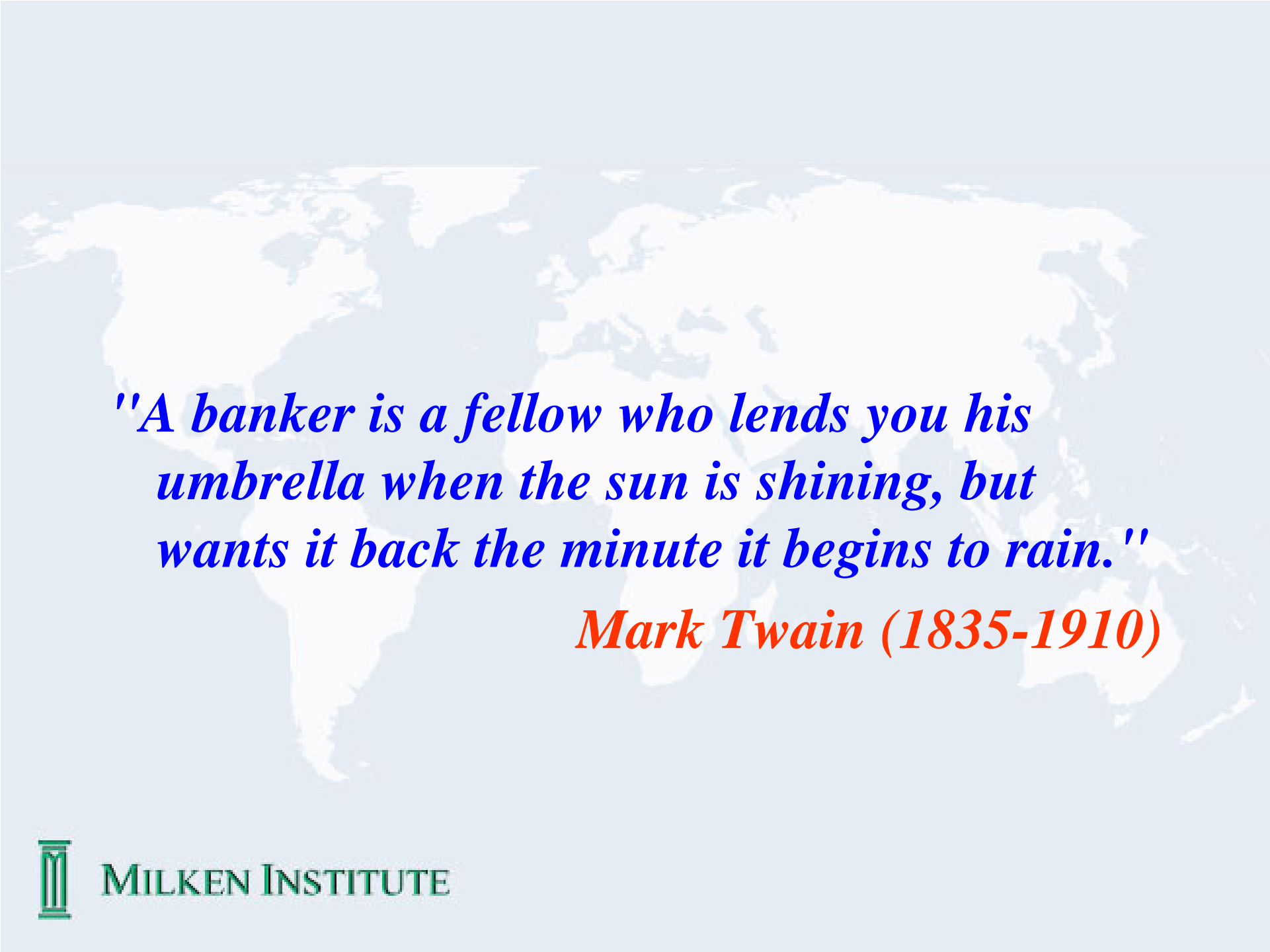
30

40

50

60

Percent of GDP



"A banker is a fellow who lends you his umbrella when the sun is shining, but wants it back the minute it begins to rain."

Mark Twain (1835-1910)



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A faint, light blue world map is visible in the background of the slide, centered behind the text.

“Weak financial institutions can be a major source of instability, every bit as important as bad macro-economic policies.”

Nobel Laureate Joseph Stiglitz (1999)



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“Recent financial market turbulence and crises have highlighted the importance of sound institutions, well-functioning financial infrastructures, and effective prudential regulations.”

IMF (2000)



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