

VIDEO

April 4, 2014

Focus on Funds: The Growth and Globalization of Mutual Funds

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The April 4, 2014, edition of *Focus on Funds* highlights new ICI Global research that describes and explains the rapid growth of the global funds industry, as well as prospects for its future.

Transcript

Stephanie Ortvals-Tibbs, Director, ICI Media Relations: Welcome to *Focus on Funds*, the Investment Company Institute's weekly roundup of industry news, ICI activities, and research findings.

This week we're reporting from Hong Kong, where ICI Global has released its first research paper focusing on the growth and globalization of mutual funds. I spoke with the paper's author Chris Plantier about its findings.

Chris, the data that have been released indicate that the global regulated funds industry has really grown steadily worldwide over the last two decades and is poised for further growth.

What does the research tell us?

Chris Plantier, ICI Senior Economist: Well, Stephanie, it definitely says that the global fund industry has bloomed over the last 20 years. In the Americas we've seen growth of almost 600 percent; in Europe 640 percent; and in the Asia-Pacific region over 400 percent.

Stephanie Ortvals-Tibbs: And what would drive that kind of growth? What are the key factors?

Chris Plantier: Well, we looked at numerous factors, but the three factors that we focus on in the paper are economic development as measured by per capita GDP, financial sector development as measured by deep and liquid capital markets, and whether countries have defined contribution systems that allow investors to invest in mutual funds.

Stephanie Ortvals-Tibbs: We are talking about this paper here in Hong Kong where

you're presenting a lot of this data, and there's a lot of data specific to the Asia-Pacific region. What do you see in particular about this region that's interesting?

Chris Plantier: Well, the populations are younger but they're going to get older, and that will lead to some growth in the mutual fund industry. We also see that per capita GDP is expected to grow a lot over the next 40 or 50 years, and that should also lead to growth. In addition, some countries have defined contribution systems that may also contribute to growth going forward.

Stephanie Ortvals-Tibbs: So how do you take up this research going forward, where does this go? This is ICI Global's first research initiative.

Chris Plantier: The study tends to be focused on what are the key drivers of growth globally, but going forward we also want to look at how regulations impact growth and other factors.

Stephanie Ortvals-Tibbs: That's this week in funds. See you next week.

Additional Resources

- [Global Mutual Fund Industry Experiencing Rapid Growth \(Release\)](#)
- [ICI Global Research: Worldwide Fund Flows](#)
- [ICI Research and Statistics](#)

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