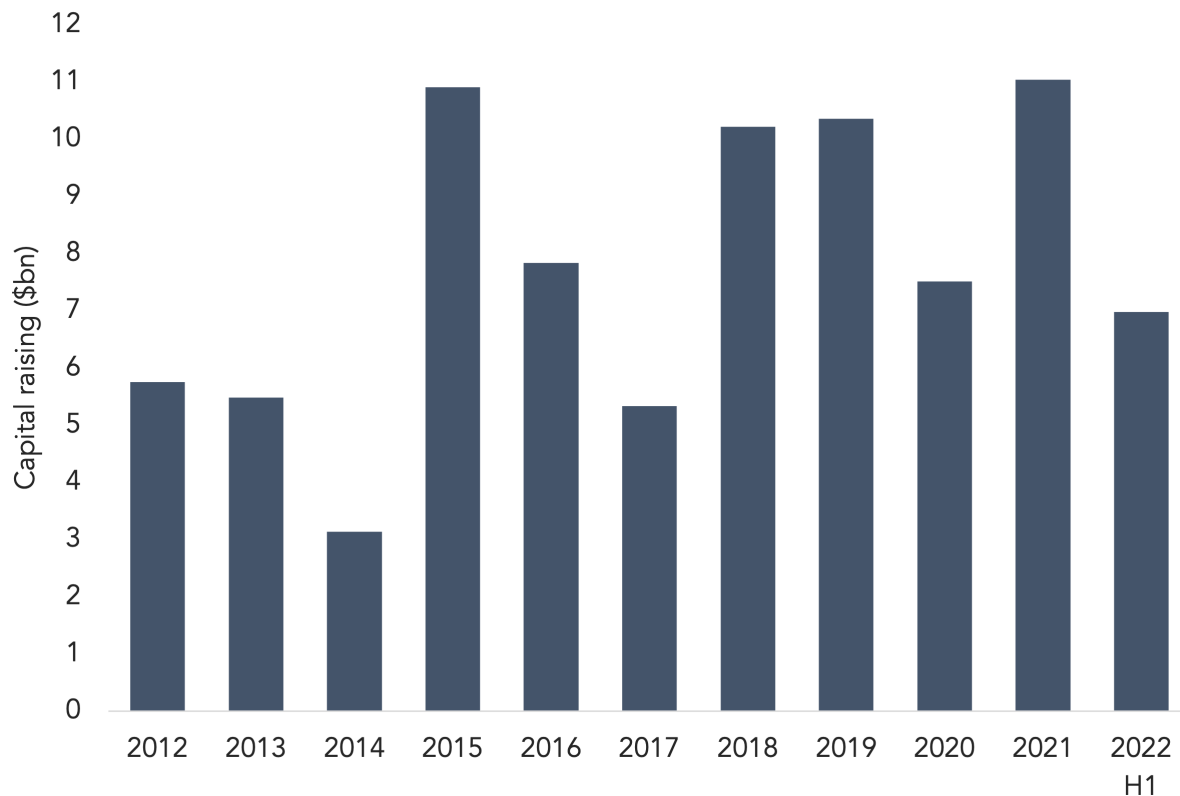


Investors fix gaze on Asia-Pacific

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APAC-focused fundraising, 2012 - H1 2022



As private debt matures, under-developed markets in Asia and Europe are expected to come into their own.

In a newly published report on the state of private credit, the Alternative Credit Council foresees the growth of private credit beyond the favoured markets of the US and UK. Many of the most promising markets are on the European continent or within Asia.

The ACC, an arm of the Alternative Investment Management Association, has released *Financing the Economy 2022* in partnership with Allen & Overy, an international law firm with headquarters in London.

The report quotes Emmanuel Deblanc, global head of private markets at Allianz Global Investors: “If you believe in Europe converging with North America in terms of the contributions of institutions to financing corporates, the current market backdrop could be another accelerator in such a trend. But from our perspective higher growth is much easier when you start from an even lower base and that’s really Asia where we expect significant growth of our credit activities.”

Interviews with 54 market participants, including investors and managers, supported Deblanc's view. Respondents were asked: "Which three private credit markets do you foresee as having the highest relative growth potential [for private debt] over the next one to three years?" The answers displayed a surprising range – a European market, excluding the UK, was one of the three answers for 80 percent of respondents.

The survey showed that the 80 percent splits several ways as the questions become granular. Germany, the Benelux countries, France and the Nordics each receive a nod from 10 percent or more of respondents.

Asia was one of the three most promising geographies for more than 60 percent of respondents. India and China both received votes but Japan did not. However, a category including all of Asia, except for those three behemoth economies, received around one-quarter of participants' votes – more than the support received by Germany in the breakdown of Europe's votes, at 19 percent.

Our fundraising data has shown Asia-Pacific fundraising steadily growing (see chart above), aside from in the covid-hit year of 2020.

(Past performance is no guarantee of future results.)