



(DRAFT PROGRAM)

A NEW NORMAL?

THE GLOBAL ECONOMIC EXPANSION, INFLATION DYNAMICS, FINANCIAL STABILITY AND ITS MEANING FOR GLOBAL ASSET MANAGEMENT

The National Bank of the Republic of Macedonia

Reinventing Bretton Woods Committee

16 February 2018

The conference aims to assess how the current state and perspectives of global economy pose new challenges to central banks with respect to their mandate on price and financial stability. It will focus on post-crisis financial market developments in the advanced and developing world, financial sector's resilience and the implications for central banks. The discussions during the conference will try to answer how the asset managers have reacted on divergent monetary policies and how they are preparing for their convergence. In addition, the conference will also cover discussions on the future of integration of the South East European countries, by tackling the accomplishments made so far and future challenges.

Day 1 – Thursday, 15 February 2018

19:30-21:00 **Cocktail Reception** (hotel premises)

Day 2 – Friday, 16 February 2018

8:30-9:00 **Registration and coffee** (hotel premises)

9:00-9:20 **Opening Remarks: Mr. Dimitar Bogov**, Governor, NBRM

9:20-9:50 **Keynote speaker: Mr. Benoît Cœuré**, Member of the Executive Board, ECB (confirmed)

9:50-11:20 SESSION 1: GLOBAL ECONOMIC EXPANSION, INFLATION AND PRODUCTIVITY DYNAMICS AND SHIFTING MONETARY POLICY

The pickup in global activity that started in 2016 gathered steam in the first half of 2017. The outlook for advanced economies has improved, notably for the euro area, but in many countries inflation remains weak.

In the session, policy makers as well as market experts will debate on topics related to current and prospective global economic conjuncture and monetary policy. Global growth for 2018 is forecast to reach 3.7%. How sustainable is this momentum? Europe, US, Brexit, geopolitical and political risks – what are the implications for the global outlook. How effective were the unconventional monetary policies. What is the future of interest rates? Slowly moving interest rates back to normal level, but what does “normal” mean? Impact on the financial markets from monetary policy normalization: towards a greater stability or heightened volatility; the role of monetary policy communication – investors’ sentiment and markets’ reactions.

Chair: **Mr. Marc Uzan**, Director, Reinventing Bretton Woods Committee

Speakers:

Mr. Stanley Fischer, Former Vice Chairman of the Federal Reserve

Mr. José Viñals, Chairman of Standard Chartered PLC, Former Financial Counsellor and Director of the Monetary and Capital Markets Department at the IMF

Mr. Jean Boivin, Director, Blackrock Institute, Former Deputy Governor Bank of Canada

Ms. Ksenia Yudaeva, First Deputy Chairman, CB Russia

Mr. Jacob Frenkel, Chairman, International JP Morgan Chase

11:20-11:40 Coffee break

11:40 – 13:10 SESSION 2: FINANCIAL STABILITY: ARE WE WELL EQUIPPED TO DEAL WITH POTENTIAL TURBULENCE?

This session will gather policy makers, experts and academics to debate on current challenges related to central banks’ financial stability mandate. Globally, debt is at record levels. In 2016, the stock of non-financial sector debt in the G20 economies stood at 220% of GDP almost 40 percentage points higher than in 2007. The configuration of low levels of market volatility and low bond yields may point to snapback risks. Spillovers may create global repercussions. All this highlights the importance of gradual and steady monetary policy normalization, but also the risk of waiting too long to normalize. Is it that high debt might become a significant drag on demand as interest rates normalize? Is the global financial system well equipped to deal with

any financial turbulence in context of upcoming normalization of monetary policy? Should policy makers be concerned by another Minsky Moment? What are the appropriate policy instruments to sustain financial stability and achieve macroprudential policy objectives, including conventional, unconventional and macroprudential tools.

Chair: Ms. Maja Kadievaska Vojnovik, Vice Governor, NBRM

Speakers:

Mr. Tao Zhang, Deputy Managing Director, International Monetary Fund

Ms. Claudia M. Buch, Vice-President, Deutsche Bundesbank

Mr. Andy Haldane, Chief Economist, Bank of England

Mr. Luiz Awazu Pereira da Silva, Deputy General Manager, Bank for International Settlements

Mr. David Li Daouiki, Professor of Economics, Tsinghua University

13:10 – 14:30 Lunch

14:30 – 16:00 SESSION 3: STRATEGIES FOR EFFECTIVE RISK MITIGATION: CB'S AND ASSET MANAGERS' PERSPECTIVE

This session is devoted to global asset management issues. With around EUR 15 trillion of investable reserves, central banks have become significant investors in capital markets, especially the fixed income and debt markets. In today's world, the risk/return trade-off has been accentuated by low yields on highly rated government bonds, which reduces the chances of capital preservation. In general, every year challenges for global asset managers continue to evolve. From divergent monetary policies to monetary policy convergence - how should asset managers prepare for the "new normal" in the global monetary policy? What are the appropriate strategic asset allocations: the past and the future? Balancing between market and credit risks; optimizing the currency composition of foreign reserves: hedged versus unhedged; Diversification towards alternative asset classes: experience with equities.

Chair: Ms. Jeniffer Johnson Calari, Advisor, Former Director of Sovereign Investment Partnerships at the World Bank

Speakers:

Mr. Massimiliano Castelli, Managing Director, UBS Asset Management

Mr. Christian Deseglise, Global Head Central Banks, HSBC

Mr. Peter Zollner, Head Banking Department, BIS

Mr. Fritz Zurbrugg, Vice Chairman of the Governing Board, Swiss National Bank

Ms. Isabelle Strauss Kahn, Banque de France and The World Bank

16:00 – 16:20 Coffee Break

16:20 – 17:50 SESSION 4: SOUTH EAST EUROPE: WHAT IS THE CURRENT PATH FOR INTEGRATION AND GROWTH?

Some countries in this region are already part of the EU. Others are lining up for EU membership. 75% of their trade is with the EU, and the banking sector is 90% owned by Western European banks. How to shift the discussion in the EU from crisis management to enlargement? How countries in the region can get a fair idea of the future path of their European integration? Which policies can facilitate integration of the region within European and global structure? How to improve the economic outlook in the region by boosting trade and investment? Do we see any opportunities in joining endeavors to win third markets?

Chair: Mr. Fabrizio Saccomanni, Former Minister of Finance, Chairman UNICREDIT

Speakers:

Mr. Ewald Nowotny, Governor, OeNB

Ms. Charlotte Ruhe, Managing Director, EBRD

Mr. Rolf Wenzel, Governor, Council of Europe Development Bank

Mr. Vladislav Goranov, Minister, Ministry of Finance of the Republic of Bulgaria

Mr. Dragan Tevdovski, Minister, Ministry of Finance of the Republic of Macedonia

Mr. Dušan Vujović, Minister, Ministry of Finance of the Republic of Serbia

20:00 - 22:00 Dinner (Restaurant)