



ASTANA ECONOMIC FORUM HIGH LEVEL SESSIONS ON

THE END OF HYPERGLOBALISATION: THE NEW CONDITIONS FOR ECONOMIC AND FINANCIAL LANDSCAPE

hosted by:

*The Government of the Republic of Kazakhstan,
Economic Research Institute, Kazakhstan,
Reinventing Bretton-Woods Committee,
ISPG | International Strategy Partners Group*

May 25-26, 2016

Palace of Independence
Astana, Kazakhstan

PROGRAM

Day 1 - May 25, Wednesday:

8:00am-9:20am REGISTRATION AND WELCOME COFFEE

Venue: Congress hall 1, ground floor

09:20am-11:00am

FLAGSHIP SESSION 1:

**GLOBAL AND REGIONAL CONTEXT: THE END OF THE SUPER-CYCLE OF
COMMODITIES PRICES?**

Venue: Congress hall 1, ground floor

- ❖ *Global and regional context and challenges*
- ❖ *What instabilities can the low commodities prices raise? Will prices remain low for a sustained period of time? Can we consider it as the new normal? Is this the end of the shale revolution?*
- ❖ *Re-entry of Iran in the Global Energy Market*
- ❖ *Sovereign Wealth Funds under the stress? Budget deficit, Debt growth and currency devaluation*
- ❖ *Perspectives of Central Asia and Kazakhstan: Economic, Financial and Political dimension*
- ❖ *The New growth drivers: Eurasian Economic Union and New Silk Road as a new infrastructure boom*

Chair: Massimiliano Castelli, Managing Director, Head of Strategy, Global Sovereign Markets,
UBS Global Asset Management

Opening remarks:

- **Marc Uzan**, Executive Director, Reinventing Bretton Woods Committee

Speakers:

- **Ayhan Kose**, Director, Development Prospects Group, World Bank

- **Masood Ahmed**, Director, Middle East and Central Asia Department, IMF
- **Bakhyt Sultanov**, Minister of Finance, The Republic of Kazakhstan

Discussion: Questions & Answers

11:00am-11:20am Coffee Break

Venue: Restaurant, ground floor

11:20am-1:00pm

FLAGSHIP SESSION 2: THE MULTIPLE UNCERTAINTIES AND VOLATILITIES IN THE GLOBAL ECONOMY: RISING RISKS OF INSTABILITY

Venue: Congress hall 1, ground floor

- ❖ *Slowdown of global trade growth relative to GDP growth*
- ❖ *US Monetary Policy normalization of interest rates: a gradual path?*
- ❖ *China's New Normal: transition from investment and manufacturing to consumption and services*
- ❖ *Global Misallocation of capital, slowdown of investments and capital outflow from EM*
- ❖ *The Brexit dilemma: the major uncertainties for EU and a further drag on the Global economy?*
- ❖ *Interactions between markets and policies What's new?*
- ❖ *Negative interest rates, the new convention of monetary policy? Currency wars? Implication for the stability of the banking and financial sector*
- ❖ *The return of Capital controls?*

Chair: **Marc Uzan**, Executive Director, Reinventing Bretton Woods Committee

Speakers:

- **Kuandyk Bishimbayev**, Minister of National Economy, Kazakhstan
- **Jacob Frenkel**, Chairman, JP Morgan Chase International, Governor of the Bank of Israel (1991-2000)
- **Christian Noyer**, Governor of the Bank of France (2003-2015), Vice-president of the Executive Board of ECB (1998–2002), Chairman of the Bank for International Settlements (2010-2015)
- **Athanasios Orphanides**, Professor of the Practice of Global Economics and Management, MIT, Governor of the Bank of Cyprus (2007-2012)

Discussion: Questions & Answers

1:00pm-2:30pm LUNCH

Venue: Restaurant, ground floor

2:30pm-4:00pm

FLAGSHIP SESSION 3: A GROWTH RESET FOR EMERGING MARKETS

Venue: Congress hall 1, ground floor

Slowdown in emerging markets after a golden decade. Since 2010, growth has been slowing in emerging market economies (EM). EM growth has remained well below pre-crisis (2003-08) rates and, by 2014, had fallen below its long-term (1990-2008) average. This follows

half a decade during which EM as a group achieved its highest growth since the 1980s and became the main engine of global activity, accounting for about 52 percent of global growth. The protracted deceleration in EM growth contrasts with the weak but steady recovery in advanced economies (AE) from a 2012 trough. Recent growth forecasts for 2015 are slightly below 4 percent, down from as high as 7.6 percent in 2010. Repeated forecast downgrades and high-frequency indicators suggest that the slowdown might not be simply a pause, but the beginning of an era of weak growth for EM.

To foster strong, sustainable and balanced growth, emerging markets and developing countries should intensify structural reforms in various areas, including labor, land, capital, and innovation, etc. so as to boost total-factor productivity and potential growth rate. This is also important to optimize and prioritize their reform efforts, and strengthen the implementation and assessment of the policy commitments on structural reform. This session will discuss the main structural challenges faced by the global economy, EMs and developing countries, key reform areas and priorities, and explore ways to effectively implement and assess the progress and performance of reform.

- ❖ *What are the main characteristics and the key drivers of the slowdown?*
- ❖ *How governments and businesses adapting to slow economic growth and what actions need to be taken to catalyze growth?*
- ❖ *Preventing the Resurgence of financial crisis in emerging markets*
- ❖ *Deep depreciations of emerging market currencies*
- ❖ *How to restart growth for emerging markets under new conditions?*
- ❖ *Lifting productivity growth: the role of urbanization*
- ❖ *Sustainable capital flow to emerging markets*
- ❖ *Use of buffers (SWF reserves and pension funds) and its implications for Banks and capital flows*
- ❖ *What policy options should implement emerging economies to stabilize growth*
- ❖ *New growth model and structural reforms for emerging economies*

Chair: Ayhan Kose, Director, Development Prospects Group, World Bank

Speakers:

- **Daron Acemoglu**, Professor of Economics, MIT, co-author of “*Why Nations Fail: Origins of Power, Poverty and Prosperity*” (2011)
- **Jeffrey Sachs**, Director of the Earth Institute, Columbia University
- **Ivan Miklos**, President of economic think - tank M.E.S.A. 10, Deputy Prime Minister of Slovakia (1998-2002, 2002-2006, 2010-2012), Minister of Finance of Slovakia (2002-2006, 2010-2012)
- **Javier Guzman**, Deputy Governor, Central Bank of Mexico
- **Erik Berglof**, Director of the Institute of Global Affairs at LSE, Former Chief Economist and Special Adviser to the President of the EBRD

Discussion: Questions & Answers

4:00pm-4:20pm Coffee Break

Venue: Restaurant, ground floor



4:20pm-6:00pm

FLAGSHIP SESSION 4: MONETARY AND FINANCIAL CHALLENGES IN EURASIA

(in cooperation with IMF)

Venue: Congress hall 1, ground floor

Facing the end of the era of the high commodity price, containing the spillovers from Russia and China current economic slowdown, the consequences of the U.S. monetary policy normalization are multiple challenges that have also major implications for financial stability of the region. The aim is to identify the CCA-specific risks that need to be mitigated, taking into account countries' macroeconomic and institutional context (such as high dollarization, fixed exchange rate regimes, small financial markets, and in some countries, volatile financial flows driven by commodity prices cycles). The session will also discuss suitable tools and institutional settings in CCA countries.

- ❖ *Policies for strengthening domestic currencies in Caucasus and Central Asia*
- ❖ *Challenges for Central Asia and Caucasus in implementation of inflation targeting and free float regime. Is the floating exchange rate still play a role as a shock absorber?*
- ❖ *How macro prudential should be used in Eurasia?*
- ❖ *What are the implications for the financial and banking sector?*
- ❖ *Current instabilities and the downgrades in countries and banking ratings*
- ❖ *Managing currency depreciation and currency mismatch: implication to corporate and banking sector of the region*
- ❖ *Can the new financial centre be a narrative for growth and stability of the market?*
- ❖ *Is the RMB become more important in settlements and invoicing currency in Eurasia as a new anchor? What are the consequences for Exchange rate regime and policy options?*

Chair: Masood Ahmed, Director, Middle East and Central Asia Department, IMF

Speakers:

- **Bembya Khulkhachiev**, Director of the Financial Policy, Eurasian Economic Commission
- **Juha Kahkonen**, Deputy Director, Middle East and Central Asia Department, IMF
- **Athanasios Orphanides**, Professor of the Practice of Global Economics and Management, MIT, Governor of the Bank of Cyprus (2007-2012)
- **Thomas Sargent**, Nobel Prize Laureate in Economics, 2011

Discussion: Questions & Answers

7:00pm DINNER ON BEHALF OF THE GOVERNMENT OF THE REPUBLIC OF KAZAKHSTAN (for speakers and by invitations only)

Venue: TBC

Day 2- May 26, Thursday:

8:00am-8:45am WELCOME COFFEE

Venue: Congress hall 1, ground floor

8:45am-10:30am

FLAGSHIP DEBATES:

THE NEW BUSINESS CLIMATE FOR THE PRIVATE SECTOR: WHAT ARE THE RULES OF THE GAME?

Venue: Congress hall 1, ground floor

- ❖ *What are the conditions for private sector to operate in changing environment: great plunge in commodities prices, WTO membership and Eurasian Economic Union, One Belt One Road initiative;*
- ❖ *Can we consider the One Belt One Road strategy and the Eurasian Economic Union as growth drivers for the region that can lead the investment, technology, industry, private sector involvement, innovation and infrastructure boom?*
- ❖ *Can the New Silk Road be a growth driver for emerging markets and developing countries under the new economic realities?*
- ❖ *How local companies can benefit from increase investment from China? What should be the rules of engagement? is an investment treaty will be needed in the region?*
- ❖ *The role of new financial institutions in investment and private sector development (AIIB, New development bank, Silk Road Fund)*
- ❖ *What should be done for a new wave of investments for a long-term economic growth? what are the next global economic drivers and how we can bring back the long-term growth?*

Chair: Mattia Romani, Managing Director, Country and Sector Economics, EBRD

Keynote speech: Peter Frankopan, Senior Research Fellow at Worcester College, Oxford and Director of the Oxford Centre for Byzantine Research, Author “The Silk Roads: A New History of the World”

Speakers:

- **Zhu Surong**, Managing Director, Silk Road Fund
- **Robert Vartevanian**, Head of M&A & Financing, KPMG
- **Wencai Zhang**, Vice-President of the Asian Development Bank
- **Jan Vapaavuori**, Vice-President of the European Investment Bank, Minister of Economic Affairs of Finland (2012-2015)
- **Tatyana Valovaya**, Member of the Board (Minister) on the Main Areas of Integration and Macroeconomics, Eurasian Economic Commission
- **Dmitry Pankin**, Chairman, Eurasian Development Bank

Discussion: Questions & Answers

10:30am-11:00am Coffee Break

Venue: Restaurant, ground floor

11:00am-12:40pm

Open Leaders Discussion

REGIONAL AND GLOBAL ECONOMIC ACTION POLICY PANEL:

THE NEED FOR A STRONGER POLICY RESPONSE TO RAISE GLOBAL GROWTH

(High Level Policy discussion)

Venue: Congress hall 1, ground floor

The global economy is on the threshold of a new world - tectonic and fundamental shifts are happening in its development.

The WORLD 2016 faced with a number of complex challenges in geopolitics, economy and financial system. We have seen a sharp decline in the growth of BRICS countries and emerging markets, the fragile growth of world economy, the end of super cycle of commodities prices, slowdown of global trade, rising risks of financial crisis and big recession in emerging markets, series of currencies depreciations, tensions around Brexit and its implication on the European union and the world, great volatility in financial markets and the period of low investments and the capital outflow from EMs and developing countries.

The idea is to discuss under an overarching theme of the End of Hyperglobalisation, the groundbreaking shifts shaping our regions and respective countries in terms of economic and geopolitical risks and their impact on the sustainable growth. We will pay particular attention to policy options to mitigate spillovers and how we can benefit from the new developments and trends.

Chair: Tigran Sargsyan, Chairman, Eurasian Economic Commission, Prime-Minister (2008-2014) and Governor of Central Bank of Armenia (1998-2008)

Speakers:

- **Sergey Glazyev**, Academician of the Russian Academy of Sciences, Minister of external economic relations (1992-1993), Member of three convocations of the State Duma of Russian Federation
- **Francois Fillon**, Prime Minister of France (2007-2012)
- **Romano Prodi**, Prime Minister of Italy (1996–1998, 2006–2008), President of the European Commission (1999–2004)
- **Alfred Gusenbauer**, Chancellor of the Republic of Austria (2007-2008)
- **Aleksander Kwasniewski**, President of Poland (1995-2005)
- **Ehud Barak**, Prime Minister of Israel (1999-2001)
- **Djoomart Otorbaev**, Prime Minister of Kyrgyzstan (2014-2015)

Discussion: Questions & Answers

12:40pm-1:50pm LUNCH

Venue: Restaurant, ground floor

3:00pm-4:30pm PLENARY SESSION OF THE ASTANA ECONOMIC FORUM 2016:

Venue: Kazakhstan Concert Hall

NURSULTAN NAZARBAYEV, PRESIDENT OF THE REPUBLIC OF KAZAKHSTAN