



**Central Bank of the Republic of Turkey - Reinventing Bretton Woods Committee
Joint Workshop
on**

“Causes and Effects of Oil Price Movements and Policy Implications”

hosted by

Central Bank of the Republic of Turkey

7 February 2015

Istanbul, Turkey

DRAFT PROGRAM

7 February, Saturday:

10:00-10:15 **Opening Remarks**

Turalay Keç, Deputy Governor
Central Bank of the Republic of Turkey

10:15-11:00 **Session 1: Macro-Economic Effects of Lower Oil and Commodity Prices**

- *What is the role of demand and supply developments in the recent in oil price movements? How persistent and significant are these factors likely to be? What is the trend in other commodity prices?*
- *What will be the growth effect of falling prices on the global economy? How will the lower prices affect different economies and regions?*

11:00-11:15 Coffee Break

11:15-12:30

- *What are the possible spillovers and the main transmission channels of decline in oil prices?*
- *What will be the effect of oil and commodity price movements on inflation and external balances of countries?*
- *How will the fixed investments react to the drop in oil prices?*

12:30-14:00 **Lunch**

14:00-15:15

Session 2: Policy responses

- *What would be the recommended macroeconomic policy mix (monetary and fiscal) to oil and commodity price shocks?*
- *How would the exchange rates behave to oil and commodity price shocks and what are the tools to counteract the excess volatility in exchange rates?*
- *How will finance channel operate under the high price volatility considering the financialization of commodities?*
- *What would be the policy measures against an abrupt volatility increase stem from this channel considering oil's relationship with other commodities, oil's relationship with EMBIG spreads and its impact on sovereign wealth funds?*
- *What are the implications for credit markets of a large (unexpected) drop in commodity prices? How are banks and capital markets likely to react?*

15:15-15:30

Coffee Break

15:30-16:45

Session 3: Micro Dynamics and Structure of Oil Pricing

- *What are the recent trends in oil production and how the production costs vary among various procedures and producers?*
- *How do the spot prices shape the futures prices in the oil and commodity market? Is the intensity of this relationship changes overtime?*
- *How could a plausible forecast for oil price be achieved considering whether forecast errors are idiosyncratic or is there a systematic component?*

16:45-17:00

Closing Remarks