



G20 Seminar
June 30-July 1, 2011, Rio de Janeiro - Brazil

Monetary Policy and Macro-Prudential Regulation
With High Level of Liquidity: New Policy Challenges for Macro and
Financial Stability in Emerging Markets

Draft Program as of May 26th 2011 – Confirmed names with (*)

Sponsored by: Reinventing Bretton Woods Committee, The Inter-American Development Bank (IADB) and The World Bank

June 30, Thursday

Registration (14:30 – 15:00)

Opening (15:00 – 15:30) – Alexandre Tombini (*) – Banco Central do Brasil

Session 1 (15:30 – 17:30) – How should monetary policy and prudential regulation be used in order to ensure macroeconomic and financial stability?

Chair: Jean-Pierre Landau (*) – Banque de France

Presenters (15' each):

Diego Rodriguez-Palenzuela (*) – ECB

Frederic S. Mishkin (*) – Columbia University (former Federal Reserve Governor)

Discussants (7' each):

John Murray – Bank of Canada

Beny Parnes (*) – BBM

Joaquim Levy (*) – Bradesco Asset Management

Manuel Ramos Francia (*) – Central Bank of Mexico

- Is it possible for policy-makers to ensure both price and financial stability? What are the policy instruments available to reduce the pro-cyclicality of the financial system while controlling inflation?
- What are the responses of the current modeling exercises of trade-offs between price and financial stability?
- What has the 2007-08 global financial crisis brought into this recurrent debate?

Discussion with G20 Deputies and participants (30'-40')



Roundtable (17:30 – 18:30) – Do we know how to prevent financial bubbles, should we try and if so when and how?

Moderator: TBD

Panelists (5-6' each):

Claudio Borio (*) – BIS

Frederic S. Mishkin (*) – Columbia University (former Federal Reserve Governor)

Michael Dooley (*) – UCSC

Discussion with G20 Deputies and participants (30-40')

Dinner (20:00 – 22:00) – Keynote Speaker: Alan Blinder (*) – Princeton University

July 1st, Friday

Session 2 (09:00 – 10:50) – How should financial stability be defined and measured?

Chair: Joerg Asmussen (*) – Federal Ministry of Finance – Germany

Presenters (15' each):

Stijn Claessens – IMF

Joshua Aizenman (*) – UCSC

Discussants (7' each):

Jae Chun Kim – Bank of Korea

Bernard Appy (*) – BMF-BOVESPA

Octavio de Barros (*) – Bradesco

Maria Helena Santana (*) – CVM

Carlos Kawall (*) – Safra

- What are the various indicators that can define and/or be associated with financial stability and/or instability? (e.g., rapid credit growth beyond past historical trend; stock market developments; rapid asset price growth).
- What indicators should we observe and monitor closely given local market characteristics of financial stability?
- Should financial stability be an explicit objective or merely a concern for central banks?

Discussion with G20 Deputies and participants (30-40')

Coffee Break (10:50 – 11:10)

Session 3 (11:10 – 13:00) – Should we define new rules for central banks to react to financial instability?



Chair: Mahmoud Mohieldin (*) – World Bank Managing Director and G20 Deputy

Presenters (15' each):

Pierre-Richard Agénor (*) – University of Manchester

Pier Carlo Padoan (*) -- OECD

Claudio Borio (*) – BIS

Leonardo Leiderman (*) – Tel Aviv University

Discussants (7' each):

Ignazio Visco – Banco D'Italia

Ilan Goldfajn (*) – Itaú-Unibanco

Eduardo Loyo (*) – BTG Pactual

Samuel Pessoa (*) – FGV/RJ

- Should we aim at designing a rule-based approach to combine monetary policy and prudential regulation?
- How can we best define credit growth gaps? Are they useful to assess financial stability?
- Should flexible inflation targeting (FIT) be adapted to take into account the role for financial conditions in the transmission mechanism?
- What has the 2008-09 global financial crisis brought into this recurrent debate?

Discussion with G20 Deputies and participants (30'-40')

Lunch (13:00 – 14:30) – Keynote speaker: Armínio Fraga (*) – Gávea Investment

Session 4 (14:45 - 16:45) – Emerging Markets (EMEs) experiences with the New Policy Challenges for Macro and Financial Stability in Emerging Markets

Chair: Benoît Coeuré – Ministry for the Economy, Industry and Employment – France

Presenters (7' each):

Carlos Hamilton Vasconcelos (*) – Central Bank of Brazil

Karim El-Aynaoui (*) – Central Bank of Morocco

David Vergara (*) – IMF

Otaviano Canuto (*) – World Bank

Eduardo Fernandez-Arias (*) – IADB

Ramon Moreno (*) – BIS

Samir Assaf (*) – HSBC

- How can EMEs address the problems posed by excessive credit growth and asset price bubbles? What can be the combination of policy instruments that is most efficient?
- Are these issues applicable only to advanced economies and EMEs and how can we address them in low income countries?
- What policy instruments have they been using and which are the most efficient ones?
- How do country differences—exchange rate regime, degree of international financial integration, institutional development—matter?



- Should it be combined with monetary policy, i.e., reside at the central bank? Or would it be better located at the micro-prudential supervisory agencies?

Discussion with G20 Deputies and participants (40-45') with lead speakers (5' each)

Rakesh Mohan – Yale University (former Central Bank of India)

Gang Yi – People's Bank of China

Alexey Ulyukaev (*) – Central Bank of Russia

Wrap-Up Session (16:50 – 18:10) – Can Credit Expansion Happen Without Periodic Financial Crises?

Moderator: Luiz Awazu Pereira da Silva (*) – Central Bank of Brazil

Panelists (10' each):

Alan Blinder (*) – Princeton University

Pierre-Richard Agénor (*) – University of Manchester

Murilo Portugal (*) -- FEBRABAN

Closing Speech (18:10 – 18:40) – TBD

Cocktail (18:40)