

SEB in cooperation with World Economic Forum present

Global Imbalances and the Future of the International Monetary System

Date

May 16, 2006

Location

Clarion Hotel, Stockholm

1856|2006
SEB 150 YEARS

S|E|B

Welcome

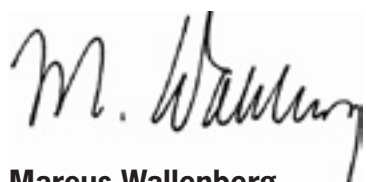
Global Imbalances and the Future of the International Monetary System

During the last couple of years, the global economy has been characterized by large imbalances. The US shows low savings and a huge current account deficit while a number of Asian and oil exporting countries show high savings ratios and large surpluses. To some economists this is a warning of a painful adjustment to come, but to others it is a necessary bi-product of globalization and shifting patterns of specialization. This issue – and how to assess these imbalances – will be discussed at our conference.

The other topic to be addressed is the future global financial architecture. Over the past six decades, the world has witnessed tremendous changes in its political and economic regimes, largely altering the environment in which international financial institutions, including the IMF and the World Bank, pursue their activities. The wave of financial crises in the last decade has generated a consensus that the international financial system needs to be reformed. But there remain profound disagreements among policy makers and the private sector concerning how far and deep the reforms should go.

The World Economic Forum and the Reinventing Bretton Woods Committee have initiated the International Monetary Convention Project, a year-long series of public-private roundtables on the future of the international monetary system, in co-operation with selected finance ministries and central banks of G-20 countries.

SEB has been engaged in the International Monetary Convention Project by supporting several of the roundtables. Bringing together some of the most interesting voices which have been part of this project to a high-level conference in connection to the bank's 150th Anniversary celebrations in 2006 SEB wishes to further the discussions on the future of the international system.



Marcus Wallenberg
Chairman of the Board
Skandinaviska Enskilda Banken



Richard Samans
Managing Director, Global Institute
for Partnership and Governance,
World Economic Forum

Program

- 10:00 Registration opens
- 11:30 – 13:00 Lunch
Welcome
- **Marcus Wallenberg**, Chairman of the Board, SEB
- Opening remarks
- **C. Fred Bergsten**, Director, Institute for International Economics
- 13:10 – 13:20 International Monetary Convention Project, introduction
- **Augusto Lopez-Claros**, Chief Economist, World Economic Forum
- 13:20 – 15:15 **Session 1:** Global Imbalances: Temporary or Permanent?
- **Nouriel Roubini**, Professor of Economics, New York University
 - **John Lipsky**, Vice-Chairman, J.P. Morgan Chase & Co
 - **Richard Cooper**, Professor of Economics, Harvard University
- Moderator:
- **Klas Eklund**, Chief Economist, SEB
- 15:15 – 15:45 Coffee break
- 15:45 – 17:45 **Session 2:** Challenges Ahead for the International Financial System – and the Future of the Bretton Woods Institutions.
- **Stefan Ingves**, Governor, Central Bank of Sweden
 - **Angel Ubide**, Managing Director, Tudor Investment
 - **Gian Maria Milesi-Ferretti**, Division Chief, Research Department, IMF
 - **Jean-Pierre Landau**, Deputy Governor, Banque de France
- Moderator:
- **William R. White**, Head of the Monetary and Economic Department, Bank for International Settlements
- 17:45 – 18:10 Summarizing the day
- **C. Fred Bergsten, Klas Eklund, William White**
- Concluding remarks
- **Annika Falkengren**, President and CEO, SEB



Stefan Ingves is Chairman of the Executive Board and Governor of the Riksbank. Mr Ingves is a member of the ECB General Council and a member of the Board of Directors of the Bank for International Settlements (BIS). He is also Sweden's governor in the International Monetary Fund. Mr Ingves has previously been Director of the Monetary and Financial Systems Department at the International Monetary Fund, Deputy Governor of the Riksbank and General Director of the Swedish Bank Support Authority. Prior to that he was Under-Secretary and Head of the Financial Markets Department at the Ministry of Finance. Stefan Ingves holds a PhD in economics.



Klas Eklund is the Chief Economist of SEB since 1994. He is also a member of the European Commission's "Group of economic policy analysis", chaired by the Commission president. In the 1980's he worked in the Ministry of Finance (as Deputy Under-Secretary of State) and in the Cabinet office (as economic adviser to the Prime Minister). In 1990-91 he chaired the government's Productivity Commission, analysing the poor Swedish growth performance in the 1970s and 80s, as well as drawing economic policy conclusions. Mr Eklund has also held a number of other positions, e.g member of the Board of Governors of the Swedish Central Bank. He is the author of several books and articles, including the best-selling Swedish textbook of economics, translated into both Russian and Chinese.



C. Fred Bergsten has been director of the Institute for International Economics since its creation in 1981. The Institute is the only major research institution in the United States devoted to international economic issues and has been called "the most influential think tank on the planet". Dr. Bergsten has been the most widely quoted think-tank economist in the world over the eight-year period 1997–2005. He testifies frequently before Congress and appears often on television. Dr. Bergsten was assistant secretary for international affairs of the US Treasury during 1977–81. He also functioned as undersecretary for monetary affairs during 1980–81, representing the United States on the G-5 Deputies and in preparing G-7 summits. During 1969–71, starting at age 27, Dr. Bergsten coordinated US foreign economic policy in the White House as assistant for international economic affairs to Dr. Henry Kissinger at the National Security Council.



Gian Maria Milesi-Ferretti is chief of the Economic Modeling division in the Research Department of the International Monetary Fund. He received his Ph. D. from Harvard University in 1991 and joined the London School of Economics thereafter. He has been at the IMF since 1993. He has published extensively in the areas of international capital flows, current account sustainability, capital controls, taxation and growth, and political economy. Since 1996 he is a Research Fellow of the Center for Economic Policy Research.

Mr Milesi-Ferretti's research interests include international macroeconomics, international financial integration, fiscal policy, political economy. He is one of the top economists in the field of international finance.



William White joined the Bank for International Settlements in June 1994 as Manager in the Monetary and Economic Department, and was appointed to his present position, Economic Adviser and Head of the Monetary and Economic Department, in May 1995. Prior to coming to the BIS, Mr White spent 22 years with the Bank of Canada. His first six years at the Bank of Canada were with the Department of Banking and Financial Analysis, first as an economist and finally as Deputy Chief. In 1978 Mr White became Deputy Chief

of the Research Department and was made Chief of the Department in 1979. He was appointed Adviser to the Governor in 1984 and Deputy Governor of the Bank of Canada in September 1988. Mr White's early career was spent at the Bank of England, where he was an economist from 1969 to 1972.



Augusto Lopez-Claros is the Chief Economist of Global Competitiveness Programme at World Economic Forum. Formerly he has been professor at University of Chile in Santiago, between 1992-95 Resident Representative of International Monetary Fund in Russian Federation, Executive Director and Senior International Economist at Lehman Brothers in London. Mr Lopez-Claros is the author of numerous articles on international economic issues, including: The Search for Efficiency in the Adjustment Process: Spain in the 1980s;

The European Monetary System: Developments and Perspectives (co-author); Fiscal Policy Issues During the Transition in Russia; Ten Years of Russian Economic Reform; Reforming the IMF, and many others. Interests: the role of interdependence and cooperation in the emergence of global institutions; elements of a successful approach to economic development; aspects of management of the globalization process.



Richard N. Cooper is Maurits C. Boas Professor of International Economics at Harvard University. He has written extensively on questions of international economic policy, including *Boom, Crisis, and Adjustment: Macroeconomic Management in Developing Countries* (with others, 1993), and *Environment and Resource Policies for the World Economy* (1994), as well as over three hundred articles. In 1990-92 he was chairman of the Federal Reserve Bank of Boston. From 1963-77 he was professor of economics and Provost (1972-74)

of Yale University. He has served on several occasions in the U.S. government, as Chairman of the National Intelligence Council (1995-97), Under-Secretary of State for Economic Affairs (1977-1981), Deputy Assistant Secretary of State for International Monetary Affairs (1965-66), and senior staff economist at the Council of Economic Advisers (1961-63).



Nouriel Roubini is an associate professor of economics and international business at the Stern School of Business, New York University. He was a faculty member of the economics department at Yale University (1988-95). He was senior economist for international affairs at the White House Council of Economic Advisers (1998-99) and senior adviser to the undersecretary for international affairs and the director of the Office of Policy Development and Review at the US Treasury Department (1999-2000). He has been a

long-time consultant to the International Monetary Fund and a number of other public and private institutions. He is a fellow at the National Bureau of Economic Research and the Centre for Economic Policy Research. He is coauthor of *Bailouts or Bail-Ins? Responding to Financial Crises in Emerging Economies* (Institute for International Economics, 2004) and *Political Cycles: Theory and Evidence* (MIT Press, 1997).



Marcus Wallenberg is Chairman of the Board of SEB, Deputy Chairman of Ericsson and Saab, Director AstraZeneca Plc, Knut and Alice Wallenberg Foundation and Stora Enso. Mr Wallenberg joined Investor AB in 1993 as Executive Vice President and was appointed President and Group Chief Executive in 1999. Prior to that he worked at Stora Feldmühle AG in Germany for three years. Mr Wallenberg began his career at Citibank in New York 1980, followed by various positions at Deutsche Bank in Germany, S G Warburg Co Ltd in London and Citicorp in Hong Kong.



John Lipsky is Vice Chairman of the JPMorgan Investment Bank. In this position, Mr. Lipsky publishes independent research on the principal forces shaping global financial markets, is actively engaged with JPMorgan's key clients, and represents the firm around the world with senior public and financial sector decision makers. Previously, Mr. Lipsky served as JPMorgan's Chief Economist, and as Chase Manhattan Bank's Chief Economist and Director of Research. He had served as Chief Economist of Salomon Brothers, Inc. from 1992 until 1997. Mr. Lipsky's professional activities include serving on the Board of Directors of the National Bureau of Economic Research, the Economic Club of New York, the American Council on Germany and the Japan Society. He also serves as a member of the Advisory Board of the Stanford Institute for Economic Policy Research and of the Economics Subcommittee of the Bond Market Association. Mr. Lipsky is a member of the Council on Foreign Relations.



Angel Ubide is the Director of Global Economics at Tudor Investment Corporation, a global funds management company. He is an active member of the Euro50 Group (Paris) and the Observatory of the ECB (Madrid). He is also a member of the CEPS Macroeconomic Policy Group (Brussels) and of the EU/US CSIS task force on the future of the European Union and its relations with the US. Dr. Ubide has written numerous academic papers on international macroeconomics, banking, and exchange rates, which have been published in major international journals. Prior to joining Tudor Investment Corporation, he was an economist at the International Monetary Fund, a management consultant with McKinsey and Co., and a research fellow at the European Forum of the European University Institute in Florence (Italy). He is a founding member of the ECB Shadow Council.



Jean-Pierre Landau is professor of international economics at the Institut d'Études Politiques de Paris and has been an associate professor at John Hopkins University. He joined the Ministry of the Economy and Finance in 1981, where he was first chef de bureau, then Deputy Director. In 1989, he was appointed Executive Director for France at the IMF, a post which he held up to 1993 when he was made Director of the DREE. Mr Landau returned to the General Inspectorate of Finance from 1996 and was appointed Director General of the French Banking Association in 1999. From 2001 to 2006, he was Executive Director for France at the EBRD. Jean-Pierre Landau was appointed Second Deputy Governor of the Banque de France in January 2006 and is a member of the institution's Monetary Policy Council.

Partners

The SEB Group is a North European financial group for corporate customers, institutions and private individuals with ten home markets in the Nordic and Baltic countries, Germany, Poland and the Ukraine. SEB has 680 branch offices and 5 million customers, of whom approximately 2 million use the internet for their banking transactions. The Group is represented in some 20 countries around the world and has a staff of about 20,000. For further information, please visit www.sebgroup.com

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