



# THE CHANGING NATURE AND GEOGRAPHY OF GLOBAL FINANCE

**The 11<sup>th</sup> Annual Conference by  
The Central Reserve Bank of Peru  
and  
The Reinventing Bretton Woods Committee**

Palacio del Inka Hotel  
Plazoleta Santo Domingo 259,  
Cusco, Peru  
July 18-19, 2019

Wednesday, July 17, 2019

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14:00 – 18:00	WELCOME PARTICIPANTS – SIGHTSEEING TOUR
20:00 – 22:00	COCKTAIL RECEPTION OFFERED BY THE GOVERNOR OF THE CENTRAL RESERVE BANK OF PERU <i>HELD AT SALA GALERÍA – JW MARRIOTT EL CONVENTO HOTEL ON THE SECOND FLOOR</i>

Thursday, July 18, 2019

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8:30 – 8:45	WELCOME COFFEE AND REGISTRATION
8:45 – 9:00	OPENING REMARKS <ul style="list-style-type: none"><li>❖ <b>JULIO VELARDE</b>, GOVERNOR, CENTRAL RESERVE BANK OF PERU</li><li>❖ <b>MARC UZAN</b>, EXECUTIVE DIRECTOR, REINVENTING BRETTON WOODS COMMITTEE</li></ul>
9:00 – 10:30	<b>SESSION I: MONEY, DEBT, DEFICIT: MANAGING THE NEXT DOWNTURN</b>  CHAIR: <b>Julio Velarde</b> , Governor, Central Reserve Bank of Peru  SPEAKERS: <ul style="list-style-type: none"><li>❖ <b>Pablo Hernández de Cos</b>, Governor, Bank of Spain</li><li>❖ <b>Fabio Natalucci</b>, Deputy Director, Monetary and Capital Markets, International Monetary Fund</li><li>❖ <b>Alejandro Izquierdo</b>, Principal Technical Leader, Research Department, IDB</li><li>❖ <b>Fernanda Nechio</b>, Deputy Governor, International Affairs and Corporate Risks, Central Bank of Brazil</li></ul>

There is an ongoing debate on the optimal policy mix to address the current conjuncture and the build-up of financial stability risks. In many countries, inflation remains below target, and we are witnessing some major uncertainties on the outcome of the ongoing trade wars between the United States and China. Should some "unconventional" elements remain? What will central banks look like in the "new normal" and what will be their main challenges (e.g., balancing competing objectives)? What should be the links between monetary policy, macro prudential policy, and supervision? Is there a role for greater policy cooperation, at the domestic and global level? Will monetary policy still be effective in the next downturn? What are the major risks that the global economy is facing at this juncture?

10:30 – 11:00 COFFEE BREAK & PHOTO SESSION

11:00 – 12:45

## SESSION II: NEW PATTERNS OF GLOBAL IMBALANCES

CHAIR: **Guillermo Ortiz**, Partner and Board Member, BTG Pactual

SPEAKERS:

- ❖ **Kazumasa Iwata**, President, Japan Center for Economic Research
- ❖ **Barry Eichengreen**, Professor of Economics, UC Berkeley
- ❖ **Gian Milesi-Ferretti**, Deputy Director, Research Department, IMF
- ❖ **Manoj Pradhan**, Founder, Talking Head Macro

As we are entering the 75th year of the Bretton Woods system, global imbalances, despite the trend towards exchange rate flexibility, has not eliminated the occurrence of these and the build-up of international reserves. It may reflect a lack of adjustment mechanisms. Global stock positions have continued to widen as stated in the G20 communique. These imbalances have generated threats of currencies and trade wars which could undermine the stability of the international monetary system.

12:45 – 14:45 LUNCH AT *INTI RAYMI RESTAURANT – PALACIO DEL INKA HOTEL, LOCATED ON THE FIRST FLOOR*

14:45 – 16:00

## SESSION III: US ECONOMIC POLICY AND EMERGING MARKETS CYCLES AND THEIR FUTURE GROWTH MODELS

CHAIR: **Luis Oganes**, Managing Director, Head of Currencies, Commodities and Emerging Markets Research, J.P. Morgan

SPEAKERS:

- ❖ **Claude Lopez**, Director of International Finance and Macroeconomics, Milken Institute
- ❖ **Moritz Shularick**, Professor of Economics, University of Bonn
- ❖ **György Szapáry**, Chief Advisor to the Governor, Central Bank of Hungary
- ❖ **Alexandre Tombini**, Executive Director, IMF, and Former Governor of the Central Bank of Brazil

Capital Flows can provide significant benefits contributing to growth, helping productivity and convergence of living standards, but these benefits may come with risks. Many emerging economies have resorted to using a combination of tools to address capital flows' volatility, as described recently in the annual report of the BIS: foreign exchange intervention, capital flows management measures, and macro prudential tools. Can these different tools strengthen macro resilience in the face of large capital flows volatility? What is the desirable combination of policy tools to respond to capital flows swings? Do

we need to develop an integrated policy framework as suggested by the international financial institutions?

The forces of global growth that boosted emerging markets, trade, supply chains and the commodities super cycle are over and raise a fundamental question: What will be the new growth model for emerging markets?

16:15 - 16:30 COFFEE BREAK

16:30 – 18:00 **SESSION IV: DEDOLLARISATION OF THE FINANCIAL SYSTEMS: LESSONS AND EXPERIENCE**

CHAIR: **Jose Dario Uribe**, Chair, FLAR

SPEAKERS:

- ❖ **Federico Sturzenegger**, Former Governor, Central Bank of Argentina
- ❖ **Liana Caballero**, Board Member, Central Bank of Paraguay
- ❖ **Turalay Kenc**, Former Deputy Governor, Turkey
- ❖ **Adrián Armas**, Chief Economist, BCRP

Dedollarisation in some emerging economies, including Peru, had successfully pursued a market-driven financial de-dollarization. It has been driven by macroeconomic stability, introduction of prudential policies to better reflect currency risk (such as the management of reserve requirements), and the development of the capital market. What is the experience so far and what can be lessons for other countries?

20:00 – 22:30 DINNER – *Hosted by the Central Reserve Bank of Peru*  
SAN FRANCISCO MONASTERY (20 MIN. AWAY FROM VENUE)

Friday, July 19, 2019

8:30 – 9:00 WELCOME COFFEE

9:00 – 10:45 **SESSION V: CENTRAL BANKING IN A NEW TECHNOLOGICAL ERA**

CHAIR: **Javier Pérez**, Director of International Economics and Euro Area, Banco de España

SPEAKERS:

- ❖ **José Manuel González-Paramo**, Executive Board Member, BBVA
- ❖ **Jorge Ponce**, Manager of Economic Research of the Economic Consultancy, Central Bank of Uruguay
- ❖ **Roberto Rigobon**, Professor of Economics, MIT
- ❖ **Warwick McKibbin**, Professor of Economics, Australia National University
- ❖ **Eric Santor**, Director, Bank of Canada

The Technological Era – Digitalization and climate change are reshaping economic activity and raising new questions for central banking. The panel, including representatives from central banks and the private sector, will discuss different aspects of how central banking will be affected by these new trends.

The Future of Money and Payments – General Manager of the BIS, Agustín Carstens, during a recent speech asserted that, "Money is an indispensable social convention backed by an accountable institution within the State that enjoys public trust...Private digital

tokens posing as currencies, such as bitcoin and other crypto-assets that have mushroomed of late, must not endanger this trust in the fundamental value and nature of money.”

Central Banking and Big Data – The central banking community is indeed taking a strong interest in big data, as a potentially effective tool in supporting micro- and macroeconomic as well as financial stability analyses. What is the current experience so far? What kind of challenges does big data raise for central banks, especially regarding its handling and use for policymaking? What are the implications of big data sources in central bank communication?

Central Banking and Climate Change – Climate change is increasingly affecting the world’s central banks and their monetary policies. Central banks have put a particular focus on financial stability when it comes to climate change, helping set standards for financial disclosures and green assets classification. Will monetary policy practice in the future need to adapt to this new environment?

10:45 – 11:05	COFFEE BREAK
11:05 – 12:45	<p><b>SESSION VI: IMPLICATIONS FOR THE CONDUCT AND DESIGN OF MONETARY POLICIES</b></p> <p>CHAIR: <b>Victoria Nuguer</b>, Research Economist, IDB</p> <p>SPEAKERS:</p> <ul style="list-style-type: none"><li>❖ <b>Andrés Fernández</b>, Head of Research, Central Bank of Chile</li><li>❖ <b>Manuel Ramos Francia</b>, Director General, Centro de Estudios Monetarios Latinoamericanos</li><li>❖ <b>Fiorella De Fiore</b>, Head of Monetary Policy, BIS</li><li>❖ <b>José Antonio Ocampo</b>, Member of the Board, Central Bank of Colombia</li></ul> <p>Price and wage inflation have been low in many countries and difficult to return to targeted levels. Are such outcomes the result of underlying slack or have technological changes materially affected pricing behavior? How have technological changes affected the monetary transmission mechanism? And how should monetary policy be implemented if interest rates are constrained at the lower bound? Should monetary authorities provide new digital products and retire physical currency to adapt to the zero lower bound and technological changes in payments? Lastly, what processes and institutional structures should govern monetary policy frameworks? And is there alignment across a country’s economic policy establishment to offer a coherent and unified response to future crises?</p>
12:45 – 13:00	<p>CONCLUDING REMARKS</p> <p><b>VICTORIA NUGUER</b>, RESEARCH ECONOMIST, IDB</p>
13:00 – 14:15	LUNCH AT <i>INTI RAYMI RESTAURANT – PALACIO DEL INKA HOTEL, LOCATED ON THE FIRST FLOOR</i>
14:30 – 17:00	KORIKANCHA TOUR