



THE GLOBAL ECONOMY IN THE AGE OF SUPPLY SHOCKS AND TRADE DISRUPTIONS: IMPLICATIONS FOR MONETARY POLICY

**June 20-21, 2025
Ulaanbaatar, Mongolia**

INTRODUCTION

In recent years, the global economy has entered a period of profound disruption, shaped by overlapping crises such as the COVID-19 pandemic, climate change, heightened geopolitical tensions, and the rising cost of living. These challenges form a complex and reinforcing "poly-crisis" that continues to test the resilience of national and global economic systems.

One of the most significant developments in this new landscape is the resurgence of tariffs and the reordering of global trade and finance—marked most recently by a sharp policy shift in the United States, which has proposed sweeping tariff increases across key trading partners. This signals a potential turning point away from decades of economic globalization toward a more fragmented, protectionist, and security-driven trade regime. These measures—if enacted—could act as a structural supply shock, raising trade costs, fueling inflation, and prompting a fundamental rethink of the frameworks governing global economic cooperation.

At the same time, monetary and fiscal policymakers must confront the consequences of these shifts within an environment of elevated debt, persistent inflation, and intensifying geo-economic rivalry. Central banks are facing new complexities in anchoring inflation expectations while responding to price pressures that originate increasingly from trade frictions and geopolitical decisions rather than from domestic demand. Meanwhile, long-term forces such as population aging, climate transition, and artificial intelligence continue to reshape labor markets, capital flows, and productivity.

Small, resource-rich economies, like Mongolia, are particularly exposed to the ripple effects of this new global order. Their economic stability is highly sensitive to commodity price swings, trade realignments, and external financing conditions—all of which are now more volatile. Managing these risks requires not only sound monetary and fiscal policies, but also strategic deployment of sovereign wealth funds (SWFs) to absorb shocks and promote long-term resilience.

This conference will bring together leading policymakers, economists, and institutional leaders to explore how the world's evolving trade architecture and persistent supply shocks are reshaping monetary and fiscal policy, especially in vulnerable economies. Through cross-regional dialogue

and practical case studies, the conference will offer insights into building economic resilience in a fragmented global economy.

The key points to be discussed during the conference:

1. **Monetary Policy:** The challenges central banks face in maintaining stability amid global disruptions, with a focus on how supply shocks have become—and will continue to be—a growing challenge for monetary policy.
2. **Fiscal Policy:** The strategic use of fiscal tools to balance budgets, manage resource revenues, and stimulate economic growth in uncertain times.
3. **Sovereign Wealth Funds (SWFs):** The role of SWFs in mitigating the impact of commodity price volatility and ensuring long-term economic resilience.
4. **Tariffs and Global Trade Dynamics:** Analyzing the shifting role of tariffs in global trade flows and their implications for international economic relations.
5. **A Shifting Global Economic Order:** Assessing the evolving global economic landscape and its influence on economic structures and policy design.

CONFERENCE AGENDA

DAY 0: June 19, 2025

18:00 – 20:00 | Welcome dinner

DAY 1: June 20, 2025

08:15 – 08:45 | Registration & Breakfast

08:45 – 09:15 | Opening Remarks & Keynote Address

Opening remark:

Lkhagvasuren Byadran, Governor, Central Bank of Mongolia

Keynote Speech:

"The Global Economy in the Age of Global Shocks: Building Resilience in a Noncooperative World"

- Overview of global economic challenges and their impact on small resource-rich countries.
- Setting the stage for discussions on monetary and fiscal responses.

09:15 – 09:30 | Group Photo Session

09:30 – 11:00 | Session 1: The Reconfiguration of Global Trade and Value Chains: Trade Shocks, Trade Disruptions, and Trade Diversion

Moderator:

Tigran Poghosyan, Resident Representative in Mongolia, IMF

Speakers:

Andrei Radulescu, Senior Researcher, Institute for World Economy

Jong Woo Kang, Director of the Regional Cooperation and Integration Division, ADB

Prachi Mishra, Professor, Department of Economics, Ashoka University

Uganbaatar Ninjbat, Chairman of the Supervisory Board, Bank of Mongolia

Zhang Liqing, Professor of Economics, CUFE

Asia, long considered the factory of the world, stands at the epicenter of this shift, facing both unprecedented risks and emerging opportunities. As production networks reorganize and multinationals recalibrate sourcing strategies, some Asian economies—such as Vietnam, Indonesia, and India—have benefited from trade diversion. Others, more deeply embedded in China-centered supply chains, face growing pressure. The region is grappling with how to preserve competitiveness, attract investment, and build resilience amid global fragmentation.

This session will examine the implications of trade shocks for Asia and explore how the region should respond. Should policymakers double down on regional economic integration through platforms like RCEP or the CPTPP? Is it time to revive the long-debated idea of an Asian Monetary Fund to enhance regional financial safety nets? What role can a coordinated industrial policy, shared infrastructure, and common standards play in keeping Asia integrated and dynamic in an increasingly fractured world economy?? As firms recalibrate supply chains for resilience over efficiency, what are the risks that low-income or export-dependent Asian economies get left behind?

11:00 – 11:15 | Coffee Break

11:15 – 12:45 | Session 2: Monetary Policy in the Age of Tariff and Supply Shocks

Moderator:

Tuvshintugs Batdelger, Professor of Economics, National University of Mongolia

Speakers:

Bayardavaa Bayarsaikhan, Chief Economist and Director General of the Monetary Policy Department, BOM

Dong Chul Cho, President, Korea Development Institute

Miroslav Singer, Former Governor, Czech National Bank

Soner Baskaya, Professor of Economics, University of Glasgow

- How can central banks effectively distinguish between temporary and persistent supply shocks in real time, and tailor their policy response accordingly?
- To what extent should monetary policy respond to inflation that originates from tariffs or global supply chain disruptions—factors largely outside domestic control?
- Are current inflation-targeting frameworks still appropriate in a world increasingly shaped by structural supply-side shocks? Should mandates or tools be adjusted?
- How can central banks maintain credibility and anchor inflation expectations when inflation is driven by external, non-monetary factors?
- In an era of global fragmentation and policy divergence, how can emerging markets manage spillover effects from monetary tightening in advanced economies?
- Is greater international monetary cooperation needed to navigate globally synchronized shocks, or has the world shifted toward more fragmented, unilateral responses?

12:45 – 14:45 | Lunch Session: Fiscal Policy Responses to Supply Shocks

Moderator:

Erdembileg Ochirkhuu, Economic Policy Advisor, Office of the Speaker of Parliament

Lecturer:

Mitali Das, Advisor, Fiscal Department, IMF

- The role of fiscal tools in managing resource revenues and responding to economic crises.
- How can SWFs stabilize resource economies during periods of volatility?
- Best practices for managing SWFs to mitigate the impact of fluctuating resource revenues.
- Diversification strategies for SWFs.

14:45 – 16:15 | Session 3: Macro Implications of AI, Digitalization and the Green Transition

Moderator:

Altantsetseg Batchuluun, Co-Founder, CEO of National Research and Consulting Center

Speakers:

Asya Kostanyan, Chief Economist, The Better Policy Project

Erik Berglof, Chief Economist, AIIB

Matilda Dimovska, Resident Representative in Mongolia, UNDP

Raekwon Chung, Board Member, Ban Ki-moon Foundation for a Better Future

Sopnendu Mohanty, Group Chief Executive Officer, Global Finance & Technology Network (*joining online*)

The need to reorient economies towards greener modes of production and consumption amid the fast advancement of digitalization and AI poses new challenges to labor markets. The net-zero transition will create new job opportunities in low-emission activities but also increase the risk of job losses in high-emission ones. The rise of artificial intelligence is likely to deeply transform the lives of working people in ways that remain hard to foresee. If well-managed, these challenges could deliver higher productivity, wages, and opportunities. If, however, these challenges are mismanaged, they could lead to fewer good, well-paying jobs, increased inequalities, and a less dynamic economy. Which strategies shall policymakers put in place to ensure that the green transition and the adoption of AI boost employment and opportunities? What's the role of active labor market policies and other forms of human capital accumulation? What's the role of new social safety nets to help workers who will be displaced?

16:15 – 16:45 | Coffee Break

16:45 – 18:15 | Session 4: Global Economic and Financial Order in Disarray: Scenarios for the future

Moderator:

Marc Uzan, Executive Director, Reinventing Bretton Woods Committee

Speakers:

Marie Favereau, Director, French Institute for Central Asian Studies

Martin Eduard Debusmann, Public Sector Advisory Leader

Pawel Kowalewski, Senior Advisor, Narodowy Bank Polski (*joining online*)

Sayuri Shirai, Advisor for Sustainable Policies, ADBI

Global Economic and financial governance is entering a period of turbulence. Just as in the 1930s, the multilateral system now faces a crisis of confidence—with free trade under threat, and economic nationalism on the rise. The sharp resurgence of U.S. tariffs, including a proposed across-the-board 10% rate, signals a dramatic shift in the international trade order. These moves are not isolated—they are part of a broader trend of securitization in economic policy, where national interests increasingly override global cooperation.

Are we witnessing the dawn of a new age of mercantilism, where tariffs become tools of diplomacy and supply chains are shaped by alliances rather than efficiency? The implications for inflation, financial stability, and capital flows are profound. Central banks now face a dual challenge: preserving price and financial stability while navigating a deeply fragmented geopolitical landscape. This session will explore whether globalization, as we know it, can survive in a world of heightened geopolitical rivalry and what the future global financial architecture might look like. Will we see competing financial blocks? Can international institutions adapt quickly enough to stay relevant? What scenarios should policymakers prepare for?

18:15 – 18:40 | Closing remark

Closing remark:

Marc Uzan, Executive Director, Reinventing Bretton Woods Committee

19:00 – 22:00 | Dinner Reception

DAY 2: June 21, 2025

07:00 – 08:30 | Breakfast

08:45 – 11:00 | Visit to “*Chinggis Khaan Statue Complex*” at Tsonjin Boldog

12:00 – 13:30 | Tree planting event at Gachuurt, Ulaanbaatar (The Billion Tree Fund)

13:30 – 14:30 | Transport to Ulaanbaatar City center

14:30 – 15:30 | Lunch

15:30 – 16:00 | *Banknote Museum* at the Bank of Mongolia

16:15 – 17:30 | *Chinggis Khan Museum*

17:30 – 18:30 | Cashmere and Mongolian souvenir shop

19:00 – 22:00 | Farewell Dinner Reception