

**Inter-American Development Bank
Office of the Chief Economist**



Latin American Network of Central Banks and Finance Ministries

IX Meeting
November 9 and 10, 1998
Andres Bello Auditorium, 9th Floor

Agenda

Monday, November 9

10:00 – 10:30 am Registration at the IDB - 1300 New York Ave., NW, Washington, D.C.

10:45 – 11:00 Welcoming remarks: Ricardo Hausmann, Chief Economist – IDB

11:00 – 12:30 pm **Recent Trends and Current Outlook for International Financial Markets**

What is happening in the world economy? What is the outlook? How will it affect Latin America? What will be driving events in our region? What are the scenarios for the region's return to market access?

Chair: Leonel Baruch, Minister of Finance, Costa Rica
Michael Mussa, Economic Counselor and Director of Research - IMF
Ricardo Hausmann, Chief Economist, IDB
Guillermo Perry, Chief Economist LAC, WB

12:45 – 2:30 Luncheon - *by invitation only*
Keynote speaker: Lawrence Summers, Deputy Secretary – U.S. Department of Treasury

2:45 – 4:15 **On the Causes of Current Financial Turmoil: What is the Story? What are the Policy Implications?**

What explains the depth and scope of financial contagion? What are the fundamental supply side and demand side elements of the complete story? Is it an efficient reaction to new information or are there market failures? What are the policy implications of alternative explanations?

Chair: Pablo Guidotti, Deputy Ministry of Finance-Secretary of Treasury – Argentina
Ricardo Caballero, Professor, MIT
Guillermo Calvo, Professor, University of Maryland

4:30 – 6:15 **Managing Public Debt in Times of Turbulence: What are the Issues? What are the Options?**

It has become increasingly clear in the 1990's that the currency denomination and the maturity structure of public and private debt have important implications in volatile markets. Debt prices seem to exhibit far wider volatility than country risk and roll-over becomes an important consideration. What have we learned about debt management from recent experience? How has debt been managed in practice during the last year? What is the outlook for the next few months? What are the options which we should be exploring?

Chair: Eduardo Fernandez Arias, Lead Research Economist – IDB
Federico C. Molina, Managing Director of the National Bureau of Public Credit – Ministry of Economy, Public Works and Services, Argentina
Eduardo Lizano, President - Central Bank of Costa Rica
Martin Werner, Undersecretary of Finance and Public Credit - Mexico

Tuesday, November 10

9:00 – 12:30 Managing Monetary and Exchange Rate Policies in the Face of International Financial Stress

The current situation has put pressure on currencies, affecting exchange rates, interest rates and the level of international reserves. Central Banks have been changing their approach throughout the year. Brazil and Chile have changed the characteristics of their band and the restrictions on capital inflows. Colombia has depreciated the band. Mexico's strategy has shifted from allowing more exchange rate flexibility to a tighter interest rate policy. Peru and Venezuela have withstood important speculative attacks. What have been the conditions faced by Central Banks during the year? What has been the rationale behind their policy choices? What are the major lessons?

Chair: Edín Velásquez, President - Central Bank of Guatemala
Felipe Morande, Manager, Studies Division - Central Bank of Chile
José Dario Uribe, Technical Manager – Banco de la República, Colombia
Alejandro Díaz de Leon Carrillo, Manager, Macroeconomic Financial Analysis
Central Bank of Mexico
Manuel Lago, Director - Central Bank, Venezuela

12:45 – 2:30 Working lunch of the Network – by invitation only

2:45 – 5:30 International Initiatives for Crisis Management and Resolution

It can be argued that the current crisis is a global phenomenon and that its resolution requires some action at the global level. Is this a sensible assessment? What should be the nature of action? What institutional arrangement should it take? What implications does it have for the existing international organizations?

Chair: Guillermo Larraín, Economic Policy Coordinator, Ministry of Finance – Chile
Daniel Zelikow, Deputy Assistant Secretary for Asia, the Americas and Africa - U.S Treasury
Andrew Powell, Manager, Economy and Finance, Central Bank of Argentina
Danny Leipziger, Director for Finance, Private Sector and Infrastructure for LAC - World Bank
Ricardo Hausmann, Chief Economist - IDB
