

Inter-American Development Bank
Research Department



Latin American Network of Central Banks and Finance Ministries
XII Meeting

May 11 and 12, 2000
CECILIO MORALES ROOM - 12th floor

AGENDA

May 11, 2000

8:45 - 9:00 a.m. Registration at the Inter-American Development Bank
1300 New York Ave., N.W. Washington, D.C. 20577

9:00 - 9:15 a.m. Welcoming Remarks - Enrique V. Iglesias, President - IDB
Opening Remarks - Ricardo Hausmann, Chief Economist - IDB

Session I Global and Regional Prospects

9:15 - 10:45 a.m.

Where is the industrialized world headed? Is there a serious risk of a US hard landing? What will happen with US stock prices and the Fed's interest rate decisions? What are the recovery prospects for the Japanese and East Asian economies? What are the prospects for capital flows to our region? What are the expectations of policymakers in our region concerning economic recovery according to our outlook survey? Will recovery be sustainable or will it end up in financial crisis again?

Chair: Enrique V. Iglesias, President - IDB

Panel:

- Michael Mussa, Director, Research Department - IMF
- Kazuo Ueda, Professor of Policy Board - Bank of Japan
- Lewis Alexander, Managing Director - Salomon Smith Barney
- Eduardo Fernández-Arias, Lead Research Economist - IDB

10:45 - 11:00 a.m. *Coffee break*

Session II

The Economics of "Original Sin"

11:00 a.m. – 12:30 p.m.

What are the macroeconomic implications of original sin, i.e., the case of weak domestic currencies that cannot be used to borrow internationally? How do they impinge on financial and exchange rate policy? Why do most currencies suffer from original sin and how can redemption be achieved?

Chair: Renzo Rossini, Chief Economist, Central Bank, Peru

Presentation: Ricardo Hausmann, Chief Economist, IDB

Discussants:

- Andrés Velasco, Professor - New York University
- Rodrigo Valdés, Coordinator of Economic Policies - Ministry of Finance, Chile
- Joshua Aizenman, Professor of Economics, Dartmouth College - NH

12:30 – 12:45 p.m.

Photograph of the group - Andrés Bello Auditorium (9th floor)

12:45 – 2:30 p.m.

Luncheon * by invitation only * Executive Dinning Rooms 7th floor

Hosted by Enrique V. Iglesias, President - IDB

Keynote Speaker: Alan Blinder, Professor of Economics - Princeton University

Session III

Debt Management Policy

2:45 – 5:15 p.m.

At the request of the G-7, the IMF and the World Bank have been preparing guidelines for debt management. This session is an occasion to assess their progress and provide inputs in the light of country experiences.

Chair: Carlos Felipe Jaramillo, Vice-Minister of Finance - Colombia

Panel:

- **A Bretton Woods View:**

Tomás Baliño, Senior Advisor, Monetary and Exchange Affairs Department - IMF

Fred Jensen, Chief Officer, Financial Products and Services Department - World Bank

- **A Regional View:**

Julio Dreizen, Under Secretary of Finance - Argentina

Carlos García Moreno, General Director of Public Credit, Ministry of Finance - Mexico

Gloria Hernández, General Director of Treasury and Financial Policies - Ministry of Economy and Finance of Spain

5:15 – 5:30 p.m.

Coffee break

Session IV

***Committee on Hemispheric Financial Issues (CHFI)
Seminar on Debt and Fiscal Management***

5:30 – 6:00 p.m.

Which countries are interested in participating in the debt and fiscal management seminar called by the CHFI? Which countries are interested in presenting papers on debt and/or fiscal management? Should the debt management papers focus on establishing the degree of compliance with “best practices” documents by the IMF and WB or on the critical analysis of these documents in light of the country's experience? How much weight should be given to debt issues, fiscal issues, and harmonization? What would be the best timing and format of the seminar?

Chair: Eduardo Fernández-Arias, Lead Research Economist - IDB

Tour de Table

May 12, 2000

Session V

Inflation Targeting

a) 9:00 - 10:00 a.m.

Recent Theoretical and Conceptual Developments on Inflation Targeting

Presenter: John Taylor, Professor of Economics - Stanford University

b) 10:00 a.m. - 1:00 p.m.

Country Experiences

How is inflation targeting implemented in practice? What is the methodological framework used by Central Banks? What is the nature of the target? How is policy implemented and communicated? How is the target made consistent with fiscal policy? How is foreign exchange intervention conducted? How does the framework react to external variables such as international interest rates and commodity prices?

Chair and Introduction: Leonardo Leiderman, Senior Director, Research Department - Bank of Israel

Panel:

- Brazil: Alexandre Tombini, Head of the Research Department - Central Bank
- Canada: David Longworth, Adviser - Bank of Canada.
- Chile: Pablo García, Senior Economist, Macroeconomic Programming Department - Central Bank
- Colombia: Jose Darío Uribe, Technical Manager, Research Department - Central Bank
- Mexico: Moisés Schwartz, Director, Macroeconomic Analysis - Central Bank

Comments: Mario Blejer, Senior Advisor - IMF

1:00 – 2:45 p.m.

Working Lunch (members of the network)

As it is customary, we will use this opportunity to discuss plans and initiatives for our future meetings

Session VI

New Developments in International Financial Markets and Architecture

3:00 – 4:30 p.m.

This is the traditional session on International Financial Issues: What's new in BIS, G-20, and other relevant forums? What's new in the market? How can we explain the unprecedented illiquidity of our foreign liability markets and the extreme volatility of their prices during recent US stock market roller coaster rides?

Chair: Leonel Baruch, Minister of Finance – Costa Rica

Panel:

- Guillermo Escudé, Head of the Research Department , Central Bank - Argentina
- Abraham Vela Dib, Chief of Advisors of the Minister of Finance - Mexico