



XVII Meeting of the Latin American Network of Central Banks and Finance Ministries

October 24 and 25, 2002

1300 New York Avenue N.W., Washington, D.C.
Cecilio Morales Room (12th Floor)

Agenda

Thursday, October 24, 2002

10:30 – 10:45 a.m. **Registration** – Main Lobby, 1300 New York Ave., NW

10:45 – 11:00 a.m. **Opening:** Guillermo Calvo, Inter-American Development Bank

SESSION I

11:00 a.m. – 12:30 p.m. **Global Outlook**

What are the prospects for external conditions relevant to the region, such as world growth, terms of trade, and world interest rates? What are the risks associated with developments in the U.S. economy, such as the collapse of stock prices? What are the expectations regarding the EURO/US Dollar exchange rate? What is the outlook for international financing to emerging markets? Is there a chance of recovery for emerging market debt? Under what conditions will capital flows resume? How has the recent U.S. stock market crisis affected market sentiments towards emerging markets? Has there been a change of heart in the IMF's and U.S. Treasury's views of Latin America?

Chair: Guillermo Calvo, Inter-American Development Bank
Speakers: Carmen Reinhart, International Monetary Fund
 Hung Tran, International Monetary Fund
 Paul McCulley, PIMCO, United States (videoconference)

12:30 – 12:45 p.m. **Photograph of the group** - Atrium (1st floor)

12:45 – 2:45 p.m. **Luncheon:**
(Executive Dining Rooms, East Side, 7th Floor, by invitation only)

Keynote Speaker:
Guillermo Calvo, Inter-American Development Bank

SESSION II

3:00 – 5:00 p.m. Latin America against the Wall: Is There a Way Out?

From crisis in the South (Argentina, Uruguay) and the specter of crisis in Brazil to lackluster performance in star performer Chile: what's wrong with South America? What role can be attributed to internal factors vs foreign shocks? How are countries dealing with volatility? What can we expect? Can the financial crisis be contained? What is the role of multilateral banks in dealing with volatility? What types of political and economic reforms are taking place to deal with current volatility and avoid future shocks?

Chair: Pablo Guidotti, UTD, Argentina
Speakers: Ernesto Talvi, CERES, Uruguay
 César Costa Alves de Mattos, Ministry of Finance, Brazil
 Alonso Pérez-Kakabadse, Yale University
 Renzo Rossini, Banco de la Reserva del Perú

Friday, October 25, 2002

SESSION III

9:00 – 10:30 a.m. Financial Systems in Latin America: What Lies in the Future?

What are the main trends in financial systems in Latin America? Based on what criteria do policy makers choose between liquidity creating (but potentially fragile) vs totally liquid banking systems? Is narrow banking the best alternative to avoid costly runs? Is a mix of extreme alternatives viable? What type of regulatory changes are needed to maintain an illiquid banking framework while minimizing the risks of runs? What is the role of foreign banks in the architecture of Latin American financial systems? What is the role of public banks? To what extent are public banks a hazard to monetary objectives? How should regulators deal with *off shore* banking? How can financial systems deal with *de facto* dollarization of economies? Should regulation discriminate assets by currency denomination? How can LAC countries develop financial instruments that can compete against foreign currency denominated ones?

Chair: Eduardo Fernández-Arias, Inter-American Development Bank
Speakers: Xavier Vives, INSEAD, France
 José Antonio González Anaya, Secretaría de Hacienda y Crédito Público, México
 Liliana Rojas-Suárez, Inter-American Development Bank

10:30 – 11:00 a.m. Coffee Break

SESSION IV

11:00 a.m. – 12:30 p.m. How to Restart Financial Intermediation in Argentina

Financial intermediation in Argentina has been fractured by the recent crisis. How can it be restarted? How can you resolve the corralito and the corralón and avoid a coordinated bank run? What type of banking arrangement can guarantee the necessary credibility so that agents decide to maintain deposits in Argentina? Can a traditional banking system with fractional reserves be used to restart financial intermediation? What support do Argentine authorities need from IFIs to reach this objective?

Chair: Guillermo Calvo, Inter-American Development Bank
Speakers: Augusto de la Torre, World Bank
 Pablo Guidotti, UTD, Argentina
 Silvina Vatnick, Central Bank, Argentina

12:45 – 2:15 p.m. Working Lunch

Agenda ideas for next meeting

SESSION V

2:30 – 4:30 p.m. Tremors from the South: Will They Shake Chile, Mexico and Central America?

To what extent have Chile, Mexico and Central American countries been affected by the recent financial volatility in most South American countries? What factors may help to explain their resilience: debt composition, fiscal institutions, integration with the US, or relative isolation from capital markets? Can contagion from the South eventually reach these countries? What has been the impact of the US recession and stock market developments on regional performance?

Chair: Ernesto Talvi, CERES, Uruguay
Speakers: Alfredo Cuevas, Central Bank, México
Rodrigo Valdés, Central Bank, Chile
Arturo Galindo, Inter-American Development Bank
William Calvo, Central Bank, Costa Rica
