



## XX Meeting of the Latin American Network of Central Banks and Finance Ministries

October 25, 2004  
Andrés Bello Auditorium  
1300 New York Avenue, N.W., Washington, D.C.

### AGENDA

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8:30 – 8:45 a.m.      **Registration**

8:45 – 9:00 a.m.      **Opening Remarks:**  
Dennis Flannery, Inter-American Development Bank

#### SESSION I – REGIONAL OUTLOOK

9:00 – 10:30 a.m.      **Panel on Outlook for the World Economy (I)**  
**Chair: Guillermo Calvo, Inter-American Development Bank**

- *US Economy*. What are the perspectives for the US economy in the medium and short run? What are the medium run consequences of sustained US current account deficits? In particular, how are changes in the federal funds expected to influence capital flows to emerging markets?

Speaker: Raghuram Rajan, International Monetary Fund

- *China*. Is China's current growth sustainable in the medium and long-run? What has been the role of capital flows and the exchange rate regime in China's economic performance? Will China experience a "soft-landing"? What are the consequences of Chinese economic performance on global capital markets? And on commodity prices?

Speaker: Steven Dunaway, International Monetary Fund

Discussion open to Policymakers from Latin America and the Caribbean  
Lead Discussant: Rodrigo Valdés, Central Bank, Chile

10:30 - 10:50 a.m.      **Coffee Break**

10:50 – 12:30 p.m.      **Panel on Outlook for the World Economy (II)**  
**Chair: Guillermo Calvo, Inter-American Development Bank**

- *Latin America*. Overview of the Latin American economy. What are the main factors behind the incipient recovery? What are its commonalities across the region? What have been the policy responses? Is the recovery coming to an end in anticipation of US rate increases? What are the main risks in the months ahead?

Speaker: Ernesto Talvi, CERES

- *The Impact of China on Latin America*. The Impact of China on the Latin American manufacturing sector

Speakers:

Andrés Rodríguez-Clare, Inter-American Development Bank  
Alejandro Werner, Secretaría de Hacienda y Crédito Público, Mexico

Discussion open to Policymakers from Latin America and the Caribbean  
Lead Discussant: Alejandro Werner, Secretaría de Hacienda y Crédito Público, Mexico

12:30 - 2:00 p.m. **Luncheon** (Executive Dining Rooms, 7th Floor)  
Informal Discussion of Upcoming Meetings

## SESSION II – FINANCIAL STRUCTURE, GROWTH AND STABILITY

2:00 – 3:30 p.m. **The Role of Foreign Banks**  
**Chair: Liliana Rojas-Suárez, Center for Global Development**

The presence of foreign banks has become increasingly important in Latin America where local currency lending by branches or subsidiaries of foreign banks represent more than 65 percent of total bank lending and cross-border lending is equal to 60 percent of domestic credit. From a policy perspective, the most important question is whether these foreign banks play a beneficial role in promoting financial development and stabilizing credit (hence, domestic governments should promote foreign entry) or whether they play a less benign role by crowding out the domestic financial sector and accentuating international shocks (hence, domestic governments should establish obstacles to the entry of foreign banks).

**Speakers:**

Linda Goldberg, Federal Reserve Bank of New York

Arturo Galindo, Inter-American Development Bank

Discussion open to Policymakers from Latin America and the Caribbean

Lead Discussant: Claudio Irigoyen, Central Bank, Argentina

3:30 – 4:00 p.m. **Coffee Break**

4:00 – 5:30 p.m. **The Role of Public Banks**  
**Chair: Liliana Rojas-Suárez, Center for Global Development**

Critics of privatization argue that domestic financial systems have gained neither in depth nor in stability with the closure or sale of public banks in the 1990s. A major complaint is that private credit to socially important sectors has remained elusive and has even declined relative to the period with larger dominance of public banks. Do the facts support these statements? What are the main features in terms of size, type of activities and performance of public banks in the region now relative to the 1970s-1980s? Was *sound* credit to rural areas, small enterprises and housing more accessible before the 1990s? What is the assessment regarding the development impact of public banks during the 1970s-1980s?

**Speakers:**

Augusto de la Torre, The World Bank

Ugo Panizza, Inter-American Development Bank

Discussion open to Policymakers from Latin America and the Caribbean