

XXXV MEETING OF THE NETWORK OF CENTRAL BANKS AND FINANCE MINISTRIES

1330 New York Ave., N.W., Washington, DC
Enrique V. Iglesias Conference Center, Room CR2

AGENDA

www.iadb.org/macro

Wednesday, April 18, 2012

9:45 Coffee and Light Breakfast

10:00 – 10:15 Welcome Remarks: Santiago Levy, Vice-President (IDB)

10:15 – 12:00 Session 1. Global Outlook: The World of Forking Paths

Will Europe be able to stabilize and convincingly avert a full-blown debt and banking crisis, or are there more (and large) dominoes yet to fall? How vulnerable is the fledgling recovery in the U.S. to European bad news? Is there a risk that China slows down significantly for domestic reasons? Could a surge in oil prices due to geopolitical factors (e.g., oil at \$200 a barrel) trigger a global recession? In the event of another global recession, could China once again buoy commodity prices and emerging markets' growth, which greatly benefited the Region's response, or will Chinese demand falter? Compared to the Great Recession of 3 years ago, how much less able and ready are the G20 and the US Fed to counteract a possible global recession? Will we see greater trade protectionism this time around?

How would the Region be impacted under various global scenarios? How would a slowdown and economic rebalancing in China impact the Region? Are there untested threats brewing in this new global storm?

Chair: Santiago Levy (IDB)
Panel: [Jorg Decressin \(IMF\)](#)
[Alicia García-Herrero \(BBVA\)](#)
Bradley Setser (US Treasury)
[Alessandro Rebucci \(IDB\)](#)

12:15 – 2:00 Luncheon Address (7th Floor – Executive Dining Rooms) “A DECADE OF DEBT”

Host: Santiago Levy, Vice-President for Sectors and Knowledge, IDB
Speaker: [Carmen Reinhart](#), Dennis Weatherstone Senior Fellow,
Peterson Institute for International Economics)

2:15 – 5:00 Session 2. Regional Outlook: Latin America and the Caribbean Facing Global Economic Risks (The Latin American and Caribbean Macroeconomic Report 2012)

In the last 2 years, the Region has grown strongly and appeared relatively resilient to the Great Recession. Perhaps for the first time, there was countercyclical fiscal and monetary response across many countries; how successful was it? But do vulnerabilities remain? Lax monetary policies in advanced economies spurred an expansive global financial cycle of large capital inflows to the Region, which were met with macroprudential policies and, in several countries, capital account and exchange rate interventions; how successful were these measures? What are the Region's strengths and vulnerabilities going forward? What are the resulting policy conclusions?

Chair: Eduardo Fernández-Arias (IDB)
Speaker: [Andrew Powell \(IDB\)](#)
Discussants: Augusto de la Torre (World Bank)
[Miguel Savastano \(IMF\)](#)
[Christian Daude \(OECD\)](#)

LAC remains highly heterogeneous. Answers to the questions posed above are likely to vary across countries. How do the analysis of strengths/vulnerabilities and the corresponding policy conclusions highlighted in the Latin American and Caribbean Macroeconomic Report resonate with the situation in individual countries?

Panel:

Carlos Acevedo (Central Bank of El Salvador)
Compton Bourne (Caribbean Centre for Money and Finance,
University of West Indies)
Umberto Della Mea (Central Bank of Uruguay)
[Miguel Messmacher \(Finance Ministry of Mexico\)](#)

5:00 – 5:30

Coffee Break

LAC/G20 Initiative Plenary Meeting

(LAC Country Officials Only)

www.iadb.org/g20

5:30 – 5:45

Item 1: New Developments in the LAC/G20 Initiative

[Eduardo Fernández-Arias](#) (IDB)

5:45–6:15

Item 2: Key Macro-Financial Issues of the G20 Agenda

Eduardo Levy-Yeyati (UTDT) ([PPT](#) - [Discussion Note](#))

6:15–6:45

Item 3: The Mexican G20 Presidency

Past activities, Ministerial Consultation Meeting in Montevideo, Planned activities

Miguel Messmacher (Finance Ministry, Mexico)

6:45–7:00

Item 4: Other Issues

Jorge Carrera (Central Bank, Argentina)
Analía Tello (Finance Ministry, Argentina)
Carlos Cozendey (Finance Ministry, Brazil)
Bruno Saraiva (Central Bank, Brazil)

7:00 -7:30

Cocktail Reception

XXXV MEETING OF THE NETWORK OF CENTRAL BANKS AND FINANCE MINISTRIES

Thursday, April 19, 2012

8:45 **Coffee and Light Breakfast**

9:00 – 10:00 **Session 3. Emerging Fiscal Risks?**

The Region was reasonably well prepared to withstand the last global crisis, but is it now equally ready for another such event? Alternatively, has the Region been weakened by the crisis? This session examines whether there remains sufficient fiscal space to undertake active fiscal policy if necessary or, on the contrary, there are emerging risks associated with slow fiscal retrenchment.

Chair: Eduardo Borensztein (IDB)
Lead Speaker: [Eduardo Fernández-Arias \(IDB\)](#)

Conversation with: Marcio Brito Holland (Finance Ministry, Brazil)
 Luis Oscar Herrera (Central Bank, Chile)
 José Antonio Licandro (Central Bank, Uruguay)
 Roger Madrigal (Banco Central de Costa Rica)

10:00 – 10:30 **Coffee Break**

10:30 – 11:45 **Session 4. Emerging Financial Risks?**

Have the Region's banking and financial systems been weakened by the surge in capital inflows after 2009, or have those systems been effectively defended by macroeconomic and prudential policies? How much will be revealed after the tide recedes—perhaps rapidly?

Chair: Arturo Galindo (IDB)
Lead Speakers: [Andrew Powell \(IDB\)](#)
[Eduardo Levy-Yeyati \(UTDT\)](#)

Conversation with: [Umberto Della Mea \(Central Bank of Uruguay\)](#)
 Wagner Guerra (Central Bank, Brazil)
 Luis Oscar Herrera (Central Bank, Chile)
 Hernando Vargas (Central Bank, Colombia)

11:45 – 12:45 **Session 5. Is Financial Exposure to Europe an Achilles' Heel?**

European banks are under stress due to the recession in Europe's periphery, the fall in real estate and other asset prices and sovereign debt problems. The European Banking Authority has set target solvency ratios that imply many banks must raise capital or sell assets. Many countries in the Region are directly or indirectly exposed to European banks for domestic and for trade credit. How exposed is Latin America and the Caribbean to European banks? Should we only be concerned about direct links or also indirect ones to the economic problems in Europe's periphery? If Europe's situation worsens what can LAC do to protect itself from these risks? At the same time European bank subsidiaries tend to be funded in host countries and profitable. How likely is it that these risks are overblown and would be macroeconomically immaterial for the Region even if European banks are under serious stress?

Chair: José de Gregorio (Universidad de Chile)
Lead Speakers: [Julián Caballero \(IDB\)](#)
 Lorenzo Bini Smaghi (Harvard University /Former European Central Bank)
[Enrique Alberola \(Central Bank of Spain\)](#)

12:45 – 2:00 **Working Lunch**

Speaker: José de Gregorio (Universidad de Chile)
 Agenda and organization ideas to improve the Network



POLICY SEMINAR

Sponsored by the Inter-American Development Bank
and The World Bank



LATIN AMERICA UNDER THE THREAT OF A NEW GLOBAL STORM: READY OR OVERCONFIDENT?

Thursday, April 19, 2012, from 2:30 p.m. to 5:00 p.m.

World Bank Infoshop: 701 18th St. NW, Washington, DC 20433

Webcast: Available through [this link](#)

2:15 PM

WELCOME AND INTRODUCTION

Luis Alberto Moreno, President, Inter-American Development Bank
Hasan A. Tuluy, Vice President LAC Region, World Bank

2:30 PM

PANEL ONE: THE EXTERNAL THREAT

Will Europe be able to stabilize and convincingly avert a full blown debt and banking crisis? Or will it go down destabilizing the feeble recovery in the US and international finance? Can the world keep counting on China's growth miracle; how hard could China land if advanced countries collapse once again? How would a new global storm differ from the recent one? Would the G-20 be able to extend effective protection to Emerging Markets this time around?

Presenters: Lorenzo Bini-Smaghi, Harvard University
Eswar Prasad, Cornell University, and Brookings Institution
Vincent Reinhart, Morgan Stanley

Chair: Eduardo Fernández-Arias, Inter-American Development Bank

3:30 PM

COFFEE BREAK

3:45 PM

PANEL TWO: IS LAC READY OR OVERCONFIDENT?

The region was relatively well-prepared to withstand the last global crisis. Would it now be equally ready for a repeat or has the Region been weakened by the last crisis? Are there untested threats brewing in this new global storm that may prove more dangerous? Is LAC's recent success breeding over-confidence in the face of the new challenges?

Introduction: Augusto de la Torre, World Bank

Conversation with Miguel Jiménez, *El País* newspaper, Spain

Fernando Lorenzo, Minister of Finance, Uruguay
Hernán Lorenzino, Minister of Finance, Argentina
José Antonio Meade, Secretary of Finance, Mexico

XXXV REUNIÓN DE LA RED DE BANCOS CENTRALES Y MINISTERIOS DE FINANZAS

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AGENDA

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Miércoles 18 de abril, 2012

9:45 am **Café y desayuno ligero**

10:00 – 10:15 **Palabras de Bienvenida: Santiago Levy, Vicepresidente (BID)**

10:15 – 12:00 **Sesión 1. Perspectiva mundial: El jardín de los senderos que se bifurcan**

Moderador: Santiago Levy (BID)

Panel: [Jorg Decressin](#) (FMI)
[Alicia García-Herrero](#) (BBVA)
Bradley Setser (Departamento del Tesoro de USA)
[Alessandro Rebucci](#) (BID)

12:15 – 2:00 **Almuerzo (Piso 7 – Comedores ejecutivos)**

“UNA DECADA DE DEUDA”

Anfitrión: Santiago Levy, Vicepresidente de Sectores y Conocimiento, BID

Oradora: [Carmen Reinhart](#), Dennis Weatherstone Senior Fellow,
Peterson Institute for International Economics

2:15 – 5:00 **Sesión 2. Perspectiva regional: América Latina y el Caribe enfrentando los riesgos económicos globales (Informe Macroeconómico 2012)**

Moderador: Eduardo Fernández-Arias (BID)

Orador: [Andrew Powell](#) (BID)

Comentaristas: Augusto de la Torre (Banco Mundial)
[Miguel Savastano](#) (FMI)
[Christian Daude](#) (OECD)

Panel: Carlos Acevedo (Banco Central del Salvador)
Compton Bourne (Caribbean Centre for Money and Finance,
University of West Indies)
Umberto Della Mea (Banco Central de Uruguay)
[Miguel Messmacher](#) (Ministerio de Finanzas de México)

5:00 – 5:30 **Receso y café**

INICIATIVA LAC/G20

(Reunión cerrada del BID con oficiales de América Latina y el Caribe)

www.iadb.org/g20

5:30 – 5:45

Item 1: Novedades en la Iniciativa LAC/G20

[Eduardo Fernández-Arias](#) (BID)

5:45–6:15

Item 2: Temas macro-financieros de la agenda del G20

Eduardo Levy-Yeyati (UTDT) ([PPT](#) – [Nota de discusión](#))

6:15–6:45

Item 3: La presidencia Mexicana del G20

Actividades pasadas, Reunión de la Consulta Ministerial en Montevideo,
Actividades planeadas

Miguel Messmacher (Ministerio de Finanzas de México)

6:45–7:00

Item 4: Otras asuntos

Jorge Carrera (Banco Central de Argentina)

Analía Tello (Ministerio de Finanzas de Argentina)

Carlos Cozendey (Ministerio de Finanzas de Brasil)

Bruno Saraiva (Banco Central de Brasil)

7:00 -7:30

Recepción

XXXV REUNIÓN DE LA RED DE BANCOS CENTRALES Y MINISTERIOS DE FINANZAS

Jueves, 19 de abril, 2012

8:45 **Café y desayuno ligero**

9:00 – 10:00 **Sesión 3. ¿Riesgos fiscales emergentes?**

Moderador: Eduardo Borensztein (BID)
Orador principal: [Eduardo Fernández-Arias](#) (BID)
Conversación con: Marcio Brito Holland (Ministerio de Finanzas de Brasil)
 Luis Oscar Herrera (Banco Central de Chile)
 José Antonio Licandro (Banco Central de Uruguay)
 Roger Madrigal (Banco Central de Costa Rica)

10:00 – 10:30 **Receso y café**

10:30 – 11:45 **Sesión 4. ¿Riesgos financieros emergentes?**

Moderador: Arturo Galindo (BID)
Oradores principales: [Andrew Powell](#) (BID)
[Eduardo Levy-Yeyati](#) (UTDT)
Conversación con: [Umberto Della Mea](#) (Banco Central de Uruguay)
 Wagner Guerra (Banco Central de Brasil)
 Luis Oscar Herrera (Banco Central de Chile)
 María Elena Mondragón (Banco Central de Honduras)
 Hernando Vargas (Banco Central de Colombia)

11:45 – 12:45 **Sesión 5. ¿La exposición financiera a Europa es un talón de Aquiles?**

Moderador: José de Gregorio (Universidad de Chile)
Oradores principal: [Julián Caballero](#) (BID)
 Lorenzo Bini Smaghi (Universidad de Harvard / Ex Banco Central de Europa)
[Enrique Alberola](#) (Banco de España)

12:45 – 2:00 **Almuerzo de trabajo**

Orador: José de Gregorio (Universidad de Chile)
 Agenda de trabajo e ideas para mejorar la Red

AMÉRICA LATINA BAJO LA AMENAZA DE UNA NUEVA TORMENTA GLOBAL: ¿BIEN PREPARADOS O DEMASIADO CONFIADOS?

Jueves, 19 de abril de 2012 - 2:15 p.m. a 4:30 p.m.

Infoshop del Banco Mundial: 701 18th St. NW, Washington, DC 20433

Webcast: disponible en este [enlace](#)

2:15 -2:30 PALABRAS DE BIENVENIDA Y PRESENTACIÓN

Luis Alberto Moreno, Presidente, Banco Interamericano de Desarrollo
Hasan A. Tuluy, Vicepresidente de la región ALC, Banco Mundial

2:30 -3:15 PRIMER PANEL: LA AMENAZA EXTERNA

¿Será Europa capaz de estabilizar y evitar finalmente una explosión de la deuda y una crisis bancaria? O, ¿desestabilizará aún más la frágil recuperación de los EE.UU. y las finanzas internacionales? ¿Puede el mundo seguir contando con el milagro del crecimiento chino, qué tan profundo podría caer si los países avanzados se derrumban otra vez? ¿Qué tan diferente sería una nueva tormenta global comparada con la más reciente? ¿Será el G-20 capaz de extender la protección efectiva a los mercados emergentes en esta oportunidad?

Panelistas: Lorenzo Bini-Smaghi, Universidad de Harvard
Eswar Prasad, Universidad de Cornell e Instituto Brookings
Vincent Reinhart, Morgan Stanley

Moderador: Eduardo Fernández-Arias, Banco Interamericano de Desarrollo

3:15 – 4:30 SEGUNDO PANEL: AMÉRICA LATINA Y EL CARIBE: ¿BIEN PREPARADOS O DEMASIADO CONFIADOS?

La región estuvo preparada razonablemente bien para resistir la pasada crisis mundial. ¿Está ahora igualmente preparada para otro golpe o ha sido debilitada por la crisis? ¿Existen amenazas desconocidas en esta nueva tormenta global que podrían resultar más peligrosas? ¿El reciente éxito de la región ha hecho que esté demasiado confiada para enfrentar los nuevos desafíos?

Introducción: Augusto de la Torre, Banco Mundial

Un conversatorio con: Miguel Jiménez, periódico *El País*, España

Hernán Lorenzino, Ministro de Economía, Argentina
Fernando Lorenzo, Ministro de Economía, Uruguay
José Antonio Meade, Secretario de Finanzas, México