

XL MEETING OF THE NETWORK OF CENTRAL BANKS AND FINANCE MINISTRIES

1330 New York Ave., N.W., Washington, D.C. 20577 * Enrique V. Iglesias Conference Center, Room CR-2

www.iadb.org/macro

Wednesday, October 8th, 2014

9:30 a.m. – 9:45 a.m.

Coffee and Light Breakfast

9:45 a.m.

Welcoming Remarks: José Juan Ruiz (Chief Economist, IDB)
Program Introduction: Andrew Powell (IDB)

10:00 a.m. – 12:00 p.m. **Session 1. Global Economic Outlook**

Advanced economies continue to recover albeit at moderate growth rates, while growth in the major emerging economies has fallen back. Concerns remain given mixed signals regarding the strength of the US economy and the potential effect that monetary normalization in the US may have on global financial markets and capital flows, while in Europe the region continues to struggle to find higher growth with risks of deflation rising. Growth in China has abated somewhat but concerns remain regarding strong credit growth from some financial institutions. As low world interest rates persist, firms continue to issue in dollars even as they build up large cash reserves that may then be fueling strong growth in domestic credit in some countries. What are the prospects for the world economy, what are the risks? What should policy makers in advanced countries and major emerging economies be doing to best manage the current stage of the economic cycle?

Moderator:
Panel:

Andrew Powell (IDB)
Thomas Helbling (IMF)
Shang-Jin Wei (Asian Development Bank)
Troy Davig (Federal Reserve, Kansas)
Michael Gavin (Barclays Capital)

12:15 p.m. – 1:45 p.m. Luncheon Address (1300 New York Ave., NW, Washington DC - Room Las Américas)

TITLE: EMERGING MARKETS IN FOR A BUMPY RIDE
Host: Santiago Levy (IDB)
Speaker: [Gillian Tett](#) (Financial Times)

2:00 p.m. – 3:30 p.m. **Session 2. Latin America Round Table (Room CR2)**

Growth has faltered in the larger economies of the region and with commodity prices having fallen back other economies are slowing, although this and improved growth rates in the US may help Central America and the Caribbean. Given the outlook for the global economy how does the panel consider the perspectives for the LAC region? What are the main risks, either external or internal, that the panel perceives? Elections have occurred or will take place in a large number of countries, how does the electoral cycle and the economic cycle interact? We have seen reform efforts in a number of countries, will we see such reforms in other countries of the region and will such reforms be successful in boosting growth rates. What policies should countries be following in the current context?

Moderator:
Discussion Panel:

José Juan Ruiz (IDB)
Cynthia Arnson (Wilson Center)
Ernesto Talvi (CERES and Brookings Institution)
Augusto de la Torre (WB)
Alejandro Werner (IMF)
Luiz Pereira (Central Bank of Brazil)

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3:30 p.m. – 4 p.m. Coffee

4:00 p.m. – 6:00 p.m. Session 3. The View from the Region

In the previous panel the views from Washington were discussed, although if previous meetings are a guide there was likely not a consensus. How do the views of actual policy-makers contrast from those of Washington institutions and think-tanks? How do political considerations and constraints affect the conclusions reached? What are the most serious concerns policy makers have regarding the current global context and likely shocks that might hit the region? What are the largest challenges facing countries and what policies should countries be following to surpass them?

Moderator:	Leopoldo Avellan (IDB)
Panel:	Carlos Hamilton Vasconcellos (Central Bank of Brazil) Hernando Vargas (Central Bank of Colombia) Alberto Torres García (Central Bank of Mexico) Renzo Rossini (Central Bank of Peru)

6:00 p.m. – 7:30 p.m. Reception

Thursday, October 9th, 2014

1330 New York Ave., N.W., Washington, D.C. 20577 * Enrique V. Iglesias Conference Center, Room CR-2

9:15 a.m. Coffee and Light Breakfast

9:30 a.m. – 11:00 a.m. Session 4. Enhancing Medium Term Growth

While economic volatility has been high in the region, average growth rates over the last 50 years have also not been sufficient to significantly close income gaps with developed countries. The 2014 Latin American and Caribbean Macroeconomic Report estimates that only 58% of per capita growth can be attributed to increases in TFP while this figure is 90% for China and 72% for the ASEAN 5. Has the region squandered the recent commodity boom and low world interest rates instead of boosting underlying productivity to obtain sustainably higher growth rates for or will recent reforms and investments pay off in the medium term? This panel will assess the region's performance overall and review developments in specific countries.

Moderator:	Alejandro Izquierdo (IDB)
Lead Speaker:	Chang Tai Hsieh (University of Chicago)
Discussion Panel:	Brian Wynter (Central Bank of Jamaica) Ernesto Revilla (Finance Ministry of Mexico) Andres Mauricio Velasco (Finance Ministry of Colombia)

11:00 a.m. – 11:30 a.m. Coffee Break

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11:30 a.m. – 1:00 p.m. Session 5. Private Sector Financing in LAC

LAC firms have been issuing substantial amounts in international markets taking advantage of low world interest rates. At the same time domestic credit has grown strongly to both firms and households. The region has generally had low leverage ratios and has been under-banked but are these trends and in particular the substantial amount of international issuance in dollars, any cause for concern? What are the links if any between firms external financing and the rise in domestic credit? Is there any evidence of a non-financial firm carry trade? As monetary normalization proceeds in the US are we likely to see sharp changes in these trends? Could any sharp changes provoke liquidity or currency mismatch problems for firms or for banks in the region?

Moderator:	Eduardo Borensztein (IDB)
Lead Speaker:	Ugo Panizza (Graduate Institute of Geneva)
Panel:	Philip Turner (BIS)
	Claudio Raddatz (Central Bank of Chile)
	Roger Madrigal (Central Bank of Costa Rica)
	Ilan Goldfajn (Itaú, BBA)

1:00 p.m. – 2:30 p.m.

Luncheon Address: Room CR2
Title: “Government at a Glance”

Government at a Glance is a biannual flagship publication of the OECD on fiscal policy and management. Government at a Glance: Latin America and the Caribbean 2014 - Towards Innovative Public Financial Management is the first edition to cover non-OECD member countries. It provides internationally comparable data, in line with OECD methodologies, on government activities and their results for the region. Showcasing a dashboard of key indicators, the publication aims to help policy makers and citizens analyze the relative performance of governments and, when possible, benchmark against OECD member countries.

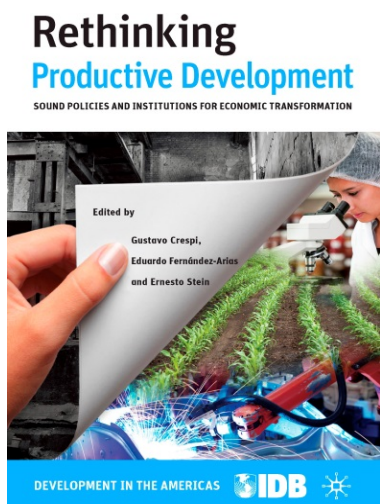
Host:	José Juan Ruiz (IDB)
Speaker:	Gustavo García (IDB)

GOOD-BYE INDUSTRIAL POLICY, HELLO PRODUCTIVE DEVELOPMENT POLICY

When: Thursday October 9th, 2014
Where: 1330 New York Ave., N.W., Washington, D.C. 20577 * Room A3
Time: 2:30 p.m.
Open to the public [R.S.V.P](#)

Good-Bye Industrial Policy, Hello Productive Development Policy

Anemic economic growth in Latin America and the Caribbean is in need of a post-Washington-Consensus policy shot in the arm. Unfortunately, the ghost of industrial policy casts a shadow over all efforts because it has often done more harm than good. IDB's new book "Rethinking Productive Development: Sound Policies and Institutions for Economic Transformation" helps countries to adopt the productive development policies necessary to prosper while avoiding the mistakes of the past--just what the doctor ordered! Join a group of experts as they comment on the 2014 edition of the IDB's flagship series, Development in the Americas.



2:30-2:45 Welcome and Introduction
José Juan Ruiz (IDB Chief Economist)

2:45-3:15 Rethinking Industrial Policy
Chair: José Juan Ruiz (IDB Chief Economist)
Presentation: Eduardo Fernández Arias and Ernesto Stein (IDB)

3:15-5:00 Discussion and Debate
Chair: Juan Carlos Iragorri (NTN24)

Discussion Panel
Joao Ferraz (Managing Director, BNDES Brasil)
Piero Ghezzi (Minister of Production, Peru)
Alberto Trejos (ex-Minister of Commerce, Costa Rica)

Conversation with panelists
Questions and Answers