



## XXVII MEETING OF THE LATIN AMERICAN NETWORK OF CENTRAL BANKS AND FINANCE MINISTRIES

May 8-9, 2008  
CR-3, Enrique V. Iglesias Conference Center  
1330 New York Avenue, N.W., Washington, DC

### THURSDAY, MAY 8

11:00 am – 12:30 pm Opening by Daniel Zelikow, Executive Vice President, Inter-American Development Bank

#### **SETTING THE STAGE: ALL THAT GLITTERS MAY NOT BE GOLD**

Background paper: "All that Glitters May Not Be Gold," Research Department, IDB

**Moderator:** Santiago Levy, Vice President Sectors and Knowledge, IDB

**Presentation:** Ernesto Talvi, Executive Director, CERES, Uruguay

**Discussants:**

Michael Gavin, Emerging Markets Economist, Citadel

Luis Felipe Céspedes, Director of Economic and Financial Policy, Finance Ministry, Chile

12:30 – 2:00 pm **LUNCHEON ADDRESS** (Executive Dining Rooms, 7<sup>th</sup> Floor)

#### **THE US CREDIT CRUNCH AND ITS IMPLICATIONS FOR GLOBAL MARKETS**

**Moderator:** Steven J. Puig, Vice President for Private Sector and Non-Sovereign  
Guaranteed Operations, IDB

**Keynote Speaker:** Lewis Alexander, Chief Economist, Citibank

2:15 – 3:30 pm **MONETARY POLICY AND INFLATION IN LAC**

*Monetary policy in Latin America has been torn among three objectives: keeping capital accounts open, maintaining a stable exchange rate and keeping inflation under control in an environment of current account surpluses and net capital inflows. The resulting policy has been a mix of sterilization, nominal exchange rate appreciation and inflation. In this special presentation the author will offer a characterization of monetary policy through the region focusing on the response to inflation and other variables.*

**Moderator:** Carlos Hurtado, General Manager, Country Department Southern Cone, IDB

**Presentation:** Federico Sturzenegger, President, Banco Ciudad, Argentina

**Discussant:** Enrique Alberola, Head International Economics Division, Bank of Spain

3:30 – 3:45 pm **COFFEE BREAK**

3:45 – 5:30 pm **PANEL: CREEPING INFLATION: HOW MUCH OF A CONCERN?  
WHAT SHOULD THE RESPONSE BE?**

**Moderator:** Ernesto Stein, Regional Economic Advisor, Country Department for Belize,  
Central America, Mexico, Panama and Dominican Republic, IDB

**Presentations:**

Paul Castillo, Chief Economist, Central Bank of Peru

Alberto Torres García, Director, Macroeconomic Analysis, Central Bank of Mexico

Hernando Vargas, Chief Economist, Central Bank of Colombia

9:30 – 11:00 am

**RATING AGENCIES: ON THEIR ROLE AND THEIR VALUE-ADDED**

*Rating agencies have come under fire for their role in the current credit crisis as highly rated complex financial products have lost significant value. At the same time, rating agencies remain important players for emerging economies. New results suggest that rating agencies do add value, and while LAC ratings have improved they have lagged market measures of risk and improvements elsewhere. In this session we will discuss the role of rating agencies and the information content of ratings, as well as what may be preventing further ratings improvements in the region.*

**Moderator:** Ed Bartholomew, General Manager, Finance Department, IDB

**Presentations:**

Roberto Rigobón, Professor, MIT

John Chambers, Chairman, Sovereign Ratings Committee, Standard and Poor's

**Discussant:** Jeromin Zettelmeyer, Advisor, Research Department, IMF

11:00 – 11:15 am

**COFFEE BREAK**

11:15 am – 1:00 pm

**THE COMMODITY PRICE BOOM AND THE CARIBBEAN**

*While the commodity boom has favored most of the region, most Caribbean countries are large net energy and food importers. Moreover, as the US slows there is a fear that tourism may suffer. Existing high debt levels in some countries combine with this difficult external environment to complicate the economic prospects for the Caribbean. In this session we will discuss the particular situation of Caribbean nations and discuss appropriate policy reactions.*

**Moderator:** Dora Currea, General Manager, Country Department Caribbean Group, IDB

**Presentation:** Kelvin Dalrymple, Chief Country Economist, Caribbean Development Bank

**Discussants:**

Harold Codrington, Advisor to the Governor, Central Bank of Barbados

John Robinson, Division Chief, Research & Economic Programming Division, Central Bank of Jamaica

1:00 – 2:00 pm

**LUNCHEON ADDRESS** (Executive Dining Rooms, 7<sup>th</sup> Floor)

**PROSPECTS FOR LATIN AMERICA, THE VIEW FROM THE FUND**

**Moderator:** Otaviano Canuto, Vice President for Countries, IDB

**Keynote Speaker:** Anoop Singh, Director Western Hemisphere Department, IMF

2:15 – 4:00 pm

**SPECIAL SESSION: THE US BANKING CRISIS AND EMERGING ECONOMIES: HOW BAD CAN IT GET?**

**Moderator:** Daniel Zelikow, Executive Vice President, IDB

**Presentations:**

**The US Crisis in Historical Perspective** by Carmen Reinhart, Professor, University of Maryland

**The Credit Crisis and its Impact on Emerging Markets** by Liliana Rojas-Suárez, Senior Fellow, Center for Global Development

**Discussants:**

Carlos Vasconcelos Araújo, Head of the Research Department, Central Bank of Brazil

Lorenza Martinez Trigueros, General Director, Insurance, Pensions and Social Security Unit, Finance Ministry, Mexico

4:00 – 4:15 pm

**COFFEE BREAK**

4:15 – 5:45 pm

**PANEL: ON DECOUPLING AND THE CHINA CONNECTION**

**Moderator:** Eduardo Lora, Manager and Chief Economist a.i., Research Department, IDB

*Background papers:*

“On Decoupling” by Andrew Powell (IDB) and Jeromin Zettelmeyer (IMF)

“The China Connection” by Eduardo Lora (IDB)

**Presentations:**

Jorge Carrera, Head of Research, Central Bank, Argentina

Pablo García, Chief Economist, Central Bank, Chile

Alberto Graña, Manager, Economic Policy and Markets, Central Bank, Uruguay

Oscar Monterroso, Head of Research, Banco de Guatemala

5:45 – 6:00 pm

Closing Remarks