

## FINANCIAL CYCLES AND POLICY RESPONSE IN LATIN AMERICA

Workshop Financial Stability and Development (FSD) network of the IADB with the Consultative Council of the Americas (CCA) group of the BIS

Buenos Aires, November 21-22, 2016  
Central Bank of Argentina –  
*Reconquista 266 building, Board Room on 1<sup>st</sup> floor*

### AGENDA

#### November 21

**12:00-1:00** Registration and light lunch – First floor Room Dr. Félix G. Elizalde

**1:00-1:15** **Opening**  
Central Bank of Argentina – Federico Sturzenegger  
Bank of International Settlements – Luiz Pereira Da Silva  
Inter-American Development Bank – Eduardo Fernández-Arias

**1:15 – 2:00** **Key Note Speech** (30 min + Q&A)  
**Chair:** Federico Sturzenegger, BCRA\*  
**Speaker:** Mehmet Yorukoglu, Koc University, ex- Central Bank of Turkey  
***Financial Cycles and the Role of Macroprudential Policies***

**2:00 – 2:15** Coffee Break

#### TAKING STOCK OF EXISTING POLICIES TO MANAGE THE FINANCIAL CYCLE

*Some key concerns:*

- Are Latin American financial systems more resilient to stress and crisis than before?
- Which indicators suggest a reduction in structural vulnerabilities and how reliable are they (e.g. flow and/or stocks of credit; asset prices)?
- Has successful policy been responsible for this strengthening or was it mostly good luck?

**Chair and Lead Discussant: Enrique Alberola, BIS**

**2:15 – 3:45** **Session 1: Panel of Experts** (20 min each + discussion)

Eduardo Levy-Yeyati, Universidad de Buenos Aires  
Stijn Claessens, Federal Reserve Board  
José de Gregorio, Universidad de Chile

**3:45 – 4:45 Session 2: Tour de Table with countries' perspectives**  
(10 min each)

*Macprudential policies have been on the rise after the Global Crisis. It is time to take stock. What are the policy lessons from the experience so far?*

Esteban Gómez, Central Bank of Colombia  
Adolfo Sarmiento, Central Bank of Uruguay  
Paul Castillo, Central Bank of Peru  
Carolina Pagliacci, Central Bank of Venezuela  
Claudio Raddatz, Central Bank of Chile  
Joao Barata Barroso, Central Bank of Brazil

**4:45 – 5:15 Open Discussion**

**5:15 – 5:30 Coffee Break**

**5:30 – 6:15 Key Note Speech** (30 min + Q&A)  
**Chair:** Mauro Alessandro, Central Bank of Argentina  
**Speaker:** Christopher Waller, Federal Reserve Board of St. Louis  
***The Next Phase of the World Financial Cycle***

**8:00 Dinner offered by the BIS**

*Dinner Cabaña Las Lilas Restaurant - 516 Alicia Moreau de Justo Av, Puerto Madero (with prior confirmation of transfer. The bus will depart at 7:30 PM from 780 San Martín Street and will return to the same location once the dinner is finalized.*

**November 22**

**POLICY RESPONSE TO THE CURRENT PHASE OF THE FINANCIAL AND BUSINESS CYCLE**

*Some key concerns:*

- Length of financial vs. business cycles a critical issue for the effectiveness of monetary, fiscal and macroprudential policies
- Assessing equilibrium credit growth and prudent leverage
- The aftermath of credit booms
- Spillovers vs. spillbacks and their effect on the financial cycle
- Financial stability and growth
- Macroprudential policy coordination, financial cycles and growth



9:00 – 10:00 **Key Note Speech** (40 min + Q&A)  
**Chair:** Andrés Neumeyer, Central Bank of Argentina  
**Speaker:** Claudio Borio, BIS  
*Economic and Financial Cycles*

10:00 – 10:15 **Coffee Break**

**10:15 – 12:45 Session 3: Sustainable Growth and the Financial Cycle**

**Chair** Andrés Fernández, IDB

**Research Paper Presentations** (20 min each)

Giovanni Dell’Arricia, IMF. *“Credit Booms and Macroeconomic Stability”*

Martin Cihak, IMF. *“Rethinking Financial Deepening: Stability and Growth in Emerging Markets”*

Alberto Ortiz, CEMLA. *“Capital Buffers around the world: Cyclical Patterns and the Effect of Market Power”*

Pierre-Richard Agenor\*, University of Manchester. *“Capital Requirements, Risk Taking and Welfare in a Growing Economy”*

**Discussants:** (15 min each)

Daniel Osorio, Central Bank of Colombia

Jorge Ponce, Central Bank of Uruguay

**12:45 – 2:15 Lunch offered by BCRA – Restaurant Alton de Alem** (359, 25 de Mayo Street - Two block away from the Central Bank)

**2:15 – 3:15 Session 4: Tour de Table with countries’ perspectives**  
(10 min each)

*How are financial policies in place handling the new phase of economic slowdown? Does the macroprudential policy framework appear well prepared to deal with increasing financial stress?*

**Chair:** Eduardo Borensztein

Esteban Gómez, Central Bank of Colombia

Adolfo Sarmiento, Central Bank of Uruguay

Verónica Balzarotti, Central Bank of Argentina

Paul Castillo, Central Bank of Peru

Claudio Raddatz, Central Bank of Chile

Joao Barata Barroso, Central Bank of Brazil



3:15 – 3:45 **Open Discussion**

3:45 – 4:00 **Coffee Break**

4:00 -5:15 **Session 5: Closing Panel. Policy responses to the current phase of the financial and business cycles**

**Chair Eduardo Fernández-Arias, IDB**

**Panel:** (15 min each + debate)

Federico Sturzenegger, Governor of the Central Bank of Argentina

Luiz Pereira da Silva, Deputy General Manager of BIS

Boris Vujčić, Governor of the Central Bank of Croatia

5:15 – 5:30 **Closing**

Enrique Alberola (BIS)

Andrés Fernández (IDB)