

The Global Rise in Food Prices and the US Slowdown: Issues and Challenges in Monetary Policy

Miraflores Park Hotel
Lima, Peru
June 16-17, 2008

Conference Program

First Day June 16

8:30 – 8:50 **Registration and Coffee**

8:50 – 9:00 **Welcome Remarks** Julio Velarde, Governor, Central Reserve Bank of Peru

9:00– 10:30 **First Session: Understanding the nature of recent increases in food prices.**

- *How is the global environment changing as a result of higher food and fuel prices worldwide and the expansionary monetary policy in the U.S.? What are the drivers of the increase in food and fuel prices? What is the likely impact of high food prices on macroeconomic variables such as output, current account, wages, etc.? Are these changes in commodity prices temporary or transitory?*
- *How are the rising fuel and food prices affecting domestic prices in Latin America? What is the nature and the extent of the pass-through of commodity prices to the (different components of the) domestic consumer prices?*

Moderator: Tito Cordella (The World Bank)

Speakers: Charles Collyns (International Monetary Fund)
 Roberto Rigobón (MIT)

10:30 – 11:00 **Coffee Break**

11:00 – 12:30 **Second Session: Formulating monetary policy: Constraints trade-offs and options**

- *What are the main tensions, trade-offs and risks that creates the current changes in the global environment in monetary policy? What are the policy options open to countries with different monetary policy regimes?*
- *What are the issues in terms of design, implementation and execution of monetary policy (instrument choice, target level, choice of target, etc.)? What are the implications in terms of the communication of monetary policy actions by the Central Bank?*

Moderator: Jorge Estrella (Central Reserve Bank of Peru)
Speakers: Alain Ize (The World Bank)
Stephen Murchison (Bank of Canada)

12:30 – 14:30 **Lunch**

14:30 – 16:00 **Third Session: LAC Country experiences (I)**

Assessment of tensions, trade-offs and monetary policy options to the changes in the current global environment from the country's perspective.

Moderator: Michel Dooley (University of California)
Panelists: Carlos Hamilton Vasconcelos Araújo (Central Bank of Brasil)
Jorge Toro (Central Bank of Colombia)
Roger Madrigal López (Central Bank of Costa Rica)

16:30 – 18:00 **Fourth Session: LAC Country experiences (II)**

Given the current changes in the global environment, what are the Central Banks doing operationally? What are the implications in terms of the implementation of monetary policy (the definition of the target, width of the band, communication issues, among others)?

Moderator: Martin Cerisola (International Monetary Fund)
Panelists: Manuel Ramos Francia (Bank of Mexico)
Adrian Armas Rivas (Central Reserve Bank of Peru)
Pablo García Silva (Central Bank of Chile)

Second Day June 17

9:00– 10:30 **Latin America in Today's Global Economy**

How did Latin America react to the sub-prime crisis? How would a slowdown in U.S. and global economic activity affect the region? Is the commodity-driven expansion in LAC a source of fragility? What are other sources of real and financial fragility in the region? Will real shocks matter more than financial shocks in the future? What are the main challenges that LAC policymakers face in the current environment? What are the challenges they are like to face when monetary conditions tighten in the US?

Moderator: Vicente Tuesta (Central Reserve Bank of Peru)
Panelists: Eduardo Levy Yeyati (Barclays Capital)
Alberto Ramos (Goldman Sachs)
Alfredo E. Thorne (JP Morgan Chase Bank)
Gustavo Cañonero (Deutsche Bank)

10:30 – 11:00 **Coffee Break**

11:00 – 12:30 **Roundtable: Policy Responses to Global External Conditions**

- *What are the challenges that current economic environment poses to central bankers in the region?*
- *What are the implications in terms of monetary policy choices such as definition of the target, width of the band, communication issues, among others?*
- *What constraints short-term capital flows (carry trade) pose on the pursuit of countercyclical monetary policy in LAC?*

Moderator: Carlos Felipe Jaramillo (The World Bank)
Panelists: Walter Cancela (Central Bank of Uruguay)
Julio Velarde Flores (Central Reserve Bank of Peru)
Fernando Tenjo Galarza (Central Bank of Colombia)
Augusto de la Torre (The World Bank)