



CHATHAM HOUSE



Global Financial Imbalances

A conference organized by Chatham House
in association with the Foreign Policy Association
New York

PROGRAMME

Monday 24 April 2006

Session One

Global imbalances - where are they and do they matter?

- Just how resilient is the global economy at the moment?
- Inflation or deflation? What is the underlying trend, and how are policy-makers likely to respond?
- What challenges does the US economy currently face and how will they impact on the global financial climate?
- What effect will oil prices have on economic growth and financial imbalances?

Chair: Dr Olin Robison
President and Chief Executive Officer, Salzburg Seminar
and President, Chatham House Foundation

09.00 Welcoming remarks

Brian C McK Henderson
Chairman, Global Public Sector Client Group, Merrill Lynch & Co, Inc
and Board Member, Foreign Policy Association

Keynote Addresses

09.10 William R White
Economic Adviser and Head of the Monetary and Economic Department
Bank for International Settlements

09.40 Professor Peter B Kenen
Walker Professor of Economics and International Finance Emeritus
Princeton University and Senior Fellow, Council on Foreign Relations

10.10 Dr Jacob A Frenkel
Vice Chairman, American International Group, Inc and
Chairman, Group of Thirty

10.40 **Coffee break and networking**

Session Two
The future impact of Asian and Middle Eastern surpluses

- What are Asian economies using their reserves for? How long will they continue to use them?
- Asia's shift from a society of savers to one of consumers - when, how and what will be the consequences?
- To what extent are Asian central banks diversifying into the euro, and what impact will this have on the dollar?
- What are the domestic drivers and possible alternatives regarding China's current exchange rate policy?
- Where are the petrodollars flowing to, and what is their impact on the market?
- Is it true that there is too much liquidity? How close are we to the exhaustion of excess liquidity? How are central banks likely to react?
- What would be the consequences of a major dollar crash? And is it likely?

Chair: Dr Paola Subacchi
Head, International Economics Programme
Chatham House

11.00 Karen Johnson
Director, International Finance Division
Board of Governors, Federal Reserve System

11.20 Stephen Jen
Managing Director, Head of Currency Research
Morgan Stanley

11.40 Questions and discussion

12.30 **Keynote Address**
Jose Manuel González-Páramo
Member of the Executive Board
European Central Bank

13.00 **Lunch**

Session Three
What policies are needed to restore balance, and how likely are they to be implemented?

- Does the US government have the guts to reduce its current account deficit? If not, why not?
- What, if anything, can be done about the US housing bubble?
- What policies can be put in place to increase US saving rates?
- How will policy-makers in emerging economies respond to increasing pressure for currency appreciation or flotation?
- What role, if any, can Europe take in redressing global imbalances?

Chair: Professor Glenn Hubbard
Dean, Columbia Business School

14.00 Professor Ricardo Hausmann
Director, Centre for International Development
Harvard University

14.15 Professor Ellen Meade
Associate Professor of Economics, American University and
Associate Fellow, Chatham House

14.30 Professor Nouriel Roubini
Associate Professor of Economics, Stern School of Business, New York University
Co-Founder and Chairman, Roubini Global Economic LLC

14.45 Moderated discussion

15.20 **Coffee break and networking**

Session Four How will markets respond to policy options?

- Given its current indifference to global financial imbalances, what does the market consider to be the danger signals?
- What policies do market players consider to be the most likely, and which do they consider to be the most dangerous? How likely is the possibility of a hard landing?

Chair: Dr DeAnne Julius CBE
Chairman
Chatham House

15.40 **Keynote Address**
Andrew Crockett
President, JPMorgan Chase International

16.10 David Bloom
Global Head, Foreign Exchange Strategy, HSBC

16.30 Moderated discussion

17.20 **Closing remarks from the chair**

17.30 **Close of conference**