

## 2024 Global Economy and Financial Stability Conference

Joint-organized by MOEF-BOK-KDI-RBWC

Date: September 3-4, 2024

Venue: Grand Ballroom, The Plaza Hotel Seoul, Seoul Korea

### Agenda

Time	Contents
<b>[Day one - September 3]</b>	
<b>13:00-14:00</b>	<b>Registration</b>
<b>I . Managing Challenges in the Global Economy</b>	
<b>14:00-14:20</b>	<b>Opening Ceremony</b> Opening Remark: <b>Beom-seok Kim,</b> 1st Vice Minister of Economy and Finance Welcome Remark: <b>Dong Chul Cho</b> President, Korea Development Institute <b>Group Photo</b>
<b>14:20-15:00</b>	Keynote Speech <b>“Bretton Woods in a New World “</b> <b>Masood Ahmed</b> President Emeritus, The Center for Global Development
<b>15:00-15:20</b>	<b>Coffee Break</b>
<b>15:20-16:30</b>	<b>Session 1</b> <b>“Economic Policies in a World of Global Shocks”</b>  In recent years the global economy has faced a multitude of new challenges and unprecedented crises: the global pandemic crisis, the climate crisis due to global warming, a cost-of-living crisis, new geopolitical challenges. Many of these challenges occur in parallel, are interconnected and mutually reinforcing each other. In other words, a poly-crisis has emerged. Fiscal policy has regained importance over the last two decades, playing key roles in fighting the GFC and its economic fallout, the covid pandemic and the repercussions from global conflict. At the same time, these far-reaching interventions have resulted in high sovereign debt ratios, prompting some renewed concern on debt sustainability in a world of higher interest rates. Meanwhile, the global economy is affected by longer-term trends, such as ageing and climate change, impacting on both policy areas and shaping macro-economic and financial stability prospects in the long-term. The world economy has seen an unprecedented global tightening of monetary policy. Emerging markets central banks have recently outperformed advanced economies in two crucial respects: addressing emerging post-COVID inflationary pressures in a timely manner and avoiding banking sector stress during the monetary policy tightening cycle. In particular, major emerging markets have been more insulated from global interest rate volatility than would be expected based on historical experience. Today, stress have emerged in many segments of financial markets. How are these challenges influencing both developed and emerging economies differently? How should monetary policy strategies adapt, in the light of the recent unanticipated surge of inflation and heightened uncertainty?

**Chair****Sung Hwan Shin**

Member of the Monetary Policy Board, Bank of Korea

**Speakers*****The Policy mix in Europe: From horizontal to vertical coordination*****Marco Buti**

Professor, European University Institute (Virtual Participation)

***Deglobalization and Regionalization from a Peripheral Standpoint*****Gabriel Galipolo**

Deputy Governor, Banco Central do Brasil

**Discussants****Chris Papageorgiou**

Advisor, Asia Pacific Department, IMF

**Claudio Borio**

Head of Monetary and Economic Department, BIS (Virtual Participation)

**Jinill Kim**

Professor, Korea University

**16:30-16:50****Coffee Break****16:50-18:00****Session 2*****“Trade and Investment Cooperation Amidst Global Value Chain Disruptions”***

Countries are reevaluating their trading partners based on economic and national security concerns. Foreign direct investment flows are also being re-directed along geopolitical lines. And many firms around the world are reorganising their supply chains and are considering re-shoring, near-shoring or friend-shoring. From an economic viewpoint, an increase in geo-economic fragmentation can be seen as a negative supply shock. Such a shock has a downward effect on economic growth and an upward effect on inflation through increasing trade costs. Is trade and financial fragmentation happening? What strategies are being recommended or implemented to enhance the resilience of global supply chains? What role does diversification of supply sources play in building robust supply chains? What are the current signs, if any, of global trade fragmentation?

**Chair****Danny Leipziger**

Professor of International Business at George Washington University, ex-World Bank Vice President for Poverty Reduction and Economic Management (PREM)

**Speakers*****Trade Policy and the Reshaping of Global Supply Chains*****Caroline Freund**

Dean of the UC San Diego School of Global Policy and Strategy

***On the Welfare Economics of De-Risking and the Policy Instruments to Efficiently Achieve it*****Gabriel Felbermayr**

Senior economist and director at the Austrian Institute of Economic Research (WIFO), Professor at the Vienna University of Economics and Business (WU)

**Discussants****Ralph Ossa**

Chief Economist and Director of the Economic Research and Statistics Division,  
World Trade Organization

**Daria Taglioni**

Director, The World Bank Trade Group

**Eunhee LEE**

Professor, Seoul National University

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<b>19:00-</b>	<b>Conference Dinner</b>
<b>Time</b>	<b>Contents</b>

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**[Day two - September 4]**

**09:00-09:30**      **Registration**

**II . Evolution of Global Financial Environment and New International Financial System**

**09:30-10:40**      **Session 3**  
“Uncertainty of Monetary Policy and Global Financial Stability”

This session will focus on the policy implications of the most recent financial market disruptions. Global tightening of monetary policy has led to worsening global debt vulnerabilities and capital flow constraints in low-income countries. We will discuss the implications of these factors for global financial stability.

Specifically, we will examine global debt vulnerabilities and capital flow constraints

The elevated level of government debt in both AEs and EMDEs has direct and indirect implications for financial stability. As quantitative tightening by major advanced economies continues to withdraw liquidity from financial markets, will it weigh on global financial stability? This session will discuss the impact of recent international financial environments on global debt vulnerabilities.

Given the recent declining trends in global capital flows, in particular inflows to EMDEs, what are the global drivers and disruptors of capital flows to EMDEs? Are changes in the global financial landscape a greater constraint on capital flows? Or is the immaturity of financial markets in EMDEs a greater factor?

What can EMDEs do on their own, and what can we do together at the global level, to mitigate debt distress in EMDEs and ensure stable capital flows to EMDEs? What can the countries do to prepare for unpredictable shifts in global monetary policy in the future?

**Chair**

**William Roos**, Deputy Secretary. Ministry of Finance France

**Speakers**

***Global Debt Vulnerability Spillover Effect Due To Monetary Policy In Major Countries***

**Ayhan Kose**

Deputy Chief Economist and Director of Prospects Group, The World Bank

***The Great Reallocation: Financial Stability Implications***

**Laura Alfaro**

Warren Alpert Professor, Harvard Business School

**Discussants*****Global Debt Vulnerability Spillover Effect Due To Monetary Policy In Major Countries*****Meeroo KIM**

Head, Government Bond Research Unit, Korea Development Institute

**Layna Mosley**

Professor, Princeton University

***Promoting Dialogue And Disseminating Findings On Resilient Capital Flows To Emdes*****Jaewoo Lee**

Assistant Director, International Monetary Fund

**10:40-11:00****Coffee Break****11:00-12:10****Session 4****“Digital Finance, AI and Financial Stability”**

This session will focus on other segments of markets. As digital technology advances, the size of the cryptocurrency and digital currency markets is gradually increasing. However, financial stability risks in these markets remain limited, although the influence of digital currencies on capital markets is growing, as evidenced by recent approvals of Bitcoin spot ETFs in major stock markets. With the growth in the scale of digital assets (including cryptocurrencies), structural vulnerabilities, and increased interconnectedness with existing financial systems, we may reach a point where global financial stability could be threatened. During this session, we also plan to discuss whether there is increasing linkage and interconnectedness between digital currency markets and traditional financial markets.

Advancements in digital finance are bringing the concepts of Central Bank Digital Currencies(CBDCs) and cross-border payments. Will the emergence of CBDCs and cross-border payments have a positive impact on the global financial landscape? How will the integration of cross-border payments through CBDCs affect the volatility of exchange rates and capital flows? Session will discuss their implications for the future of the international financial architecture.

Other topics will focus on AI : What are the implications. of artificial intelligence for the financial sector? as well as financial institutions increasingly adopt AI as part of their internal (operational) digital transformation journeys and in their how should central banks and policy-makers respond to ensure that they are adequately equipped to assess regulatory compliance; conduct effective micro financial supervision and assess macro-financial risks.

**Chair****Jun Il KIM**

Visiting Professor of Practice, KDI

**Speakers*****Implications For The Future of The International Financial Architecture*****John Schindler**

Secretary General, Financial Stability Board

***Implications and Regulatory Challenges Amidst Digital Transformation*****Mahvash Qureshi**

Chief, GSFR division, IMF MCM (Virtual Participation)

**Discussants**

***Implications For The Future of The International Financial Architecture***

**Zou Xiaonan**

Head of Digital Assets, Group Treasury, UBS

***Implications and Regulatory Challenges Amidst Digital Transformation***

**Sung-guan Yun**

Director of Digital Currency Research Division, Bank of Korea

***General Discussion of Session 4***

**Oliver Wünsch**

Partner, Oliver Wyman

**12:10-14:00**

**Luncheon**

**14:00-15:10**

**Session 5**

**High Level Policy Panel**

***“Bretton woods in a New World : Navigating the New Economic Landscape”***

**Chair**

**Marc Uzan**

Director Reinventing Bretton Woods Committee

**Panelists**

**Jacob Frenkel**

Chairman Emeritus, Group of Thirty (G30)

**Rakesh Mohan**

President Emeritus and Distinguished Fellow,  
Centre for Social Economic Progress, New Delhi, India

**Pablo Moreno**

Director, Independent Evaluation Office, International Monetary Fund

**Hyun Song Shin**

Economic Adviser and Head of Research (Virtual Participation)

**Patrick Achi**

Former Prime Minister of Côte d'Ivoire  
IMF External Advisor

**Andrew Sheng**

Distinguished Fellow, Asia Global Institute, The University of Hong Kong  
(Virtual Participation)

**15:10**

**Closing Remarks**