"New Monetary and Exchange-Rate Arrangements for East Asia"

Program of Sessions, May 22-27, 2006

Bellagio Conference Center

with

Special Thanks to its Staff and the Rockefeller Foundation

Let's meet for breakfast at 8:00, lunch at 13:00, dinner at 19:30 (must end at 21:30) Morning sessions are from 9:15 to12:15; afternoon sessions are from 14:15 to 17:15. Discussants: If possible, please comment on all papers presented in "your" session. Presentation time of Papers: About 30 minutes each. Taping equipment needed.

Monday, May 22: Check in before 21:00 hours.









(1) Tuesday, May 23

Session 1A: Global Adjustment Issues (9:15 – 12:15) Chair: George von Furstenberg

Indiana University vonfurst@indiana.edu

A Brief Welcome and Overview of Conference Program by the Chair

Is Asia Responsible for Exchange Rate Misalignments within the G-20? Agnès Bénassy-Quéré, CEPII, agnes.benassy@cepii.fr Amina Lahrèche-Révil, Paris X – Nanterre, and Valérie Mignon, CEPII: Centre d'Études Prospectives et d'Informations Internationales

Currency Asymmetry, Global Imbalance, and Reform of the International Monetary System

Gang Fan, NERI-China: National Institute of Economic Research, fangang@neri.org.cn

10:45 - 11:15 Break

The Emergence of Asia and its Role in the Adjustment of Global Imbalances *Christian Thimann*, European Central Bank, christian.thimann@ecb.int

Discussant: Már Gudmundsson, BIS, mar.gudmundsson@bis.org

Session 1B: Global Trade Issues (14:15 – 17:15) Chair: Herbert Grubel

Fraser Institute herbert.grubel@shaw.ca

Free Trade Agreement and Monetary Cooperation in East Asia Yunjong Wang, SK Research Institute, <u>yjwang@sktelecom.com</u> An Exchange-Rate Regime for Market-Driven Integration in East Asia Wing Woo, University of California at Davis, <u>wtwoo@ucdavis.edu</u>

Break: 15:45 - 16:15

Competitiveness of the Chinese Textile Industry and the RMB Exchange Rate *Yimin Zhang*, CEIBS: China Europe International Business School, <u>zyimin@ceibs.edu</u>

Discussant: Herbert Grubel, Fraser Institute, herbert.grubel@shaw.ca

Dinner Address: Masahiro Kawai, Asian Development Bank.

(2) Wednesday, May 24

Session 2A: Regional Monetary Systems (9:15 – 12:15) Chair: Volbert Alexander

Universität Giessen volbert.alexander@wirtschaft.uni-giessen.de

Toward a Regional Exchange-Rate Regime in East Asia *Masahiro Kawai*, Asian Development Bank, mkawai@adb.org

Shock-Absorption Mechanisms for Asian Currency Areas *Pierfederico Asdrubali*, Italian Council of Economic Advisers, <u>p.asdrubali@governo.it</u> and *Soyoung Kim*, Korea University

10:45 - 11:15 Break

Near-Term Exchange Rate Flexibility in East Asia: A Precursor to a Regional Monetary? Union?

Már Gudmundsson, BIS: Bank for International Settlements, mar.gudmundsson@bis.org

Discussant: Yue Ma, Lingnan University, yuema@ln.edu.hk

Session 2B: Exchange Arrangements in East Asia (14:15 – 17:15) Chair: Gang Fan

NERI-China: National Institute of Economic Research, fangang@neri.org.cn

A Sustainable Currency Regime for East Asia Lok Sang Ho, Lingnan University, lsho@ln.edu.hk

The Real Exchange Rate of the RMB: A Long-Run Perspective *Haihong Gao*, Institute of World Economics and Politics, CASS, gaohh@cass.org.cn

Break 15:45 - 16:15

Panel Discussion among Participants of Sessions 2A and 2B invited by Gang Fan, Chair

Dinner Address: Wing Woo, University of California at Davis, and his guests.

(3) Thursday, May 25

Session 3A: Perspectives by and for Mainland China (9:15 – 12:15) Chair: Haihong Gao

Institute of World Economics and Politics, China Academy of Social Sciences

gaohh@cass.org.cn hgao@public.bta.net.cn

What Kind of Monetary and Exchange-Rate Cooperation do China's Asian Neighbors Want from China?

Maria Socorro Gochoco-Bautista, University of the Philippines, msgbautista@gmail.com <a href="mailto:msgbautista@gmailto:msgbaut

China's New Foreign Exchange Rate Regime: Does the PBoC still manage the CNY according to the Currency Basket?

Haizhou Huang, Barclays Capital Asia Ltd., <u>haizhou.huang@barclayscapital.com</u> and Winnie Choi, idem.

Break: 10:45 - 11:15

China's External Imbalance: Diagnosis and Prescription Liqing Zhang, Central University of Finance and Economics, lqzhang@public.bta.net.cn

zhlq@cufe.edu.cn

Discussant: Ronald McKinnon, Stanford University, mckinnon@stanford.edu

The afternoon of this third day of the conference will allow for excursions, professional networking, and bilateral (editorial) conferences.

Reconvene for dinner as on previous days at 19:30.

Dinner: Haizhou Huang, Barclays Capital, and his guests: Panel discussion.

(4) Friday, May 26

Session 4A: Intra-Chinese Issues (9:15 – 12:15) Chair: Robert Mundell

Columbia University

ram15@columbia.edu ylz79@vahoo.com

China's Exchange Rate Appreciation in the Light of the Earlier Japanese Experience *Ronald McKinnon*, Stanford University, mckinnon@stanford.edu

Are China's Capital Controls Still Binding?

Guonan Ma, BIS Representative Office for Asia and Pacific, <u>guonan.ma@bis.org</u> and Robert McCauley, idem.

Break: 10:45 – 11:00

Risk Sharing Among the Regions in Mainland China and Hong Kong: Is it Sufficient to

Form a Monetary Union?

Yue Ma, Lingnan University, yuema@ln.edu.hk

Discussant: George von Furstenberg, Indiana University, vonfurst@indiana.edu.

Session 4B: Financial Instrument Innovations in China (14:15 – 17:45) Chair: Yunjong Wang

SK Research Institute yjwang@sktelecom.com

Chinese Yuan Derivatives Guangping Zhang, Shanghai Futures Exchange, <u>zhangmin@shfe.com.cn</u> pchanghk@yahoo.com

The Optimal Weight and Composition of a Basket Currency in Asia and the Enhancement of Cross-Border Portfolio Investment in Asia: Implications of Asymmetry *Naoyuki Yoshino*, Keio University, <u>yoshino@econ.keio.ac.jp</u> *Sahoko Kaji*, and *Tamon Asonuma*, idem.

Discussant: Guonan Ma, BIS, guonon.ma@bis.org

Break 15:45 – 16:15

Summing Up: The *Chairs of all seven sessions* will be asked to summarize the most telling points and the most interesting "open questions" that came up in their session to spark a general discussion. This session is to be taped with special care.

Dinner address: Nobel Laureate Robert Mundell, introduced by G. von Furstenberg.

Saturday, May 27: Check out by 11:00.

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*Title preliminary pending receipt of paper.

