



Conference on Incorporating Financial Stability into Inflation Targeting

November 25-26, 2011, Istanbul
Grand Hyatt Istanbul

Participation to the conference is by invitation only.

The Central Bank of the Republic of Turkey is organizing a conference on "Incorporating Financial Stability into Inflation Targeting" on November 25-26, 2011, in Istanbul. The conference will bring central bankers and economists at other policy institutions together with academics to present recent advances in theoretical and empirical work on the interaction between financial stability and monetary policy. The main objective of the conference is to discuss new challenges faced by central banks in the aftermath of the global financial crisis.

The sessions are organized around two central themes. First theme is on how monetary transmission mechanism would work in a setup that incorporates financial intermediation and financial markets. Transmission channels of macroprudential policy instruments, such as reserve requirements, capital adequacy ratios, loan-to-value ratios, liquidity requirements, or taxes on certain types of short-term capital flows, and policy coordination between central banks and financial/banking supervisors are all within the scope of this theme. Second theme is on the operational framework for incorporating financial stability into an inflation targeting framework. This theme is supported also by country experiences and case studies.

Incorporating Financial Stability into Inflation Targeting Program

Friday, November 25, 2011

8:00 – 9:00	Registration
9:00 – 9:15	Opening remarks Erdem Başçı, Governor, Central Bank of the Republic of Turkey Speech
9:15 – 10:00	Keynote address Central banking post-crisis: beyond inflation targeting? Claudio Borio, Bank for International Settlements (BIS) Presentation
10:00 – 10:30	Coffee break

Session 1

Financial Markets and Macroeconomic Dynamics

Session chair: Şebnem Kalemli-Özcan, Koç University, Harvard University, NBER, CEPR

10:30 – 11:10	Macro-financial linkages: evidence and policy Ayhan Köse, International Monetary Fund (IMF)
11:10 – 11:50	Bank leverage regulation and macroeconomic dynamics Césaire Meh, Bank of Canada Paper Presentation

- 11:50 – 12:30 **Reserve requirements for macroeconomic and financial stability – when are they effective?**
Pascal Towbin, Bank of France
[Paper](#) | [Presentation](#)
- 12:30 – 14:00 Lunch
- 14:00 – 14:15 Photography session
- 14:15 – 15:00 **Keynote address**
Risk shocks
Lawrence Christiano, Northwestern University
[Presentation](#)
- 15:00 – 15:30 Coffee break

Session 2

Incorporating Financial Stability into Macroeconomic Policies

Session chair: Mehmet Yörükoğlu, Central Bank of the Republic of Turkey

- 15:30 – 16:10 **Issues in extending inflation forecast targeting regimes with countercyclical macro prudential rules**
Douglas Laxton, International Monetary Fund (IMF)
[Presentation](#)
- 16:10 – 16:50 **Macroprudential policy and the conduct of monetary policy**
Benoît Mojon, Bank of France
[Paper](#) | [Presentation](#)
- 16:50 – 17:30 **Curbing the credit cycle: the role of countercyclical macroprudential policies**
David Aikman, Bank of England
[Paper](#) | [Presentation](#)
- 17:30 – 18:10 **Liquidity policies and bank lending**
Timur Hülagü, Central Bank of the Republic of Turkey
[Presentation](#)

Saturday, November 26, 2011

- 9:00 – 9:45 **Keynote address**
The credit-to-GDP gap and systemic risk
Frank Smets, European Central Bank (ECB)
[Presentation](#)

Session 3

Financial Crisis and Macroprudential Policies

Session chair: Turalay Keç, Central Bank of the Republic of Turkey

- 9:45 – 10:25 **Monetary and macroprudential policies: an integrated analysis**
Gianluca Benigno, London School of Economics
[Paper](#) | [Presentation](#)
- 10:25 – 11:05 **Macroprudential regulation versus mopping up after the crash**
Anton Korinek, University of Maryland
[Paper](#) | [Presentation](#)

11:05 – 11:35

Coffee break

Panel Session

Capital Flows and the Interaction between Macprudential Policies and Monetary Policy

Session chair: Erdem Başçı, Central Bank of the Republic of Turkey

11:35 – 13:15

José De Gregorio Rebeco, Governor, Central Bank of Chile

Luiz Awazu Pereira da Silva, Deputy Governor, Central Bank of Brazil

[Presentation](#)

Erdem Başçı, Governor, Central Bank of the Republic of Turkey

[Presentation](#)

For questions and further information please contact protocol@tcmb.gov.tr.