

Financial globalisation and integration

ECB Conference

Monday, 17 July – Tuesday, 18 July 2006

Frankfurt am Main

programme

Organised by
the International Policy Analysis Division (DG-I) and the Financial Research Division (DG-R)
In collaboration with the *Journal of International Money and Finance*



EUROPEAN CENTRAL BANK

Monday, 17 July 2006

- 8.30 a.m. – 9 a.m. Registration and coffee
- 9 a.m. Start of the conference
Jürgen Stark (Member of the Executive Board, European Central Bank)
Introduction: Financial globalisation: economic policies in a new era
- Session 1: Global imbalances, trade and capital flows**
Chair: Pierre van der Haegen (European Central Bank)
- 9.30 a.m. – 10.20 a.m. Joseph W. Gruber and Steven B. Kamin (Board of Governors of the Federal Reserve System)
Explaining the global pattern of current account imbalances
Discussant: Eswar Prasad (International Monetary Fund)
- 10.20 a.m. – 11.10 a.m. Menzie Chinn (University of Wisconsin) and Hiro Ito (Portland State University)
Current account balances, financial development and institutions: assaying the world “savings glut”
Discussant: Cedric Tille (Federal Reserve Bank of New York)
- 11.10 a.m. – 11.30 a.m. Coffee break
- 11.30 a.m. – 12.20 p.m. Rudolfs Bems, Luca Dedola and Frank Smets (European Central Bank)
US imbalances: the role of technology and policy
Discussant: Mark Taylor (Barclays Global Investors)
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- 12.20 p.m. – 1 p.m. **Keynote address**, chaired by Jean-Claude Trichet (President, European Central Bank)
Robert Rubin (Citigroup; former Secretary of the US Treasury)
An uncertain and complex global economy: outlook, opportunities and challenges
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- 1 p.m. – 2.30 p.m. Lunch
- 2.30 p.m. – 3.20 p.m. Michael B. Devereux (University of British Columbia) and Hans Genberg (Hong Kong Monetary Authority)
Currency appreciation and current account adjustment
Discussant: Michael Melvin (Barclays Global Investors)
- Session 2: Home bias and risk-sharing through the global financial system**
Chair: Wolfgang Schill (European Central Bank)
- 3.20 p.m. – 4.10 p.m. Lieven Baele, Crina Pungulescu and Jenke Ter Horst (Tilburg University)
Model uncertainty, financial markets integration and the home bias puzzle
Discussant: Roberto de Santis (European Central Bank)
- 4.10 p.m. – 5 p.m. Bong-Chan Kho (Seoul National University), René M. Stulz (Ohio State University) and Frank Warnock (University of Virginia)
Financial globalization, governance, and the evolution of the home bias
Discussant: Menzie Chinn (University of Wisconsin)

5 p.m. – 5.15 p.m. Coffee break

5.15 p.m. – 7 p.m. **Policy panel: the policy challenges from financial globalisation**
 Speakers:
 Jean-Claude Trichet (President, European Central Bank)
 Fred Bergsten (Director, Institute for International Economics)
 Stanley Fischer (Governor, Bank of Israel; former IMF First Deputy Managing Director)
 Robert Rubin (Citigroup; former Secretary of the US Treasury)

7.30 p.m. Dinner at the Hotel Intercontinental
 Address by Jean-Claude Trichet

Tuesday, 18 July 2006

Session 2: Home bias and risk-sharing through the global financial system (cont.)

Chair: Wolfgang Schill (European Central Bank)

9 a.m. – 9.50 a.m. Bent Sørensen (University of Houston), Yi-Tsung Wu (Binghamton University), Oved Yosha (Tel Aviv University) and Yu Zhu (Binghamton University)
Home bias and international risk sharing: twin puzzles separated at birth
 Discussant: Carmen Reinhart (University of Maryland)

9.50 a.m. – 10.40 a.m. Michael Fidora, Marcel Fratzscher and Christian Thimann (European Central Bank)
Home bias in global equity and bond markets: the role of real exchange rate volatility
 Discussant: Jean Imbs (HEC Lausanne)

10.40 a.m. – 11 a.m. Coffee break

Session 3: International financial integration

Chair: Lucrezia Reichlin (European Central Bank)

11 a.m. – 11.50 a.m. André Faria, Paolo Mauro, Martín Minnoni and Aleksandar Zaklan (International Monetary Fund)
The external financing of emerging countries: evidence from two waves of financial globalization
 Discussant: Marcus Miller (University of Warwick)

11.50 a.m. – 12.40 p.m. Martin Evans and Viktoria Hnatkovska (Georgetown University)
International capital flows, returns and world financial integration
 Discussant: Robert Kollmann (University of Paris XII)

12.40 p.m. – 2 p.m. Lunch

2 p.m. – 2.50 p.m.	Miguel Ferreira (ISCTE Business School, Lisbon) and Pedro Matos (University of Southern California) The colors of investors' money: which firms attract institutional investors from around the world? Discussant: Elias Papaioannou (European Central Bank)
2.50 p.m.– 3.10 p.m.	Coffee break
3.10 p.m. – 4.20 p.m.	Financial globalisation and integration: what's next? A forward-looking perspective from an academic and a policy perspective Carmen Reinhart (University of Maryland) Lorenzo Bini Smaghi (Member of the Executive Board, European Central Bank)
4.20 p.m.	End of conference

Conference date	Monday, 17 July – Tuesday, 18 July 2006
Conference location	European Central Bank (Eurotower) Conference room CIV, 2nd floor Kaiserstrasse 29 D-60311 Frankfurt am Main
Participation	By invitation only
Conference language	English
Hotel accommodation	Accommodation has been made available at special rates at hotels in Frankfurt am Main
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Internet	Information regarding this conference will appear on the following website: http://www.ecb.int/events/conferences/call/html/index.en.html