

**3rd SEACEN-CeMCoA/BOJ Intermediate Course on
Macroeconomic and Monetary Policy Management**
Seoul, Korea, 21 – 30 June 2009

Tentative Course Programme

Sunday 21 June 2009

09:30 – 11:30 Ice-breaking/pre-course briefings
Venue: Berkeley Room (36F), Lotte Hotel Seoul

11:30 Pre-course programme

Monday 22 June 2009

09:00 – 10:00 Opening Ceremony
Venue:

Welcome Remarks by The SEACEN Centre

Remarks by CeMCoA/BOJ

Opening Address by The Bank of Korea

Group Photograph

Tea reception

10:00 – 11:30 **Keynote Address: Managing macroeconomic and monetary
policy in challenging time**
by Mr. Masaru Tanaka, Bank of Japan
Suggested coverage:

- *Global crisis and challenges to policy makers*
- *Policy options*
- *Efficacy of monetary policy at zero-bound interest rate*
- *Lessons from Japan's quantitative easing policy*

Module 1: Macroeconomic Assessment

11:30 – 12:30 Session 2

**Environmental scanning: Global financial and economic
crisis and key channels of contagion to domestic economy**

Speakers: Dr. Herbert Poenisch, Monetary and Economic
Department, BIS

Suggested coverage

- *Origin of the crisis and repercussions on the world
economy*
- *Key channels of contagion to the domestic economy*
- *Cross-country experiences (to be handled by SEACEN)*

- 12:30 – 13:45 Lunch
- 13:45 – 15:15 Session 3
External sector imbalances and macroeconomic implications
 Speaker: Dr. Charles Adams, Visiting Professor National University of Singapore and ex-Advisor, IMF
Suggested coverage
- *Concepts and measurements of external imbalance*
 - *Vulnerability indicators*
 - *Policy surveillance and framework*
 - *Cross-country experiences*
- 15:15 – 15:30 Tea break
- 15:30- 17:00 Session 4
Introduction and Group work on BIS International Financial Statistics
 Speaker: Dr. Herbert Poenisch
- 17:00 – 17:15 Case study briefings
- 19:30 Welcome Dinner hosted by The SEACEN Centre
 Venue:

Tuesday, 23 June 2009

- 09:00 – 10:30 Session 5
Financial sector imbalances and macroeconomic implications
 Speaker: Dr. Herbert Poenisch
Suggested coverage:
- *Measurement of financial imbalances: possible indicators and interpretation*
 - *Linkages between real and financial sectors*
 - *Macroeconomic implications: Model of banking crisis*
- 10:30 – 10:45 Tea break
- 10:45 – 12:15 Session 6
Fiscal sustainability
 Speaker: Dr. Charles Adams
Suggested Coverage
- *Risk of fiscal deficit and debt*
 - *Selected indicators on the dynamics for fiscal sustainability*
 - *Fiscal adjustment and public debt sustainability*
 - *Cross-country experiences*
- 12:15 – 13:30 Lunch

- 13:30 – 15:00 Session 7
Macroeconomic assessments and scenario analysis
 Speaker: Dr. Ma. Cyd Tuano-Amador, Managing Director
 Bangko Sentral ng Pilipinas
 (Lecture followed by group exercise)
- 15:00 – 15:15 Tea break
- 15:15 – 16:45 Session 8
Group work on macroeconomic assessments and scenario analysis (cont'd)
Presentation by participants

Wednesday, 24 June 2009

Module 2: Forecast of Key Macroeconomic Variables

- 09:00 – 10:30 Session 9
Issues and Challenges in estimating and forecasting macroeconomic variables
 Speaker: Bank Indonesia
Suggested coverage
- *Choice of methodology and model*
 - *Handling structural breaks and other statistical issues*
 - *Risk, uncertainty and role of judgment*
 - *Evaluation of forecast*
- 10:30 – 10:45 Tea break
- 10:45 – 12:15 Session 10
Inflation issues
 Speaker: Dr. Ma. Cyd Tuano-Amador
Suggested Coverage:
- *What does price stability mean from policy perspectives*
 - *Measures of inflation: headline versus core inflation*
 - *How to set inflation target*
 - *Tradeoff between inflation and output*
 - *Role of expectation*
- 12:15 – 13:30 Lunch
- 13:30 – 15:00 Session 11
Group work on inflation forecasting
 Conducted by: Bank Indonesia (tbc)
- 15:00 – 15:15 Tea break
- 15:15 – 16:45 Session 12
Group work on inflation forecasting (cont'd)
Presentation of group work

Thursday, 25 June 2009

- 09:00 – 10:30 Session 13
Estimating output gap
Speaker: Mr. Vincent Lim, Senior Economist
The SEACEN Centre
Suggested coverage:
- *Comparative analysis of methodologies*
 - *Practical issues and challenges in estimating potential output and output gap*
- 10:30 – 10:45 Tea break
- 10:45 – 12:15 Session 14
Group work on output gap estimation
Conducted by: Mr. Vincent Lim
- 12:15 – 13:30 Lunch
- 13:30 – 15:00 Session 15
Macroeconomic assessment and forecasting: experiences of Asia-Pacific economies
Chair: SEACEN
- 15:00 – 15:15 Tea break

Module 3: Monetary Policy Analysis

- 15:15 – 16:45 Session 16
Overview of monetary policy objectives, framework and current challenges
Speaker: Dr. Amporn Saengmanee, Director, Monetary Policy Group, Bank of Thailand
Suggested coverage:
- *Choice of monetary frameworks: monetary targeting, exchange rate targeting, inflation targeting*
 - *Various trade-offs involved in monetary policy formulation.*
 - *Potential risk in monetary policy management*
 - *Current challenges to monetary policy in light of the current global crisis, including adopting unconventional measures*

Friday, 26 June 2009

- 09:00 – 10:30 Session 17
Capital flows, exchange rate and monetary policy
Speaker: Dr. Herbert Poenisch
Suggested issues:
- *Relationships between capital flows, exchange rate and monetary policy independence*

- *Role of exchange rate in inflation targeting framework of an export-dependent emerging economy*

10:30 – 10:45 Tea break

10:45 – 12:15 Session 18

Asset price and monetary policy

Speaker: Mr. Son Jong Chil, Deputy Director, Macroeconomic Studies Team, Institute for Monetary and Economic Research, The Bank of Korea

Suggested coverage

- *Issues and challenges in compiling asset price inflation*
- *Linkages of asset price to monetary and financial stability*
- *How should central bank respond to asset price bubbles*
- *Lessons from the global financial crisis*

12:15 – 13:30 Lunch break

13:30 – 15:30 Session 19

Panel Discussion on Monetary policy transmission mechanism

Chair: Dr. Herbert Poenisch

Speakers: Mr. Park Sung Wook, Deputy Director, Monetary Policy Planning and Coordination Team, Monetary Policy Department, The Bank of Korea; and Dr. Amporn Saengmanee

Suggested issues

- *Factors influencing monetary transmission mechanism*
- *Major transmission channels and how their relative importance has changed in light of recent developments;*
- *Time lags of monetary transmission mechanism and how it influences the design of monetary policy and choice of instruments; and*
- *Issues and challenges*

15:30 – 15:45 Tea break

15:45 – 17:15 Session 20

Monetary policy framework and operations: experiences of Asia-Pacific economies

Chair: SEACEN

Saturday 27 June 2009

City Tour hosted by The Bank of Korea

Monday, 29 June 2009

Module 4: Monetary Policy Operations and Implementation

09:00 – 10:30 Session 21

Monetary policy operations and implementation

Speaker: Mr. David Emery, Head, Liquidity Forecasting

Reserve Bank of Australia

Suggested issues:

- *Monetary policy implementation: choice of policy signal, operational target and instruments to achieve operational target*
- *Monetary policy operations: why and how to balance demand and supply of central bank reserves*
- *Overview of how RBA conduct monetary operations*
- *Systemic liquidity management and forecasting*
- *Practical challenges and solutions in managing liquidity*

10:30 – 10:45

Tea break

10:45 – 12:15

Session 22

Issues and challenges in monetary policy implementation: BOK experience

Speaker: Mr. Suh Jeong Eui, Director, Monetary Policy Planning and Coordination Team, Monetary Policy Department, The Bank of Korea

Suggested issues:

- *Overview of how BOK implement the Monetary Policy Committee decision*
- *What is the policy signal interest rate in Korea and reasons for such a choice?*
- *What interest rate is used as operational target and reasons for such a choice?*
- *How does BOK design and utilise instruments to achieve operational target? How effective are they? What are the practical challenges?*
- *Challenges faced by BOK arising from the global financial crisis*

12:15 – 13:30

Lunch break

13:30 – 15:00

Session 23

Workshop on liquidity forecasting

Conducted by Mr. David Emery

15:00 – 15:15

Tea break

15:15 – 16:45

Session 24

Introduction to transparency and communication of monetary policy

Speaker: Mr. Dennis Lapid, Acting Deputy Director, Monetary and Financial Policy Department, BSP (tbc)

Suggested issues:

- *Role of communication and transparency in enhancing policy credibility*

- *How much transparency is optimal: potential conflicts between monetary stability and financial stability objectives*
- *Effective transparency and communication channels for central banks*

Tuesday, 30 June 2009

08:30 – 10:00	<p>Session 25 Coordination of Monetary and Fiscal Policy: Experience of the Philippines <i>Speaker: Mr. Dennis Lapid (tbc)</i></p> <ul style="list-style-type: none"> • <i>Roles and linkages of monetary and fiscal policies</i> • <i>Practical coordination challenges, implications and solutions</i> • <i>Lessons learnt from the current global financial crisis</i>
10:00 – 10:15	Tea break
10:15 – 12:00	<p>Session 26 Case study on monetary policy formulation process Conducted by Mr. Halim Alamsyah, Director Banking Research and Regulation, Bank Indonesia (tbc) <i>Case study briefings on monetary policy formulation: loss function, Taylor's rule, and role of judgment</i></p>
12:00 – 13:00	Lunch break
13:00 – 14:30	<p>Session 27 Group work on case study</p>
14:30 – 14:45	Tea break
14:45 – 16:30	<p>Session 28 Group work on case study Group presentations</p>
16:45 – 17:15	<p>Closing session</p> <p>Conclusion of the Course</p>
19:30	Farewell Dinner hosted by The Bank of Korea