



Sunday, October 12, 2008

Plenary

4:30 pm – 6:00 pm

Turmoil in Global Financial Markets – Prospects & Policies

IFC Auditorium – 2121 Pennsylvania Avenue, NW, Washington, DC

The world economy is being buffeted by powerful crosswinds. Financial market turmoil in the US and other advanced economies is threatening global financial stability and slowing global growth. While the rising tide of globalizing emerging economies so far has provided a measure of global growth resilience, it has also contributed to historically high commodity prices. The global outlook is increasingly uncertain, as the U.S. tries to find its way out of its worst financial crisis since the Great Depression, other advanced countries are coping with similar issues of weakening financial institutions and declining housing markets, developing countries are facing higher inflation and weaker export markets, and growth is beginning to decelerate in emerging markets.

Against this background, this session will deal with the following questions:

- Do the unprecedented events in financial markets and the policy responses seen recently signal a turning point towards restoring global financial stability? If not, what would be appropriate responses? Are more joint effort efforts the international level required?
- How long will the growth slowdown persist and will it worsen as a consequence of recent events in financial markets? What policies or forces will drive the recovery, and what form will it take? Will commodity prices escalate as soon as a recovery begins?
- Emerging markets have been affected by the transmission of financial market turmoil in the U.S. and have also faced increased inflation pressures. What additional steps might be required to minimize additional spillover effects?
- Looking ahead, how is the global financial services industry likely to be re-shaped? Is the era of financial engineering and disintermediation of banks over? What should be the future objectives of financial regulation and how should regulatory frameworks change? Should the concept of national versus multilateral regulation be rethought given financial globalization? If so, how?

Opening Remarks: John Lipsky, First Deputy Managing Director, International Monetary Fund

Moderator: Martin Wolf, Associate Editor, *The Financial Times*

Panelists:

Lewis Alexander, Chief Economist, Citigroup

Christine M. Cumming, First Vice President, NY Federal Reserve Bank

Mohamed El-Erian, Co-Chief Executive Officer and Co-Chief Investment Officer of PIMCO

Roger Ferguson, CEO TIAA/CREF, former Vice Chairman, US Federal Reserve System

George Soros, Chairman, Soros Fund Management

Organizers: Charles Blitzer, Monetary and Capital Markets Department and Krishna Srinivasan, Research Department, International Monetary Fund.