

Regional Conference on Managing Strong Foreign Exchange Inflows in the Southern
Caucasus and Central Asian Countries

Date: April 25, 2007
Venue: Hotel Intercontinental
Ablai Khan Conference Hall
181 Zheltoksan Street
Almaty, Kazakhstan

The conference will focus on the effects and policy implications of the large foreign exchange inflows that the countries of the Southern Caucasus and Central Asia are currently experiencing. These inflows, in the form of strong export receipts, remittances, and capital inflows, have been fueled by high commodity prices and a favorable global financial environment. They have resulted in abundant liquidity, rising inflation, and pressures for exchange rate appreciation, which have complicated the conduct of monetary and exchange rate policies. The conference will examine the challenges these developments pose for the regional economies and provide an opportunity for senior country officials to discuss their views and experiences in managing them.

Agenda

9:30 – 9:50 a.m. Opening Remarks
His Excellency Karim Massimov, Prime Minister of the Republic of
Kazakhstan (tentative)

Welcoming Remarks on Behalf of the Fund
Mohsin S. Khan, Director, Middle East and Central Asia Department,
International Monetary Fund

9:50 – 10:30 a.m. Session 1: Overview of the region's experience with strong external
inflows

Presentation: David Owen, Senior Advisor, Middle East and Central Asia
Department (20 min.)

The presentation will describe the pattern and scale of foreign exchange inflows to the region in recent years, the authorities' policy responses, and the consequences, focusing in particular on inflation and the exchange rate.

General discussion (20 min.)

10:30 – 10:45 a.m. Coffee Break

10:45 – 12:00 p.m. Session 2: Policy responses to external inflows: the experience of other countries from outside the region

Presentation: John Wakeman-Linn, Mission Chief for Georgia, Middle East and Central Asia Department (30 min.)

The presentation will focus on approaches and experience to dealing with strong external inflows in countries outside the region . What is the appropriate policy mix in a period of sustained foreign exchange inflows?

Discussant: Willy Kiekens, Executive Director, International Monetary Fund (15 min.)

General discussion (30 min.)

12:00 – 1:30 p.m. Lunch (location: Asian Café, Hotel Intercontinental (adjacent to the Conference Hall)

1:30 – 2:30 p.m. Session 3: The case of an oil-producing country (Case study: Kazakhstan)

Presentation: Aasim Husain (Mission Chief for Kazakhstan, MCD) (20 min.)

Discussants: Mr. Anwar Saidenov, Governor of the National Bank of Kazakhstan and Mr. Emin Huseynov, Director Research and Statistics Department, National Bank of Azerbaijan (10 min. each)

General discussion (20 min.)

2:30 – 3:30 p.m. Session 4: Coping with strong remittances (Case study: Armenia)

Presentation: Nienke Oomes, Resident Representative for Armenia, Middle East and Central Asia Department (20 min.)

Discussants: Mr. Tigran Sargsyan, Chairman of the Central Bank of Armenia and Mr. Marat Alapaev, Governor of the Central Bank of Kyrgyz Republic (10 min. each) (tentative)

General discussion (20 min.)

3:30 – 4:00 p.m. Coffee Break

4:00 – 4:30 p.m. Session 5: Summary of discussions

Panel: Jointly chaired by Mr. Saidenov and Mr. Khan
(participants will be invited to provide comments)

5:00 – 5:30 p.m. Press Conference (Joint Press Release)

7:30 p.m. Dinner at Restaurant Borodino
80 Shevchenko Street