



# Macroeconomic Challenges Facing Low-Income Countries

***New Perspectives***

**January 30–31, 2014**

**IMF HQ2 Conference Hall 1  
Washington, D.C.**

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## **Thursday, January 30, 2014**

- 8:30–9:00am**     **Registration**
- 9:00–9:15am**     **Opening Remarks**  
Olivier Blanchard (Economic Counsellor and Director, Research Department, IMF)
- 9:15–10:45am**     **Session 1: Macroeconomic Policies and Inequality**  
*Moderator:* Irina Telyukova (UCSD and IMF)  
“Distributional effects of monetary policy in developing countries”  
Eswar Prasad\* (Cornell University) and Boyang Zhang (Cornell University)
- “Income inequality, trade, and financial openness”  
Guay C. Lim (University of Melbourne) and Paul D. McNelis\* (Fordham University)
- 10:45–11:00am**     **Coffee Break**
- 11:00–12:30pm**     **Session 2: Investment, Infrastructure, and Growth**  
*Moderator:* Andrew Warner (IMF)  
“Rail revival in Africa? The impact of privatization”  
Matt Lowe\* (MIT)

“Investing volatile oil revenues in capital-scarce economies: An application to Angola”  
Christine Richmond, Irene Yackovlev\*, and Susan Yang\* (IMF)

**12:30–1:30pm Lunch** (By invitation, HQ2, Conference Hall 2)

**1:30–3:00pm Session 3: Monetary and Exchange Rate Policy**

*Moderator:* Felipe Zanna (IMF)

“Why do so many oil exporters peg their currency? Foreign reserves as a de-facto sovereign wealth fund”

Samuel Wills\* (University of Oxford) and Rick van der Ploeg (University of Oxford)

“Monetary policy in low income countries in the face of the global crisis: The case of Zambia”  
Alfredo Baldini, Jaromir Benes, Andrew Berg\*, Mai Dao, and Rafael Portillo (IMF)

**3:00–3:30pm Coffee Break**

**3:30–5:00pm Session 4: Economic Diversification and Growth**

*Moderator:* Chris Papageorgiou (IMF)

“Deindustrialization and economic diversification”

Tiago Berriel\* (PUC-Rio), Marco Bonomo (Insper Institute of Education and Research), and Carlos Carvalho (PUC-Rio)

“Imported intermediate inputs and export diversification in low-income countries”  
Felipe Benguria\* (University of Virginia)

**5:15–7:00pm Reception / Dinner** (By invitation, HQ2-02B-300G)

## **Friday, January 31, 2014**

**9:00–10:30am Session 5: Macroeconomic Shocks, Uncertainty, and Growth**

*Moderator:* Alberto Martin (CREI and IMF)

“Does uncertainty reduce growth? Using disasters as natural experiments”  
Scott Baker (Stanford University) and Nick Bloom\* (Stanford University)

“Developing macroeconomic stabilization policies for low-income countries”  
Romain Houssa\* (University of Namur), Jolan Mohimont (University of Namur), and Chris Otrok (University of Missouri)

**10:30–11:00am Coffee Break**

**11:00–12:30pm** **Session 6: Managing the Capital Account***Moderator:* Gian Maria Milesi-Ferretti (IMF)

“Capital flows in low-income countries”

Philip Lane\* (Trinity College Dublin)

**Session 7: Measuring Economic Output**

“Output data revisions in low-income countries”

Eduardo Ley (World Bank) and Florian Misch\* (ZEW Mannheim)

**12:30–1:30pm** **Lunch** (By invitation, HQ2, Conference Hall 2)**1:30–3:45pm** **Session 8: Financial Sector Shocks and Instability***Moderator:* Galina Hale (Federal Reserve Bank of San Francisco)

“Liquidity crisis: Are Islamic banking institutions more resilient?”

Sajjad Zaheer (University of Amsterdam) and Moazzam Farooq\* (Central Bank of Oman)

“Banking market structure and macroeconomic stability: Are low-income countries special?”

Franziska Bremus\* (DIW Berlin) and Claudia Buch (Halle Institute for Economic Research)

“Financial sector reforms, competition and banking system stability in sub-Saharan Africa”

Jennifer Moyo (AfDB), Boaz Nandwa\* (Dubai Economic Council), Jacob Oduor (AfDB), and Anthony Simpasa (AfDB)

**3:45–4:15pm** **Coffee Break****4:15–5:00pm** **Panel Discussion: New Perspectives on Low-Income Country Macroeconomics***Chair:*

Min Zhu (Deputy Managing Director, IMF)

*Panelists:*

Stefan Dercon (Chief Economist, UK DFID)

Philip Lane (Trinity College Dublin)

Chris Otrok (University of Missouri)

Eswar Prasad (Cornell University)

**5:00–5:15pm** **Closing Remarks**

Andrew Berg (IMF)

Catherine Pattillo (IMF)