

Columbia –Tsinghua Conference: International Economics after the Crisis

Sponsors: Asian Development Bank and Hong Kong Institute for Monetary Research
June 30-July 2, 2010

(Presenters: 40 minutes per paper. Discussants: 20 minutes for both papers)

June 30, 2010, 8:30 -8:40 opening remarks

8:40-10:40 am **Exchange Rates**

International and Intra-national Real Exchange Rates: Theory and Evidence

Michael Devereux (UBC and NBER) and Viktoria Hnatkovska* (UBC)

A Macro-Finance Approach to Exchange Rate Determination

Yu-chin Chen (U of Washington) and Kwok Ping Tsang* (Virginia Tech)

Discussant: Qing Liu (Tsinghua University)

10:40 -11:00 am Coffee/tea break

11:00 am **Keynote Speech**

Kenneth West (Univ of Wisconsin, Madison and NBER): **Exchange Rate Economics**

12:10 pm- 1:30 pm Lunch

1:45 – 3:45 pm **Current Account Adjustments**

Labor Market Rigidity, Goods Trade, and Current Account Adjustment

Jiandong Ju * (Tsinghua Univ and Univ of Oklahoma), Kang Shi (CUHK), and Shang-Jin Wei (Columbia Univ, Tsinghua Univ and NBER)

The Consequences of Current Account Reversals

Abdul Abiad*, Daniel Leigh and Marco E. Terrones (all International Monetary Fund)

Discussant: Jon Steinsson (Columbia University and NBER)

3:45 – 4:15 pm break

4:15 -6:15 pm **Cross-national Interdependence**

Understanding the Effect of Productivity Changes on International Relative Prices: the Role of News Shocks

Deokwoo Nam (CUHK) and Jian Wang* (Dallas Fed)

Asia's Business Cycles

Carol Wei Liao (HKIMR) and Dong He (HKMA and HKIMR)

Discussant: Akiko Tarada-Hagiwara (Asian Development Bank)

7:00 pm Dinner

July 1, 2010

8:30 –9:15 am Optional Walk on Tsinghua Campus

9:15 – 9:30 am Coffee/tea Break

9:30 am-11:30 pm **Foreign Exchange Reserves and Real Exchange Rates**

A Tractable Model of Precautionary Reserves, Net Foreign Assets, or Sovereign Wealth Funds

Christopher D. Carroll (Johns Hopkins University and NBER) and Olivier Jeanne * (Johns Hopkins University and NBER)

Goods Market Frictions and Real Exchange Rate Puzzles

Qing Liu (Tsinghua University)

Discussant: Viktoria Hnatkovska (UBC)

12:00 – 1:15 pm Lunch

1:30 – 3:00 pm **Macroeconomics**

Crises and Recoveries in an Empirical Model of Consumption Disasters

Emi Nakamura * (Columbia Univ and NBER), Jon Steinsson (Columbia and NBER), Robert Barro (Harvard University and NBER), Jose Ursua (Harvard University)

Discussant: Kang Shi (CUHK)

3 – 3:20 pm Coffee/tea Break

3:20 pm – 5:20 pm **International Financial Market**

International Commodity Price Shocks, Democracy, and External Debt

Rabah Arezki (IMF) and Markus Bruckner * (Pompeu Fabra)

From Sovereign to Corporate Default Risks: Evidence from CDS Spreads around the World

Jennie Bai * (NY Fed) and Shang-Jin Wei (Columbia University, Tsinghua Univ and NBER)

Discussant: 1>>BDC /rt Shoc ,

July 2, 2010

8:30 -10:30 am **International Trade and Crisis**

How Do Different Exporters React to Exchange Rate Changes? Theory, Empirics, and Aggregate Implications

Nicolas Berman (Graduate Institute of International and Development Studies), Philippe Martin*, (Sciences Po, Paris and CEPR), Thierry Mayer (Sciences Po, Paris, CEPR and CEPR)

Trade and the Global Recession

Jonathan Eaton (Penn State and NBER), Sam Kortum (U of Chicago and NBER), Brent Neiman (U of Chicago and NBER), and John Romalis* (U of Chicago and NBER)

Discussant: Jenny Xu (HKUST)

10:30 am – 10:50 am Coffee/tea break

10:50 – 12:15 **Policy Panel: The Chinese Currency in the World Economy**

Jong-Wha Lee (Chief Economist, ADB): “Will the RMB Become an International Reserve Currency?”

He Dong (Chief Economist, HKMA): “The Internationalization of the RMB”