



EUROPEAN COMMISSION
DIRECTORATE GENERAL
ECONOMIC AND FINANCIAL AFFAIRS
Economic studies and research

Third Annual DG ECFIN Research Conference:

“Adjustment under monetary unions: financial market issues”

Thursday 7th and Friday 8th September 2006,

Conference Centre Albert Borschette, Brussels

36 rue Froissart - 1049 Brussels

Room 0A

DAY 1: Thursday, 7th September 2006

09:00 – 09:30 *Registration of participants*

Session 1: Key policy questions **Chair: Jürgen Kröger**

9:30 – 10:30 **Vítor Gaspar** (Banco de Portugal) and **Gabriel Fagan** (European Central Bank)
"Adjusting to the euro"
Discussant: **Christopher Allsopp** (Oxford University)

10:30 – 11:00 *Keynote remarks*
Klaus Regling (Director General, DG ECFIN)
"Monetary union: the financial sector challenge"

11:00 – 11:15 *Coffee break*

Session 2: Analytics of the real side **Chair: Mary McCarthy**

11:15 – 12:45 **Sven Langedijk** and **Werner Röger** (DG ECFIN)
"Adjustment in EMU: A model-based analysis of country experiences"
Discussant: **John Fitz Gerald** (Economic and Social Research Institute, Dublin)
Michael Bergman (University of Copenhagen)
"Sectoral real exchange rate adjustments in Europe"
Discussant: **Bent E. Sørensen** (University of Houston and CEPR)

12:45 – 14:00 *Buffet lunch*

Session 3: Analytics of the financial side **Chair: Servaas Deroose**

14:00 – 15:30 **Ramón Adalid** and **Carsten Detken** (European Central Bank)
"Excessive liquidity and asset price boom/bust cycles"
Discussant: **Jonas Niemeyer** (Sveriges Riksbank)
Laura Rinaldi (University of Leuven) and **Alicia Sanchís Arellano** (Banco de España)
"Household debt sustainability: what explains household non-performing loans?"
Discussant: **Christoph Walkner** (DG ECFIN)

15:30 – 16:00 *Coffee break*

Session 4: Cross-border integration**Chair: Sean Berrigan**

- 16:00 – 17:30** **Robert A. Eisenbeis** (Federal Reserve Bank of Atlanta) and **George G. Kaufman** (Loyola University)
"Cross border banking: challenges for deposit insurance and financial stability in the European Union"
 Discussant: **Patrick Pearson** (DG MARKT)
- Elena Carletti** (Center for Financial Studies and Wharton), **Philipp Hartmann** (European Central Bank and CEPR) and **Steven Ongena** (CentER – Tilburg University and CEPR)
"The economic impact of merger control: what is special about banking?"
 Discussant: **Eduardo Martínez Rivero** (DG COMP)

DAY 2: Friday, 8th September**Lessons from other monetary unions****Chair: Lars Jonung**

- 09:00 – 10:00** **Sebnem Kalemli-Ozcan** (University of Houston and NBER), **Ariell Reshef** (New York University), **Bent E. Sørensen** (University of Houston and NBER) and **Oved Yosha**
"Why does capital flow to rich states?"
 Discussant: **Oliver Dieckmann** (DG ECFIN)
- 10:00 – 10:15** *Coffee break*
- 10:15 – 11:45** **John Landon-Lane** and **Hugh Rockoff** (Rutgers University and NBER)
Regional interest rates within a monetary union: lessons from the United States"
 Discussant: **Alicia Sanchís Arellano** (Banco de España)
- Peter Hoeller** and **Claude Giorno** (OECD)
"Housing markets and adjustment in monetary union"
 Discussant: **Paola Subacchi** (Chatham House)

Policy panel discussion: "Priorities for the financial sector"**Chair: Max Watson**

- 11:45 – 12:45** Discussants: **Vítor Gaspar**, **Peter Hoeller**, **Peter Praet**, **Alberto Giovannini**
- 13:00 – 14:00** *Buffet lunch*
- 14:00** **Conference ends**

Conference Organisers:

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The papers will be available at the conference.