



Newsletter

International Monetary Institute
Renmin University of China

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Focus

2014 International Monetary Forum and Press Conference of “RMB Internationalization Report”

On July 20, 2014 International Monetary Forum and Press Conference of "RMB Internationalization Report" was held at Renmin University. The conference was attended by Chen Yulu, president of RUC and editor of the Report; Wei Jianguo, former deputy minister of Commerce; Li Yang, vice president of CASS; Han Wenxiu, deputy director of the Research Department of State Council; Qian Wenhui, vice president of Bank of Communications; Wang Liming, executive vice president of RUC; Anoop Singh, managing director and head of regulatory affairs, former director of IMF Asian and Pacific Department; David Marsh, managing director of OMFIF; Rainer Klump, vice president of Goethe University Frankfurt; Alfred Schipke, IMF Senior Representative in China; and other more than fifty well-known experts, scholars and policy leaders from research institutes, government departments and financial institutions in Europe, America and Asia.

The forum is co-hosted by Renmin University of China and Bank of Communications, sponsored by IMI, and co-sponsored by OMFIF, Goethe University Frankfurt, Korea Institute for International Economic Policy (KIEP), and Fung Global Institute.

The first part of the forum, the opening ceremony and press conference of the Report, was co-chaired by the Dean of School of Finance Guo Qingwang and IMI Director Zhang Jie. Wang Liming and Qian Wenhui delivered opening speeches on behalf of Renmin University of China and Bank of Communications respectively.

The report was interpreted by Chen Yulu. The report themes building and developing RMB offshore market, studies the positive role of offshore currency market in promoting the internationalization of the currency, especially that of RMB. Given the current developments in offshore RMB market, he discussed the practical way of promoting RMB internationalization and rational distribution of the RMB offshore market when capital account is not yet fully open.

After the conference, IMI held an appointment ceremony of new committee members: Rainer Klump, Il Houg Lee (president of KIEP), Liu Jun (vice president of China Everbright Group), David Marsh, Herbert Poenisch (former senior economist at the Bank of International Settlements), Anoop Singh, and Wanda Tseng (former deputy director in the Asia and Pacific Department of IMF).

The second part of the forum is "Roundtable on Money and Finance – 2014 Annual Summit". More than 50 speakers and guests conducted 5 hours of in-depth discussion, centering on reflections on Bretton Woods System: history and future, building and developing RMB offshore market, and RMB internationalization and financial reform in China.

Opening Conference of “RMB Internationalization Report 2015”

On August 28, Opening Conference of “RMB Internationalization Report 2015” was held in Renmin University. Prof. Chen Yulu, editor of the Report, chairman of IMI Academic Committee, president of Renmin University, attended the conference.

Experts and scholars discussed about selected topics, framework and methodology of the Report from both theoretical and practical perspective. The report will focus on RMB internationalization and construction of “Silk Road Economic Belt” and “Maritime Silk Road”.

Prof. Chen Yulu pointed out RMB Internationalization was a vital research. “RMB Internationalization Report” has been recognized by different communities since it was launched. The research team made a huge contribution to its success. The Report should continue with its current academic style, elaborate the relationship between RMB internationalization and “One Belt and One Road”, and emphasize the supporting effects of “currency circulation” on policy, trade and transportation.



Research

Roundtable on Money and Finance

Editor's Note:

Roundtable on Money and Finance is a high-level quarterly forum initiated by IMI. The forums of the four seasons are held in the second Saturday afternoon of each March, June, September and the next January respectively (adjusted for national holidays and special occasions). The forum invites financial experts home and abroad, discussing the reform of monetary finance, providing feasible suggestions and experience for China's international financial strategies. The previous keynote speakers include: Mr. WEI Jianguo, vice minister of the Ministry of Commerce; Mr. SU Ning, deputy-governor of PBC; Mr. Patrick Honohan, governor of Central Bank of Ireland; Mr. Yves Mersch, governor of Central Bank of Luxembourg; Mr. David Marsh, chairman and co-founder of OMFIF. Currently, the forum has become a significant platform for academic exchanges in macrofinance, and has cast great influence among financial researchers and practitioners.

Roundtable on Money and Finance • Summer 2014 RMB Internationalization and Offshore Market Construction

On June 14, Roundtable on Money and Finance • Summer 2014, co-hosted by IMI and Bank of Communications, was held at Renmin University of China. The theme of the meeting was "RMB internalization and offshore market construction". The meeting was chaired by Ben Shenglin, executive director of IMI, professor of Zhejiang University.

Tu Yonghong, deputy director of IMI, delivered a report on dynamic outlook of RMB internationalization. The report covered five aspects from the status quo of RMB internationalization, momentum of RMB internationalization Index (RII), challenges and countermeasures, and internationalization of world currency. Then, the guests made active discussions around the theme of the speech, including media attention and index forecasting of RMB internationalization. The guests also proposed strategic schemes from the practical perspective such as trade settlement practices and cross-border business.

Subsequently, Wang Fang, IMI research fellow, delivered a speech on global distribution of Renminbi offshore market and introduced the construction of Frankfurt offshore market. Guests also conducted in-depth and detailed discussion on the empirical analysis and simulation results of international recognition of RMB.

Zhang Jie, director IMI closed the meeting by highlighting that RMB internationalization report is a "brand product" of IMI, this meeting pointed out the direction for the future development of study on RMB internationalization.

Roundtable on Money and Finance • Autumn 2014

New Development Bank and New Patterns of International Monetary System

On September 13, Roundtable on Money and Finance • Autumn 2014 was held at Renmin University of China. The Roundtable was themed “New Development Bank and New Patterns of International Monetary System”. The meeting was chaired by Ben Shenglin, executive director of IMI, professor of Zhejiang University.

Attendees include Zhou Qiangwu, vice director of Asia-Pacific Finance and Development Center; Zhang Zhengxin, deputy director of International Department, PBOC; André Simas Magalhães, first secretary of economic sector, Embassy of Brazil to China; Vladimir Budko, counselor of Embassy of Russia to China, and Yuksel Gormez, economic counselor of Central Bank of Turkey.

Zhou Qiangwu delivered a speech on the background of NDB by stating the preparation process, governance structure, and development prospects. Zhang Zhengxin emphasized NDB reserve and prospects of financial corporation. André Simas Magalhães pointed out that BRICS members should reach a consensus on the long-term infrastructure constructions financing. Vladimir Budko held the view that NDB helped balancing the existing international monetary system, but the members still needed to negotiate towards the details of policies and operation. Yuksel Gormez emphasized that the international monetary system, as a dynamic system, required the each member establish a clear recognition of its own demand.



IMI Biweekly Forum

Editor's Note:

IMI Biweekly Forum is a high-level biweekly forum established by International Monetary Institute of Renmin University. In the mode of keynote speech followed by comments from experts, the forum develops in-depth discussions on theoretical and practical issues in domestic and overseas financial area. The forum aims to facilitate academic exchange for young and middle-aged scholars by following international frontier, broadening theoretical perspective and deepening research cooperation.

IMI Biweekly Forum (No. 11):

Changes in the Financial Regulation in View of the Supply/Demand of Financial Services

On May 11, IMI Biweekly Forum (No. 11) was held at Renmin University. The theme of the forum was “Changes in the financial regulation in view of the supply/demand of financial services”. Professor Zhao Xijun, associate dean of School of Finance delivered a keynote speech on changes in the financial regulation in view of the supply/demand of financial services. He pointed out that we need to break this issue down into three parts: first, to what extent has the demand and supply of financial services and products changed; second, its implication on the traditional regulation, including the regulation ideals, framework, and methods; third, how to deal with this in a right way. Professor Zhao argued that financial regulators need to address several key issues, including too much emphasis on regulating agencies over their functions; supply over demands; administrative supervision over market discipline; harvest over innovation; as well as internal supervision over cross-border supervision.

IMI Biweekly Forum (No. 12):

Impact of Silk Road Economic Belt on RMB internationalization

On May 25, IMI Biweekly Forum (No. 12) was held at Renmin University. The forum themed “Impact of Silk Road Economic Belt on RMB internationalization”, and IMI Deputy

Director Tu Yonghong made a keynote speech. Ben Shenglin, IMI executive director, and Zhao Haiying, vice president of Central Huijin Investment Co., Ltd. attended the meeting.

Prof. Tu began her keynote by addressing the context of the Silk Road Economic Belt as a national strategy and of RMB internationalization. Her speech included four paths of facilitating RMB internationalization during the building of Silk Road Economic Belt, and “opportunities and challenges under the new paths and some suggestions”. She pointed out that the Silk Road Economic Belt brings four opportunities for RMB internationalization, which are RMB pricing and settlement in foreign trade, project financing and direct investment, currency swaps and offshore RMB market construction. At the same time, China also faces political, cultural and legal challenges. We can break through by using RMB in pricing and trade settlement, and expanding investment and loans. She said if two of them are ensured, RMB would become one of the major currencies in Asia.

IMI Biweekly Forum (No. 13): Analysis on Shadow Banking, Credit Expansion and Systemic Risk

On June 8, IMI Biweekly Forum (No. 13) was held at Culture Square, Renmin University. Professor Qu Qiang, deputy director of China Financial Policy Research Center, delivered a speech on "shadow banking, credit expansion and systemic risk". Zhang Zhixiang, IMI Academic Committee member and former director general of International Department of People's Bank of China hosted the meeting.

In his keynote speech, Professor Qu Qiang explored the definition of shadow banking, its scale and capital orientation from the perspective of analysis paradigm, its origin and definition, and its systemic risk. He pointed out that it is crucial that shadow banking has a clear risk-taking body, a stable "value anchor". Professor Qu then explained its credit expansion and mechanisms of self cycling, and gave his policy insights in addressing systemic risks.

IMI Biweekly Forum (No. 14): Media Sentiment and Inflation

On IMI Biweekly Forum (No. 14), June 29, Professor Zhang Chengsi from School of Finance of Renmin University delivered a speech on the political economy of media sentiment and contagion of inflation expectation. The speech was based on his recent paper which studies



the inflation mechanism from the perspective of media sentiment and the role of public expectation in forming inflation.

The paper draws on the "spiral of silence" theory and infection model of epidemic diseases, and uses quantitative methods to analyze the impact of increasing social media comments about the price level on inflation. Whether the use of "spiral of silence" or "epidemiology", the paper underlines the infection mechanisms of media sentiments. Media sentiments have a significant, asymmetric contagion effect on public inflation expectation, and this asymmetry was reflected oppositely in the print media and network media. "Price reduction" reported by the print media is more contagious among public expectation, while in network media it is "price hiking".

IMI Biweekly Forum (No. 15):

The New Economic Norm and Combination of Industry and Finance

On September 28, IMI Biweekly Forum (No. 15) was held in Renmin University. Prof. Ben Shenglin, executive director of IMI, professor of Zhejiang University, was invited as the guest speaker. Prof. Zhang Jie, associate dean of School of Finance, director of IMI, presided over the forum.

Prof. Ben Shenglin delivered a speech entitled "The New Economic Norm and Combination of Industry and Finance". He pointed out that under the trend of informatization and globalization, the new economy has characteristics including differentiation, individualization, networking and high speed. New norm needs market selection mechanism and new ideas as well as developing a mature path for the new economic industry. In the meantime, the Chinese government should provide a good competition environment and stimulate industry's innovations in a proper way. He suggested that we need to develop multiple levels of equity investment and capital market; in addition to making sure of the matching of risks and benefits and to achieving the combination of industry and finance.

“Series of IMF History” Project

Editor’s Note:

Series of IMF History, with 11 volumes in total, is the most authoritative and circumstantial book series about International Monetary Fund. It is the first time for the series to be translated into English. IMI and China Finance Press are in charge of translation and editing respectively. The series is expected to be published by the end of 2015.

The Second Plenary Meeting of “Series of IMF History” Project

On September 25, the second plenary meeting of the Compilation Project on “Series of IMF History” was successfully held in Renmin University. Attendees included Mr. Wei Benhua, member of IMI academic committee, team leader of the project; Mr. Wei Gejun, Director of China Finance Press, team leader of the project; Mr. Ben Shenglin, executive director of IMI, professor of Zhejiang University; Prof. Tu Yonghong, deputy director of IMI; Mr. Song Ke, assistant director of IMI; and other representatives. Prof. Chen Yulu, President of Renmin University, editor-in-chief of the series, rendered his sincere gratitude to all fellows. Mr. Wei Benhua stressed the important role and historical significance of the project. Representatives from each group reported the work progress respectively and exchanged the difficulties and experience during the process.



Exchange

Economists of the ASEAN+3 Macroeconomic Research Office (AMRO) Visit IMI

On June 9, economists of the ASEAN+3 Macroeconomic Research Office (AMRO) paid a visit to the International Monetary Institute, Renmin University of China who jointly organized Economic Consultation with AMRO. The attendees include Reza Siregar, the Group Head and Lead Economist of AMRO, Shunsuke Endo, economist of AMRO, etc. The meeting was chaired by Xiang Songzuo, deputy director of IMI, chief economist of Agricultural Bank of China. The topics of the meeting are the process of globalization of Renminbi, the challenges and inspirations, the role of Renminbi in the process of reform of international monetary system, and the regional monetary and financial cooperation. Reza Siregar spoke highly of the efforts made by IMI in the process of the globalization of Renminbi and the reform of international monetary system. Meanwhile he said that the two parties should have a long-term cooperation and set up a comprehensive cooperative mechanism.

Former French Minister of Finance Mr. Edmond Alphandery Appointed as Member of IMI Advisory Board

On June 24, the third Salon of General Theory on Macrofinance was held at Room 801, Mingde Main Building, Renmin University. The meeting was chaired by Xiang Songzuo, deputy director of IMI, chief economist of Agricultural Bank of China.

At the beginning of the meeting, Zhang Jie, director of IMI, issued Letter of Appointment to advisory board member Mr. Edmond Alphandery, chairman of Euro50 Group, former French Minister of Finance. Subsequently, Mr. Edmond Alphandery delivered a speech the Dynamics of Fragmentation in the Euro Zone: Theory and Political Implications. Regarding the euro zone's economic performance since the European debt crisis, he believes that with the gradual recovery of economy, and restoration of investor's confidence and capital

inflows, the euro zone is moving toward recovery. Then, he focuses on the status and function of the different financial markets. He points out that the integration of financial markets is a necessary but not sufficient condition to form a united currency area. Based on this analysis, he assesses the current process of integration in the euro zone. He believes that the euro zone faces three major challenges: lack of activity of productive sector; signs of polarization of north and south in euro zone; account imbalances of international payments, exchange rate abnormal fluctuation and deflation.

Senior Research Fellows of Financial Information Institute of PBoC Visit IMI

On September 25, meeting with senior research fellows from Financial Information Institute of PBoC was held at IMI. Participants include Mr. Shen Yifei, standing deputy director of the Institute; Ms. Xi Hui, assistant director; Ms. Ma Ning, research assistant; Prof. Tu Yonghong, deputy director of IMI; Prof. Wang Fang, assistant dean of School of Finance of Renmin University, research fellow of IMI. Mr. Song Ke, assistant director of IMI, presided over the meeting.

At the beginning of the conference, Prof. Tu Yonghong introduced the development of IMI. She indicated that the key research programs of IMI include RMB internationalization, reform of international monetary system, regional financial and monetary cooperation, and monetary theories and policies in China. Prof. Tu Yonghong pointed out IMI would like to promote achievements in theoretical, empirical and strategic and application research areas. She expressed a warm welcome to all experts from PBoC, and expectations in cooperation in the near future. During the meeting, the two parties signed the cooperation agreement.



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