

# Inflation is Back: How to Deal with It under Heightened Uncertainties?

Conference co-organized by the Bank of Albania and the London School of Economics and Political Science (LSE)

Thursday, 27 October 2022

Maritim Hotel Plaza Tirana, Queen Geraldine Conference Room

## Programme

**08:00 – 09:00** Registration and welcome coffee

**09:00 – 10:00** Welcome and opening speeches

Welcome address by **Gent SEJKO**, Governor, Bank of Albania

Welcome address by **Vassilis MONASTIRIOTIS**, Professor, London School of Economics and Director of LSE Research on South Eastern Europe

Greeting speech by **Delina IBRAHIMAJ**, Minister of Finance and Economy

**10:00 – 10:10** Group photo (all speakers)

**10:10 – 11:10** **FIRST SESSION: Inflation is back - Reasons in advanced and emerging market economies & what central banks can do to tame it**

*This session will discuss the nature of the underlying causes of the current inflation surge. Is inflation primarily supply or demand driven? Are the causes of inflation different in advanced economies and emerging markets? Are central banks appropriately concerned about quickly re-anchoring inflation expectations in the face of such a large shock?*

*The session will discuss the following topics:*

- *Supply side issues: problems of global production chains, trade networks, labour market situation, fallout from geopolitical tensions/nearby war;*
- *Demand side issues: fiscal policy; central banks' belated exit from COVID expansionary policies and impact on prices and global inflation;*
- *Market structure issues such as rising profit margins and importing global inflation;*
- *Spillovers from advanced countries to emerging markets and the role of the ECB and the Federal Reserve;*

- *Policy options for central banks of emerging market economies.*

**Chair and lead:** Luljeta MINXHOZI, First Deputy Governor, Bank of Albania

**Inflation drivers and monetary policy normalization in the Euro Area**

**Birgit NIESSNER**, Director, Economic Analysis and Research Department, Oesterreichische Nationalbank (ESCB)

**The inflation comeback: global sources, local therapies?**

**Eduardo LEVY YEYATI**, Dean, School of Government, Universidad Torcuato Di Tella, Buenos Aires

**Key issues for monetary policy for emerging European economies**

**Charles ENOCH**, Director of the Political Economy of Financial Markets, St Antony's College, European Centre Studies Fellow, University of Oxford

**The inflation wave of 2022 and its challenges: a practitioner's experience**

**Luca MEZZOMO**, Senior Director, Head of Macroeconomic Analysis, Research Department, Intesa Sanpaolo

**11:10 – 11:25** Questions & Discussions

**11:25 – 12:00** Coffee break

**12:00 – 13:00** **SECOND SESSION: Fighting inflation while expanding central bank responsibilities**

*This session will discuss the right policy mix for the times of high inflation as well as the need to balance the inflation objective with other pressing issues like climate change, demographics and development. These are directly and indirectly linked to current and future supply challenges and can affect consumption, investments and overall economic activity. They pose risks to the sustainability of global and regional ecosystems of productions and may play a significant role in the dynamics of future inflation. Should central banks venture into these areas? How do they merge these goals and refine policy mix to serve all these objectives simultaneously? Central banks would have to find new balance and develop new instruments in their policy toolbox.*

*The session will discuss the following topics:*

- *Should central bank carry on new and additional objectives to serve sustainable and social development goals?*
- *Are the new responsibilities compatible with the main objective of price stability, and the stability of financial system? This is highly important and relevant for central banks in emerging Europe with constrained resources;*

- *What policy mix for fighting inflation? The role of fiscal, regulatory and structural policies that could ease apparent supply constraints even on the shorter term? What would be the appropriate policy mix that serves both traditional and new goals?*
- *What is the role of monetary policy, financial stability, banking supervision and their instruments in this new reality?*

**Chair and lead: Natasha AHMETAJ**, Second Deputy Governor, Bank of Albania

**Moral hazard of expanding central banking mandates**

**Piroska NAGY-MOHÁCSI and Mario BLEJER**, Visiting Professors, LSE

**Energy transition, climate change and monetary policy**

**Előd TAKÁTS**, Rector, Corvinus University of Budapest and LSE

**Stress testing for climate change**

**Ralph SPITZER**, Head of Stress Testing and Strategy Section, Oesterreichische Nationalbank (ESCB)

**Macroprudential policies at the time of monetary policy tightening**

**Reiner MARTIN**, Director and Head of Research, National Bank of Slovakia (ESCB)

**13:00 – 13:15** Questions & Discussions

**13:15 – 15:00** Lunch

**15:00 – 16:30** **THIRD SESSION: The Governor's Panel – Fighting Inflation in Emerging Europe**

*The traditional Governor's Panel will discuss and share their experiences in dealing with the COVID pandemic and now the subsequent surge in inflation and options for policy normalization, while confronting their specific monetary policy, economic and financial stability challenges. Governors will articulate their vision on the future challenges for central banks in the region and reflect on the optimal policy mix to achieve their objectives, and continued support from the ECB for this new and particularly challenging policy phase.*

**Chair and lead: Cristian POPA**, Former Senior Advisor to the Vienna Initiative Steering Committee and Former Deputy Governor of the National Bank of Romania

**Gent SEJKO**, Governor, Bank of Albania

**Anita Angelovska BEZHOSKA**, Governor, National Bank of the Republic of North Macedonia

**Barnabás VIRÁG**, Deputy Governor, National Bank of Hungary (ESCB)

**Csaba BÁLINT**, Member, Board of Directors, National Bank of Romania (ESCB)

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**16:30 – 16:45 Concluding Remarks**

**Gent SEJKO**, Governor, Bank of Albania

**Vassilis MONASTIRIOTIS**, Professor, London School of Economics and  
Director of LSE Research on South Eastern Europe