

*New challenges for the Economic and Monetary Union
in the post-crisis environment*

Luxembourg, June 18th and 19th, 2023

AGENDA

Sunday 18th June, 2023

19:30 – 22:30

Venue: Restaurant Le Sud

8 Rives de Clausen, 1123 Gronn Lëtzebuerg, Luxembourg

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| 19:30 – 20:00 | Cocktail Reception |
| 20:00 – 20:05 | Welcome remarks by Werner Hoyer , President of the European Investment Bank <i>(confirmed)</i> |
| 20:05 – 22:30 | Welcome dinner <u>Guest speaker:</u> Pierre Gramegna , Managing Director of the European Stability Mechanism, Former Finance Minister of Luxembourg <i>(confirmed)</i> introduced by Gaston Reinesch , Governor of the Central Bank of Luxembourg <i>(confirmed)</i> |

Monday 19th June, 2023

Venue: European Investment Bank

100 Boulevard Konrad Adenauer

WKI BUILDING

L-2950 Luxembourg

Since 2020, the Economic and Monetary Union has been hit by successive shocks, the covid-19 epidemic, the energy crisis and is now confronted with a level inflation which the Eurozone has not known since its creation. Furthermore, the growing concern about climate change, the need to foster digitalisation and innovation and more generally to strengthen competitiveness and raise the level of investment, are as many challenges to overcome.

The Maastricht Treaty (1992) defined the scope of EMU in five dimensions: coordination of economic policymaking between member States and coordination of their fiscal policies, a single currency with an independent monetary policy, single rule and supervision of financial institutions.

At this juncture, this event will peruse this environment in its impact on the Economic and Monetary Union and look at the answers to be given to these new challenges, with a focus on their monetary or financial dimensions which are in the realm of the Euro50 Group.

08:30 – 09:00 | **Welcome coffee**

09:00 – 09:10 | **Opening remarks: Edmond Alphandéry**, Chairman of the Euro50 Group

09:10 – 12:40 | **MORNING SESSIONS: EMU IN THE POST-CRISIS ENVIRONMENT**

Session 1 will deal with structural changes and session 2 with its financial and fiscal consequences.

09:10 – 10:50 | **SESSION 1: Perusing the new environment affecting the EMU**

With the crisis, beside traditional policy domains such as trade, defence and security or climate change mitigation... the EU already enlarged its usual remit with NextGenerationEU. New challenges like health (following the pandemic) or energy procurement security have not yet found fully satisfactory European answers.

This session will look at the structural changes which impact EMU using the concept of “European Public Goods”, with a special attention to energy transition and security of energy procurement.

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| 09:10 – 09:20 | <u>Chairwoman and guest speaker:</u> Debora Revoltella , Chief Economist and Director of the Economics Department of the EIB <i>on fostering investment in the EU</i> |
| 09:20 – 09:30 | <u>Speaker:</u> Marco Buti , Tommaso Padoa-Schioppa Chair at the European University Institute <i>on the concept of “European Public Goods”</i> |
| 09:30 – 09:40 | <u>Speaker:</u> André Sapir , Senior Fellow at Bruegel, Professor at the Université Libre de Bruxelles (ULB) <i>on the “European Public Goods” and EMU</i> |
| 09:40 – 09:50 | <u>Speaker:</u> Paolo Pasimeni , Senior Associate of the Brussels School of Governance <i>on financing European Public Goods: EU and/or National budgets?</i> |
| 09:50 – 10:50 | <u>Debate among participants</u> |
| 10:50 – 11:00 | Coffee break |
| 11:00 – 12:40 | SESSION 2: Managing the financial constraints of this new environment <i>This new environment raises new financial constraints. This session will look at the new expenditures and their funding, at the economic governance reform and at the market perspective on reforms and sustainability.</i> |
| 11:00 – 11:10 | <u>Chairman and guest speaker:</u> Niels Thygesen , Chair of the European Fiscal Board, Professor Emeritus of International Economics at the University of Copenhagen <i>on the Stability and Growth Pact</i> |
| 11:10 – 11:20 | <u>Speaker:</u> Rolf Strauch , Chief Economist and Management Board Member at the European Stability Mechanism (ESM) <i>on Economic governance reform</i> |
| 11:20 – 11:30 | <u>Speaker:</u> Charles Wyplosz , Emeritus Professor of International Economics at the Graduate Institute in Geneva <i>on the new resources</i> |
| 11:30 - 11:40 | <u>Speaker:</u> Isabelle Mateos Y Lago , Global Macro Strategist, BlackRock Investment Institute <i>on a market perspective on reforms and sustainability</i> |
| 11:40 – 12:40 | <u>Debate among participants</u> |
| 12:40 – 13:40 | Lunch break |

- 13:40 – 17:20** | **AFTERNOON SESSIONS: European monetary and financial institutions in times of structural changes**
- This session is split into two parts: the first will focus on the new challenges facing the European Central Bank, the second will deal with the financial stability framework in EMU.*
- 13:40 – 15:20** | **SESSION 3: New challenges for the European Central Bank**
- This session will focus on the rise of interest rates and the process of quantitative tightening in the framework of the two objectives of the ECB: desinflation on one side and maintaining financial stability on the other.*
- 13:40 – 13:50** | Chairman and guest speaker: **Isabel Schnabel**, Member of the Executive Board of the ECB *on the issue of risks of stubborn inflation*
- 13:50 – 14:00** | Speaker: **Otmar Issing**, former Member of the Executive Board of the ECB *on the relation of quantitative tightening and raising interest rates*
- 14:00 – 14:10** | Speaker: **Erik Nielsen**, Group Chief Economics Advisor at UniCredit Bank AG *on taming inflation and economic recession?*
- 14:10 – 14:20** | Speaker: **Angel Ubide**, Managing Director and Head of Economic Research in Global Fixed Income at Citadel LLC *on the medium-term horizon concept for price stability*
- 14:20 – 15:20** | Debate among participants
- 15:20 – 15:30** | **Coffee break**
- 15:30 – 15:40** | **Keynote speech**
- Werner Hoyer**, President of the European Investment Bank
- 15:40 – 17:20** | **SESSION 4: The EMU financial stability framework put to test**
- Rapid increase in interest rates necessary to cope with inflation have a destabilising impact on some balance sheets and therefore on confidence of some bank depositors. Contrary to the US or the UK, in case of crisis there is no unique policy partner to the ECB.*
- In this session we will explore the strength of the current financial and also whether some new institutions such as a European banking deposit guarantee should be put in place.*
- 15:40 – 15:50** | Chairman and guest speaker: **Klaus Regling**, Former Managing Director of the European Stability Mechanism and CEO of the European Financial Stability Facility *on the need for new crises mechanisms*

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| 15:50 – 16:00 | <u>Speaker:</u> Nicolas Véron , Senior Fellow at the Peterson Institute of International Economics and at Bruegel <i>on the Banking Union framework</i> |
| 16:00 – 16:10 | <u>Speaker:</u> José Manuel Campa , Chairperson of the European Banking Authority (EBA), Former Secretary of State for the Economy in the Ministry of Economy and Finances of Spain <i>on the strength of the current banking supervision</i> |
| 16:10 – 16:20 | <u>Speaker:</u> Olivier Klein , Professor of Financial Economics at HEC; President, ELEC – France <i>on non-banks activities</i> |
| 16:20 – 17:20 | <u>Debate among participants</u> |
| 17:20 – 17:30 | Concluding remarks |

Conference organized by

