



BANK FOR INTERNATIONAL SETTLEMENTS



**IEER** Institute of Empirical  
Economic Research

## **“Current Account Balances, Capital Flows, and International Reserves”**

May 4-5, 2018, City University of Hong Kong, Hong Kong

Organized by Global Research Unit, Department of Economics & Finance, City University of Hong Kong, Representative Office for Asia and the Pacific, Bank for International Settlements, and Institute of Empirical Economic Research, Osnabrück University, Germany

Sponsored by Hong Kong Institute for Monetary Research

Large current account deficits and surpluses have been in the limelight of both policy discussions and the academic literature. China and Germany are two prime examples of countries who have recorded surpluses of several percentage points of GDP over the past few years. The United States, by contrast, has recorded persistent current account deficits.

There are two sides to this phenomenon: On the one hand, large current account imbalances have triggered renewed interest in protectionism and capital control policies world-wide. On the other hand, net imbalances affect the pattern of gross international capital flows, which dropped considerably during the recent global financial crisis, then recovered quickly following QE policies, and slowed down again recently.

Both current account imbalances and capital flows have implications for global international reserves, which have increased substantially since the international financial crises of the 1990s. Since the more recent GFC, international linkages of reserves have developed including intra-central-bank claims and liabilities in Europe (TARGET2 balances), and international swap-lines.

Large current account imbalances, volatile capital flows, and the excessive hoarding of international reserves are deemed to have adverse effects on local economies and repercussions on the global financial system. The conference provides a platform for discussing advances in research related to these topics. Specifically, we would like to bring together academics and policy makers to assess these issues and their implications from theoretical, empirical and policy perspectives, striking a balance between academic rigor and policy relevance.

We invite researchers to present their original work on topics including, but are not necessarily limited to, the following:

- Hoarding of Reserves 10 years after the GFC, and 20 years after the AFC
- Sustained large current account imbalances – repercussions and remedies
- Capital flows and capital flight – before and after the crisis
- Swap-lines, TARGET2 and other claims and liabilities among monetary authorities
- Imbalances within currency unions and other fixed exchange rate regimes
- Comparative studies of specific surplus and deficit countries

Those interested in participating should send a complete paper or an extended abstract in WORD or PDF format via email to [gruhkg@cityu.edu.hk](mailto:gruhkg@cityu.edu.hk) by February 1, 2018. Authors of accepted



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papers will be notified by March 1, 2018. Final versions of the accepted papers will be posted on the conference website ([http://www.cb.cityu.edu.hk/ef/conference/2018\\_CCI](http://www.cb.cityu.edu.hk/ef/conference/2018_CCI)). Presenters may apply for financial support to cover economy class airfare and local accommodation expenses. Selected papers from the conference will be given the option to be considered for publication in a special issue of the Pacific Economic Review.

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