

Hong Kong Baptist University

## Department of Economics

The Department of Economics is one of the five departments of the School of Business at Hong Kong Baptist University. With 12 faculty members, the Department is offering two undergraduate programmes, namely, Bachelor of Business Administration (Applied Economics Option) and Bachelor of Social Sciences in China Studies (Economics Option). Currently about 200 students are undertaking these two programmes. In addition, 5 students enrol in its postgraduate programme. The Department encourages its staff to conduct original research, one emphasis being projects relevant to Hong Kong and Mainland China. In this academic year, the Department has launched two focused research areas entitled "Currency Board Economics and the AEL Model" and "Productivity Analysis of the Chinese Economy", both of which are funded by the School of Business.



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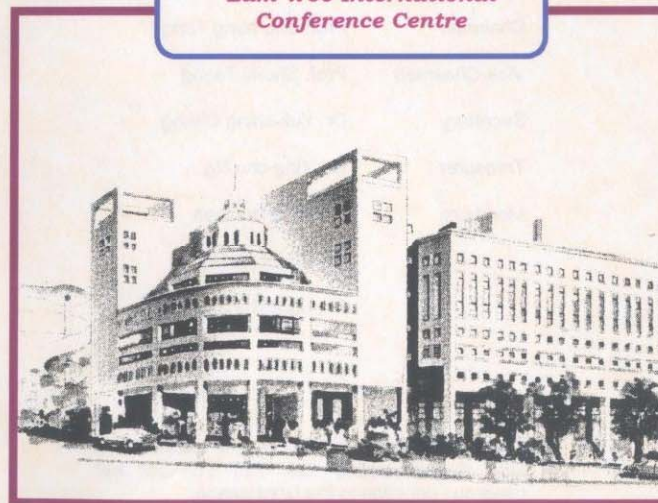


## *International Conference on Exchange Rate Stability and Currency Board Economics*

*Organised by*

*Department of Economics  
Hong Kong Baptist University*

**28-29 November 1998  
Lam Woo International  
Conference Centre**



*International Conference on*  
**EXCHANGE RATE STABILITY AND CURRENCY  
BOARD ECONOMICS**

**Patron**

Dr. Daniel C.W. Tse  
President & Vice-Chancellor, HKBU

**Co-sponsor**

Hong Kong Economic Association

**Organising Committee**

<i>Chairman</i>	Prof. Shu-hung Tang
<i>Vice-Chairman</i>	Prof. Shu-ki Tsang
<i>Secretary</i>	Dr. Yuk-shing Cheng
<i>Treasurer</i>	Dr. Ying-chu Ng
<i>Members</i>	Dr. Hing-lin Chan
	Dr. Bill W. S. Hung
	Dr. Sung-ko Li

**Acknowledgement**

The Organising Committee would like to thank Mrs. Sophie Leung Lau Yau Fun for her generous donation to the Conference.

**Conference Programme**  
Saturday, 28 November 1998 (Morning)

8:30 – 9:00	Registration
	Opening Plenary Session (Room 203)
	Chair: <i>Shu-hung Tang, Chairman, Conference Organizing Committee</i>
9:00 – 9:10	Welcoming Speech by <i>Conference Patron, Dr. Daniel C.W. Tse, President and Vice-Chancellor, Hong Kong Baptist University</i> Chair: <i>Shu-ki Tsang, Vice-Chairman, Conference Organizing Committee</i>
9:10 – 9:45	Keynote Speech by <i>Mr. Norman T.L. Chan, Deputy Chief Executive, Hong Kong Monetary Authority: "The Currency Board System in Hong Kong"</i>
9:45 – 10:20	Keynote Speech by <i>Mr. Robert D. McTeer, Jr., President and CEO, Federal Reserve Bank of Dallas: "Comparing the Asian Crisis and the Mexican Crisis: One Central Banker's Perspective"</i>
10:20 – 10:40	Tea Break
	Concurrent Sessions
10:40 – 12:30	Session A1 <i>Currency Boards from the Broad Perspectives (Room 203)</i> Chair: <i>Pak Wai Liu, Pro-Vice Chancellor, Chinese University of Hong Kong</i>  1. "Building a Case for Currency Boards" <i>Carlos E.J.M. Zarazaga, Federal Reserve Bank of Dallas</i> 2. "Dynamic Stability and Currency Boards" <i>Romar Correa, University of Mumbai</i> 3. "Expectations Formation and Inflation Persistence" <i>John A. Carlson, Purdue University, and Neven T. Valev, Georgia State University</i>
	Session A2 <i>The East Asian Crisis (1) (Room 209)</i> Chair: <i>Y. K. Fan, Dean of Business, Hong Kong Baptist University</i>  1. "The East Asian Crisis: Investigating Causes and Policy Responses" <i>Will Martin, The World Bank; and Warwick McKibbin, The Australian National University</i> 2. "Contagion Effects Versus Economic Fundamentals: An Analysis of Exchange Rate Dynamics During the Asian Currency Crisis" <i>Bob Y. Chan, Chor-yiu Sin, City University of Hong Kong; and Kam-hon Chu, Memorial University of Newfoundland</i> 3. "The East Asian Financial Crisis, The International Monetary Fund Adjustment Policies and Its Impact on the East Asian Economies" <i>Ana Gustave-Schmidt, Office of International Economic Affairs, U.S. Labor Department</i>
12:30 – 14:00	Lunch (at NTT International House)

**Saturday, 28 November 1998 (Afternoon)**

Plenary Session (Room 203)	
	Chair: <i>Shu-hung Tang, Chairman, Conference Organizing Committee</i>
14:00 - 14:35	Keynote Speech by <i>Dr. Pedro Pou, President of the Banca Central de la República Argentina</i> : "Convertibility in Argentina"
14:35 - 15:10	Keynote Speech by <i>Mr. Charles Enoch, Assistant Director, Monetary and Exchange Affairs Department, International Monetary Fund</i> : "Currency Board Arrangements and the Banking Systems"
15:10 - 15:30	Tea Break
Concurrent Sessions	
15:30 - 17:30	<b>Session B1 Hong Kong's Currency Board System (Room 203)</b> Chair: <i>Richard Y.K. Ho, Dean of Business, City University of Hong Kong</i> 1. "The Robustness of Hong Kong's Linked Exchange Rate System as a Currency Board Arrangement" <i>Shu-ki Tsang and Yuk-shing Cheng, Hong Kong Baptist University; and Chor-yiu Sin, City University of Hong Kong</i> 2. "Post-Attack Recovery: Some Experience from the 1983 Hong Kong Currency Crisis" <i>Kenneth S. Chan, McMaster University; and Francis Kwok-hung Cheung, Chinese University of Hong Kong</i> 3. "Currency Options for Hong Kong's Currency Board System? An Exploratory Study" <i>Billy Sui-choi Mak, Hong Kong Baptist University</i>
	<b>Session B2 The East Asian Crisis (2) (Room 209)</b> Chair: <i>Stephen Y.L. Cheung, Department of Economics and Finance, City University of Hong Kong</i> 1. "Money Demand, Financial Distress, and Exchange-Rate Uncertainty in Indonesia" <i>Paul D. McNelis, Georgetown University</i> 2. "A Credit Channel As the Key Transmission Mechanism Underlying the Recent Financial Crisis in Korea" <i>Hyun E. Kim, The World Bank</i> 3. "Coping with Currency Crises: The Singapore Experience" <i>Kee-Jin Ngiam, National University of Singapore</i> 4. "Speculative Attacks to Currency Target Zones: A Market Microstructure Approach" <i>José M. Carrera, Lancaster University</i>
17:30 - 18:30	Reception (at Hsin Kuang Golden Palace Restaurant)
18:30 - 20:30	Conference Dinner (at Hsin Kuang Golden Palace Restaurant)

**Sunday, 29 November 1998 (Morning)**

Plenary Session (Room 203)	
	Chair: <i>Shu-ki Tsang, Vice-Chairman, Conference Organizing Committee</i>
9:00 - 9:35	Keynote Speech by <i>Dr. Jonas Niaura, Deputy Governor, The Bank of Lithuania</i> : "The Experience of Lithuania in Adopting and then Exiting from the Currency Board System (Monetary Policy Reform in Lithuania)"
9:35 - 10:10	Keynote Speech by <i>Mr. Andre Sutt, Deputy Head, Central Bank Policy Department, Bank of Estonia</i> : "Is the Currency Board a Long-term Solution for the Transition Economy: The Case of Estonia"
10:10 - 10:30	Tea Break
Concurrent Sessions	
10:30 - 12:30	<b>Session C1 Currency Boards in Eastern Europe and Latin America (Room 203)</b> Chair: <i>Kenneth S. Chan, Department of Economics, McMaster University</i> 1. "Currency Boards for Eastern Europe? (With Some Lessons from recent Asian Experience)" <i>Antonin Rusek, Susquehanna University</i> 2. "The Sustainability of a Currency Board Arrangement in Lithuania" <i>Nerijus Dagilis, HERMIS Finansai, Lithuania</i> 3. "Currency Board in Central and Eastern Europe: Past Experience and Future Perspectives" <i>Niina Pautola, Bank of Finland; Peter Becke, Austrian National Bank</i> 4. "Crisis Management in Argentina During the 1994-95 Mexican Crisis: How Did Markets React?" <i>Eduardo Juan Javier Ganapolsky, Banca Central de la República Argentina; and Sergio L. Schmukler, The World Bank</i>
	<b>Session C2 Financial Stability and Speculation (Room 209)</b> Chair: <i>Y.Y. Kueh, President, Hong Kong Economic Association</i> 1. "Determinants of Speculative Attacks in Emerging Markets: The Role of Macroeconomic Fundamentals" <i>Bernd Schnatz, Deutsche Bundesbank</i> 2. "Coordination of Speculation" <i>D.P.J. Botman and H. Jager, University of Amsterdam</i> 3. "Narrow Target Zones within Broad Zones: The Exchange Rate Solution with Limited Gunpowder" <i>Staffan Ringbom, Swedish School of Economics and Business Administration</i> 4. "Banking Crises: Is More of the Same a Lasting Solution?" <i>Valeriano F. Garcia and Vicente Fretes Cibils, The World Bank</i>
12:30 - 14:00	Lunch (at NTT International House)

Sunday, 29 November 1998 (Afternoon)

Final Session	
14:00 – 16:00	<p>Session DJ Balance of Payments, Currency Crisis and the Gold Standard (Room 203)</p> <p>Chair: <i>Eden S. H. Yu, Department of Decision Sciences and Managerial Economics, Chinese University of Hong Kong</i></p> <ol style="list-style-type: none"> <li>1. "Expectations, the Exchange Rate and Current Account Sustainability" <i>Tony Makin, University of Queensland</i></li> <li>2. "Liquidity Crunch, Intertemporal Current Account Balance and Currency Crises" <i>Ho-don Yan, Feng Chia University</i></li> <li>3. "Currency Substitution and Speculative Attacks on the Hong Kong Dollar" <i>Shu-ki Tsang, Hong Kong Baptist University; and Yue Ma, University of Stirling and Hong Kong Baptist University</i></li> <li>4. "The Gold Standard, Globalization, and Risk Premia in Long-term Government Securities, 1870-1914" <i>Concepcion Garcia-Iglesias, European University Institute; and Marc D. Weidenmier, University of Illinois at Urbana-Champaign</i></li> </ol>
The end	

#### Staff and Assistants Serving the Conference

##### Secretary to the Department of Economics

Ms. Salina Cheung

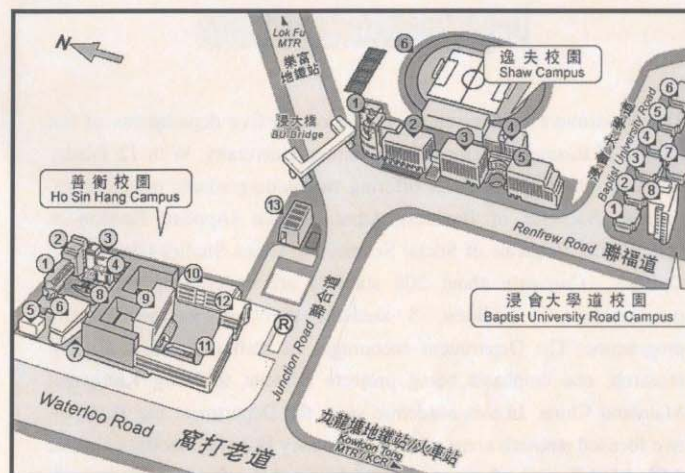
##### Administrative Assistant

Mr. Patrick Chow

##### Conference Assistants

Bruce Chan	Yin-sun Chan	Venus Sau-hing Cheung
Siu-tin Chow	Wai-lok Fong	Matthew Lee
David Lui	Wing-yan Mo	Peter Sin
Florence Wan	Chun-wa Wong	

#### Hong Kong Baptist University Campus Map



Shaw Campus	Baptist University Road Campus
1) Shaw Tower	Low-rise Building (RL)
2) Au Shue Hung Memorial Library	1) RL 1 Department of Social Work
3) The Wing Lung Bank Building for Business Studies	2) RL 2 Department of Education Studies
4) <b>Lam Woo International Conference Centre (Venue for Conference)</b>	3) RL 3 Department of Sociology
5) David C. Lam Building	4) RL 4 Department of Government and International Studies
6) Joint Sports Centre	5) RL 5 Department of Physical Education
	6) RL 6 Estates Office / Finance Office
	7) RL 7 Faculty of Social Sciences Institute for the Advancement of Chinese Medicine
	8) <b>Dr. Ng Tor Tai (NTT) International House (Also venue for lunch)</b>

®Hsin Kuang Golden Palace Restaurant (Venue for reception and Conference Dinner)