

## Foreword

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The People's Bank of China and the Bank for International Settlements co-hosted a research conference on "Globalisation and Inflation Dynamics in Asia and the Pacific" on 23–24 September 2013 in Beijing. This was the wrap-up conference for the BIS Asian Office's two-year research programme on globalisation and inflation that was launched by the Asian Consultative Council in February 2012. The event brought together senior officials and researchers from central banks, international organisations and academia.

The research papers presented at the conference covered the dynamics of inflation forecasts in the region; the measurement of economic slack; supply chains and inflation spillovers; financial globalisation and the role of exchange rate in monetary policy; global commodity price cycles and their monetary policy implications; and the role of inflation in China's monetary policy rule.

Governor Zhou Xiaochuan of the People's Bank of China made the opening remarks and former Governor Masaaki Shirakawa of the Bank of Japan delivered the keynote address. The conference also included a policy panel discussion by Deputy Governors focusing on the challenges posed by globalisation to the Asia-Pacific region. The panel was chaired by Deputy Governor Yi Gang of the People's Bank of China.

There was general agreement among the participants that the nature of real globalisation was changing. In economies that are integrated into international supply chains, cost shocks may result in significant cross-border spillovers. At the same time, increased financial globalisation could present a challenge to exchange rate management in the region's economies. The participants also broadly recognised that financial globalisation was creating significant monetary policy spillovers across borders.

This volume is a collection of the speeches, presentations and a background paper from the conference.