

## **Dimitar Bogov: A new normal? The global economic expansion, inflation dynamics, financial stability and its meaning for asset management**

Speech by Mr Dimitar Bogov, Governor of the National Bank of the Republic of Macedonia, at the High Level International Conference on Monetary Policy and Asset Management, Skopje, 16 February 2018.

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Distinguished guests,

Ladies and gentlemen,

It is my great honor and pleasure to welcome you to the High-Level International Conference on Monetary Policy and Asset Management. The conference has been organized as a joint effort of the National bank of the Republic of Macedonia and Reinventing Bretton Woods Committee. We are delighted for this partnership whose results have been built into the conference program that is both rich in the topics to be covered and in many prominent speakers to lead the discussions.

The title of the conference is “A New Normal? The Global Economic Expansion, Inflation Dynamics, Financial Stability and its Meaning for Asset Management” that comes as a timely event to draw upon the lessons learned of the GFC, to assess the current state of the global economy and its future prospects and advice on the challenges facing central banks and asset managers.

This decade has been a truly challenging time for policymaking and asset management. The world has gone through financial, economic and debt crises. We have witnessed major central banks using unconventional policies and ultra-accommodative monetary policy stance. What did mark the post-crisis period was the financial system reform mainly with respect to the banking industry and reconsideration of central banks mandate with respect to financial stability. Financial turbulence, low yields and divergent monetary policies in the US and the EU caused asset managers to diversify and optimally balance risk and return. The global recovery has strengthened recently, but still there have been concerns with respect to its sustainability. Low productivity keeps clouding the prospects of future economic prosperity and growth, and inflation remains muted in many countries. In addition, there are geopolitical risks, risks of excessive indebtedness and financial sector resilience to potential new shocks.

All of these critically relevant issues for the policy makers and asset managers will build in our agenda for today. The program will start with a keynote speech followed by four sessions. Session 1 will cover issues related to the current and prospective conjuncture of the global economy, monetary policy and the future of interest rates. Session 2 will tackle upon financial stability issues, and how well are we equipped to deal with potential turbulence. In Session 3, central bankers and asset managers will put forward their views on strategies for effective risk mitigation and how should asset managers prepare for the “new normal” in the converging monetary policies. Session 4 will focus on South East Europe and the perspectives of the region for European integration and growth.

I am particularly delighted that we have prominent speakers and excellent panelists to address the topics of the conference.

Allow me to express my sincere gratitude to Mr Benoît Cœuré, Executive Board member of the ECB and Mr. Tao Zhang, Deputy Managing Director at the IMF, for honoring us with their presence today.

It is a pleasure to have Mr. Luiz Awazu Pereira da Silva, Deputy General Manager at BIS and Governor Gudmundsson to address the audience.

I would also like to express my appreciation to all other distinguished panelists in the today's sessions – deputy governors, representatives from international organizations, global banks and investors and other honorable speakers for contributing to the event.

It is an honor to have Mr. Dragan Tevdovski, Minister of Finance of the Republic of Macedonia and Mr. Vladislav Goranov, Minister of Finance of the Republic of Bulgaria to give their reflections on SEE region perspectives.

I look forward to your discussions and wish all the delegates an enjoyable and rewarding conference day. I thank you all for coming, particularly given that many of you had to travel long distances to come to Skopje. I hope that all of you will enjoy the agenda and find the conference productive and worthwhile.

In closing, I would like to thank all of those who have worked very hard to make this event happen. My most sincere thanks and appreciation goes to our co-organizer Marc Uzan, Executive Director of The Reinventing Bretton Woods Committee. Marc's work is well-recognized among the global economic community. With the mission of promoting stability of international financial architecture and monetary system, he has organized roughly 100 seminars around the world facilitating dialogue among high-ranking officials, academics and market participants. I had the pleasure of attending some of his seminars and can only compliment to his expertise and passion to do great work at any time.

Marc, it is a true pleasure and privilege working with you. I hope that we will be able to do this again. Please, the floor is all yours.

Thank you!