

Mugur Isărescu: Meeting the challenges of volatility

Opening speech by Mr Mugur Isărescu, Governor of the National Bank of Romania, at the "Meeting the Challenges of Volatility" Conference, organised by the Romanian Financial Analysts' Association (AAFBR) and Chartered Financial Analysts (CFA) Romania, Bucharest, 27 March 2018.

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Distinguished guests,

Ladies and gentlemen,

Good morning and welcome to the National Bank of Romania. Let me extend a warm welcome to our keynote speaker, Ms. Rachel Lomax, a trusted, longstanding friend of Romania. I am pleased to open today's conference – *Meeting the Challenges of Volatility*, organized by two prestigious professional associations, the Romanian Financial Analysts' Association (AAFBR) and Chartered Financial Analysts (CFA) Romania, with the support of the National Bank of Romania. Here, at the central bank, we always offer a friendly framework for debate and interesting topics.

I will not go into detail about today's topic, as I am sure that the panelists of the three panels will bring to discussion important inputs regarding: *Global markets volatility and potential risks for Romania* (Panel I), *Lending, regulations and capital flows volatility* (Panel II), and *How the fiscal volatility endangers economic growth* (Panel III).

Before introducing our keynote speaker, allow me to address a subject which is not part of today's agenda, but is dear to our hearts.

A hundred years ago, on the 27th of March 1918, the union of the old province of Basarabia (Bessarabia) with Romania was created. As we speak, the Parliament of Romania is holding a solemn plenary meeting dedicated to the before mentioned event. The National Bank of Romania had an important contribution during the First World War. Therefore it chose to acknowledge the historical moment by issuing a set of numismatic coins in gold, silver, coppered tombac and brass dedicated to this Union.

On the obverse, in the foreground, there is an image of the building of the National Council in Kishinev where, on the 27th of March 1918, the union of Bessarabia with Romania was voted, while in the background, there is an excerpt from the Union Act; the inscription "ROMANIA" in an arch, the face value "100Lei, 10LEI, 1LEU, 50 BANI", the coat of arms of Romania and the year of issue "2018".

On the reverse there are the portraits and the names of the three cosigners of the Union Act, i.e. Ion Inculeț, Chairman of the National Council, Vice-Chairman Pantelimon Halippa and Secretary Ion Buzdugan; the inscriptions "100 ANI DE LA UNIREA BASARABIEI CU ROMANIA" and "27 Martie 1918".

Ladies and gentlemen,

Allow me to say a few words about/ introduce Ms. Rachel Lomax. She is back to Romania after a decade or so and ready to share her valuable 40 years' experience and expertise in policy making and financial markets.

After obtaining a Master's degree from London School of Economics in 1968, she joined HM Treasury. She was in succession: Principal Private Secretary to the Chancellor of the Exchequer Nigel Lawson (1985–1986), then Deputy Secretary at the Treasury and then Deputy Chief

Economic Adviser (1990–1994). In 1994 she was, for one year, head of the Economic and Domestic Secretariat of the Cabinet Office.

From 1995–1996 she was Vice President of the World Bank and Chief of Staff to the President of the World Bank, James D. Wolfenshon. During her tenure there, Ms. Lomax negotiated development programs in Romania on behalf of the World Bank. Her Romanian counterpart in the negotiations was Mr. Florin Georgescu, our First Deputy Governor who was Minister of Finance at that moment. I can also see in the audience some of the people who were on the Romanian negotiation team, me included.

From 1996–2003 Ms. Lomax was, in turns, permanent secretary at four government departments: the Welsh Office, the Department of Social Security, the Department for Work and Pensions and the Department for Transport.

Then, in 2003 Ms. Lomax became Deputy Governor at the Bank of England, where she served for five years on its Monetary Policy Committee. In 2005, she assisted us in preparing the implementation of a new monetary policy.

Ms. Lomax joined the Board of Hongkong and Shanghai Banking Corporation (HSBC) at a time of great challenges for the global banking sector, in 2008, and served there for nine years.

Ms. Lomax's vast knowledge of the financial area, as well as, of European policies is successfully shared as she is currently member of the Board of the prestigious Breugel Think-Tank, President of the Institute of Fiscal Studies (IFS) and trustee of Imperial College London.

Now, let me give the floor to our keynote speaker, Ms. Rachel Lomax. After her speech we will proceed with the first panel – *Global markets volatility and potential risks for Romania*.

Thank you!