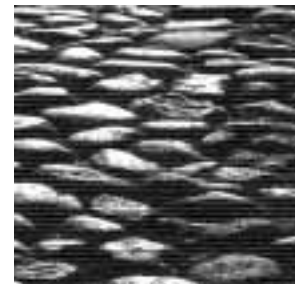




24th SUERF Colloquium
in co-operation
with the Bank of Estonia



Stability and Efficiency
of Financial Markets in
Central and Eastern Europe



12-14 June, 2003, Tallinn



Sponsored by



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1. Notes on the Organisers

SUERF – The European Money and Finance Forum

SUERF, founded in 1963, brings together three groups in its membership: central bankers, academics and private financial market practitioners. Through its programme of meetings (the Colloquium, seminars, conferences and lectures) and publications, the society promotes an active dialogue on current issues in finance and economics.

SUERF has evolved as a forum for the exchange of information, research results and ideas relating, in particular, to monetary, economic and financial problems. As such, its membership embraces academics, commercial bankers and members of the financial community generally, central banking officials, and others having responsibilities for the formulation of monetary and financial policy.

Members are drawn from all over Europe and beyond. In addition, over the years a large number of financial institutions have joined forces to support to the budget of the association.

The objectives of SUERF:

- To promote contacts between academics and practitioners, whether in the private or the public sector, and to encourage discussion on monetary and financial questions;
- To sponsor and publish original research in these areas by both experienced and by young academics;
- to organize periodically international meetings, focusing on topics central to its members' interests, in combination, where appropriate, with other like-minded bodies.

Eesti Pank - Bank of Estonia

The mission of Eesti Pank as the central bank of Estonia is to strengthen both domestic and international confidence in the stability and integrity of the Estonian currency and the Estonian monetary system.

Main Objectives of Eesti Pank

1. To ensure the value and integrity of the Estonian kroon in fulfilling the functions of the currency.
2. To promote the efficiency and stability and support the development of the Estonian financial system.
3. To meet the cash demand of the public.

2. Notes on the Colloquium Theme

Commission I Financial Efficiency and Regulation

Venue: Room Hansa III, 2nd floor

- What do we mean by an “efficient” financial system?
- How should the efficiency of a financial system be measured?
- How successful have policy reforms in Central and Eastern Europe been in enhancing the efficiency of the financial sector?
- Is it possible to define an optimal financial regulatory arrangement?
- What are the implications of possible EU membership?
- How will competition between different types of financial institutions develop and what are the efficiency implications?
- What should be the role of the stock market and capital markets more generally?
- What is the role of alternative financial intermediaries?
- What are the main factors inhibiting the development of an efficient financial system?
- Should a priority be given to enhancing corporate governance arrangements?

Commission III Financial and Macro Stability

Venue: Room Bremerhaven/Cuxhaven, 2nd floor

- What is the nature of financial stability?
- What has been the trend in indicators of financial stability in Central and Eastern Europe in recent years?
- What implications do exchange rate regimes and monetary policy regimes have for financial stability?
- What are the implications of the introduction of the euro for stability-oriented economic policy in the region?
- What are the strategies of the IMF, World Bank and EBRD for financial stability in the region?
- What is the impact of financial instability on financial efficiency?

Commission II Foreign and Domestic Bank Strategy

Venue: Rooms Hansa I+II, 2nd floor

- What are the relative roles of foreign and domestic banks in Central and Eastern Europe and how are they likely to evolve?
- What different business strategies have been followed by foreign banks?
- What kind of strategy will be appropriate in the region for respectively foreign and domestic banks?
- Should foreign banks acquire existing financial institutions or should they establish completely new institutions?
- What should the balance be between relationship banking and arm’s length banking?
- How does the prospect of possible EU membership influence bank strategy?
- Do foreign banks enhance the efficiency of financial systems?

3. General Information

3.1 Location

The Colloquium will be held at the
Conference Centre of the Radisson SAS Hotel
 Rävåla puistee 3, EE-10143 Tallinn, Estonia

The **Opening** and **Plenary Session** will be held in conference rooms **Hansa I-II** on the 2nd floor.

For **Commission work** the following rooms will be used:

- **Commission I:** Hansa III, 2nd floor
- **Commission II:** Hansa I+II, 2nd floor
- **Commission III:** Bremerhaven/Cuxhaven, 2nd floor

3.2 Conference Secretariat

Conference Secretariat during the Colloquium only:
 Tel./Fax: +372-6690 0128
 e-mail: Tallinn@radissonsas.com

3.3 Organisation

SUERF – The European Money and Finance Forum

Beatrix Krones, Executive Secretary
 Michael Bailey, Assistant
 c/o OeNB, Otto Wagner-Platz 3, A-1090 Vienna
 Tel.: +43-1-40420 7206 or 7216
 Fax: +43-1-40420 7298
 suerf@oenb.at

Bank of Estonia

Krista Jaakson
 Development Co-ordinator
 Estonia pst. 13
 EE-15095 Tallinn
 Fax: +372-6311 240
 kjaakson@epbe.ee



3.4 Costs and Registration

The Registration fee for **SUERF Members**^{*)} is:

- 50,- € for **Students** sending a confirmation of their student certification
- 200,- € for participants from **SUERF Academic Institution Memberships**^{*)}
- 200,- € for **SUERF Personal Members**
- 500,- € for staff of **SUERF Corporate Members** – New Corporate Members are entitled to send one participant free of charge
- 2.500,- € for non-members, not wishing to become a member.

^{*)} If you decided now to become a SUERF member the reduced registration fee (+ membership fee) is applicable. The Subscription Form is available on our website: www.suerf.org

^{*)} To qualify participants of this group must be *exclusively employed* by a non-profit organization such as a university institute or similar. This fee is applicable for up to 3 persons; beyond that the fee is 150 € per additional person.

Depending on need a limited number of grants are available for residents from Central and Eastern Europe (academics and members of non-profit institutions).

Participants will receive a confirmation for their registration from the SUERF Secretariat confirming the dues which have to be paid to SUERF. *No invoice will be sent!*

The amount due is to be paid before 10th May, 2003 either by VISA or MASTERCARD or by bank transfer into the SUERF account: Iban code: BE03 439794700784, SWIFT Code: KREDBEBB, at KBC Bank, Arenbergstraat 7, B-1000 Brussels, Belgium.

Members of SUERF will, as in the past, have priority over non-members, if there is any need to restrict the number of participants.

!! Participants may want to check whether they will need a TOURIST VISA to enter Estonia !!

Information is provided by the Estonian Embassy <http://www.vm.ee>

Citizens of the following countries **do not require a visa:**

Australia	Great Britain	Netherlands
Austria	Hungary	Norway
Belgium	Iceland	Poland
Bulgaria	Ireland	Portugal
Croatia	Italy	Singapore
Czech Rep.	Japan	Slovakia
Denmark	Latvia	Slovenia
Finland	Liechtenstein	Spain
France	Lithuania	Sweden
Germany	Luxembourg	Switzerland
Greece	Malta	United States

3.5 Proceedings

The official Conference language is English. The proceedings will follow the unique SUERF Colloquium pattern. After the opening plenary session, the participants will meet in three discussion groups, the Commissions. Discussion prevails in commission work. The authors will give a short presentation (maximum 15 minutes!) of their papers. **Papers presented to each commission by a number of specialists will be prepared for downloading from the internet well before the Colloquium.** Participants will be provided with a password. Apart from presentations of papers, there will also be a Banker's Panel in Commission II on Thursday afternoon.

On the final morning, Saturday, there will be a concluding panel discussion followed by a keynote speech by the Governor of the Bank of Estonia, Mr Vahur Kraft, who will also present the "Bank of Estonia's Award in the Memory of Urmas Sepp".

The 24th SUERF Colloquium will close with the **MARJOLIN LECTURE** – this year presented by the President of the National Bank of Hungary, **Dr Zsigmond Járαι** – and the presentation of the "Robert Marjolin Award".

3.6 Awards

The Bank of Estonia's Award in the Memory of Urmas Sepp

Urmas Sepp (1956-2002), a renowned economist in Estonia, was the Head of Bank of Estonia Macroeconomic (later Research) Department, since it was founded in 1993.

Before joining the Bank of Estonia he was a Professor of Economics at Tallinn Technical University. He also was a member of several governmental working committees brought to life for the preparation of economic reforms in Estonia at the beginning of the 1990's.

He wrote several monographs, working papers and other research publications. His last work included editing the publication "Alternative Monetary Regimes in Entry to EMU" dedicated to Estonian kroon's 10th anniversary.

Bank of Estonia wishes to commemorate Urmas Sepp with an annual reward that will be given each year to a young scholar in Estonia. The aim of the reward is to appraise the graduate studies in Economics, facilitate economic research and recognise author(s) for the significant work.

The award will be announced by **Mr Vahur Kraft**, Governor of Bank of Estonia at the Colloquium in Tallinn.

3.6 Awards

The Marjolin Prize by SUERF

The Prix Marjolin (EUR 2000) will be awarded to the author(s) of the paper selected by the SUERF Council for having made the best contribution to the Colloquium. The award is restricted to author(s) below the age of 40 on 14th June 2003.

Robert Marjolin (1911-1986) was one of the most distinguished European economists of his generation and a leading architect of post-war Europe. From 1948 until 1955 he was the first Secretary General of the OEEC (Organization for European Economic Co-operation). This organization was established to channel US Marshall Aid into the reconstruction of Europe. Marjolin was a leading negotiator of the Treaty of Rome for France and Vice President of the European Commission for finance and economics for ten years. He served as a Professor of Economics at the University of Paris and the University of Nancy, and in the private sector as advisor to leading European and US Companies.

In awarding the Prix Marjolin, SUERF wishes to honour his memory by supporting a young outstanding author's publication. The awarded contribution will be published in the Colloquium volume.

Hotel OLÜMPIA****

Liivalaia 33
EE-10188 Tallinn
Tel.: +372-6-315 333, Fax: +372-6-315 325
olympia@revalhotels.com
www.revalhotels.com
single 106 EUR – double 125 EUR

Hotel DOMINA CITY****

Vana-Posti 13/15
EE-10146 Tallinn
Tel.: +372-6-81 3900, Fax: +372-6-81 3901
city@domina.ee
www.dominahotels.com
economy class rooms:
single 104 EUR – double 121 EUR

Scandic Hotel ST. BARBARA***

Roosikrantsi 2A
EE-10119 Tallinn
Tel.: +372-6-40 7600, Fax: +372-6-40 7430
st_barbara.res@scandic-hotels.com
www.scandic-hotels.com
single 83 EUR – double 89 EUR

3.7 Accommodation

Arrangements have been made for participants at four hotels at various rates – they are all located within walking distance to the venue. All hotels were built/renovated recently. The prices include breakfast and all taxes.

Hotel reservation must be made via

Estravel Ltd. American Express Travel r/o
15 Suur-Karja Str. 10140
Tallinn, Estonia
Tel.: +372-6266 233, Fax: +372-6266 232
conference@estravel.ee

Hotel RADISSON SAS

Rävala puiestee 3
EE-10143 Tallinn
Tel.: +372-6-690 000, Fax: +372-6-690 001
tallinn@radissonsas.com
www.radissonsas.com
superior class rooms: single/double 156 EUR

3.8 Public transport information

Information about taxis:

Convenient taxi stands are located at the airport, at major hotels, on Vabaduse väljak (Freedom square) and at the Viru Gates. Generally, there is no extra charge for ordering a taxi by phone. All legal taxis operate with a meter – you do not need to negotiate a fare beforehand. Most taxi companies start the meter at 12 EEK (0.80 euros) and set a minimum fare of 35 EEK (2.30 euros).

Some of the most comfortable and reliable companies are:

Tulika Takso Tel.: (+372) 6 120 000

Linnatakso Tel.: (+372) 6 442 442

3.9 How to find your way

- **From the Tallinn Airport**

Tallinn Airport is located 3 km from the city centre. See also <http://www.tallinn-airport.ee>. There are two ways of getting from the airport to the city centre:

- 1) by bus No. 2. The bus-stop is right in front of the terminal. Costs: approx. 1 Euro*
- 2) by taxi (10 minutes drive). Costs: approx. 5 Euro

- **From the Port of Tallinn to the hotel/venue**

(Please see also <http://www.portoftallinn.com>)

There are four terminals in the Old City passenger port.

From the port to the city centre you can either use

- 1) a taxi (5-10 minutes) at approx. 3 Euro
- 2) bus No. 2 (bus ticket approx. 1 Euro). The bus goes every 20 minutes between port, city centre and airport

- **From your hotel to the conference venue at the Radisson SAS Hotel**

All the conference hotels we booked are within walking distance of the Colloquium Venue (5-10 minutes) – please see the city map on the last page of the Programme.

- **From the venue to the Evening Receptions**

Participants will either be picked up by bus at the Colloquium venue entrance and returned to the same place (Thursday evening) or will have to walk to the reception in the city centre (Friday evening).

* 1 Euro = 15.65 Kroons

4. Programme of the Conference

Thursday morning 12 June 2003

Venue Conference Centre Radisson
SAS Hotel, Rävåla puistee 3,
EE-10143 Tallinn
Room Hansa I+II, 2nd floor

9.00 a.m. **Opening Session**
Welcome Addresses **David T. Llewellyn**
Hansa rooms I-II President of SUERF
Professor in Economics and
Finance, Loughborough
University
Vahur Kraft, Governor,
Bank of Estonia

Plenary Sessions
Hansa rooms I-II

9.30 a.m. **Speakers**
Luigi Passamonti
Senior Advisor & Executive
Secretary, The World Bank,
Washington: *Financial*
Sector Development as a
Tool for EU Convergence

10.20 a.m. **André Sapir**
Economic Advisor, Group of
Policy Advisers, European
Commission, Brussels:
Growth and Stability
in an Enlarged Europe

11.10 a.m. **Herman Agneessens**
Member of the Executive
Board, KBC Bank,
Brussels: *The Financial*
Sector in Central Europe:
A Growth Sector

12.00 p.m. *Buffet lunch hosted by*
Foyer **Sampo Pank**

Thursday afternoon 12 June, 2003

Commission work in three parallel sessions in three seminar rooms.

2.00 p.m.
Seminar rooms

First session of three parallel commissions

Commission I:
Hansa III, 2nd floor
Commission II:
Hansa I+II, 2nd floor
Commission III:
Bremerhaven/Cuxhaven,
2nd floor

3.45 p.m.
Foyer

Coffee break

4.15 p.m.
Seminar rooms

Second session of parallel commission work

Commission I:
Hansa III, 2nd floor
Commission II:
Hansa I+II, 2nd floor
(banker's panel)
Commission III:
Bremerhaven/Cuxhaven,
2nd floor

6.00 p.m.

End of commission work

7.30 p.m.

Departure from the Radisson SAS to the evening reception
at the Flower Pavillion
(outskirts of Tallinn),
by invitation of the
Bank of Estonia
(the return to the
Radisson SAS is
planned for approx.
11.00 p.m)

Friday 13 June, 2003 – full day

<p>9.00 a.m. <i>Seminar rooms</i></p>	<p>Third session of three parallel commissions <u>Commission I:</u> Hansa III, 2nd floor <u>Commission II:</u> Hansa I+II, 2nd floor <u>Commission III:</u> Bremerhaven/Cuxhaven, 2nd floor</p>	<p>4.20 p.m. <i>Seminar rooms</i></p>	<p>Sixth session of three parallel commissions <u>Commission I:</u> Hansa III, 2nd floor <u>Commission II:</u> Hansa I+II, 2nd floor <u>Commission III:</u> Bremerhaven/Cuxhaven, 2nd floor</p>
<p>10.45 a.m. <i>Foyer</i></p>	<p><i>Coffee break</i></p>	<p>5.50 p.m.</p>	<p><i>End of commission work</i></p>
<p>11.15 a.m. <i>Seminar rooms</i></p>	<p>Fourth session of three parallel commissions <u>Commission I:</u> Hansa III, 2nd floor <u>Commission II:</u> Hansa I+II, 2nd floor <u>Commission III:</u> Bremerhaven/Cuxhaven, 2nd floor</p>	<p>6.00 – ca. 6.45 p.m. <i>Hansa III</i></p>	<p>General Assembly of SUERF</p>
<p>1.00 p.m. <i>Foyer</i></p>	<p><i>Buffet lunch at the invitation of the Bank of Estonia</i></p>	<p>7.00 p.m. <i>Hotel main entrance</i></p>	<p>Departure from the Radisson SAS to the evening reception Reception hosted by Hansapank and Bank of Estonia at Tallinn Teacher's House Raekoja Square 14</p>
<p>2.30 p.m. <i>Seminar rooms</i></p>	<p>Fifth session of three parallel commissions <u>Commission I:</u> Hansa III, 2nd floor <u>Commission II:</u> Hansa I+II, 2nd floor <u>Commission III:</u> Bremerhaven/Cuxhaven, 2nd floor</p>		
<p>4.00 p.m. <i>Foyer</i></p>	<p><i>Coffee break</i></p>		

Saturday 14 June, 2003

Venue	Room Hansa I+II
9.00 – 10.00 am <i>Hansa I+II</i>	Plenary Session Concluding panel discussion
Chairman	David T. Llewellyn President of SUERF
Panel members	Three Chairmen of the Commissions
10.00 – 10.40 a.m. <i>Hansa I+II</i>	Keynote speech Vahur Kraft , Governor, Bank of Estonia <i>The Implications of EU membership on Financial System's Stability-Oriented Economic and Financial Policies</i> Bank of Estonia's Award in the memory of Urmas Sepp
10.40 – 11.00 a.m. <i>Foyer</i>	<i>Coffee break</i>
11.00 – 12.00 p.m. <i>Hansa I+II</i>	MARJOLIN LECTURE Dr Zsigmond Járαι , President of the National Bank of Hungary <i>Role of Central Banks in Promoting Financial Stability – and the Hungarian Experiences</i> Robert Marjolin Prize – by SUERF Award for the best contribution to the Colloquium by author(s) below the age of 40.
12.00 p.m.	End of the Colloquium
2.30 p.m. <i>Radisson SAS main entrance</i>	OFFICIAL CONFERENCE EXCURSION leaving from Radisson SAS Hotel (returned planned for 11.00 p.m.)

5. Programme of the Commissions

(Last minute changes may occur)

Participants may require a password from the SUERF Secretariat to download the Colloquium contributions for preparation.

5.1 Commission I Financial Efficiency and Regulation

Room Hansa III, 2nd floor

Chairmen: **David T. Llewellyn**
Professor in Economics and Finance
Loughborough University,
Loughborough,
D.T.Llewellyn@lboro.ac.uk
Andres Sutt
Deputy Governor
Bank of Estonia, Tallinn
ASutt@epbe.ee

Speakers Commission I

Thursday, 12 June, 2003

Session I – from 2.00 to 3.45 p.m.

Tuuli Koivu, Bank of Finland: *Banking Sector Development and Economic Growth in Transition Countries.*

Fabiano Vergari, Keele University, Everton Dockery, Staffordshire University: *Financial Market Environment, Irrationality, Inefficiency and Growth in Emerging Markets: a Methodological Framework.*

Sabine Herrmann, Axel Jochem, Deutsche Bundesbank: *The international integration of money markets in the central and east European accession countries: deviations from covered interest parity, capital controls and inefficiencies in the final sector.*

Session II – from 4.15 to 6.00 p.m.

Gerhard Fink, Peter Haiss, and **Hans Christian Mantler**, University of Economics and Business Administration Vienna: *Financial Sector Efficiency: Concepts, Measurement, Theoretical and Empirical Evidence.*

C. Maxwell Watson, Wolfson College, Oxford: *Financial Sector Efficiency in the EU Accession Countries of Central and Eastern Europe (CEE): The Impact of*

Policies, and the Road Ahead.

Malgorzata Pawlowska, National Bank of Poland: *The Impact of M&A on Technical Efficiency, Scale Efficiency and Productivity Change in the Polish Banking Sector: a Non-Parametric Approach.*

Friday, 13 June, 2003

Session III – from 9.00 to 10.45 a.m.

Lelo Liive, Ministry of Finance of Estonia: *Reforms Enhancing the Efficiency of the Financial Sector and the Implication of Future EU Membership.*

Donato Masciandaro, Angelo Porta, Paolo Baffi Centre, Bocconi University: *Single Authority in Financial Market Regulations and Supervision: Trends and Economic and Political Determinants. Lessons for the EU Enlargement.*

Michel Tison, Ghent University: *Challenging the prudential supervisor: liability versus (regulatory) immunity. Lessons from the EU experience for Central and Eastern European countries.*

Session IV – from 11.15 to 1.00 p.m.

Piotr Korczak, Martin T. Bohl, European University Viadrina: *Return Performance and Liquidity of Cross-Listed Central European Stocks.*

Lieven Baele, **John Crombez**, and Koen Schoors, Ghent University: *Are Eastern European Equity Markets Integrated? Evidence from a regime-switching shock spillover model.*

Victor Murinde, **Sunil Poshakwale**, The University of Birmingham: *Exchange Rate and Stock Price Interactions in European Transition Economies.*

Session V – from 2.30 to 4.00 p.m.

Tadeusz Kowalski, Poznan Academy of Economics, Evan Kraft, National Bank of Croatia, Andy Mullineux, University of Birmingham, and **Clas Wihlborg**, Copenhagen Business School: *Bankruptcy Procedures, Corporate Governance and Banks' Credit Policy in Croatia, Estonia, Poland.*

Koen Schoors, Rudi Vander Vennet, Ghent University: *Rules versus discipline: Capital adequacy rules, monitoring incentives, and bank behavior in transition economies.*

Session VI – from 4.20 to 5.50 p.m.

Svetlana Andrianova, Loughborough University, Panicos Demetriades, and Anja Shortland, University of Leicester: *State Banks, Institutions, and Financial Development.*

Anastassios Gentzoglani, University of Sherbrooke and CEREF: *Regulation, Privatization and Financial Efficiency in Central Europe and Balkan Countries.*

Dirk Schoenmaker, Sander Oosterloo, Ministry of Finance, The Hague, Netherlands: *Financial Supervision in an Integrating Europe: Measuring Cross-Border Externalities.*

5.2 Commission II Foreign and Domestic Bank Strategy

Rooms Hansa I+II, 2nd floor

Chairmen **Frank Lierman**
Chief Economist
DEXIA BANK BELGIUM, Brussels
frank.lierman@dexia.be
Juergen Pfister
Chief Economist, Bayerische Landesbank
juergen.pfister@bayernlb.de

Speakers Commission II

Thursday, 12 June, 2003

Session I – from 2.00 to 3.45 p.m.

Ralph T.A. De Haas, Iman P.P. van Lelyveld, De Nederlandsche Bank: *Foreign Banks in Central and Eastern Europe: Friends or Foes? A Panel Data Approach.*

Peter Zajc, University of Ljubljana: *The Effect of Foreign Bank Entry on Domestic Banks in Central and Eastern Europe.*

Mart Sörg, **Janek Uiboupin**, Urmas Varblane, University of Tartu, and Vello Vensel, Tallinn Technical University: *The Internationalisation of Estonian Banks: Inward Versus Outward Penetration.*

Session II – from 4.15 to 6.00 p.m.

Banker's Panel

Chairman **Frank Lierman**,
DEXIA BANK BELGIUM, Brussels

Panellists **Wojciech Kostrzewa**,
CEO, BRE Bank, Warsaw
Jürgen Machalett,
President, NORD/LB Latvija, Riga
Reinhard Ortner, Chief Financial
Officer, ERSTE Bank AG, Vienna
Anders Sahlén, Chairman of the Council,
Hansabank Group, and Senior Adviser to
the President, Swedbank, Stockholm
Härmo Värk, Chairman of the Manage-
ment Board, Sampo Pank, Tallinn

Friday, 13 June, 2003

Session III – from 9.00 to 10.45 a.m.

Christopher J. Green, Loughborough University, Victor Murinde, University of Birmingham and University of Manchester, and Ivaylo Nikolov, Centre for Economic Development, Sofia: *The Efficiency of Foreign and Domestic Banks in Central and Eastern Europe: Evidence on Economies of Scale and Scope.*

Hanneke Bol, University of Groningen, Robert Lensink, University of Groningen and University of Nottingham, Jakob de Haan, University of Groningen and CESifo Munich, and **Ilko Naaborg**, University of Groningen: *Do Reforms in Transition Economies affect Foreign Bank Entry?*

Mariana Tomova, University for National and World Economy, Nikolay Nenovsky, and Totka Naneva Bulgarian National Bank: *The Efficiency of the Banking Sector in CEE - Inequality and Convergence to the EU.*

Session IV – from 11.15 to 1.00 p.m.

Olena Havrylchuk, European University Viadrina, Frankfurt: *Efficiency of the Polish banking industry: foreign vs. national banks.*

Viktors Stebunovs, Boston College: *Effects of Regulation on the Allocative Efficiency of the Banking Industry of Latvia.*

Roman Matousek, London Metropolitan University, Anita Taci, EBRD: *Banking Efficiency in Transition Economies: Empirical Evidence From the Czech Republic.*

Session V – from 2.30 to 4.00 p.m.

Laurent Weill, Université Robert Schuman: *Banking Efficiency in Transition Economies - The Role of Foreign Ownership*.

Giovanni Majnoni, The World Bank, Rashmi Shankar, Brandeis University, Boston, and Éva Várhegyi, Financial Research Ltd., Budapest: *The Dynamics of Foreign Bank Ownership: Evidence from Hungary*.

Niels Hermes, **Robert Lensink**, University of Groningen: *Foreign Bank Presence, Domestic Bank Performance and Financial Development*.

Session VI – from 4.20 to 5.50 p.m.

Sophie Claeys, Rudi Vander Venet, Ghent University: *Competition versus Stability: Bank Interest Margins in Central and Eastern Europe*.

Franz Schardax, Capital Invest, Vienna: *An Early Warning Model for Currency Crises in Central and Eastern Europe*.

5.3 Commission III Financial and Macro Stability

Room Bremerhaven/Cuxhaven, 2nd floor

Chairmen **John P. Calverley**
Chief Economist & Strategist
American Express Bank, London
john.p.calverley@aexp.com
Andy W. Mullineux
Professor of Global Finance
Birmingham University
a.w.mullineux@bham.ac.uk

Speakers Commission III

Thursday, 12 June, 2003

Session I – from 2.00 to 3.45 p.m.

Martti Randveer, Bank of Estonia, Discussant

Robert Holzmann, The World Bank: *Pension reform and financial market development - global and CEE experiences*.

Alicia García-Herrero, Pedro del Rio, Banco de España: *Implications of the Design of Monetary Policy for Financial Stability*.

Victor Murinde, Andy W. Mullineux, University of Birmingham: *Convergence and Stability in an Expanding European Financial Sector*.

Session II – from 4.15 to 6.00 p.m.

Sylvester C.W. Eijffinger, Tilburg University, Discussant

Robert B. Kahn, Citigroup Centre, London: *Sources of financial instability in emerging and transition economies: a financial market perspective*.

Dirk Effenberger, Deutsche Bank Research and University of Muenster: *Institutional as Vulnerability Indicators for Currency Crises in Central and Eastern European Countries*.

Elke Vermeulen, Johan Van Gompel, KBC Bank, Brussels: *Asset price inflation - Lessons for Central European central banks*.

Friday, 13 June, 2003

Session III – from 9.00 to 10.45 a.m.

David G. Mayes, Bank of Finland, Discussant

Emilia Penkova, Nicholas Horsewood, University of Birmingham: *Exchange Rates and Transition Economies' Export Prices: is there Evidence for Pricing-to-Market Behaviour?*

Tomasz Kamil Michalski, Columbia University: *Estimating Equilibrium Exchange Rates for Central European Economies*.

Balázs Égert, University of Paris X - Nanterre, Amina Lahrèche-Révil, University of Amiens, CEPII and TEAM: *Estimating the Equilibrium Real Exchange Rate of Central and Eastern European Countries in the Light of EU Enlargement*.

Session IV – from 11.15 to 1.00 p.m.

Jacques Vanneste, André Van Poeck, and Maret Veiner, University of Antwerp: *Capital Reversals and the CEECs transition to the EMU*.

Sébastien Wälti, Graduate Institute of International Studies, Geneva: *Contagion and interdependence among Central European economies: the impact of common external shocks*.

Session V – from 2.30 to 4.00 p.m.

Martins Kazaks, Queen Mary, University of London, and School of Slavonic and East European Studies, UCL, Duo Qin, Queen Mary, University of London: *Short-run Lats Rate Movements: Impact of Foreign Currency Shocks via Trade and Financial Markets*.

Eric Jondeau, Banque de France, Michael Rockinger, HEC Lausanne, CEPR and Banque de France: *Asset Allocation in Transition Economies*.

Martin T. Bohl, European University Viadrina, Frankfurt/Oder, **Pierre Siklos**, Wilfrid Laurier University, Waterloo: *Empirical Evidence on Positive Feedback Trading in Mature and Emerging Stock Markets.*

Session VI – from 4.20 to 5.50 p.m.

Lionel Price, Fitch Ratings, London, Discussant
Matthias Vocke, International Monetary Fund:

Emerging Market Risk Spreads Under Inflation Targeting: Some Lessons from South Africa for Financial Stability in Central and Eastern Europe.

Jón Daniélsson, London School of Economics, Burak Saltoğlu, Marmara University: *A Market Microstructure Analysis of the Turkish Overnight Liquidity Crisis.*

Hubert Fromlet, Swedbank: *The Institutional Economics – More Practical Application is Needed.*

6. Social Programme of the 24th SUERF Colloquium

6.1 Partner Programmes

12th June, 2003 – Old Town Tallinn



Tallinn is one of the best preserved medieval towns in Europe. To discover its beauty, comfortable shoes are needed as most of the streets are built from cobblestones from the

11th–15th century! The tour includes visits of the Russian Orthodox Church, inaugurated in 1900, and the 13th century Gothic Dome Church. An outside view of the Castle, presently the seat of the Estonian Parliament, will be taken as well as the Upper Town viewing point. In the lower part of the Old Tallinn you will see the 15th century Blackheads Fraternity House, the medieval guild houses and merchant's residence, Town Hall, 15th century Pharmacy, St. Nicholas Church etc. (all from outside). The tour ends with a medieval lunch served in the medieval interior of the Olde Hansa restaurant.

Cost per person: 31.00 Euro

Departure: **9.00 a.m.** from the entrance of the Radisson SAS Hotel (Conference venue)

Return: **2.00 p.m.** to the Radisson SAS Hotel

13th June, 2002 – Trip to the Lahemaa National Park



Lahemaa is the oldest National Park in Estonia located approximately one hour bus drive from Tallinn. Lahemaa in translation means “land of bays” and its landscape varies from limestone Glint cliffs to dry pine and broad leaf primeval forests stone fields with erratic boulders, small coastal lakes, waterfalls and rapids. You will see the traditional landscape of small coastal villages and small farms as well as old German manor estates with frequent examples of Estonian 18–19th century manorial architecture. Participants will visit Palmse manor house where authentic interior details, furniture and art from the corresponding historic period can be admired. In contrast to the manorial lifestyle, the fishermen's way of life in the past can be observed in Altja fishing village. Lunch will be served at Altja Tavern.

Cost per person: 45.00 Euro

Departure: **9.00 a.m.** from the entrance of the Radisson SAS Hotel (Conference venue)

Return: **3.00 p.m.** to the Radisson SAS Hotel

6.2 The Official Conference Excursion

14th June, 2002 – Kadriorg, Pirita, Dinner at Maardu Manor



The tour will start in the afternoon from the Colloquium venue. The bus will drive through a beautiful residential area arriv-

ing at the Pirita marina that hosts annual international regattas and has also been the site of Olympic yachting. Coffee and snacks will be served at a seaside restaurant. The tour will continue with a stop at the Song Festival grounds where national song festivals with some 25,000 singers are held. On the way to Kadriorg Park there will be a stopover at the most famous Estonian monument Russalka, commemorating the shipwreck in the Gulf of Finland in 1893. After that, participants will visit the Central Park and Palace of Kadriorg founded on the instruction of Peter the Great. The baroque palace of Catherine the Great was entirely renovated in 2000 and currently houses the Art Museum which will be visited. The day ends in Maardu Manor where beautiful baroque music will accompany a buffet-dinner.

Cost per person: 79.00 Euro

Departure: **2.30 p.m.** from the entrance of the Radisson SAS Hotel (Conference venue)

Return: **11.00 p.m.** to the Radisson SAS Hotel

Applications for all excursions must be sent to:

Estonian Holidays Ltd.

5 Lai Str., EE-10133 Tallinn

Tel. +372-6412 501

Fax +372-6412 500

holidays@holidays.ee

All Forms are available on the SUERF website www.suerf.org

Conference room plan



City Map of Tallinn

