



ශ්‍රී ලංකා මහ බැංකුව
இலங்கை மத்திய வங்கி
CENTRAL BANK OF SRI LANKA

Communications Department
30, Janadhipathi Mawatha, Colombo 01, Sri Lanka
Tel: 2477424, 2477423, 2477418
Fax: 2346257, 2477739
E-mail: dcommunications@cbsl.lk, communications@cbsl.lk
Web: www.cbsl.gov.lk

Press Release

Issued By Economic Research Department

Date 04.12.2018

54th SEACEN Governors' Conference / High-Level Seminar and the 38th Meeting of the SEACEN Board of Governors

The Central Bank of Sri Lanka hosted the 54th SEACEN Governors' Conference / High-Level Seminar and the 38th Meeting of the SEACEN Board of Governors in Colombo from 29 November to 02 December 2018. These events were attended by Governors and delegates of SEACEN member Central Banks and Monetary Authorities.¹ The Deputy Managing Director of the International Monetary Fund (IMF), Mr. Mitsuhiro Furusawa, attended the Conference as the Keynote Speaker.

The SEACEN Centre plays a leading role in promoting greater understanding in financial, monetary and banking matters in the Asia-Pacific region. Established in 1982, The SEACEN Centre serves central banks and monetary authorities in Asia-Pacific through learning programmes, research work, and networking.

The theme of this year's Conference was "Monetary Policy in a Rapidly Evolving Environment." Delivering opening remarks, Mr. Furusawa provided an overview of IMF's view of current economic policies and prospects for Asia, focusing on the need

¹ SEACEN comprises 19 member central banks and monetary authorities of Brunei Darussalam, Cambodia, China, India, Indonesia, Hong Kong SAR, Korea, Lao PDR, Malaysia, Mongolia, Myanmar, Nepal, Papua New Guinea, Philippines, Singapore, Sri Lanka, Chinese Taipei, Thailand and Vietnam, as well as 8 Associate Members and 8 Observers.

to strengthen macroeconomic building blocks. Overall, Asian economies are well positioned to weather future monetary and financial challenges, although there is a need for continuous vigilance and encouraging structural reforms, prudent fiscal policies, safeguarding the credibility of central banks and ensuring strong financial institutions through a mixture of both micro- and macroprudential policies.

The Conference / High-Level Seminar consisted of three sessions. In the first session, Governors discussed rapid technological changes and their implications on the issuance of currency in the future. The Keynote Speaker, Ms. Cecilia Skingsley, Deputy Governor, Sveriges Riksbank, shared the Swedish experience of substantially declining usage of cash, the rise of alternative electronic means of payments and the prospects of a central bank-issued digital currency during this session.

Dr. Ayhan Kose, Director, Development Prospects Group of the World Bank delivered the Keynote speech of the second session on the stylised facts about inflation and inflation dynamics in emerging and developing economies, with a special focus on the implications for monetary policy frameworks. Governors deliberated on the implications of the changing determinants of inflation, with a much greater influence of international – rather than domestic – drivers. Another topic of discussion was how emerging market central banks should react if the economic recovery under way in advanced economies will lead to heightened global price pressures.

In the third session, Mr. Már Guðmundsson, Governor of the Central Bank of Iceland, shared policy challenges in Iceland as a small open financially integrated economy. Governors discussed the regional experience of conducting monetary policy in a rapidly evolving environment and its lessons in light of broader developments in the world economy, such as geopolitical risks, uneven growth, accumulating financial imbalances, the more politically-charged context in which monetary policy is conducted, and capital flow volatility. Governors agreed that complications from political uncertainty and threats to central bank independence have made for a more challenging assessment of threats to both monetary and financial stability.

At the 38th Meeting of the SEACEN Board of Governors, Dr. Indrajit Coomaraswamy, Governor of the Central Bank of Sri Lanka, was elected as the new Chair of the SEACEN Board of Governors.



