



BANK OF CANADA  
BANQUE DU CANADA



Economics  
UNIVERSITY OF TORONTO

**Rotman**

## 2<sup>ND</sup> ANNUAL BANK OF CANADA-UNIVERSITY OF TORONTO-ROTMAN CONFERENCE ON THE CHINESE ECONOMY

University of Toronto, October 21-22, 2016

### **Preliminary Program**

Friday, October 21 (Venue: Hart House, Music Room)

8:00-8:45 *Coffee and Muffins*

8:45 *Opening remarks: **Cesaire Meh**, Chief of International Economic Analysis, Bank of Canada*

**Session 1:** *Market Distortions, Financial Frictions and Misallocation* Chair: **TBA**

9:00-9:45 Misallocation in a Global Economy  
**Aleh Tsyvinski** (Yale University)

9:45-10:30 Do Financial Frictions Explain Chinese Firms' Saving and  
Misallocation?  
**Dan Lu** (University of Rochester)

10:30-10:45 *Coffee Break*

**Session 2:** *Housing Price Fundamentals*

10:45-11:30 Housing Price and Fundamentals in A Transition Economy:  
The Case of Beijing Market  
**Bing Han** (Toronto Rotman)

11:30-1:30 *Lunch at Faculty Club of Toronto*  
Luncheon speech: **Timothy Lane**, Deputy Governor, Bank of Canada



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**Session 3:** *Shadow Banking*

Chair: **TBA**

1:30-2:15 Liquidity Regulation and Unintended Financial Transformation

**Kinda Hachem** (Chicago Booth)

2:15-3:00 What Do We Learn from China's Rising Shadow Banking: Exploring the Nexus of Monetary Tightening and Banks' Role in Entrusted Lending

**Tao Zha** (Emory University and Atlanta Federal Reserve)

3:00-3:15 *Coffee Break*

**Session 4:** *Stability in China's Banking Sector*

Chair: **TBA**

3:15-4:00 Reserve Requirements and Optimal Chinese Stabilization Policy

**Mark Spiegel** (San Francisco Federal Reserve)

6:00 pm *Conference Dinner at Dynasty Chinese Cuisine, Yorkville*

Saturday, October 22 (**Venue:** Rotman School of Management, Room L1035)

9:00-10:00 *Coffee and Muffins*

**Session 5:** *International Trade and Imbalances*

Chair: **TBA**

10:00-10:45 China's Imbalances: Trade Integration in a Dynamic General Equilibrium Model

**George Alessandria** (University of Rochester)

10:45-11:30 Export Expansion, Skill Acquisition and Industry Specialization: Evidence from China

**Bingjing Li** (National University of Singapore)



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11:30-1:00 *Lunch (Rotman School of Management)*

**Session 6:** *Local Government Debt and Misappropriation of Funds* Chair: **TBA**

1:00-1:45 The Long Shadow of a Fiscal Expansion  
**Chang-Tai Hsieh** (Chicago Booth)

1:45-2:30 The Great Wall of Debt: Corruption, Real Estate, and Chinese  
Local Government Credit Spreads  
**Jennie Bai** (Georgetown University)

2:30-2:45 *Coffee Break*

**Session 7:** *Retail Investors and China's Equity Market* Chair: **TBA**

2:45-3:30 China's Model of Managing the Financial System  
**Wei Xiong** (Princeton University)

3:30-4:15 Household Finance in China  
**Russell Cooper** (Penn State University)

4:15 *Closing Remarks: TBA*

## Organizers

Chris Hajzler (Bank of Canada), Jeannine Bailliu (Bank of Canada), Xiaodong Zhu (Dept. of Economics, Univ. of Toronto) and Don Brean (Rotman School of Management, Univ. of Toronto).