

Conference on China's financial market liberalization

September 18–19, 2014, Bank of Finland Auditorium, Rauhankatu 19, Helsinki

Organized by

Bank of Finland Institute for Economies in Transition (BOFIT)

City University of Hong Kong, Department of Economics and Finance, and Research Center for
International Economics

Thursday 18 September

8.30-9.00 Registration and coffee

9.00 Opening of the conference

Board member Seppo Honkapohja (Bank of Finland)

9.00-10.30 Session 1: Pricing the different renminbis

Chair: Pierre Siklos (Wilfrid Laurier University)

Yin-Wong Cheung (City University of Hong Kong) and Dagfinn Rime (Norges Bank): *The Offshore Renminbi Exchange Rate: Microstructure and Links to the Onshore Market*

Discussant: Eric Girardin (Aix Marseille University)

Michael Funke (University of Hamburg), Chang Shu (Bank for International Settlements), Xiaoqiang Cheng (Hong Kong Monetary Authority) and Sercan Eraslan (University of Hamburg): *Market Segmentation, Fundamentals or Contagion? Assessing Competing Explanations for CNH-CNY Pricing Differentials*

Discussant: Risto Herrala (European Central Bank)

Coffee break

11.00-12.30 Session 2: Financial markets and monetary policy

Chair: Zuzana Fungáčová (Bank of Finland)

Riikka Nuutilainen (Bank of Finland): Contemporary monetary policy in China: *Is there evidence of a shift to price-based policy?*

Discussant: Pierre Siklos (Wilfrid Laurier University)

Yongheng Deng (National University of Singapore), Eric Girardin (Aix Marseille University) and Roselyne Joyeux (Macquarie University): *Fundamentals and the Volatility of Real Estate Prices in China: A Mixed-Frequency Approach*

Discussant: Iikka Korhonen (Bank of Finland)

12.30-13.30 Lunch

13.30-15.30 Invited policy session: Financial markets (de)regulation and development

Chair: Iikka Korhonen (Bank of Finland)

Zhong Xu (People's Bank of China): Development of China's bond markets

Hubert Fromlet (Linnaeus University): Deregulation of Financial Markets and the Risk of Financial Crises: Can China Learn Something from the Swedish Example?

Coffee break

15.45-17.15 Session 3: Other forms of finance

Chair: Yin-Wong Cheung (City University of Hong Kong)

Liping Lu (University of Amsterdam), Qing He (Renmin University of China) and Steven Ongena (University of Zurich): *Who Gains from Credit between Firms? Evidence from Inter-corporate Loan Announcements Made in China*

Discussant: Zuzana Fungáčová (Bank of Finland)

William Sheng Liu (Guangdong University of Foreign Studies) and Anqi Hu (Jinan University): *Does banking development drive capital flows across border? The case of China's FDI inflows and outflows*

Discussant: Iftekhar Hasan (Fordham University)

19.00 Workshop dinner (by invitation)

Friday 19 September

9.00-10.00 Keynote speech I

Chair: Jouko Vilmunen (Bank of Finland)

Franklin Allen (University of Pennsylvania): *How should the Chinese financial system be reformed?*

10.00-11.30 Session 4: Bank financing

Chair: Iikka Korhonen (Bank of Finland)

Iftexhar Hasan (Fordham University and Bank of Finland), Nada Kobeissi (Long Island University), Haizhi Wang (Illinois Institute of Technology) and Mingming Zhou (University of Colorado at Colorado Springs): *Bank Financing and New Venture Formation in China: Quantity vs. Quality*

Discussant: Timo Korkeamäki (Hanken School of Economics)

Susan Chenyu Shan (Shanghai Advanced Institute of Finance), Philip H. Dybvig (Washington University in St. Louis) and Dragon Yongjun Tang (The University of Hong Kong): *Bank Lending under Limited Creditor Rights Enforcement and Redeployable Collateral via Third-party Loan Guarantee*

Discussant: Laura Solanko (Bank of Finland)

Coffee break

11.45-12.45 Keynote speech II

Chair: Laura Solanko (Bank of Finland)

Joshua Aizenman (University of Southern California): *The internationalization of the RMB, Capital Market Openness and Financial Reforms in China*

12.45 Lunch and end of the workshop