

January 16, 2006

PRESS RELEASE
ON
THE INTERNATIONAL CONFERENCE TO BE HELD ON 19-20 JANUARY 2006
BY THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

The Central Bank of the Republic of Turkey will hold an international conference entitled “*Inflation Targeting: Performance and Challenges*” in Istanbul. The aim of the conference is to inform the public about the principles of the implementation of inflation targeting and other country experiences and to enhance cooperation by getting together the executives of the central banks that have had similar experiences and the leading academicians.

Opening and closing speeches of the conference will be delivered by Governor Mr. Süreyya Serdengeçti. During the conference that will last for two days, conceptual and operational framework of inflation targeting and the problems, which might occur in the implementation process, will be handled within the framework of different country experiences in separate sessions and arguments will be set forth for the new implementation period of Turkey’s inflation targeting. As for country experiences, the following country examples will be discussed by the Governors, Deputy Governors or other senior executives of the related central banks: New Zealand, Great Britain and Canada as the first examples of implementation; Chile, Israel, South Africa and Brazil as examples of growing markets that follow the process; Poland and the Czech Republic as new members of the European Union, and the example of Romania whose candidacy process is continuing. The last session of the conference will concentrate on the Turkey example and include evaluations about the upcoming period. In this last session, Prof.

Fatih Özatay – the Deputy Governor of the Central Bank – will summarize the four-year history of the “implicit inflation targeting”. Later, Governor Süreyya Serdengeçti will chair the panel session hosting the governors of the central banks of New Zealand, Poland, the Czech Republic and Brazil, who will provide their views and evaluations about the inflation targeting implementation in Turkey.

The conference, which will be hosting speakers and participants from more than 20 countries, will include governors, deputy governors and senior managers from central banks and academicians from universities. Participants from Turkish universities, financial sector, national and international institutions and corporations, senior representatives from the embassies in Turkey, representatives of unions and associations, and members of the press will be attending the conference and the total number of participants is expected to be around 350.

The conference may be attended by invitation only. The language of the conference will be English and simultaneous translation will be available throughout the conference.

FOR PRESS MEMBERS

MEMBERS OF THE PRESS WHO WISH TO ATTEND THE PROCEEDINGS OF THE CONFERENCE MUST APPLY FOR ACCREDITATION UNTIL THE END OF OFFICE HOURS ON JANUARY 16, 2005. MEMBERS OF THE PRESS, WHO HAVE NOT RECEIVED ACCREDITATION, SHALL NOT BE ABLE TO FOLLOW THE CONFERENCE DUE TO SECURITY REASONS.

Due to security reasons, members of the press must apply for accreditation in order to be able to attend the proceedings of the conference. Therefore, the CBRT shall be informed about the names of the members of the press via fax or e-mail stated below until the end of office hours on January 16, 2005.

The Conference Program presented in the Annex.

Date and Venue of the Conference:

- 19-20 January 2006

- Swissotel the Bosphorus – İSTANBUL

For accreditation of the members of the press:

Fax: (312) 311 66 85

e-mail: iletisimbilgi@tcmb.gov.tr

Conference Schedule

‘Inflation Targeting: Performance and Challenges (*)

Central Bank of the Republic of Turkey

19-20 January 2006, Istanbul

Swissotel The Bosphorus

19 January 2006, Thursday

08:00-09:00 Registration Fuji Ballroom

OPENING SPEECH

09:00-09:15 Süreyya Serdengeçti, Governor, Central Bank of the Republic of Turkey

GUEST SPEAKERS

09:15-09:45 Alan Bollard, Governor, Reserve Bank of New Zealand

09:45-10:15 Ali Babacan, Minister of State in Charge of Economy

10:15-10:45 Coffee Break

SESSION 1: CONCEPTUAL FRAMEWORK

Chairman: Fatih Özatay, Deputy Governor, Central Bank of the Republic of Turkey

* Conference language is English. Simultaneous translation will be provided.

10:45-11:30 Brief History of the Development of the Concept and Implementations of Inflation Targeting

Charles Freedman, Scholar, Carleton University, Department of Economics, Former Deputy Governor, Bank of Canada

11:30-12:15 Independence and Accountability in Inflation Targeting, Concepts and England Experience

Mario Blejer, Director of the Center for Central Banking Studies, Bank of England, Former Governor of the Central Bank of Argentina

Gill Hammond, Deputy Director of Center for Central Banking Studies, Bank of England.

12:15-13:45 Lunch Asuka Hall

SESSION 2: FRAMEWORK OF IMPLEMENTATION

Chairman: Erdem Başçı, Deputy Governor, Central Bank of the Republic of Turkey

13:45-14:30 Monetary Policy in the Framework of Inflation Targeting: Chile Example

Manuel Marfan, Member of the Executive Board, Central Bank of Chile

14:30-15:15 Decision-Making in Inflation Targeting: Poland Example

Leszek Balcerowicz, Governor, National Bank of Poland

15:15-15:45 Coffee Break

15:45-16:30 Communications Policy in Inflation Targeting: The Czech Republic Example

Zdenek Tuma, Governor, Czech National Bank

16:30-17:15 Strategic Issues in Inflation Targeting: South Africa Example

Monde Mnyande, Head of Department, South African Reserve Bank

SESSION 3: POTENTIAL PROBLEMS IN EMERGING MARKETS

Chairman: Şükrü Binay, Deputy Governor,
Central Bank of the Republic of Turkey

09:00-09:45 Establishing Credibility in Cases of High Exchange Rate Volatility and Debt: Brazil Example

Henrique de Campos Meirelles, Governor, Central Bank of Brazil

09:45-10:30 Inflation Targeting in Dollarized Economies

Leonardo Leiderman, Professor, Tel Aviv University

10:30-11:00 Coffee Break

11:00-11:45 Initial Stages of Inflation Targeting: Romania Example

Mirela Roman, Advisor to the Governor,
National Bank of Romania

12:00-13:30 Lunch Asuka Hall

SESSION 4: PROBLEMS THAT TURKEY MAY ENCOUNTER DURING INFLATION TARGETING

13:30-14:15 “Four-Year Experience with Implicit Inflation Targeting and Projections for Formal Inflation Targeting”

Fatih Özatay, Vice Governor
Central Bank of the Republic of Turkey

14:15-14:45 Coffee Break

14:45-16:15 Panel discussion: Lessons to be drawn to ensure Turkey’s success in inflation targeting

Chairman: Süreyya Serdengeçti, Governor,
Central Bank of the Republic of Turkey

Leszek Balcerowicz, Governor, National Bank of Poland

Alan Bollard, Governor, Reserve Bank of New Zealand

Henrique de Campos Meirelles, Governor, Central Bank of Brazil

Zdenek Tuma, Governor, Czech National Bank

16:15-16:30 Closure

Süreyya Serdengeçti, Governor,
Central Bank of the Republic of Turkey