

JEAN-CLAUDE TRICHET

European Chairman of the Trilateral Commission, former President of the ECB

Usually, these workshops are very active and vivid. The interest in such workshops is that we can exchange views and it is totally informal, but we have nevertheless, and it is indispensable, a number of introductory remarks. I will say a few words to introduce the speakers who will give the introductory remarks.

Abdul Aziz Al Ghurair is the Chairman of the Board of the Directors of Mashreq Bank, the Chairman of the UAE Banks Federation and the Chairman of Dubai Chamber. To that extent, he spreads various responsibilities beyond the realm of Mashreq. Mr. Ghurair also sits on Board of Directors of Abdullah Al Ghurair Group of Companies, one of the biggest and most successful business groups in the UAE and the Middle East, with operations spanning across 20 countries and business roots stretching back half a century.

We welcome Raed Charafeddine, central and commercial banker, former Vice-Governor of the Central Bank of Lebanon, so he has experience in both central banking and commercial banking. He is also an international strategist in central banking, regulation, supervision and financial markets. He has a lot of experience both in the public sector as well as in the private sector. Thank you so much for having accepted the invitation to be here.

Serge Ekué is President of the West African Development Bank. Mr. President, it is an honor and a pleasure to have you here. He has been President and Chairman of the Board of the West African Development Bank since August 2020. Before that, he was in the private sector with very important responsibilities in the UK, Asia and Africa. He has been involved in all commercial banking activities, and he has been Chief Executive Officer of bank based in Hong Kong. Taking all of that into account, he has unique, public and private experience, and we are so happy to have him here.

Jean-Claude Meyer is Vice-Chairman International of Rothschild. He was with Lazard for some time and then joined Rothschild. He has also been in the public sector as Advisor of DATAR, an office of the French Prime Minister. He has fantastic experience in investment banking, which admirably complements the experience of all the other speakers.

We also welcome Jacques Michel, Chairman of BNP Paribas Middle East and Africa for Corporate and Institutional Banking. He has this position in BNP Paribas and he has a lot of experience. He was Chief Executive Office and Country Head of BNP Paribas India, a member of the Executive Committee of BNP Paribas Asia Pacific and, prior to that, he worked in several commercial banks, particularly in Hong Kong.

I can see that the Hong Kong presence is quite impressive around this table.

The idea is, again, to exchange views in the most vivid, spontaneous and candid fashion on the issues at stake. Looking at the experience and responsibilities of the speakers, I thought that we could very much concentrate on finance as seen from the public and private angles. However, if anyone has any thoughts to share on any broader economic issues or problems, including the current situation with inflation, that would be very much welcome, so feel free to say what you feel is appropriate in the circumstances, and be as provocative as possible in order to get a strong reaction from the audience. I expect the audience to be very active in how they respond because the benefit of these workshops is to have cross-fertilization between our various angles of vision and experiences.

Let me say one word myself. I want to be the moderator and not a speaker amongst the others, but I would like to say a few targeted words on inflation. Clearly, to understand the present situation we have to see that in many countries, certainly in all advanced economies, the main problem over the last 10 years was abnormally low inflation. This has been the case since the last big economic crisis of Lehman Brothers and it has created a risk of materialization of deflation in the US, Japan, Europe and all advanced economies, without exception. It was a very abnormal situation seen in all advanced economies, a situation that was not customary at all, and a situation not observed since World War II, except in Japan, which was ahead of the curve in this respect!

The accommodating policies of all advanced economies central banks were due to this abnormal situation. We avoided deflation in all countries, but we had 10 years of very accommodating policy through all possible means, conventional and nonconventional. We now see that we are probably getting out of this very abnormal period, and I would say, from my standpoint, it is good. It is exactly what was expected from monetary policies, that were decided upon by the central banks over the last 10 years. I do not therefore consider at all that it is a catastrophe that we have inflation! I consider first that it is exactly what the central banks were aiming at. It is positive from that standpoint.

That being said, it is positive if inflation is getting out of levels that were too low, but only if inflation expectations are anchored at the appropriate level in the medium and long term. As you know, we have now, after the GFC, a unique definition of price stability or goal as regards inflation in the major advanced economies. Very often, I realize that I am practically the only one to say that, but all central banks of the advanced economies – Japan, the US, the UK and the ECB, not to speak of others – have the same definition of price stability, the same goal, namely 2% in the medium and long term. The policies have been reviewed in the US and Europe and there was no challenge to this definition of price stability. It is a convergence of analysis, a remarkable convergence because, again, we have a single figure pronounced by all those advanced central banks.

I mention also that the four central banks I have mentioned issue the four currencies that are in the basket of currencies of the SDR, together with the renminbi, and if the head of the Chinese central bank was at this table, he would probably say that 2% is not bad at all and is more or less implicitly what he has in mind. There is therefore a very impressive global consensus on trying to anchor as solidly as possible in the medium- and long-term inflation expectations around this 2% level. It is easy to say all that, but it is of course a very



complicated thing to be sure to reach that goal and to achieve that stabilization of expectations in the medium and long term.

I will stop there, and I only mention your total liberty in your exposition, again in terms of economics, if you have remarks on that, and on finance, private and public responsibilities that you have been exerting. I turn to the first speaker.