2ND 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
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)
11:30-1:00  \textit{Lunch (Rotman School of Management)}

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

1:00-1:45  \textit{The Long Shadow of a Fiscal Expansion}  
\textbf{Chang-Tai Hsieh} (Chicago Booth)

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

2:30-2:45  \textit{Coffee Break}

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

2:45-3:30  \textit{China’s Model of Managing the Financial System}  
\textbf{Wei Xiong} (Princeton University)

3:30-4:15  \textit{Household Finance in China}  
\textbf{Russell Cooper} (Penn State University)

4:15  \textit{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).