

BANCO DE MOÇAMBIQUE HOLDS XIII SCIENTIFIC CONFERENCES

This Friday, June 10, the Banco de Moçambique (BM) held the XIII Scientific Conferences at the Montebelo Indy Maputo Congress Hotel. The Governor of the central bank, Rogério Zandamela, opened the event. Scholars, central bank managers and officers, representatives of national and international financial entities, and the general public were in attendance.

In his speech, Rogério Zandamela greeted the guests and was pleased that, after a two-year hiatus, due to the COVID-19 pandemic, the BM resumed the scientific conferences, an annual event that usually coincides with the celebration of the anniversary of the national currency, the Metical.

Going further, Zandamela noted that the theme of this edition of the conferences, “Interaction between Monetary and Macroprudential Policies in Mozambique” is due to the new paradigm of macroeconomic management of central banks, which comprises both macroprudential and monetary policies, as well as macrofinancial risks to which the country is exposed.

The BM Governor said he hopes that the results of the studies carried out will add to the deepening of research on the combination of monetary and macroprudential policies, so as to make them more efficient and effective, in light of the trade-off that the BM faces.



BM Governor, Rogério Zandamela



Attendees

In the capacity of keynote speaker, the Deputy Division Chief of Monetary and Macroprudential Policies at the International Monetary Fund (IMF), Luís Brandão-Marques also spoke at the event.



Keynote Speaker, Luís Brandão-Marques



Attendees

In his address, Luís Brandão-Marques stated that macroprudential policy allows monetary policy to focus on its main mission of promoting price stability, in order to avoid conflict with financial stability policy. As stated, *“Monetary and financial stability policies should be separate, having independent mandates and decision-making structures, as well as equally separate accountability and communication mechanisms, adjusted to each of the areas.”*



Partial view of the plenary room, BM Board Members in the foreground



Theme 1 author, António Chivava



Theme 1 author, Roque Magaia

In this edition, two works were selected out of sixteen proposals initially submitted. The first, authored by Roque Magaia and Antonio Chichava, BM officers,

took the theme “Analysis of the Impact of Macroprudential Policy on Financial Stability and its Interaction with Monetary Policy: Empirical Evidence for the Case of Mozambique (2004-2020)”.

As they presented this work, the authors stated that there is positive and significant interaction between both policies, albeit only in the long term. The authors recommended the establishment of a formal framework of implementation of macroprudential policy, and the adoption of an interaction model between both policies to ensure that policy decisions consider systemic risks.



Theme 2 author, Ezequiel Moiane

The second work, authored by Ezequiel Moiane, concerned the “Analysis of the Effect of the Interaction between Monetary and Macroprudential Policies on the Level of Risk Exposure by the Banking Sector in Mozambique”.

For the author, the interaction between monetary and macroprudential policies impacts all macroprudential ratios, in the medium and long term.

During his presentation, the researcher recommended using alternative macroprudential tools to reserve requirements in the short term, in order to ensure efficient coordination between the two policies and minimize the likelihood of macroprudential, foreign exchange or fiscal dominance.



Event attendees



After the debates that followed the presentations, the BM Board Member for Monetary Stability, Silvina de Abreu, responsible for steering the presentations and moderating the debate, thanked all those that made these conferences possible, especially the authors of the study, members of the jury and the keynote speaker.



EMO Board Member, Silvina de Abreu

Silvina de Abreu made it known that the next scientific conferences will take place on June 16, 2023, under the theme “Risks and Opportunities of Economy Digitalization for Mozambique.”

GALLERY





