

# Developments Series

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## Governor Explores Post-Pandemic Monetary Policy Challenges

On April 22, 2024 Dr. Hilaire discussed the challenges central banks across the world faced in tackling the recent surge in inflation. Dr. Hilaire was a panelist at the World Bank's Reserve Advisory and Management Partnership (RAMP) Executive Forum for Policy Makers and Senior Officials held in Washington, DC, USA\*.

Dr. Hilaire noted the severe economic effects of the pandemic, and its legacy of high public debt and growing inequality. He observed that while the path of inflation was relatively similar—a large surge followed by some easing—[monetary policy responses differed](#).

He cited five challenges, emphasizing that ultimately monetary policy actions were data dependent and country-specific:

1. The priority for economic recovery affected the focus on inflation.
2. While supply shocks drove inflation, monetary measures targeted demand.
3. Interest rate changes held important signaling, asymmetry and distributional aspects.
4. Considerations of policy credibility, communication and patience affected the timing of monetary policy actions.
5. Ultimately capital mobility implies interest rate convergence to reduce pressures on exchange rates and reserves.

\*RAMP is a program developed within the World Bank Treasury that delivers advisory services, hosts executive training, and provides asset management services—all within a global network of public asset managers. Established in 2001, the Partnership serves over 70 members, including mostly central banks as well as international financial institutions, pension funds and sovereign wealth funds. Together, RAMP members manage over \$2 trillion of sovereign assets. The Central Bank of Trinidad and Tobago was a founding member of RAMP.



Photo: Governor Alvin Hilaire at the World Bank's Reserve Advisory and Management Partnership (RAMP) Executive Forum for Policy Makers and Senior Officials held in Washington, DC, USA on April 22, 2024.