



AMF-BIS Sixth Working Party Meeting

on Monetary Policy in the Arab Region

11–12 February 2026, Abu Dhabi, UAE

AGENDA AND ISSUES FOR DISCUSSION

Wednesday, 11 February

(Participants from the private sector and central banks)

08:30 – 09:00

Registration

09:00 – 09:15

Welcoming and introductory remarks

09:15 – 10:45

Session 1: Global economic and financial outlook — Developments, risks and spillovers to the Arab region

- Recent developments in global output and inflation. Outlook for short- and long-term interest rates and their implications for Arab economies.
- Volatility in energy and commodity markets and its heterogeneous effects on energy-exporting vs. energy-importing Arab economies.
- Global financial conditions and asset markets developments. Implications for capital flows and risk sentiment toward emerging markets and Arab economies.
- Fluctuations in major currency rates (US dollar, Euro, JP Yen, Renminbi): How is the Arab region coping?
- Global fiscal policy stance: outlook for fiscal sustainability and associated risks – and their implications for the Arab region.
- Evolving regional and global geopolitical risks: real and financial spillovers.

Chair:

Speakers:



10:45 – 11:00

Coffee break

11:00 – 12:30

Session 2: U.S. trade policy shifts and their impact on the Arab region

- Recent U.S. tariff measures: How vulnerable is the Arab region to changes in U.S. trade policy — directly or indirectly? How have these policies altered the region's outlook?
- What are the main transmission channels through which U.S. trade policy affects the Arab region (domestic activity, trade flows, financial conditions, exchange rate pressures)? How significant are they?
- Observed and potential effects on trade balances and current account positions in Arab economies. To what extent has the region experienced trade diversion?
- Policy responses at the international and regional levels to mitigate these effects.

Chair:

Speakers:

12:30 - 14:00

Lunch

14:00 – 15:30

Session 3: Financial developments and innovation in the Arab region

- Evolution of asset markets and domestic financial conditions in the Arab region: recent trends and outlook
- To what extent have financial conditions supported — or constrained — real economic activity?
- Banking sector health and broader financial stability: are there emerging risks in the short or long term?
- The role of non-bank financial institutions (NBFIs) in the Arab region: how has their importance evolved in recent years?
- How are Arab financial institutions adopting new technologies, including generative AI? How advanced is the integration of these technologies, and what are the implications for the labour market and financial stability?

Chair:

Speakers:

15:30-15:45

Coffee break

15:45 – 17:15

Session 4: Payment systems, digital currencies, and the future of the monetary system in the Arab World

- Key developments in domestic and cross-border payment systems in the Arab region in recent years.
- What have been the respective roles of the public and private sectors in these initiatives? What are the main challenges or bottlenecks to implementation?
- Contribution of payment innovations to broader objectives such as financial inclusion, financial deepening and reducing informality.
- Central bank digital currencies (CBDCs): which Arab countries are most advanced, and how do they compare with peers outside the region?
- Potential implications of CBDCs for monetary policy — particularly in exchange-rate-oriented policy frameworks.
- Impact of private digital currencies on banking and broader financial stability. What challenges do digital currencies pose for conventional policy tools? What opportunities do they offer for innovation in decentralised finance (DeFi)?
- How are regional financial institutions responding to the emergence of stablecoins issued in major advanced economies?
- The urgency of ensuring interoperability and strengthening cyber resilience of payment infrastructures.
- Scope for regional coordination and lessons from international experiences.

Chair:

Speakers:



Thursday, 12 February

(Participants from central banks only)

09:00 – 10:30 Session 1: Recent international and regional monetary policy trends - Lessons for Arab Central Banks

- Review of recent monetary policy measures in Arab central banks and their outcomes. How effective have these measures been in achieving policy mandates?
- How are central banks in AEs, EMEs and the Arab region adjusting their policy frameworks in response to heightened uncertainty ?
- The role of central bank communication in navigating periods of elevated volatility.
- Progress in transitioning from exchange rate-based policy frameworks to inflation-targeting regimes in the region.
- Implications of diverging global monetary policy stances for Arab economies.
- Key lessons for enhancing monetary policy resilience in small and open economies.

Chair:

Speakers:

10:30 – 11:00 Coffee break

11:00 – 12:30 Session 2: Tackling Inflationary Pressures and Exchange Rate Challenges in Arab Economies

- Inflation in the Arab region: the role of energy and food prices vs. domestic slack. How important are the domestic labour market and wages for inflation.
- The impact of fiscal policy on inflation. Challenges and lesson learned.
- Inflation expectations: how have they been behaving? To what extent do central banks take them into account in setting monetary policy? How much have central banks been able to manage inflation expectations?
- Exchange rate pass-through: how big is it, how has it changed over the recent years. How do central banks factor it in?
- Balancing inflation control with growth objectives. How big are sacrifice ratios in the Arab region?

Chair:



Speakers:

12:30 – 14:00 **Lunch**

14:00 – 15:30 **Session 3: Strengthening regional policy coordination and future outlook for monetary stability**

- What mechanisms for policy cooperation or coordination currently exist in the Arab region? Which areas do they cover, and what have been their main costs and benefits?
- Looking ahead, which policy domains could benefit most from greater regional coordination — for example, monetary policy, exchange rate and reserve management, or financial regulation? How large might the potential gains be?
- What role can global financial institutions play in supporting Arab economies and enhancing cooperation among them — for instance, through crisis-preparedness mechanisms, joint response frameworks, or initiatives to strengthen financial sector resilience?
- Long-term vision for regional monetary and financial stability.

Chair:

Speakers:

15:30 – 17:00 **Session 4: Managing sovereign debt and capital flows under global uncertainty.**

- Recent trends in public debt across Arab countries. How are financing conditions and sovereign spreads expected to evolve, and what risks do they pose to economic and financial stability?
- How have governments met their funding needs? To what extent do they continue to rely on domestic banking sectors? How significant is the issuance of foreign-currency debt in financing fiscal deficits?
- Potential risks from rising public debt financed by domestic banks, including crowding-out effects on private investment and consumption, and the risk of a sovereign–bank feedback loop.
- To what extent does fiscal policy play a stabilising role over the business cycle? What factors constrain its ability to act countercyclically?
- Prospects for improved coordination between fiscal and monetary policies. To what extent is monetary policy constrained by fiscal dominance?

Chair:



Speakers:

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17:00 – 17:15

Closing remarks