Foreword

During the past 20 years, the number of countries participating in the global economy has soared. China, the former Soviet Union, and Eastern Europe reformed their economic systems and became market-oriented. In addition, India and other countries in Asia and Latin America opened their economies to market forces by reducing their reliance on capital controls and trade barriers. The result has been an enormous increase in the volume and variety of goods produced and financial assets traded as well as a shift in the location of the production of both goods and services. This, in turn, is shaping a new economic geography.

The Federal Reserve Bank of Kansas City sponsored a symposium, "The New Economic Geography: Effects and Policy Implications," at Jackson Hole, Wyo., on Aug. 24-26, 2006. A distinguished group of central bank governors, government officials, academic economists, and financial market representatives participated in the event. The objective of this year's symposium was to explore how the geography of economic activity has evolved, recent factors driving further change, and the policy challenges that await.

This year, as in the past, the symposium's success was due to the participation of the many attendees and the contributions of the staff of the Federal Reserve Bank of Kansas City. We appreciate the efforts of all those who played a role, including authors, discussants, panelists, and the audience. A special thanks goes to Craig Hakkio and Stacey Schreft, who developed the program with assistance from Marcela Meirelles Aurélio, Andrea Raffo, Gordon Sellon, Pu Shen, and Alice Chiu, and to Diane Raley and Robert Hampton who coordinated and managed the event.

Thomas M. Hoenig
President and Chief Executive Officer
Federal Reserve Bank of Kansas City