DAY 3 Online Workshop - Revisiting Monetary Policymaking Under Uncertainty: The 25th Anniversary of the Central Bank Modeling Workshop

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Hard to believe it has been 25 years since the first central bank modeling workshop. The title of the first workshop was “Monetary Policy Under Uncertainty”. It was the time of the inflation-targeting pioneers. In addition, at the beginning of 1990s, the Bank of Canada developed solution methods for solving a class of useful nonlinear models with plausible representations of the monetary policy transmission mechanism. The methods were incorporated in the Bank’s Quarterly Projection Model (QPM). The Reserve Bank of New Zealand (RBNZ), with help from the Canadians, then implemented this approach to support its novel Inflation Targeting regime, launching what it is known today as the Forecasting and Policy Analysis System (FPAS). Publicly disclosed forecasts used to inform and explain decisions taken in pursuit of clear policy targets, became the gold standard for monetary policy.

This year, the keynotes and panels at the workshop will review the history of macroeconomic modeling as a tool for monetary policymaking. The focus will be on extracting lessons from that history. One line of enquiry will concern adaptations of FPAS-style analytical frameworks that may be needed given what The Economist has recently described as the essence of the new normal: persistent large uncertainty.

Is it time for FPAS Mark II? Another line of enquiry will concern whether FPAS-style analytical frameworks can usefully be deployed within the fields of macroprudential and fiscal policymaking. Conference panels will discuss both these questions.

This year we have an amazing group of scholars and policymakers participating in the workshop’s conferences and policy panels!

Day 3 Agenda - Friday November 11, 2022 Room 1
PANEL: CENTRAL BANK COMMUNICATIONS / FPAS I vs FPAS II

8:00-9:30

David Archer (Head of Central Banking Studies, BIS)
Tomáš Holub (Board Member, Czech National Bank)
Pablo Garcia (Board Member, Banco Central de Chile)
Asya Kostanyan (Senior Economist, The Better Policy Project)
Douglas Laxton (Founder, The Better Policy Project)

Buffer / Break 9:30-10:30 Room 1
SESSION 5A: Topics in Monetary Policy V: Analytical frameworks to support monetary policy

10:30-11:00 *Monetary Policy & Anchored Expectations: An Endogenous Gain Learning Model*
Laura Gati (ECB)

11:00-11:30 *Business Cycle Insurance and Currency Returns*
Husnu C. Dalgic, Galip Kemal Ozhan (University of Mannheim, Bank of Canada)

11:30-12:00 *The Deflationary Bias of the ZLB and the FED's Strategic Response*
Adrian Penalver, Daniele Siena (Banque de France)

Room 2
SESSION 5B: Topics in Monetary Policy VI: New Models and Data

10:30-11:00 *Taylor Rule Estimation for a Small Open Economy by OLS and GMM: Evidence from Latin America*
Roberto Patiño (Department of Economics, LSE)

11:00-11:30 *Monetary policy and financial markets: evidence from Twitter traffic*
Donato Masciandaro, Davide Romelli, Gaia Rubera (Bocconi University, Trinity College Dublin, Bocconi University)

11:30-12:00 *When Growth-at-Risk Hits the Fan: Comparing Quantile-Regression Predictive Densities*
Simon Lloyd, Ed Manuel (Bank of England)

Room 3
SESSION 5C: Uncertainty about potential levels and steady-state variables ("bar" variables)

10:30-11:00 *Output Gap Estimation and Monetary Policy with Imperfect Knowledge*
Pei Kuang, Kaushik Mitra, Li Tang (University of Birmingham, University of Birmingham, Middlesex University London)

11:00-11:30 *A trend-cycle decomposition with hysteresis*
Javier G. Gómez-Pineda, Julián Roa-Rozo (Banco de la República, Econometría)

11:30-12:00 *Star struck; Monetary policy and the neutral rate*
Garo Garabedian (Central Bank of Ireland)

Room 4
SESSION 5D: Climate change and macroeconomic modeling

10:30-11:00 *Macroeconomic Effects of Energy Transition Policies*
Gunter Coenen, Matija Lozej, Romanos Priftis (European Central Bank)

11:00-11:30 *"Green" fiscal policy measures and non-standard monetary policy in the euro area*
Anna Bartocci, Alessandro Notarpietro, Massimiliano Pisani (Bank of Italy)

11:30-12:00 *Energy Prices and Household Heterogeneity: Monetary Policy in a Gas-TANK*
Jenny Chan, Sebastian Diz, Derrick Kanngiesser (Bank of England, Central Bank of Paraguay, Bank of England)

Room 1
Closing remarks: Summing up - New CBMMW format

12:00-13:00

Douglas Laxton (Founder, The Better Policy Project)
David Archer (Head of Central Banking Studies, BIS)
Asya Kostanyan (Senior Economist, The Better Policy Project)
José Vicente Romero (Research Economist, Banco de la República)

Organizado por:
The Better Policy Project y Banco de la República - Colombia.

Fuente: https://www.banrep.gov.co/en/news/events/day-3-25deg-workshop