

Treasury Guest Lecture:

The Treasury is pleased to sponsor the following Guest Lecture



Guest Lecturer Florian Misch

Real-Time Macro Monitoring and Fiscal Policy

Date:

Friday 26 September
2014

Venue:

The Treasury
Level 5
1The Terrace
Wellington

Time:

10:30 am - 12:00 pm

RSVP:

academic.linkages@treasury.govt.nz

by Tuesday 23 Sep

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Abstract:

This presentation considers the effects of inaccurate real-time output data on fiscal management, both with respect to budgetary planning and fiscal surveillance. As newer and better information becomes available, output data available in real time get revised and are likely to conflict with final figures that are only released some years later. Nevertheless, fiscal policy needs to be inevitably based on real-time figures. First, the presentation documents these revisions using a newly compiled dataset from the International Monetary Fund's World Economic Outlook, comprising final and real-time output data for 175 countries, over a period of 17 years. Second, the presentation develops a simple conceptual framework to formalize the linkages between output data revisions and fiscal policy. Finally, the effects of output revisions on various indicators of fiscal policy are simulated. These simulations show that output revisions may have substantial effects on the ability of governments to correctly estimate the overall balance and the structural fiscal balance in real time, which has important implications for fiscal management.



About Florian Misch:

Florian Misch is Deputy Head of the "Corporate Taxation and Public Finance" Research Department of the Centre for European Economic Research in Mannheim, Germany. His research interests cover, broadly speaking, public finance, macroeconomics and political economy. Much of his current research focuses on the effects of fiscal policy at the firm level and on fiscal management as well as fiscal governance. He has also worked on various projects for the World Bank, the German

International Cooperation, national ministries in various countries, the International Monetary Fund and the International Growth Centre in the area of public finance and macroeconomics. He completed his PhD at the Nottingham School of Economics in 2010 after having obtained a postgraduate certificate in International Economic Policy Research from the Kiel Institute for the World Economy in 2006.