3 – 5 October 2017

Report on the Project LINK Meeting 2017

Palais des Nations – Geneva, Switzerland

Global Economic Monitoring Unit
DEVELOPMENT POLICY AND ANALYSIS DIVISION
DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS

Table of Contents

Tuesday, 3 October, 2017

Introduction and Opening Remarks

The 2017 Project LINK Meeting was held from the 3rd to the 5th October 2017 in the Palais des Nations in Geneva, Switzerland. The meeting was hosted by United Nations Conference on Trade and Development (UNCTAD) and organized by the Department of Economic and Social Affairs of the United Nations and the Project LINK Research Centre at the University of Toronto. The participants included members of international organizations, academicians and policy makers from both developed and developing countries. The agenda of the meeting comprised of the following main themes: the global and regional economic outlook, international policy issues, and modelling techniques. This document summarizes the presentations and discussions that were held during the meeting. Most of the documents presented are available on the United Nations website (see here) and the Project LINK website (see here).

Mr. Richard Kozul-Wright, UNCTAD, welcomed the meeting participants on behalf of UNCTAD, and expressed his appreciation to the University of Toronto, members of the Project LINK network, and colleagues from UN-DESA and the United Nations regional commissions for their active participation. Mr. Kozul-Wright reminded participants that UNCTAD has hosted Project LINK Meetings on many occasions, but that it had been several years since a meeting had been held in Geneva. He expressed his expectation for a fruitful exchange of views.

Mr. Peter Pauly, University of Toronto, welcomed the LINK participants and expressed his thanks to UNCTAD for hosting the meeting, and to UN-DESA and his colleagues at the University of Toronto for organizing the meeting. He reminded participants that the Project LINK Meeting brought together an extensive network of international economic experts, including policy makers, applied economists and academic economists, enabling interactive and productive discussions on key areas of importance to the global economy.

Session 1.1: World Economic Outlook

Dawn Holland, UN-DESA, New York

Ms. Holland presented the LINK Global Economic Outlook Report for 2018 - 2019. According to the report, the strengthening of economic activity observed in late 2016 has persisted into 2017 and generally exceeded expectations. World gross product is projected to have expanded by 2.9 per cent in 2017 and it is projected to keep the same pace of growth in

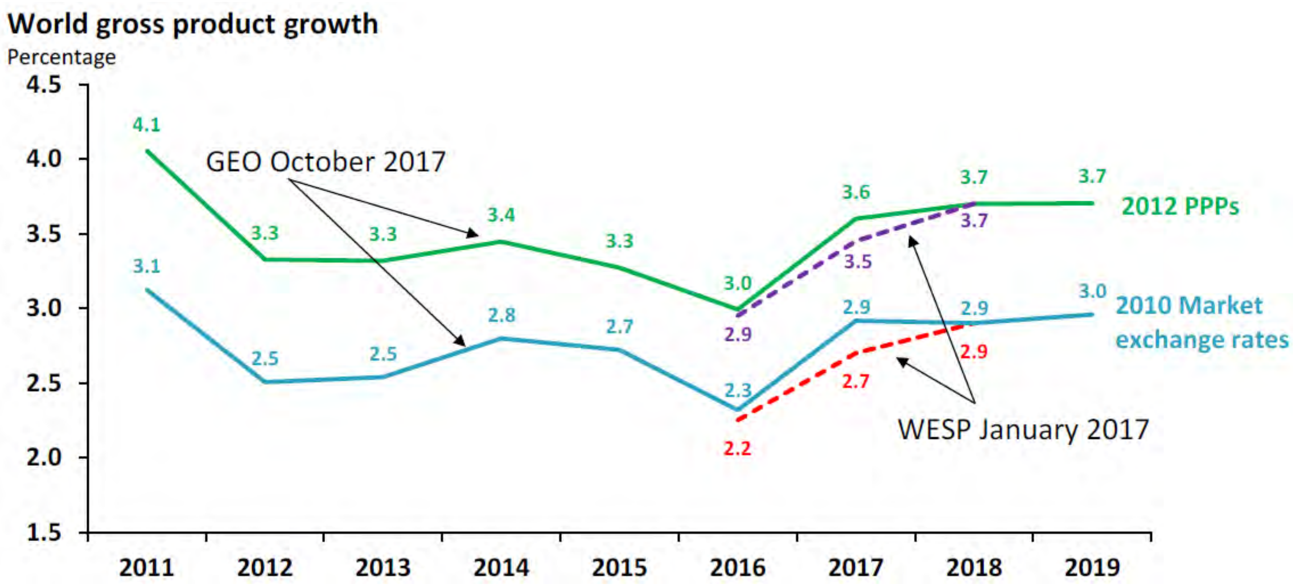
2018, improving slightly to 3.0 per cent in 2019. This marks the first upward revision to the forecast since 2010.

In her presentation, Ms. Holland noted that the global economy has reached a turning point in macroeconomic policy conditions, as major central banks are considering the withdrawal of exceptional stimulus measures in place for nearly a decade. However, she highlighted that forecasts for some of the world's poorest countries were revised downward.

Ms. Holland then specified where the signs of economic revival can be observed. These include a rebound in international trade, accelerating industrial production and improving investment conditions. She noted the revival masks some worrisome aspects though. The recovery remains uneven as many parts of the world have yet to regain a healthy rate of growth and, in several regions, it remains too low for rapid progress towards the Sustainable Development Goals. Policy uncertainty is likely to remain a drag on growth in the near term and, on the long-term, the global economy's potential remains constrained by a legacy of weak investment and low productivity growth since the financial crisis.

Furthermore, Ms. Holland outlined a few risks to the baseline growth forecast. These included an upside risk of a stronger rebound in investment and downside risks stemming from the market reaction to balance sheet adjustment in major central banks, rising geopolitical tensions, emerging protectionist tendencies and high levels of global debt.

Finally, Ms. Holland stressed the need for policy measures to tackle poverty, by promoting faster medium-term growth as well as redressing inequalities. She noted that heightened uncertainty over the international policy clouds the outlook and renewed commitments to deeper international policy coordination are needed in key areas, such as aligning the multilateral trading system with the 2030 Agenda for Sustainable Development, expanding official development aid, implementing climate policy, and protecting refugees.



Richard Kozul-Wright, UNCTAD, Director of the Division on Globalization and Development Strategies, Geneva

Mr. Kozul-Wright's presentation highlighted several key messages from the UNCTAD Trade and Development Report 2017. He began by stating that the current global recovery was underwhelming, with the world economy "picking up but not lifting off". Rather, "business as usual" since 2009 continues with weak aggregate demand, lack of financial reforms, and unequal income distributions. Growth is currently not inclusive and financial instability may be a reason for it as there is evidence of a positive feedback between financial crises and inequality. Another obstacle to inclusive growth is the "killer" combination of austerity and automation. However, the debate should be shifted from trade vs technology ("disrupt and adjust") to market power, rentiers and politics ("winner takes most").

Table 1. World output growth: Annual percentage change[a]

Country or area	*2001–2008*	*2015*	*2016*	*2017*[b]
World	**3.2**	**2.6**	**2.2**	**2.6**
Developed countries	**2.2**	**2.2**	**1.7**	**1.9**
Japan	1.2	1.2	1.0	1.2
United States	2.5	2.6	1.6	2.1
United Kingdom	2.5	2.2	1.8	1.5
Euro zone	1.9	2.1	1.7	1.8
Germany	1.3	1.7	1.9	1.9
Developing countries	**6.2**	**3.8**	**3.6**	**4.2**
Africa	5.7	3.0	1.5	2.7
South Africa	4.4	1.3	0.3	0.5
Latin America and the Caribbean	3.9	−0.3	−0.8	1.2
Brazil	3.7	−3.8	−3.6	0.1
Asia	7.3	5.2	5.1	5.2
China	10.9	6.9	6.7	6.7
India	7.6	7.2	7.0	6.7
Transition economies	**7.1**	**−2.2**	**0.4**	**1.8**
Russian Federation	6.8	−2.8	−0.2	1.5

Source: UNCTAD secretariat calculations.
a Calculations for country aggregates are based on GDP at constant 2005 dollars.
b Forecasts.

Mr. Kozul-Wright posited we live in a hyper-globalized world with high inequality, high household indebtedness, insufficient investment, and insecurity. In his view, financialization of the economy means there are feedbacks between inequality and financial instability. Before financial crises, he argued, there are those who gain from financialization and increase of private debt. However, after financial crises, others lost from the ensuing instability and economic dislocation.

Turning his attention to automation, he defended that there is an alarmist account of a "world without work", since what is technically feasible to automate through robots is not necessarily also economically profitable. And, as of now, most developing countries are not overly threatened by robot-based automation.

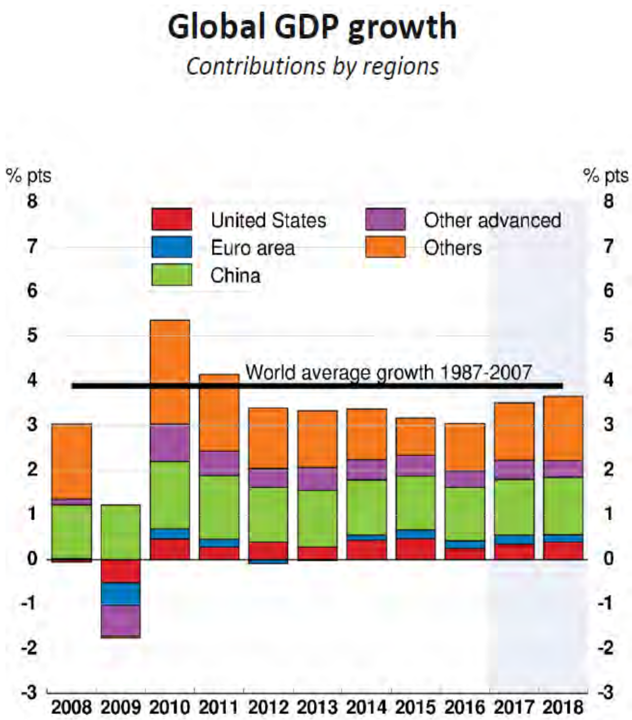
Mr. Kozul-Wright then explained his preoccupation with the return of rentier capitalism, i.e. the rise of financial rents and the capture of the political process. According to him, unproductive corporate rent-seeking and restrictive business practices have soared over recent years in non-financial sectors, as a 'new normal' of corporate investment strategies and behaviour.

A growing share of non-financial corporate profit is surplus profit, he estimated, associated with growing market and lobbying powers that drive rent-seeking.

He thus suggested building on initiatives such as the SDGs and Paris Climate Agreement to unlock the creative impulses of markets, while controlling their more destructive tendencies. States should also be more accountable in his opinion. Today, recovery, regulation and redistribution will require more international coordination, he concluded – to support national policy efforts, avoid beggar-thy-neighbour approaches and share the benefits of inclusive growth.

David Turner, OECD, Paris

During his presentation, Mr. Turner highlighted that the short-term momentum in the global economy has become more broad-based as the upturn is synchronised across major economies. With policy support, the first half of 2017 was boosted in several economies. However, he warned that strong and sustained medium-term growth is far from secured, as more robust private investment is needed for a self-sustained recovery, inflation remains subdued, wages have not picked up, and as stronger future growth in emerging market economies depends on deeper reform (a positive correlation between corruption and per capita income is found). Mr. Turner suggested policy must not be complacent and fiscal and structural initiatives need to be used going forward. Examples include moving beyond monetary to fiscal and structural support for growth and wages, making use of monetary policy to manage financial risks, developing better tax and spending policies to achieve inclusive growth, and stepping up structural reform efforts to boost productivity, wages and skills. He also noted the positive correlation between the quality of institutions and per capita income.



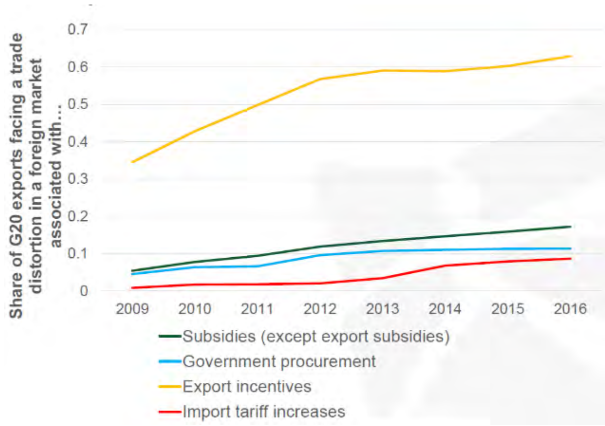
Comments and Questions

Participants discussed the long-run relationship between trade and GDP growth, whether the elasticity is still greater than 1 and when it may reach a saturation point. Other issues raised in the discussion included the benefits of increasing trade, such as technology transfer and expansion of variety, the state of income distribution worldwide, and trends and deterrents of investment.

Session 1.2: Global Economic Policy Issues

Invited Lecture | Protectionist dynamics: Form and consequences, Simon Evenett, University of St. Gallen

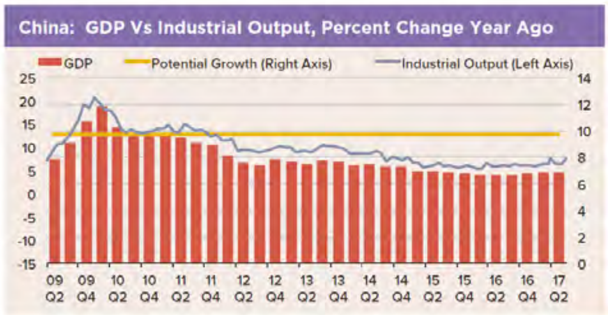
Mr. Evenett's presentation versed on the topics of the dynamics of world trade dynamics, the incidence of protectionism in the world, the effect on trade of crisis-era protectionism and trade distortions, and policy implications. In his presentation, Mr. Evenett highlighted that trade distortions may redistribute rather than reduce world trade. As such, stable trade growth does not mean distortions do not exist or do not matter. Contrary to the 1930s, trade distortions are mostly introduced by means other than import taxes. For instance, export incentives can explain much of the recent decline in export prices (along with a commodity price effect). Regarding the incidence of protectionism, local content requirements have spread since the onset of the crisis, which is not consistent with WTO policy. Examples included the 2009 "Buy American" policies and Chinese export incentives since 2009. It is worth to note that the data presented on trade distortions is much higher than WTO figures. Mr. Evenett asserted



as well that LDC trade was reduced by 31% during 2009-13 as a result of distortionary measures introduced by other countries. Moreover, the performance gap of the EU with China would have been halved in the absence of trade distortions. Because of the recent expansion of distortions, the US has ample evidence to justify old-style distortions such as tariffs. In terms of policy implications, since trade rules lag 'innovations' in trade distortions, Mr. Evenett stressed the need to remain alert to policymakers' creativity and to revise official monitoring of protectionism.

China's multiprong strategy to lead the world – Trade is the key, Carl Weinberg, High Frequency Economics, New York

Mr. Weinberg focused his presentation on the challenges that Europe and China face and how both regions can mutually help each other. Europe is disappointing in all measures of economic activity in level terms, apart from GDP, while the US seems to have become a less reliable partner to Europe. China, on its turn, needs to revitalize export-led growth in a context of saturation of its main markets (advanced economies) and a low content of middle-income countries exports made in China. China's strategies include creating trade, diverting trade, asserting the yuan as a reserve currency, and controlling the South China Sea trade routes. For instance, as demand for oil rises in China as a result of the expansion of car use, the country has proposed to price oil in RMB to Russia and Saudi Arabia. China's 2025 Buy China initiative is another example (which differs from the buy American initiative) along with the One Belt One Road initiative, which should reduce transport time to Europe from 60-70 days to 14-19 days and should cut costs in half. Europe's strategies could complement these by pivoting its political and economic focus toward China, Emerging Asia, Middle East and Africa, encouraging an export-led recovery and partnering more with China.

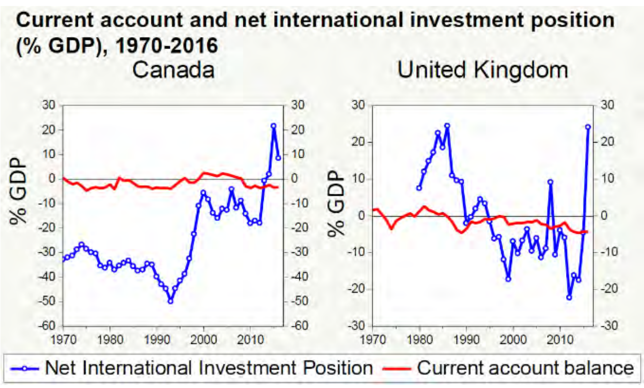


Comments and Questions

In the conversation that followed, participants discussed whether it would be possible to know which protectionist measures are most important and weight accordingly. Protectionism was also tentatively defined as changes in relative treatment of domestic and foreign firms. For LDCs, the advice given was to push for breaking down export incentives at the WTO with mainly South-South cases to start.

Session 1.3: Global Financial Issues

Return on foreign assets and liabilities: Can other countries replicate the exorbitant privileges of the United States? Zsolt Darvas, Bruegel, Brussels and Corvinus University, Budapest



Mr. Darvas began his presentation by explaining why the US and Canada improved their net international investment position (NIIP) so strongly while running large current account deficits. The answer lies partly in the fact that the US has the "privilege" of borrowing at low rates and lending at high rates, as do Japan and Switzerland. This cannot be made possible due to the US dollar's reserve currency status, since it does not hold for the Euro. The higher returns in the US (and UK and Japan) are the result of return on FDI assets, which are much higher than most others. However, Mr. Darvas noted that a large share of assets is held in tax havens like Bermuda, so there might be mismeasurement. Mr. Darvas also found that there is a systematic relationship between the NIIP and revaluation gains. A large negative NIIP is related to higher revaluation gains over the next few years. In this way, revaluation changes had a strong stabilizing effect on NIIP that could be related to currency composition, but it was not clear what was at work.

Towards an understanding of credit cycles: do all credit booms cause crises? Ray Barrell, Dilruba Karim and Corrado Macchiarelli, Brunel University, London; and London School of Economics and Political Science, London

Mr. Barrell's presentation versed on the links between credit cycles and economic crises. He explained macroprudential policy is now based around a countercyclical buffer, relating capital requirements for banks to the degree of excess credit in the economy. He considered the construction of the credit to GDP gap looking at different ways of extracting the cyclical indicator for excess credit. Mr. Barrell and his co-authors compared in their paper different smoothing mechanisms for the credit gap, and demonstrated that some countries require an AR(2) smoother whilst others do not. Moreover, they inserted the different estimates of the credit gap in a Logit models of financial crises and showed that the AR(2) cycle is a much better much better predictor of crises in the OECD than the standard HP filter suggested by the Bank for International Settlements and currently in use in policy making. They conclude that credit-to-GDP growth in itself is not risky, but when it is driven by rapid house price growth, macroprudential measures are warranted. Also, financial regulators should carefully identify the nature of credit growth before taxing banks, in order to minimise social welfare losses from financial disintermediation.

Inflation forecasting and macroeconomic stabilization, Harris Dellas, Heather D. Gibson, Stephen Hall, and George S. Tavlas, Bank of Greece, Athens; and Leicester University

Mr. Hall proposed in his presentation a new empirical strategy for improving the accuracy of inflation forecasts. According to Mr. Hall, the accuracy of inflation forecasts has important implications for macroeconomic stability and real interest rates in economies with nominal rigidities. Erroneous forecasts, he explained, destabilize output, undermine the conduct of monetary policy under inflation targeting and affect the cost of both short and long-term government borrowing. The proposed new method for forecasting inflation combines individual forecasts using time-varying-coefficient estimation and an alternative method based on neural nets. He posited that application of this method to forecast data from the US and the Euro area can produce superior performance relative to the standard practice of using individual or linear combinations of individual forecasts, particularly during periods marked by structural changes.

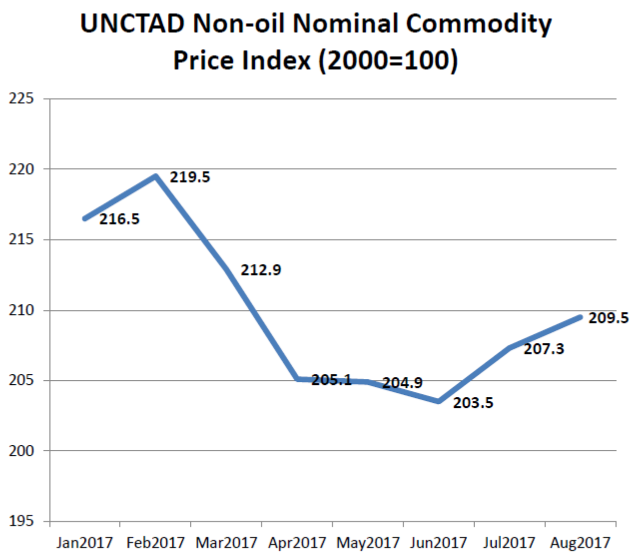
Comments and Questions

Participants questioned if, when weights do not sum to one in forecast averaging, it implies that forecasts are biased; the forecasting implications of the negative relationship between the net international investment positions and revaluation gains (noting there is no clear pattern of what is driving this correlation which may come through current account pressures on currencies or note changes in euro area with no currency adjustments); the role of the risk premium in distinguishing returns on assets/liabilities; the identification of the appropriate credit cycle model to monitor for a given country, which should be stable over time; the implications for developing countries of the OECD estimates of crisis predictors, since other research shows that less financially liberalized economies are more sensitive to credit growth.

Session 1.4: World commodity markets and energy modelling

Prospects for non-oil commodities, Janvier Nkurunziza, UNCTAD's Special Unit on Commodities, Geneva

In his presentation, Mr. Nkurunziza began by illustrating how commodity prices are closely related to per capita growth in developing countries. He then proceeded to present the UNCTAD non-oil Commodity price index and associated price trends. He presented data displaying how the general upwards trend in commodity prices that had started at the beginning of 2016 came to a halt in early 2017. He added, however, that specific categories of commodities displayed a mixed picture in 2017 with prices of Minerals, Ores and Metals having trended downwards during the first half of the year, but having increased steeply in the third quarter, for example. Overall, the prices of most food commodities dropped in 2017. Mr. Nkurunziza finished his presentation with a series of markets to watch (emerging economies, especially China) and concluded that it was unlikely that commodity prices will return to anywhere close to their peak levels of 2011 in the near future.

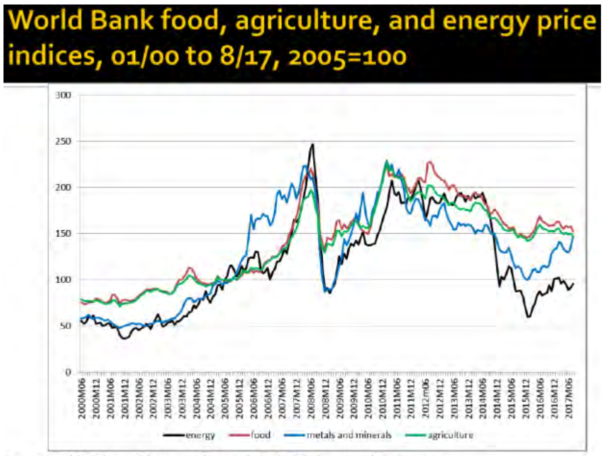


The world oil market, Robert Kaufmann, Boston University

Mr. Kaufmann began his presentation by noting his latest estimate for the oil price in 2017 was $50 and his forecast for 2018 was situated at $51. An influence on the price was the OPEC agreement in December 2016 which had a big impact on the market. Another driver was US tight oil production whose breakeven price has come down significantly. In the future, the rise in electric cars could have an impact too, since Mr. Kaufmann projected that it would cut into demand within the next 10 years. Mr. Kaufmann noted that there were shortfalls in the production cuts intended by OPEC. Exempted from the oil production cut, Nigeria and Libya accounted for some of the shortfalls in production cuts, as they have been increasing production. In general, Mr. Kaufmann stated, oil prices are widely expected to remain around $50. He added that hedging in US market keeps prices in a narrow band. If prices were to drop below $40, there would be big drops in US production, which would swing the price back up again.

Agricultural commodities, William Meyers, University of Missouri, Columbia (Mo.)

Among the points made by Mr. Meyers, he highlighted in his presentation that estimates for the needs for food production are based on a combination of population growth and rising demand per capita. He also noted that most demand growth for grain in the last 15 years was driven by ethanol production and feed.



Source: World Bank monthly commodity prices (Pink Sheet), accessed Sept 29, 2017

Comments and Questions

Participants debated if there are capacity constraints in producing electric cars and if production could rise fast enough to impact the oil price, even if battery prices fell. A participant noted that GM and Volvo are entering the market for electric cars (Tesla was not considered a long-term player) and by late 2020s or early 2030s, electric vehicles could likely push down demand for oil-based cars. The other issues discussed included the differences in the impact of commodity shocks on net food importers versus exporters, and the impact of rising incomes on meat demand and grain demand for feed.

Wednesday, 4 October, 2017

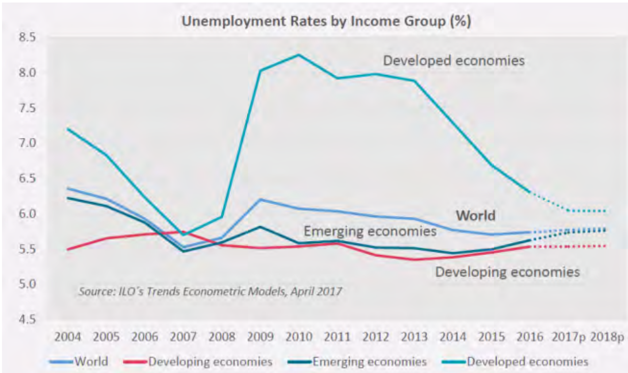
Session 2.1: Global Outlook (cont.)

United States, Dawn Holland, UN-DESA, New York

Ms. Dawn Holland presented the outlook for the United States from 2018 to 2019. Ms. Holland explained US growth was steady in 2017 and world GDP growth was on track to reach 2.1-2.2 per cent in 2017-2019. Households, she posited, were depleting savings to maintain stable consumption growth. High-frequency indicators gave a mixed view for consumption in 2017. House prices were nearly as high as pre-crisis peaks, but with stronger fundamentals. Turning to investment, Ms. Holland thought it seemed broadly based, though it was still early to think of it as a rebound. As for unemployment, it had dropped to the lowest level since 2001 and though participation remained low it was stable. Wage inequality had increased since the first quarter of 2010, but there was some improvement since early-2016. Ms. Holland concluded with a review of enacted and forthcoming policy measures, namely on the monetary, fiscal, trade and immigration fronts.

ILO Outlook, Stefan Kuhn, ILO, Geneva

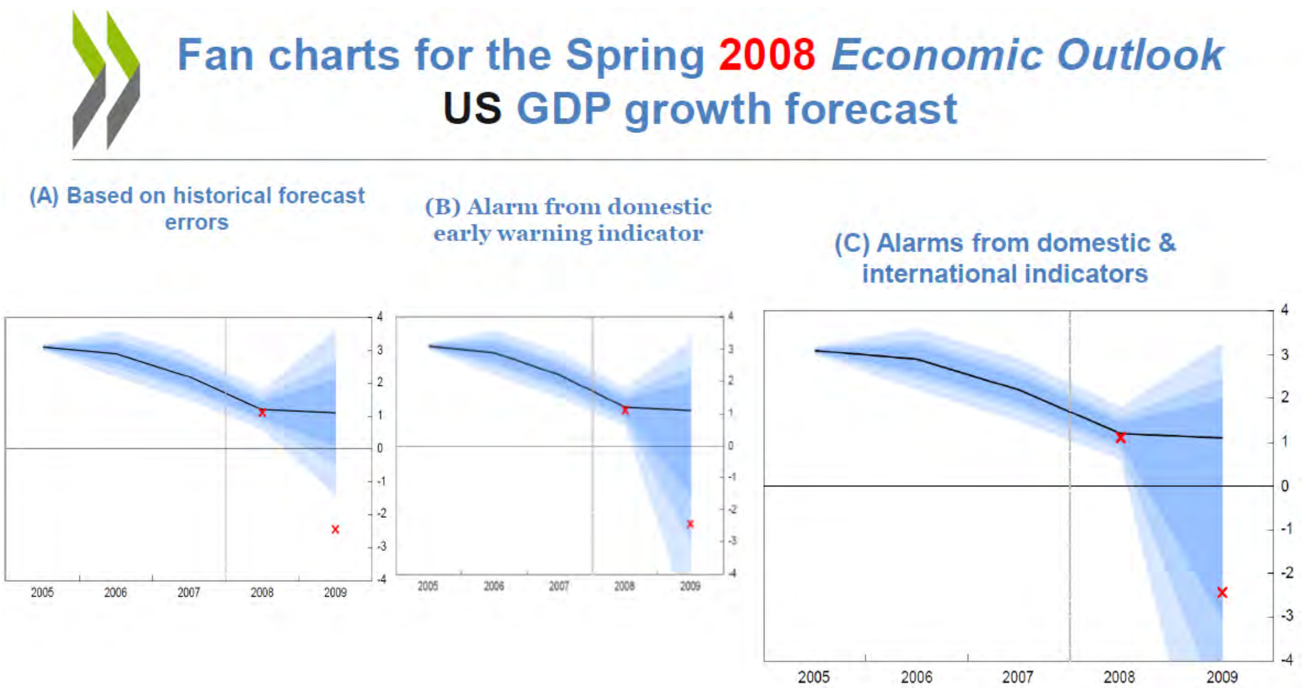
Mr. Kuhn focused his talk on the global labour outlook. He first described the long-term decline in participation, with over 2 billion working-age people not participating, the majority of whom are women. In terms of unemployment, the 2017 global unemployment rate stood at 5.8 per cent – up by 3.5 million with respect to last year, with disparities across regions. South-Eastern Asia and the Pacific presented the lowest rate in 2017 (3.8 per cent) and Northern Africa presented the highest (12.1 per cent). As for quality of employment, 1.3 billion people were in vulnerable employment in 2017, which is close to half of all workers in emerging countries and almost four-fifths of workers in developing countries. The global share of vulnerable employment is decreasing though, as is the share of working poor.



However, in many countries of Sub-Saharan Africa working poverty affects three quarters of all workers. Turning his attention to gender inequalities, Mr. Kuhn highlighted that only 49 per cent of working age women globally are in the labour force. Moreover, women are less likely to be employed when participating in the labour market, face a narrower range of job opportunities in terms of sectors and in occupations, and face vulnerable forms of employment more than men. He concluded with policy recommendations to address the underlying causes of weak growth and narrowing the gender gaps.

Designing fan charts for GDP growth forecasts to reflect downturn risks, David Turner, OECD, Paris

In his presentation, Mr. Turner proposed a method to address the problem of a) forecasts of GDP growth being over-optimistic for horizons beyond the current year (because they fail to predict the occurrence or severity of future downturns) and b) conveying adequately the uncertainty surrounding forecasts. The method is based on the construction of fan charts which are parameterised on the basis of the historical forecasting track record, while distinguishing between a "safe" regime and a "downturn-risk" regime. To identify the two regimes, use is made of recent OECD work on early warning indicators of a prospective downturn. Thus, when an early warning indicator is "flashing", the associated fan chart is not only wider to reflect increased uncertainty, but is also skewed to reflect greater downside risks. Conversely, in a safe regime, when the early warning indicators are not flashing, as well as being symmetric, the fan chart is narrower both relative to the downturn-risk regime and relative to what it would be if the dispersion was calculated with respect to the entire forecast track record with no distinction between regimes. The method is illustrated by reference to OECD GDP forecasts for the G7 economies calibrated using the track record of past forecasts published in the OECD Economic Outlook report.



Comments and Questions

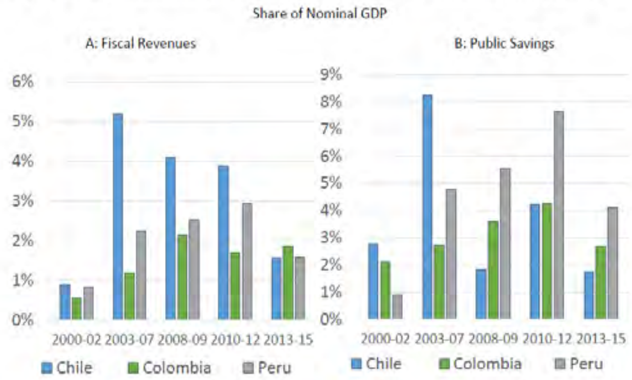
In the discussion that followed, participants touched on issues such as an alternative approach to the two-regime distribution (a bimodal forecast, each with its own distribution). The discussion on the US covered issues including: the impact of corporate tax rate cuts; Fed balance sheet adjustment; the outlook for interest rates/exchange rates; and methods of weighting consumption estimates in forecast averaging.

Session 2.2: Policy Responses to Commodity Market Crises

Commodity price cycles and policy reactions in small dependent economies, Joaquin Vial and Alberto Naudon, Central Bank of Chile, Santiago

Mr. Vial presented a paper on the response of resource rich countries to the last commodity price cycle, focusing on explanations to why, in the last few years, economic performance generally deteriorated in most of these countries. In particular, he explained the connection between this poor performance and the macro policy in place. To do so, Mr. Vial illustrated the main aspects of the last commodity price cycle (2005–2016) and described the economic cycle in some Latin-American countries that were highly exposed to changes in commodity prices. Focus was placed in the case of Chile and its policy response, but also in Colombia and Peru. He concluded with some preliminary recommendations.

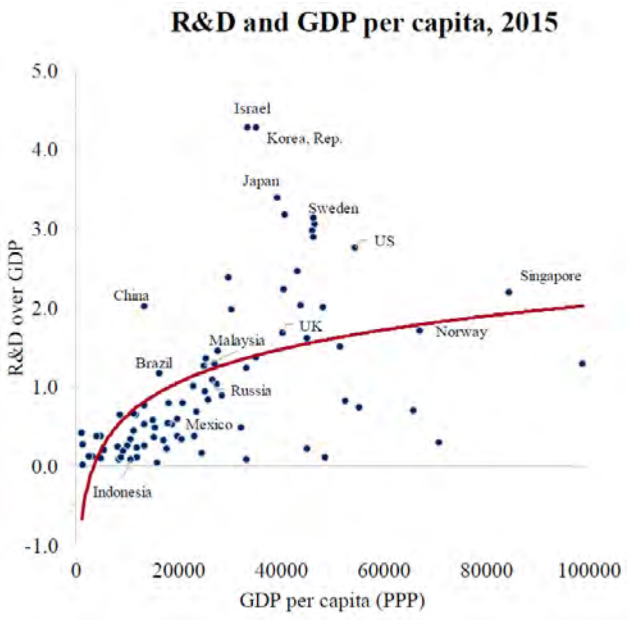
Figure 5: Fiscal Revenues & Public Savings from Commodities Throughout the Cycle



Source: Ministries of Finance of each Economy.

R&D investments and commodity booms, Roberto Álvarez, Sebastián Vergara and Juan M. Wlasiuk, Central Bank of Chile, Santiago; and UN-DESA, New York

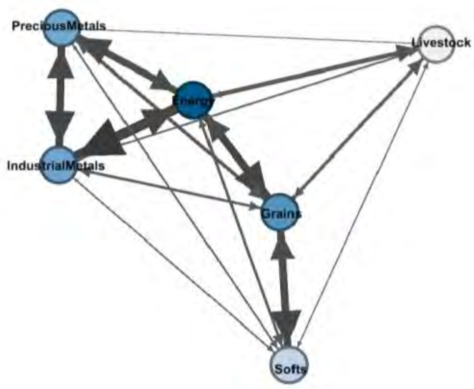
Mr. Vergara initiated the presentation by highlighting that since 2003 many commodity exporters experienced a positive and significant shock on their terms of trade. As a result, many countries showed higher economic growth rates and benefited from stronger fiscal accounts. However, little is known whether this shock in the terms of trade affected innovation activities and R&D investments. Against this backdrop, the main objective of the paper is to investigate whether commodity prices do play a role on R&D investments in a large sample of countries. Mr. Vergara discussed that R&D investments are important because of their role in promoting product and process innovations and in boosting productivity growth, a key aspect to promote growth and sustainable development in the medium term. In theory, commodity prices can have either a positive or negative effect on R&D investments. On one hand, higher commodity



prices increase export revenues and encourage capital inflows, which might reduce financial constrains for firms engaging in innovation activities and R&D investments. On the other, a positive shock on the terms of trade tends to appreciate the domestic currency and to reduce the profitability in manufacturing industries, which are more R&D intensive. Moving into the empirical part, Mr. Vergara discussed some stylized facts: R&D investments across countries are positively correlated with GDP per capita, the share of the manufacturing sector over GDP, the share of high-technology exports and the rule of law. Finally, he presented the main results of the empirical analysis, based on econometric estimations for panel data using fixed effects and generalized methods of moments. There is evidence of a negative effect of commodity price on R&D investments. However, the exception is for countries with a large manufacturing sector and high share of foreign direct investments in the economy, where higher commodity prices tend to increase R&D investments. Interestingly, the empirical analysis also showed that developing countries did not catch-up with respect to advanced economies in R&D investments during the period of the commodity super-cycle. Finally, the presentation was followed by a short session of Q&A, which touched upon issues like the relevance of the productive structure and "path dependency" in technological trajectories.

Commodity connectedness, Francis X. Diebold, Laura Liu and Kamil Yilmaz; University of Pennsylvania, Philadelphia; Federal Reserve Board, Washington; and Koç University, Istanbul

Mr. Yilmaz focused his presentation on the economic connectedness of commodities amongst each other. Specifically, his research has sought to discover which fraction of the H-step-ahead prediction-error variance of variable *i* is due to shocks in variable *j*. He then explained the connectedness measures used and how the analysis could be translated to network theory and analysis, by highly aggregating highly granular data. Mr. Yilmaz concluded that there



were drastic changes in the commodity network formation over time. Also, energy, industrial and precious metals are highly connected (both giving and receiving shocks). Finally, softs, grains and livestock are mostly on the receiving end of shocks.

Comments and Questions

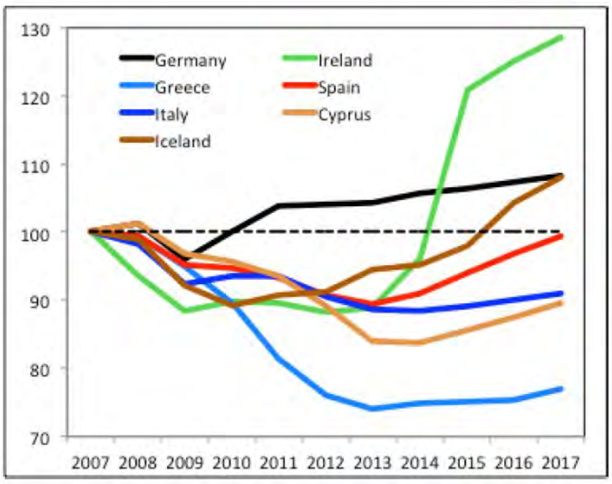
The discussion touched on issues such as the impact of the rise of 'financialization' on commodity price interconnectedness, and whether lower frequency data circumvents this (since the rise in trading volumes from 2006 did not necessarily increase volatility, the interconnectedness is not necessarily a result of financialization); how to separate 'noise' linkages such as expectations from real linkages; how to distinguish between terms of trade effects and export price effects.

Session 2.3: Perspectives for Europe

***Invited Lecture* | The Euro: Far from perfect but note doomed, Charles Wyplosz, Graduate Institute, Geneva and CEPR, London**

In his presentation, Mr. Wyplosz began by putting the Euro in context (from 1999 to 2017). He then described the main flaws exposed by the global financial crisis, including an incomplete central bank mandate, inefficient fiscal discipline framework, the lack of a debt relief process, lack of a bank supervision and resolution mechanism at the national level, lack of a crisis management procedure and a misguided increasing focus on structural conditions with no economic rationale. Mr. Wyplosz then described what were in his view the reasons for the Euro to have survived, including political will and action by the European Central Bank. He concluded that the Euro is not entirely safe yet since many reforms are still missing, though some proposed changes are not necessary (such as a fiscal and transfer union and debt mutualization).

GDP per capita



	Cumulated loss
Ireland	9.5
Greece	-182.4
Spain	-55.9
Italy	-84.5
Cyprus	-93.3
Iceland	-37.6

European Union, Pavlos Karadeloglou, European Central Bank, Frankfurt

Mr. Karadeloglou gave his views on the macroeconomic outlook for the Euro Area. He began by explaining that the current economic expansion was solid and broad-based. Domestic demand was resilient and offsetting headwinds from a stronger euro. Private consumption was solid with steady income growth and low interest rates. Investment was displaying signs of acceleration due to favourable funding conditions. Trade was being supported by the broad-based global recovery, mitigating the effects of a stronger euro. Overall, in his view, risks were broadly balanced: downside risks were connected mainly to global factors as well as developments in the exchange rate. Mr. Karadeloglou then focused on price developments. According to him, HICP inflation increased to 1.5 per cent in August, while HICP excluding energy and food remained at 1.2 per cent. Measures of underlying inflation had yet to show convincing signs of a sustained upward adjustment. A pick-up in wages was yet to materialise. European Central Bank staff inflation projections were dampened by the appreciation of the euro. Risks were balanced nonetheless: on the upside, there was a stronger growth momentum in the euro area, but on the downside, a protracted period of low underlying inflation and low wage growth was leading to a possible de-anchoring of inflation expectations.

Sources: ECB calculations, September MPE.

Comments and Questions

Participants discussed the importance of real divergence in the euro area. Mr. Wyplosz's view was that it is not important, as a monetary union is a nominal rather than real relationship. Exchange rates can only have a very temporary impact on real values and they should not be used as a tool for real adjustment – although they often have.

Session 2.4: Topics in macroeconomic modelling and forecasting

The World Bank's customizable stand-alone modelling interface: making forecasting easy(ier), Andrew Burns, The World Bank, Washington

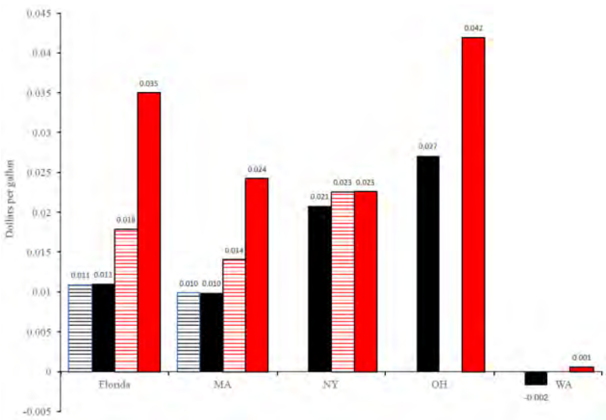
Mr. Burns presented a World Bank platform designed to making forecasting easier. This modelling framework coordinates forecasts from 300 economists around the world. Mr. Burns emphasized that this software is available for general use.

What to do when effective exchange rates cannot be calculated for developing countries? PANIC?, David Neto, UNCTAD, Geneva

Mr. Neto's presentation was devoted to the topic of calculating effective exchange rates (EER) for developing countries when they are not available. Mr. Neto proposed to extract an EER using a sparse principal component analysis model and a procedure called Panel Analysis of Non-stationarity in Idiosyncratic and Common (PANIC). The intuition behind it is that the common trend of the value of a currency against the trading partner's currency is driven by the money supply-demand forces (including trading activity, financial capital flow...). Hence, the common trend should approximately equal the EER, if there are no institutional constraints, such as foreign exchange controls. He then described the estimation procedure, tests for non-stationarity and how to select the basket of foreign currencies, and presented empirical results for China, Russia, Brazil, India and South Africa. Mr. Neto concluded with possible extensions to the model, such as the considering the presence structural breaks or outliers.

Pass-through of gas taxes, Robert Kaufmann, Boston University

In his presentation, Mr. Kaufmann sought to explain the degree to which taxes on motor gasoline are passed on to consumers, since exclusion tests on models that specify the retail price of motor gasoline without taxes indicate that taxes on motor gasoline are not simply passed on to consumers. The degree to which prices are passed on to consumers was quantified by CVAR models that specified the retail price of motor gasoline including taxes. Direct effects indicate that taxes are fully passed on to wholesale prices in Florida and Massachusetts and passed on to retail prices with a 'mark up' in Florida, Massachusetts and New York. Direct effects are amplified by the indirect effects of taxes on inventories of motor



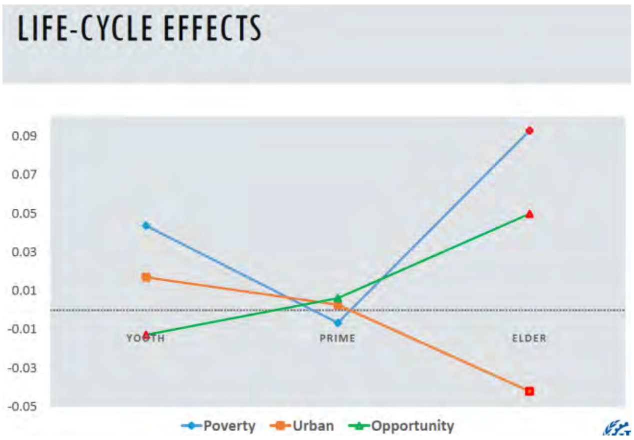
gasoline and refinery utilization rates, such that the total effect of taxes on retail motor gasoline prices is greater than a simple pass through in Florida, Massachusetts, New York and Ohio. Conversely, taxes on motor gasoline have little long-run effect on wholesale and retail prices in Washington. These results differ from previous results that suggest taxes are passed completely to consumers. The cause lies partly in assuming that taxes on motor gasoline are exogenous, ignoring upstream sectors of the motor gasoline supply chain, and ignoring changes in the grade and formulation of motor gasoline purchases. If taxes are not simply passed to consumers, the rate of pass through will affect the deadweight loss, welfare transfer, and efficiency of environmental taxes in a way that favours cap-and trade solutions relative to taxes.

Thursday, 5 October 2017

Session 3.1: Topics in macroeconomic modelling and policy analysis

Women's participation in the labour market around the world: trade-off between preferences, gender norms and socio-economic constraints, Stefan Kühn, ILO, Geneva

Mr. Kühn began his presentation by explaining that gender gaps persist, coupled with a slowdown of progress in the most recent decade, which indicates that women are still facing a multiplicity of constraints restricting their capabilities and freedoms to access the labour market. Mr. Kühn then described his method to estimate female labour participation using micro-data from a survey conducted in 142 countries. His results show that the majority of women prefer to work a paid job, despite labour market status. They also show that a personal preference for paid work matters, but other constraints set by gender roles and socio-economic conditions are very important. The latter include tertiary education (second largest impact), marriage and children (especially among prime-age working women, highlighting their disproportionate care demands), household acceptability of women working and religion. Mr. Kühn highlighted there is considerable interconnectivity and interdependence among the different drivers. All in all, the challenges women face have a considerable effect on their decision to participate, suggesting that targeted efforts are necessary to address constraints set by gender roles and socio-economic conditions. Depending on the location of the woman in her life-cycle and the environment she inhabits, the magnitude of the effects differs.



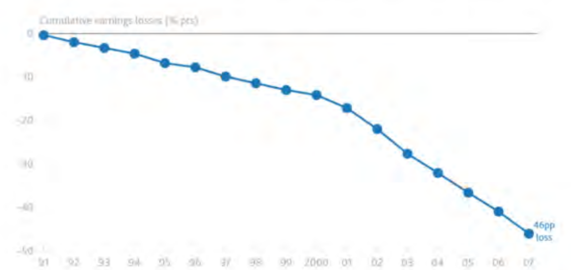
Structural and quasi-accounting models: Which is best and can they work together? Jean Louis Brillet, INSEE, Paris

Mr. Brillet began his presentation by explaining the essential characteristics of structural models and quasi-accounting models, including advantages of the use of each. He then hypothesized how the two could work together, either in parallel or at the same time. Mr. Brillet concluded with an example of a structural model and a quasi-accounting model using data from Vietnam and focusing on agriculture.

Long-term changes in industry structure: Effects on trade, real wage growth and labour share of income, John Perkins, National Institute of Economic and Industry Research, Melbourne

Mr. Perkins began his presentation by listing the possible causes of economic slowdowns, including changes in the structure of traded goods, changes in industry structure and lower real wages and labour share of total income. His analysis looked at trends and elasticities to gauge what might happen in the long-term (e.g. are elasticities at long term values?). Analysis focused on the 10 largest economies and illustrated trends in GDP structure (expenditure and components of value added), trade exports by country, employment and earnings by industry structure, and wage share of GDP. Mr. Perkins stated that most graphs show trends levelling off. He finished his presentation with several questions yet to be answered, such as if we are reaching long term saturation or maturity? Are all long-term income elasticities equal to 1.0? Regarding China, has the manufactured goods revolution in China played out? How transformative will the One Belt One Road initiative be? Will Chinese labour costs lead to relocation of labour? If so, perhaps to Africa? Regarding the world trade to GDP ratio, are we reaching a peak? Finally, regarding real wages, is the manufacturing decline nearing completion?

Globalisation's squeeze on relative wages



Relative earning loss for trade exposed manufacturing workers.
Source: David Autor, cited by Mark Carney, Governor, Bank of England, 18 September 2017

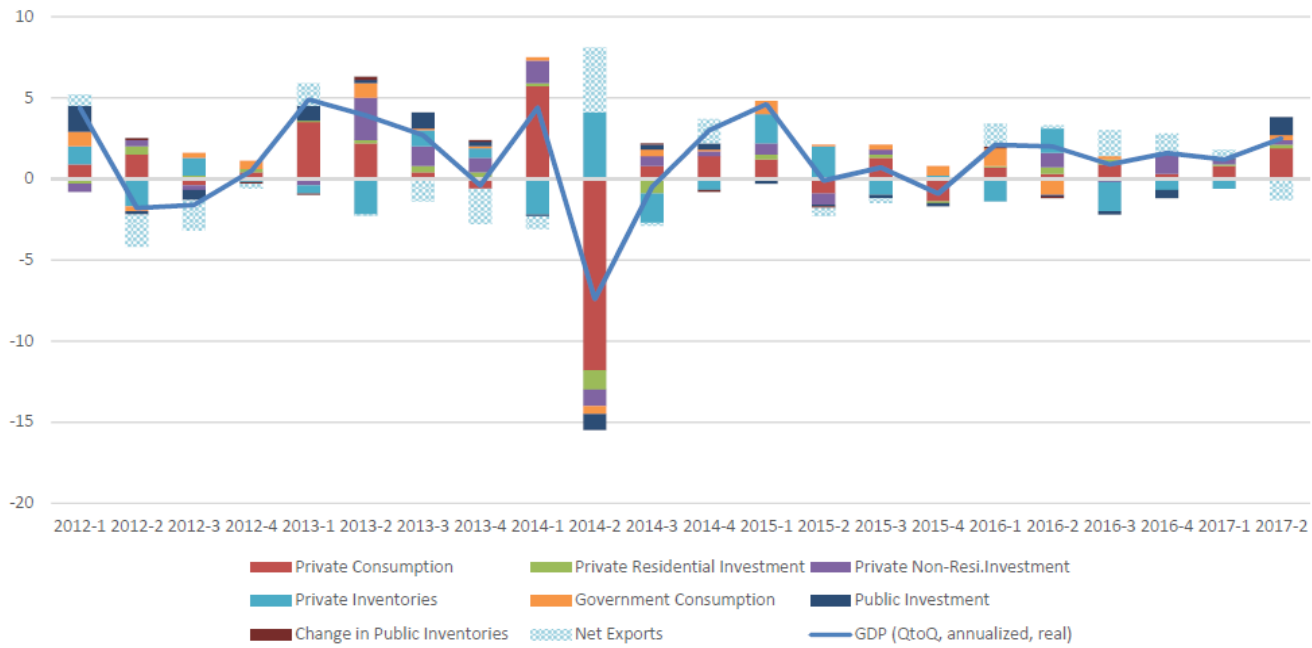
Comments and Questions

In the discussion that followed, participants touched on issues such as the impact of survey size versus sample size in estimation (sub-samples chosen from lower income countries originate results that are only valid for this subset), the policy implications for a government aiming to raise labour participation, the possibility of the phrasing of one of the surveys reducing implied impact of childcare, the use of combined structural/accounting matrix model for policy analysis, and finally the way in which the data on labour shares compares to Penn World tables.

Session 3.2: Regional Outlook (cont.): Asia

Japan, Yasuhisa Yamamoto, UN-DESA, New York

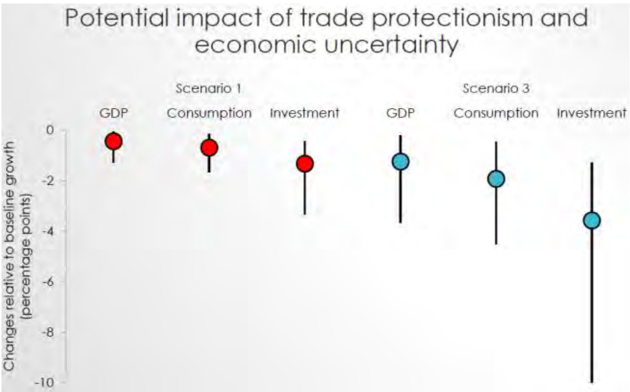
The presentation highlighted key points including 1) ongoing robust economic expansion in 2017 which was supported by accommodative fiscal and monetary policies, recovering household expenditures, industrial production growth with inventory build-up; 2) the mid-term growth prospect in which the forecast growth rates would taper off over 2018 and 2019; 3) the long-term growth prospect in which Japan's growth sustainable would be in question due to the declining population, fiscal sustainability and receding manufacturing competitiveness. The presentation pointed out that, on the short-run robustness, domestic demand growth was leading the present economic expansion. The Bank of Japan's monetary easing regime, Quantitative and Qualitative Monetary Easing (QQE) and Yield Curve Control (YCC), contributed to the recovery in the private credit growth, albeit at a moderate rate, while corporate profits had been growing for the last five years on the depreciation of the Japanese yen. The industrial production would increase over the next two to three quarters as the economy entered an expansionary phase in the inventory cycle. The household expenditures showed a sign of recovery as the private consumption was the most significant contributing factor to the aggregate growth in the second quarter 2017. The discussion touched on issues including Japan's receding manufacturing competitiveness and its strict immigration policy.



Source: Cabinet Office

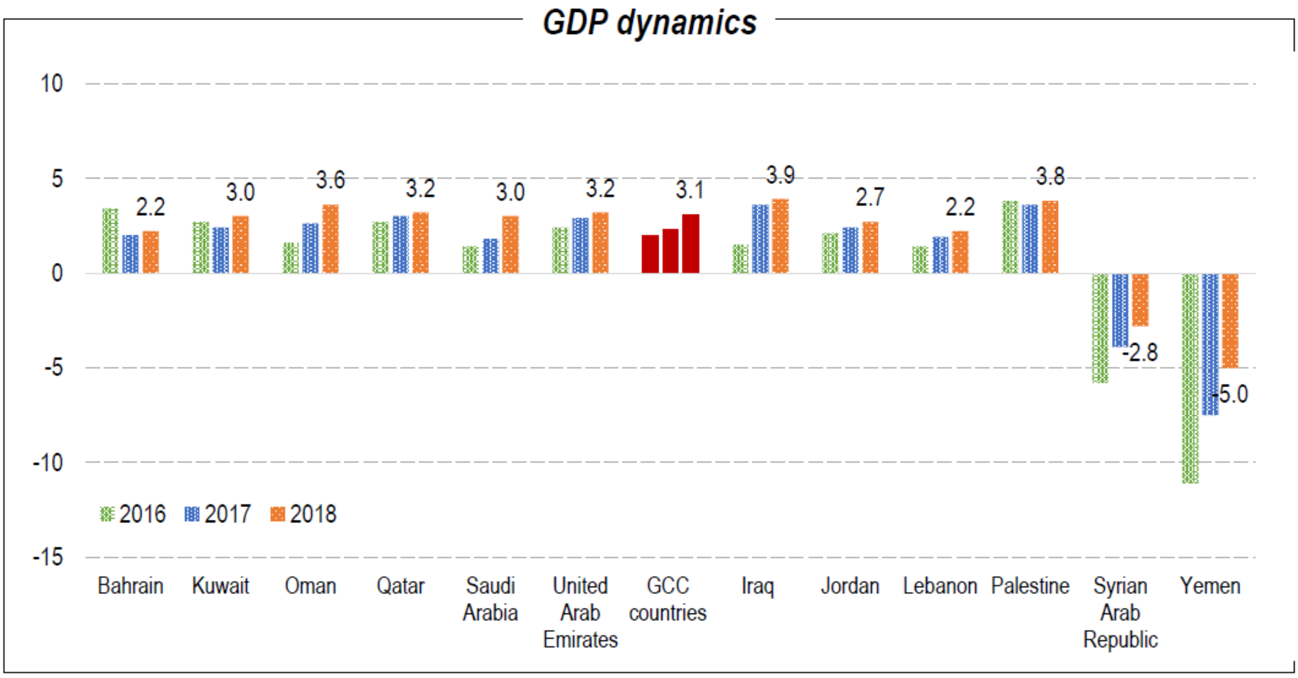
East and South Asia, Vatcharin Sirimaneetham, UN-ESCAP, Bangkok

Mr. Srimaneetham presented the economic situation and prospects for the East and South Asian economies. For East Asia, he noted that the region is expected to continue experiencing steady economic growth of close to 6.0 percent. This growth momentum, however, is below pre-crisis period, given moderating growth in China and the waning effects of policy stimulus across the region. He also noted that private consumption has thus far been the main driver of growth in 2017. Household spending has been buoyed by low inflation, low unemployment rates, positive real wage growth and government support in several economies. Mr. Srimaneetham also highlighted the pick-up in trade activity in East Asia, which has been driven by both global and regional demand. Then, Mr. Sirimaneetham presented the economic outlook for South Asia. He emphasized that the economic situation in this region remained largely positive, supported by private consumption and sound macroeconomic policies. Moreover, growth is expected to remain robust in the near term, 6.8 per cent in 2018, supported by domestic reforms. Then, he discussed the inflation trends, noting that it has continued to be stable and relative low. In fact, inflation was projected to reach a record low in 2017, about 5.0 per cent. This recent trend has allowed many economies to take a more supportive stance in their monetary policies. However, he also noted that this has not yet translated into a visibly rise in credit growth, notably in India, where investment demand continues to be largely subdued. Then, Mr. Srimaneetham cautioned that downside risks to the growth outlook remain for East and South Asia. On the external front, risks include rising trade protectionism, economic policy uncertainty in the developed economies, renewed financial market volatility and rising geopolitical tensions. On the domestic front, elevated debt levels constitute a risk to financial stability. For countries such as China and India, there is also uncertainty over the short-term impact of structural reform measures. Finally, Mr. Srimaneetham discussed some issues from a more medium-term perspective, including the performance of investment, the behaviour of public debt and the need for improving governance across the region. The presentation was followed by a Q&A session where several issues were discussed, such as the investment prospects across the region, the large infrastructure gaps and the main challenges in the labour markets.



Western Asia, Seung-Jin Baek, UN-ESCWA, Beirut

The presentation highlighted key points including 1) the impact of external economic conditions in the Western Asia through oil and financial linkages; 2) fiscal policy responses to low oil prices; 3) monetary policy responses to US policy rates hikes; 4) the declining intra-regional resources flow from oil-producing countries to non-oil producing countries within the region; 5) continuing high unemployment in the region; and 6) geopolitical tensions which drag down the region's economic growth. The presentation addressed that, on the external economic conditions, the global oil market would rebalance shortly, but oil prices would remain around the present range. Consequently, fiscal expenditures of the region's oil-producing countries, mainly the member countries of Gulf Co-operation Council (GCC), would remain tight, particularly on public investments. Meanwhile, due to the hikes in the United States' policy rates, financing cost in the region went up as GCC countries' monetary policy stances were also tightened in parallel with US Federal Reserve. The presentation concluded that external economic conditions posed the GCC countries a challenge for their economic expansions. The discussion touched on the unemployment issue in the region, particularly in the GCC countries.



Comments and Questions

The discussion included comments from LINK participants from Nepal and Hong Kong, SAR of China, among others, and touched on issues including the expected reforms anticipated following forthcoming elections in Nepal, inflation estimates for Hong Kong, SAR of China, prospects for opening of labour market in Japan to inward migration, slowdown in innovation in Japan, potential areas for joint regional reforms to accelerate sustainability efforts, and the impact of tensions in the Korean Peninsula on tourism and other areas.

Session 3.3: Regional Outlook (cont.)

Africa, Adam Elhiraika, UN-ECA, Addis Ababa

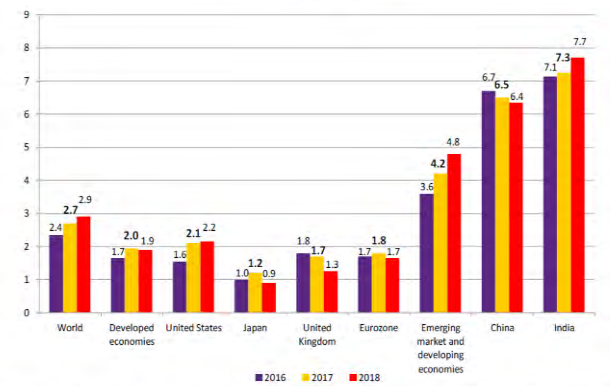
Mr. Elhiraika began by noting that the estimates presented excluded Libya from the aggregates due to an outlying growth rate of 46 per cent in 2016. Among several key points made regarding Africa's macroeconomic outlook, Mr. Elhiraika highlighted that the downturns in the economies of Nigeria and South Africa were bottoming out, following a period of recession. He added that governments were investing in infrastructure widely and stabilising exchange rates brought inflation down though it was still remaining relatively high in many countries. In most countries, competitiveness was lacking in order to expand the export base and diversify production. Foreign Direct Investment was also declining in many economies. Mr. Elhiraika also mentioned the manufacturing share of GDP in Africa declined for many years, but that it had started to pickup. He noted that investment in industrial parks had the potential to raise manufacturing output significantly in certain countries, as for example Senegal. Finally, Mr. Elhiraika concluded that consolidating peace and security would be critical in the medium term.

Latin America (via video link) Daniel Titelman, UN-ECLAC, Santiago

Mr. Titelman presented the economic situation and prospects for Latin America and the Caribbean. He first pointed out that the external context provided both opportunities and downside risks for the region. On the one hand, stronger growth in global production and trade, an upturn in commodity prices and low financial volatility have benefited the region, in particular South America's commodity exporters. On the other hand, economic policy decisions in the United States, the withdrawal of monetary stimulus in developed countries and a downturn in China could put the region's current cyclical upturn at risk.

Mr. Titelman then illustrated that the region's economic performance had started to improve in the third quarter of 2016. He noted that the recovery was expected to continue in the rest of 2017 and 2018 thanks to favourable external conditions and stronger domestic demand.

SELECTED COUNTRIES AND REGIONS: GDP GROWTH, 2015-2018[a]
(*Percentages*)



Source: ECLAC, on the basis of United Nations, World Economic Situation and Prospects (WESP) 2017, and data from GEP (WB), EIU, OCDE, WEO (IMF), Bloomberg and Capital Economics.
[a] Projections for 2017 and 2018.

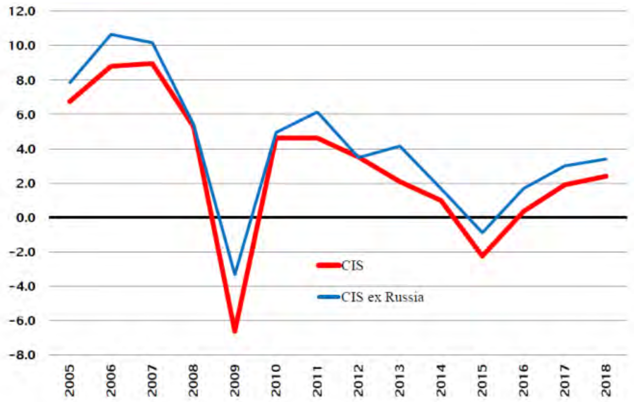
Labour markets are projected to improve slowly, following a three-year upward trend in urban unemployment.

The region's medium- and long-term growth prospects, however, remain challenging. Over the past few years, growth has been largely driven by private and public consumption, causing an increase in household indebtedness. Investment growth, by contrast, has generally remained weak. In many cases, fiscal adjustment has relied on public investment cuts. As a result, infrastructure development, innovation and productivity growth have weakened. Mr. Titelman then discussed ways to boost investment, highlighting the importance of public-private partnerships and of proactive fiscal policies. He also stressed the role of macroprudential regulation as an instrument of countercyclical policy.

In the subsequent discussion, several country-specific issues were addressed. In Mexico, the impact of the recent earthquake on economic activity is expected to be small as rebuilding efforts should offset any direct economic losses. In the case of Costa Rica, a decade of large fiscal deficits and rising debt levels appears to have had almost no effect on the country's growth prospects. And Brazil's economy is projected to recovery only slowly from the worst recession on record as high levels of corporate debt and low levels of confidence hold back investment.

CIS, Jose Palacin, UN-ECE, Geneva

Presenting the outlook for the Commonwealth of Independent States (CIS), Mr. Jose Palacin (UNECE) noted that a moderate economic recovery is on the way in the region. GDP growth has accelerated in the first half of 2017 in most CIS countries; the Russian Federation saw only a shallow recession in 2015-2016, however, the recovery is also proceeding slowly. The speaker noted that exchange rates in the CIS have underwent adjustments in 2015-2016 against the background of weaker commodity prices. The recent upturn in those prices has become an important factor driving the recovery in the Russian economy, which, in turn, facilitated the upturn in Belarus. In Kazakhstan, the expanding



Source: national statistical offices, ECE

oil output contributed to the acceleration of growth, while in Ukraine, the sharp contraction in the steel industry acted as a drag on the economy. The speaker has also noted that following the sharp contraction in the outward remittances from the Russian Federation in dollar terms, those flows have stabilized in the second half of 2016 and started to grow in early 2017.

According to Mr. Palacin, domestic demand has strengthened in the CIS, in particular thanks to the growing real wages and the rebound in household lending in the Russian Federation. However, investment performance has diverged, with sharp contractions in the first half of 2017 observed in Armenia and Tajikistan and an impressive double-digit expansion registered in Ukraine. Inflationary pressures meanwhile are subsiding, which allowed for cautious loosening of monetary policy in a number of countries.

Among the risk, facing the region, the speaker highlighted the continues dependency on commodity exports, in particular, he noted the significant change in the composition of Ukrainian exports in favour of agricultural products, and the observed weakening in the degree of exports sophistication for the Russian Federation; he also mentioned the growing external indebtedness and the debt repayment schedule for some countries. The speaker also mentioned the troubled banking sectors in the region. The share of non-performing loans has significantly increased following currency devaluations, especially in Ukraine. On the positive side, Mr. Palacin noted the ability of a number of CIS countries to borrow in international capital markets in 2017 and the growing foreign interest toward the sovereign debt of the Russian Federation.

Concluding the presentation, the speaker noted diverging demographic prospects in the CIS area, with shrinking working age population projected for Belarus and the Russian Federation in particular, and solid population growth expected in Central Asia.

During the follow-up discussion, the participant from the Russian Federation noted that the observed upturn in the Russian economy was due to investment, in particular public investment in the transportation sector, and the effect of import substitution for the private sector. However, the positive impulse from import substitution is exhausted, and growth of private consumption is slow, as the budget consolidation is on the way. The voluntary adherence to the OPEC-led oil production cuts is a constraint on exports. Asked, how serious is the policy of import substitution in the Russian Federation, the expert replied that import substitution in 2015-2016 was steady, however, the room for further import substitution is exhausted.

Comments and Questions

In the discussion that followed, several matters were raised such as: the impact of climate change on the macro outlook; the impact of the recent earthquake in Mexico – where rebuilding efforts are likely to offset much of the economic losses; the lack of observable impact of a decade of large deficits and rising debt in Costa Rica on growth prospects; the challenging situation in Brazil, where economic expansion has only just started following a deep recession, driven by a rise in consumption, but increased investment has little prospects due to high levels of corporate debt and low levels of confidence; the measures needed to address growing debt; and specific problems faced by countries with multiple exchange rates.

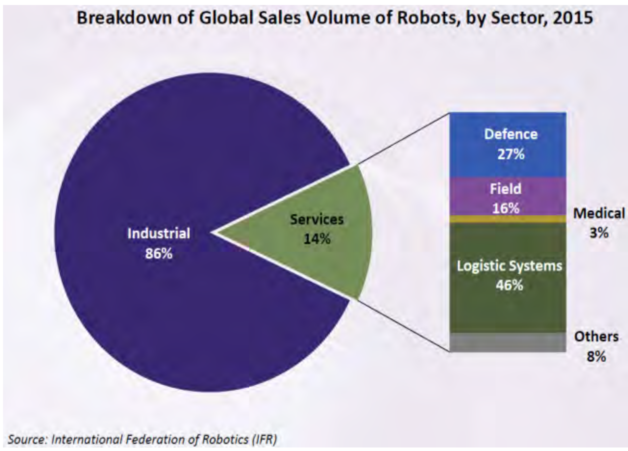
Session 3.4: Growth and productivity issues

Entrepreneurship, investment, employment and economic growth, Hilary Nwokeabia, UNCTAD, Geneva

Among the views defended in his presentation, Mr. Nwokeabia highlighted that, holding everything else constant, entrepreneurs created more jobs than established firms and more investment than major corporates. One possible policy conclusion that could be then extrapolated is that more support for start-ups and small-medium sized firms is needed.

Weak global productivity growth in an environment of rapid technological progress, Ingo Pitterle, UN-DESA, New York

Mr. Pitterle began by explaining that productivity growth has been on a long-term downward trend in virtually all developed economies, accompanied by a shift towards lower productivity sectors. For instance, the United Kingdom has witnessed a steep decline in manufacturing and in Italy negative productivity growth in many service industries. In developing regions, productivity trends have diverged. Mr. Pitterle then pointed to the role that new technologies, such as digital-tech, bio-tech, nano-tech, neuro-tech, could have in changing these trends. Namely, advances in artificial intelligence (AI) carry immense economic potential. Examples include 3D printing, more capable industrial robots and software to assist decision-making. However, adoption of AI is not currently equal with some sectors (telecommunications, finance...) taking more advantage of current developments. As of now, most robots in use perform industrial work and demand for them is concentrated in a few countries, namely China and Korea. Whether a new technological revolution is looming or not, it is not clear yet, since adoption and diffusion depends on factors such as maturity, cost, complementary infrastructure, but also the social, economic, legal and regulatory environment. To this end, Mr. Pitterle concluded, the role of Governments and international bodies will be vital.



Comments and Questions

The discussion touched upon the differences between young versus old firms in terms of innovation and job creation with the former being more associated to such characteristics. There was also some discussion regarding the implications of productivity developments and entrepreneurship for firms in developing countries, and in the role of access to credit.

Programme

Project LINK Fall Meeting 2017

UNCTAD, Palais des Nations, Salle VIII

October 3-5, 2017

*Presenters are in bold and underlined and their affiliations are in bold

Tuesday, 3 October, 2017

09:30-09:45 **Opening**

Richard Kozul-Wright, UNCTAD, Director of the Division on Globalization and Development Strategies, Geneva

Peter Pauly
University of Toronto

09:45-11:15 **World Economic Outlook**
Chair: Peter Pauly

United Nations
Pingfan Hong and Dawn Holland, UN-DESA, New York

UNCTAD
Richard Kozul-Wright, UNCTAD, Director of the Division on Globalization and Development Strategies, Geneva

OECD
David Turner, OECD, Paris

11:15-11:30 *Break*

11:30-13:00 Global Economic Policy Issues
Chair: Mette Rolland

Invited Lecture
Protectionist dynamics: Form and consequences
Simon Evenett, University of St. Gallen

Policies to create trade and policies to diverting trade: China's strategy to fill the former U.S. role as global trade leader
Carl Weinberg, High Frequency Economics, New York

Open discussion

13:00-14:00 *Lunch break*

14:00-15:30 Global Financial Issues
Chair: Adolfo Castilla

Return on foreign assets and liabilities: Can other countries replicate the exorbitant privileges of the United States?
Zsolt Darvas, Bruegel, Brussels and Corvinus University, Budapest

Towards an understanding of credit cycles: do all credit booms cause crises?
Ray Barrell, Dilruba Karim and Corrado Macchiarelli, Brunel University, London; and London School of Economics and Political Science, London

Inflation forecasting and macroeconomic stabilization
Harris Dellas, Heather D. Gibson, Stephen Hall, and George S. Tavlas, Bank of Greece, Athens; and Leicester University

15:30-16:00 *Break*

16:00-17:30	**World commodity markets and energy modelling** Chair: Alfredo Coutino Prospects for non-oil commodities *Janvier Nkurunziza, UNCTAD's Special Unit on Commodities, Geneva* The world oil market *Robert Kaufmann, Boston University* Agricultural commodities *William Meyers , University of Missouri, Columbia (Mo.)* *Open discussion*

Wednesday, 4 October, 2017

9:30-11:00	**Global Outlook (cont.)** Chair: Thomas Wilson United States *Dawn Holland, UN-DESA, New York* ILO Outlook *Sangheon Lee, ILO, Geneva* Designing fan charts for GDP growth forecasts to better reflect downturn risks *David Turner, OECD, Paris*
11:00-11:30	*Break*
11:30-13:00	**Policy Responses to Commodity Market Crises** Chair: Wang Tongsan

Commodity price cycles and policy reactions in small dependent economies
Joaquin Vial and Alberto Naudon, Central Bank of Chile, Santiago

R&D investments and commodity booms
Roberto Álvarez, Sebastián Vergara and Juan M. Wlasiuk, Central Bank of Chile, Santiago; and UN-DESA, New York

Commodity connectedness
Francis X. Diebold, Laura Liu and Kamil Yilmaz; University of Pennsylvania, Philadelphia; Federal Reserve Board, Washington; and Koç University, Istanbul

13:00-14:00 *Lunch*

14:00-15:30 Perspectives for Europe
Chair: Delia Nilles

Invited Lecture
The Euro: Far from perfect but not doomed
Charles Wyplosz, Graduate Institute, Geneva and CEPR, London

European Union
Pavlos Karadeloglou, European Central Bank, Frankfurt

Open Discussion

15:30-16:00 *Break*

16:00-17:30 Topics in macroeconomic modeling and forecasting
Chair: Alexander Welfe

The World Bank's customizable stand-alone modelling interface: making forecasting easy(ier)
Andrew Burns, The World Bank, Washington

What to do when effective exchange rates cannot be calculated for developing countries? PANIC?
David Neto, UNCTAD, Geneva

Pass-through of gas taxes
Robert Kaufmann, Boston University

Thursday, 5 October 2017

09:30-11:00 **Topics in macroeconomic modelling and policy analysis**
Chair: Clive Altshuler

Women's participation in the labour market around the world: trade-off between preferences, gender norms and socio-economic constraints
Stefan Kuehn, ILO , Geneva

Structural and quasi-accounting models: Which is best and can they work together?
Jean Louis Brillet, INSEE, Paris

Long-term changes in industry structure: Effects on trade, real wage growth and labour share of income
John Perkins, National Institute of Economic and Industry Research, Melbourne

11:00-11:30 *Break*

11:30-13:00 **Regional Outlook (cont.) : Asia**
Chair: Charlotte du Toit

Japan
Yasuhisa Yamamoto, UN-DESA, New York

East and South Asia

Vatcharin Sirimaneetham, UN-ESCAP, Bangkok

Western Asia
Seung-Jin Baek, UN-ESCWA, Beirut

Open discussion : LINK national delegates

13:00-14:00 *Lunch*

14:00-15:30 Regional Outlook (cont.)
Chair: Franjo Stiblar

Africa
Adam Elhiraika, UN-ECA, Addis Ababa

Latin America (via video link)
Daniel Titelman, UN-ECLAC, Santiago

CIS
Jose Palacin, UN-ECE, Geneva

Open discussion: LINK national delegates

15:30-16:00 Break

16:00-17:00 Growth and productivity issues
Chair: Suleyman Ozmucur

Entrepreneurship, investment, employment and economic growth
Hilary Nwokeabia, UNCTAD, Geneva

Weak global productivity growth in an environment of rapid technological progress
Ingo Pitterle, UN-DESA, New York

17:00 Close

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