

Accounting, Finance and Budgeting

Macro-economic Policy Analysis and Forecasting

Prepared as a professional course profile for delegate review, sponsorship approval and organisational training planning.

COURSE CODE

MSD2541

DELIVERY

Online / Face-to-Face

DURATION

Flexible

PREPARED FOR

Organisation Approval**Register for this Course****View Online Course Page**

Course Overview

This two-week course aims at providing participants a rigorous training on the use of simple Dynamic New Keynesian (DNK) models to conduct monetary analysis and forecasting with an emphasis on analyzing monetary policy responses to macroeconomic imbalances and shocks. Participants are provided with the tools needed to develop and/or extend the model to fit their own monetary policy framework. Country case studies are used to reinforce participants' understanding and to help them compare, contrast, and assess various experiences.

In this macroeconomics course, you will learn to predict macroeconomic variables such as inflation, growth or consumption, and to create statistical models in economics and use them to predict responses to economic policy.

You will learn from hands-on demonstrations of model-building, forecasting and policy analysis, using data sets from a wide variety of countries. During this economics course, you will be provided with a free temporary license to EViews - a popular software for estimating and simulating forecasting models that has become a standard in central banks and academic institutions worldwide

Course Outcomes

- Customize a simple model of an economy in the region that embodies the monetary policy transmission mechanism and the shocks it may face.
- Acquire and apply tools used in modern central banks to conduct 'model-based' monetary policy analysis and forecasting utilizing a hands-on software-based framework.
- Conduct nowcasting and near-term forecasting for that economy using various estimation-based econometric techniques and expert judgment.
- Use the model to develop consistent medium-term quarterly projections of key macro variables such as output, inflation, interest rate and the exchange rate.
- Identify risks in the baseline forecast and develop medium-term projections for alternative scenarios, which assume that such risks materialize..
- Start building a simple model for monetary policy analysis using own country data, when they return home.
- Evaluation of macro econometric models
- Forecasting of uncertainty and forecasting for policy analysis
- Properties of time series data and model design
- Dynamic specification and the use of vector auto-regression models (VARs) and error correction models (VECMs)

Course Outline / Curriculum

MONETARY POLICY MODERNIZATION, FPAS AND THE COURSE OVERVIEW

- Principles of modern monetary policy
- Policy frameworks in practice Structure of the course

THE CORE MODEL AND OTHER COMPONENTS OF A FORECASTING AND POLICY ANALYSIS SYSTEM (FPAS)

- Role of the core component of FPAS (the core quarterly projection model)
- Effective integration of all FPAS components: databases, monitoring and reporting, forecasting (short- to medium-term), communication and decision-making
- FPAS: a coherent view of economic developments and policy implications inside central banks

CONSISTENCY OF POLICY OBJECTIVES AND KEY MACROECONOMIC TRENDS

- Convergence, relative version of PPP and the Balassa-Samuelson effect
- Empirical behavior of the exchange rate and risk-premia and implication for policy analysis and forecasting
- Uncovered interest rate parity: long-run version
- Interpreting economic trends and convergence to those (the nominal trend, the real trend, and relative price trends)

INTRODUCTION TO A SMALL NEW KEYNESIAN MODEL FOR POLICY ANALYSIS

- Model structure: Aggregate Demand, New Keynesian Phillips Curve, Uncovered Interest Rate Parity (UIP), and forward-looking monetary policy rule
- Steady-states, trends and business cycle: Understanding equilibrium conditions (steadystate/trends) and short-run adjustment towards equilibrium (business cycles)
- Solving the model (Blanchard-Quah algorithm)
- Data, initial calibration and model properties

THE CPI COMPONENTS AND THEIR RELATIVE PRICES IN THE MODEL

- A theory of inflation in New Keynesian models and the role of the inflation target
- Understanding the dynamics of CPI Components: core, food, and energy inflation and their relative prices
- Policy responses to first and second round effects of shocks to CPI components
- Economic foundation of transitory and permanent shocks in relative prices

ALTERNATIVE EXCHANGE RATE REGIMES AND FOREIGN EXCHANGE INTERVENTION

- Monetary policy rule: under a pure IT- floating regime and its modification to reflect exchange rate management and targeting
- Uncovered Interest Rate Parity under alternative exchange rate regimes
- Modeling the exchange rate as the operational target
- Modeling foreign exchange intervention (as an additional instrument)
- Capital account openness, exchange rate regime and monetary policy autonomy, currency substitution

ESTIMATING LONG-RUN TRENDS AND GAPS

- Identification of trends
- Univariate filters
- Multivariate (Kalman) filters

METHODS IN MODEL PARAMETERIZATION AND MODEL PROPERTIES ASSESSMENT

- Calibration versus estimation (Bayesian and maximum likelihood) methods: in more detail
- Model properties: model and data implied correlations
- Model properties: recursive forecast

NOWCAST AND NEAR-TERM FORECAST

- Short-term analysis and nowcasting in the FPAS context
- State Space models
- Near-term forecasting

MODELING FISCAL POLICY

- An auxiliary satellite model to analyze the fiscal impact / fiscal impulse
- Introducing the fiscal impulse measure in the aggregate demand equation
- Simulation properties of different fiscal stimulus / adjustment scenarios

MEDIUM-TERM FORECASTING: BASELINE AND COUNTERFACTUALS FOR POLICY ANALYSIS

- Baseline forecast: building macro scenarios for policy dialogue
- Baseline forecast: discussion of specific risks and developing contingency plans
- Role of judgment
- Alternative forecast scenarios
- List of scenario possibilities
- Scenarios and communication

Target Audience

- Mid- to senior-level officials involved in monetary policy decision making and staff involved in macroeconomic analysis and forecasting or operating macroeconomic models.
- The course is particularly well-suited for officials involved in developing forecasts that are used in the design and implementation of macroeconomic policy. All government officials are welcome to apply

Key Course Benefits

Work-Ready Skills

Delegates leave with practical tools, templates and methods they can apply immediately at work.

Better Institutional Results

The programme supports stronger planning, reporting, compliance, accountability and service delivery.

Sponsor-Friendly

This document is designed to help supervisors, HR units and sponsors approve delegate participation quickly.

Professional Recognition

Delegates receive training documentation and a certificate of completion after successful participation.

Our Training Centres & Delivery Options

Magna Skills offers flexible delivery through face-to-face training centres across Africa and beyond, plus Online / E-Learning for delegates who prefer remote participation.

Southern Africa

Practical training destinations with strong travel access and delegate support.

Pretoria, South Africa Vic Falls, Zimbabwe

Livingstone, Zambia

East Africa

Popular regional centres for government, NGO and donor-funded project teams.

Kigali, Rwanda Kampala, Uganda Nairobi

Zanzibar, Tanzania

West Africa & Islands

Strategic locations for regional networking and executive capacity building.

Accra, Ghana Port Louis, Mauritius

International Executive Venue

Premium destination training for senior teams and international delegates.

Dubai, United Arab Emirates

Online / E-Learning

Attend from anywhere through live online, blended or self-paced learning options.

Online, E-Learning Remote Teams Flexit

Organisation-Based Training

Magna Skills can also arrange dedicated in-house training for ministries, NGOs and companies.

Onsite Custom Dates Group Training

Ready to Nominate Delegates?

Use the links below to register, review the live course page or contact Magna Skills for organisation-based training support.

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About Magna Skills

Magna Skills Development Institute provides practical capacity building programmes for government departments, NGOs, public institutions, donor-funded projects and private sector professionals across Africa. Our training approach combines expert facilitation, real workplace case studies, practical tools, post-training support and professional documentation that helps organisations strengthen staff performance and service delivery.

Government Training

NGO Capacity Building

Corporate Workshops

Online Learning

Face-to-Face Training

Certifica

Approval & Authorisation Form

This section may be completed by the organisation, department, HR office, finance office or sponsor approving delegate participation. It can be attached to an internal memo, procurement request or training approval submission.

Organisation / Department	
Delegate Name(s)	
Approved Course	Macro-economic Policy Analysis and Forecasting
Preferred Delivery Mode	<input type="checkbox"/> Online <input type="checkbox"/> Face-to-Face <input type="checkbox"/> Organisation-Based Training
Preferred Training Venue / Date	
Estimated Number of Delegates	
Budget / Vote Number	
Contact Person	
Email / Mobile	

Authorised Name

Signature / Stamp

Date