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SECRETARY'S CIRCULAR NO. 86/31

To: Members of the Executive Board
From: The Secretary
Subject: Course on Techniques of Economic Analysis (1986-I)

Attached for the information of the Executive Directors is a report on the course on techniques of economic analysis conducted in English from January 6 through February 28, 1986.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

IMF INSTITUTE

Report on the Course on Techniques of Economic Analysis (1986-I)

January 6 - February 28, 1986

Introduction

The course on Techniques of Economic Analysis, conducted in English, was presented over an eight-week period. This course provided an intensive review of analytical concepts and techniques for officials with limited formal training in macroeconomics. Emphasis was placed on the needs of officials involved in the compilation of basic data and the preparation and evaluation of reports on current economic problems.

Selection of participants

The Admissions Committee selected 33 participants from the following countries: Austria, Bangladesh, Barbados, Belize, the People's Republic of China, Fiji, The Gambia, Ghana, Hungary, Indonesia, the Islamic Republic of Iran, Iraq, Jamaica, Japan, Lesotho, Malawi, Malaysia, New Zealand, Pakistan, Papua New Guinea, the Philippines, Romania, Saudi Arabia, Spain, Sri Lanka, St. Lucia, Syria, Uganda, United Kingdom, Vanuatu, the People's Democratic Republic of Yemen, Zambia, and Zimbabwe (see Attachment I).

Organization of the course

Attachment II lists the topics presented during the course.

The course was divided into three sections: (a) a presentation of the principal macroeconomic accounts; (b) an exposition of macroeconomic analysis; and (c) a description of the Fund's policies and procedures.

The review of macroeconomic accounts covered the national income and product accounts, money and banking statistics, government finance statistics, balance of payments statistics, and their interrelations. The discussion of macroeconomic analysis focused on the determinants of the principal macroeconomic aggregates, the causes and nature of internal and external imbalances, as well as the relationships among major indicators of economic performance. Important concepts of measurement and quantitative methods such as index numbers, the effective exchange rate, and regression analysis were also discussed. These analytical methods were illustrated by case studies of economic developments in member countries. The sessions on the Fund served to acquaint the participants with the Fund's organization, policies, practices, and its evolving role in the world economy.

All of the plenary sessions on macroeconomic accounts and analysis were complemented by applied workshops. Participants were assigned to one of four working groups, each led by an Institute staff member. These small groups served as a forum for the review of issues arising in the lectures, and for the preparation and presentation of workshops. Toward the end of the course, participants were asked to review economic developments in two Fund member countries in the working groups and to present their analyses in plenary sessions.

During the course 71 sessions were held. These included lectures, workshops, counseling and working group sessions, and a video presentation on the 1985 Fund-Bank Annual Meetings. The sessions were conducted by the staff of the IMF Institute. For most topics, background materials were distributed to the participants several days in advance of the session. The summaries and workshops listed in Attachment III were supplemented, where necessary, by selected published material and other Fund documents.

Social activities

A reception was given at the Fund on January 9 to welcome the participants, and to introduce them to management, members of the Executive Board, and the staff.

Participants were entertained at luncheons hosted by their Executive Directors, and by the area departments responsible for their countries. In addition, the Institute organized a number of weekend outings, including a visit to New York, and several social gatherings at the Concordia.

Certificates of attendance were presented to the participants at a farewell luncheon on February 28, 1986.

IMF Institute
March 1986

List of Participants

Course on Techniques of Economic Analysis in English (1986-I)

NAME	COUNTRY	POSITION AND AFFILIATION
1. ABDULSADIQ, Ahmed Ali	Yemen, PDR	Assistant Deputy Minister Ministry of Planning
2. ABEDIN, Zainul	Bangladesh	Assistant Economic Adviser Finance Division Ministry of Finance
3. AMPOFO, Elly Dusi (Miss)	Ghana	Officer Grade I Public Finance Section Research Department Bank of Ghana
4. COSTALES, Begoña Gamon (Miss)	Spain	Program Director Subdirector General of External Financing Directorate General of the Treasury and Financial Policy Ministry of Economy and Finance
5. DRAKES, Ernesta Elise (Miss)	Barbados	Economist I Ministry of Finance and Planning
6. HASHIMY, Lamis (Miss)	Syria	Assistant Manager Department of Monetary and Banking Affairs Ministry of Economy and Foreign Trade
7. HE Qi (Mrs.)	China	Assistant Research Fellow Research Institute of Banking and Finance People's Bank of China
8. JALAL, Sabih Mohammed Ali	Iraq	Senior Research Economist International Organizations Section Research Department Central Bank of Iraq

NAME	COUNTRY	POSITION AND AFFILIATION
9. JOSIE, Mary Agnes Genifa (Miss)	St. Lucia	Administrative Assistant to Director of Finance Ministry of Finance, Planning and Statistics
10. KHORZAD, Nozar	Iran	Adviser, Economic Research Department Central Bank of the Islamic Republic of Iran
11. LEE Kam Swee (Mrs.)	Malaysia	Principal Assistant Secretary Commodities Section Economics Division Federal Treasury Ministry of Finance
12. LUE LIM, Gail Andrea E. (Mrs.)	Jamaica	Senior Economist Statistical Unit Research Department Bank of Jamaica
13. MATEI, Ion	Romania	Senior Economist Foreign Exchange and International Financial Relations Department Ministry of Finance
14. MATSAU, Zodwa Reshoketsoe (Mrs.)	Lesotho	Economist, Money and Banking Sector Research Department Central Bank of Lesotho
15. MEDLEJ, Medlej M.	Saudi Arabia	Economist, Public Investment Fund Ministry of Finance and National Economy
16. MHANGO, Chalwizka H. Chaduma	Zambia	Senior Economist Economics Unit Budget Office Ministry of Finance
17. MILLIGAN, Andrew Brett	United Kingdom	Personnel Manager H. M. Treasury

NAME	COUNTRY	POSITION AND AFFILIATION
18. MISSEN, Lindsay Arthur	New Zealand	Research Officer Accounting Corporate Services Department Reserve Bank of New Zealand
19. MUBIKA, Joseph	Zimbabwe	Senior Administrative Officer Domestic and International Finance Ministry of Finance, Economic Planning and Development
20. MUSHANI, Waki	Malawi	Treasury Economist Economic Affairs Section Ministry of Finance
21. NAKASHIMA, Satoshi	Japan	Officer, Planning Section Capital Market Division Securities Bureau Ministry of Finance
22. NIRUA, Jean Pierre	Vanuatu	Assistant Development Finance Coordinator National Planning and Statistics Office
23. OBELLA, Oode	Uganda	Senior Finance Officer Banking Division Economic Affairs Department Ministry of Finance
24. POMBO, Koni	Papua New Guinea	Manager, Reserves Management Division International Department Bank of Papua New Guinea
25. PRIBIL, Kurt	Austria	Economist International Organisations Division Foreign Research Department Austrian National Bank
26. RAMZAN, Muhammad	Pakistan	Section Officer International Financial Relations Section External Finance Wing Ministry of Finance

NAME	COUNTRY	POSITION AND AFFILIATION
27. ROBERTS, Sylvan Alexander	Belize	Acting Chief Statistician Central Statistical Office Ministry of Economic Development
28. SCHAFFER, Zsuzsa (Mrs.)	Hungary	Economic Advisor International Monetary Division National Bank of Hungary
29. SOWE, Ousman A.	Gambia, The	Economist, Domestic Economy Economic Research Department Central Bank of The Gambia
30. TADLE, Ma. Arlene de Mesa (Miss)	Philippines	Economic Development Specialist Projects Development and Sectoral Support Studies Division Projects Economic Staff National Economic and Development Authority
31. THAKUR, Jagdish Prasad	Fiji	Economic Planning Officer Economic Analysis Unit Budget Section Ministry of Finance
32. TJAHJONO	Indonesia	Credit Analysis Section Monetary Division Economics and Statistics Department Bank Indonesia
33. WEERARATNA, Waulagalage	Sri Lanka	Economist, Research, Publication, Training and Development Division Economic Research Department Central Bank of Ceylon

List of Topics

Course on Techniques of Economic Analysis (1986-I)

I. Macroeconomic Accounts

1. National Income and Product Accounts (lecture and workshop)
2. Monetary Survey (lecture and workshop)
3. Government Finance Statistics (lecture and workshop)
4. Balance of Payments Statistics (lecture and workshop)
5. Interrelations Among Macroeconomic Accounts (lecture and workshop)

II. Macroeconomic Analysis

A. Behavior of Principal Macroeconomic Aggregates

1. Output and Expenditure (2 lectures and 1 workshop)
2. Prices (lecture and workshop)
3. Money, Credit and Interest Rates (2 lectures and 1 workshop)
4. The Budget and Government Financing (2 lectures and 1 workshop)
5. Trade, Capital Flows and Exchange Rate (2 lectures and 1 workshop)
6. External Debt (lecture and workshop)

B. Concepts of Measurement and Quantitative Methods

1. Ratios, Marginal Propensities and Elasticities (lecture and workshop)
2. Macroeconomic Models
 - a. Income-Expenditure Models (lecture and workshop)
 - b. Monetary Models (lecture and workshop)
3. Index Numbers (lecture and workshop)
4. Regression Analysis
 - a. The Least-Squares Method (2 lectures and 1 workshop)
 - b. Interpreting Regression Results (lecture and workshop)
5. Terms of Trade and Effective Exchange Rate (lecture and workshop)

C. Analysis of Economic Developments (5 workshops and 2 participants' presentations)

III. Fund's Policies and Procedures

1. Organizational Aspects of the Fund
2. The Fund's Code of Conduct
3. Origins and Uses of Fund Resources
4. International Liquidity and Special Drawing Rights
5. The 1985 Fund-Bank Annual Meetings
6. Recent Evolution of the International Monetary Fund

List of Documents

Course on Techniques of Economic Analysis in English (1986-I)

Summaries

Section I

INST/86-I/I-1	National Income and Product Accounts
INST/86-I/I-2	Monetary Survey
INST/86-I/I-3	Government Finance Statistics
INST/86-I/I-4	Balance of Payments Statistics
INST/86-I/I-5	Interrelations Among Macroeconomic Accounts

Section II

INST/86-I/II-A-1	Output and Expenditure
INST/86-I/II-A-1W	Workshop on Output and Expenditure
INST/86-I/II-A-2	Determinants of Prices and Inflation
INST/86-I/II-A-2W	Workshop on Prices
INST/86-I/II-A-3	Money, Credit and Interest Rates
INST/86-I/II-A-3W	Workshop on Money, Credit and Interest Rates
INST/86-I/II-A-4	The Budget and Government Financing
INST/86-I/II-A-4W	Workshop on The Budget and Government Financing
INST/86-I/II-A-5	Trade, Capital Flows and Exchange Rate
INST/86-I/II-A-5W	Workshop on Trade, Capital Flows and Exchange Rate
INST/86-I/II-A-6	External Debt
INST/86-I/II-A-6W	Workshop on External Debt
INST/86-I/II-B-1	Ratios, Marginal Propensities and Elasticities
INST/86-I/II-B-2(a)	Income-Expenditure Models
INST/86-I/II-B-2(b)	Monetary Models
INST/86-I/II-B-3	Index Numbers
INST/86-I/II-B-4(a)	The Least-Squares Method
INST/86-I/II-B-4(a)W	Workshop on The Least-Squares Method
INST/86-I/II-B-4(b)	Interpreting Regression Results
INST/86-I/II-B-4(b)W	Workshop on Interpreting Regression Results
INST/86-I/II-B-5	Terms of Trade and Effective Exchange Rate
INST/86-I/II-CW	Workshop on Analysis of Economic Developments

Section III

INST/86-I/III-1	Organizational Aspects of the Fund
INST/86-I/III-2	The Fund's Code of Conduct
Supplement 1	Exchange Rate Arrangements
Supplement 2	Article IV Consultation Intervals
INST/86-I/III-3	Origins and Uses of Fund Resources
INST/86-I/III-4	Special Drawing Rights
INST/86-I/III-6	Recent Evolution of the International Monetary Fund

Fund Publications

- International Monetary Fund, A Guide to Money and Banking Statistics in International Financial Statistics, December 1984.
- _____, Annual Report 1985.
- _____, Articles of Agreement.
- _____, Balance of Payments Manual, Fourth Edition, June 1977.
- _____, Draft Manual on Government Finance Statistics, June 1974.
- _____, External Indebtedness of Developing Countries, Occasional Paper No. 3, May 1981.
- _____, Finance and Development, December 1985.
- _____, IMF Survey, "Supplement on the Fund," September 1985, and issues from January 6 through February 28, 1986.
- _____, International Financial Statistics, January 1986.
- _____, Selected Decisions of the IMF and Selected Documents (10th Edition), April 1983 and Supplement, March 1984.
- _____, World Economic Outlook, April 1985 and October 1985 Revision.

Other Fund Documents

a. Staff Memoranda

- SM/85/260 "Kenya - Recent Economic Developments," September 24, 1985.
- SM/85/154 "Thailand - Recent Economic Developments," May 30, 1985.

b. Other

- Chandavarkar, Anand G., The International Monetary Fund: Its Financial Organization and Activities, Pamphlet No. 42, 1984.
- Driscoll, David (ed.), The Role and Function of the International Monetary Fund, 1985.
- Høst-Madsen, Poul, Macroeconomic Accounts: An Overview, Pamphlet No. 29, 1979.

Books

- Gillis, Malcom, Dwight H. Perkins, Michael Roemer and Donald R. Snodgrass, Economics of Development (W. W. Norton and Company, New York, 1983).
- Goode, Richard, Government Finance in Developing Countries (The Brookings Institution, Washington, D.C., 1984).
- Gordon, Robert J., Macroeconomics, Third Edition (Little, Brown and Co., Boston, 1983).

Lindert, P. H. and Charles P. Kindleberger, International Economics,
Seventh Edition (Richard D. Irwin, Homewood, Illinois, 1982).

Mayer, Thomas, James S. Duesenberry, and Robert Z. Aliber, Money,
Banking and the Economy, Second Edition (W. W. Norton and Company,
New York, 1984).

Wonnacott, Thomas H. and Ronald J. Wonnacott, Introductory Statistics for
Business and Economics, Third Edition (John Wiley and Sons, New
York, 1984).