

File No.13020/19/2015-IES
Government of India
Ministry of Finance
Department of Economic Affairs
IES Cadre Division

Room No.251, North Block,
New Delhi, Dated: 22nd March, 2017

OFFICE MEMORANDUM

Subject: Two weeks' Training on Fiscal Analysis and Forecasting at IMF Institute, South Asia Regional Training and Technical Assistance Centre (SARTTAC), New Delhi.

This is in continuation of this Department's OM dated 22.2.2017 on the captioned subject. IMF Institute is organizing the programme for Government Officials at SARTTAC, Aerocity, New Delhi from 20th -31st March, 2017. The details of the course are at **Annexure I**.

2. As the course is highly relevant for the officers of IES, IMF is willing to include officers interested in attending the programme as per their requirement on a lecture to lecture basis. Interested officers may attend such lectures/sessions with prior permission of their Controlling Officer, with an advance intimation to the undersigned and to Dr. Mangal Goswami, Deputy Director, IMF SARTTAC (email: MGoswami@imf.org; contact no: +65 97248202).

3. It is also mentioned that the course is completely sponsored by the IMF Institute, SARTTAC and participation fee in no form has to be borne by the participants. However, TA/DA as applicable for the nominated officers is required to borne by the Ministry/Department/Organization concerned.

4. This issues with the approval of the Competent Authority.


22/3/17
(Sweta Satya)

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Copy to:

Dr. Mangal Goswami, Deputy Director, IMF SARTTAC, New Delhi via email.

INTERNATIONAL MONETARY FUND
Institute for Capacity Development
South Asia Regional Training and Technical Assistance Center
Course on Fiscal Analysis and Forecasting
March 20 - 31, 2017
New Delhi, India

PROGRAM

Monday, March 20

9:00 am - 9:30 am		Opening Session & Participants Introduction <i>Mr. Hui He, Economist, IMF ICD</i> <i>Mr. Sukhwinder Singh, Director, IMF SARTTAC</i> <i>Mr. Mangal Goswami, Deputy Director, IMF SARTTAC</i>
9:30 am – 10:00 am		Initial Quiz
10:00 am – 11:00 am	L1	Macroeconomic and Financial Implications of Fiscal Policy <i>Mr. Hui He, Economist, IMF ICD</i> <ul style="list-style-type: none">• The macroeconomic framework and account• Economic effects of fiscal policy• Fiscal effects of macroeconomic developments• Coordinating fiscal and monetary policy
11:00 – 11:15 am		Group Photo
11:15 am – 11:30 am		Coffee Break
11:30 am – 1:00 am	L1	Macroeconomic and Financial Implications of Fiscal Policy (Contd.) <i>Mr. Hui He, Economist, Institute for Capacity Development (ICD)</i>
1:00 pm – 2:00 pm		Lunch
2:00 pm – 3:30 pm	L2	Fiscal Accounts and the Interrelations Between the Four Sectors of the Economy <i>Mr. Hui He, Economist, IMF ICD</i> <ul style="list-style-type: none">• Linking expenditure and tax policies to real and external sectors• Fiscal financing flows in the monetary and external accounts• Public versus private components of saving, investment, and the external current account
3:30 pm – 3:45 pm		Coffee Break

3:45 pm – 5:30 pm W1 **Workshop: Introduction to the Malaysia Case Study and Preliminary Diagnosis of Fiscal Aggregates**
Mr. Mangal Goswami, Deputy Director, IMF SARTTAC
Mr. Hui He, Economist, IMF ICD
Mr. Michael McMahon, Associate Professor, University of Warwick and Consultant, ICD IMF

Tuesday, March 21

9:00 am – 11:30 am L3 **Elements of Revenue Forecasting I: Macroeconomic Assumptions and the Effective Tax Rate Approach**
Mr. Michael McMahon, Associate Professor, University of Warwick and Consultant, ICD IMF

- Main assumptions underlying fiscal forecasts, from GDP to proxy tax base
- Tax rate, effective tax rate

11:30 am – 11:45 am **Coffee Break**

11:45 am – 1:00 pm W2 **Revenue Forecasts I**
Mr. Michael McMahon, Associate Professor, University of Warwick and Consultant, ICD IMF
Mr. Hui He, Economist, IMF ICD

1:00 pm – 2:00 pm **Lunch Break**

2:00 pm – 3:30 pm W2 **Revenue Forecasts I (Contd.)**

3:30 pm – 3:45 pm **Coffee Break**

3:45 pm – 5:30 pm W2 **Revenue Forecasts I (Contd.)**

Wednesday, March 22

9:00 am – 11:30 am L4 **Elements of Revenue Forecasting II: The Elasticity Approach and Projections of Revenue Components**
Mr. Michael McMahon, Associate Professor, University of Warwick and Consultant, ICD IMF

- Estimation and implementation of revenue elasticities
- Distinction between ‘elasticity’ and ‘buoyancy’
- Adjusting for tax policies

11:30 am – 11:45 am **Coffee Break**

11:45 am – 1:00 pm	W3	Revenue Forecasts II <i>Mr. Michael McMahon, Associate Professor, University of Warwick and Consultant, ICD IMF</i> <i>Mr. Hui He, Economist, IMF ICD</i>
1:00 pm – 2:00 pm		Lunch Break
2:00 pm – 3:30 pm	W3	Revenue Forecasts II (Contd.)
3:30 pm – 3:45 pm		Coffee Break
3:45 pm – 5:30 pm	W3	Revenue Forecasts II (Contd.)

Thursday, March 23

9:00 am - 11:30 am	L5	Expenditure Forecasting and Elements of Expenditure Policy <i>Mr. Hui He, Economist, IMF ICD</i>
		<ul style="list-style-type: none"> • The output-gap elasticity of expenditures • Projections at unchanged policies: model-based projections and discretionary adjustments • Issues in expenditure policy
11:30 am – 11:45 am		Coffee Break
11:45 am – 1:00 pm	L5	Expenditure Forecasting and Elements of Expenditure Policy (Contd.) <i>Mr. Hui He, Economist, IMF ICD</i>
1:00 pm – 2:00 pm		Lunch Break
2:00 pm – 3:30 pm	W4	Workshop: Expenditure Forecasts <i>Mr. Hui He, Economist, IMF ICD</i> <i>Mr. Michael McMahon, Associate Professor, University of Warwick and Consultant, ICD IMF</i>
3:30 pm – 3:45 pm		Coffee Break
3:45 pm – 5:30 pm	W4	Workshop: Expenditure Forecasts (Contd.)

Friday, March 24

9:00 am - 11:30 am	L6	Analysis of Fiscal Aggregates, Adjusted Balances, and Fiscal Position <i>Mr. Hui He, Economist, IMF ICD</i>
		<ul style="list-style-type: none"> • Fiscal balances and their economic interpretation • Structural and cyclically adjusted balance • Measuring fiscal stance and fiscal impulse

11:30 am – 11:45 am		Coffee Break
11:45 am – 1:00 pm	L6	Analysis of Fiscal Aggregates, Adjusted Balances, and Fiscal Position (Contd.) <i>Mr. Hui He, Economist, IMF ICD</i>
1:00 pm – 2:00 pm		Lunch Break
2:00 pm – 3:30 pm	W5	Workshop: Malaysia’s Fiscal Stance <i>Mr. Hui He, Economist, IMF ICD</i> <i>Mr. Michael McMahon, Associate Professor, University of Warwick and Consultant, ICD IMF</i>
3:30 pm – 3:45 pm		Coffee Break
3:45 pm – 5:30 pm	W5	Workshop: Malaysia’s Fiscal Stance (Contd.)

Monday, March 27

9:00 am - 11:30 am	L7	Public Debt Sustainability <i>Mr. Michael McMahon, Associate Professor, University of Warwick and Consultant, ICD IMF</i> <ul style="list-style-type: none"> • The debt dynamics • Elements of debt sustainability analysis • Fiscal objectives and policies to stabilize or reduce the debt
11:30 am – 11:45 am		Coffee Break
11:45 am – 1:00 pm	L7	Public Debt Sustainability (Contd.) <i>Mr. Michael McMahon, Associate Professor, University of Warwick and Consultant, ICD IMF</i>
1:00 pm – 2:00 pm		Lunch Break
2:00 pm – 3:30 pm	W6	Workshop: Debt Sustainability <i>Mr. Michael McMahon, Associate Professor, University of Warwick and Consultant, ICD IMF</i> <i>Mr. Hui He, Economist, IMF ICD</i>
3:30 pm – 3:45 pm		Coffee Break
3:45 pm – 5:30 pm	W6	Workshop: Debt Sustainability (Contd.)

Tuesday, March 28		
9:00 am - 11:30 am	L8	<p>Coordinating Fiscal and Monetary Policy <i>Mr. Ehsan Ebrahimi, Economist, IMF ICD</i></p> <ul style="list-style-type: none"> • Review of fiscal and monetary policy in static Keynesian model (with graphical representation) • Impacts of spending or revenue changes on core macroeconomic variables • Fiscal multipliers: implications of monetary accommodation and exchange rate flexibility
11:30 am – 11:45 am		Coffee Break
11:45 am – 1:00 pm	L8	<p>Coordinating Fiscal and Monetary Policy (Contd.) <i>Mr. Ehsan Ebrahimi, Economist, IMF ICD</i></p>
1:00 pm – 2:00 pm		Lunch Break
2:00 pm – 3:30 pm	L9	<p>Fiscal Governance <i>Mr. Ehsan Ebrahimi, Economist, IMF ICD</i></p> <ul style="list-style-type: none"> • Fiscal transparency and enhancing credibility of the fiscal authority • The design of fiscal institutions • Fiscal rules and anchors
3:30 pm – 3:45 pm		Coffee Break
3:45 pm – 5:30 pm	L10	<p>Analysis of Fiscal Risks and Vulnerabilities <i>Mr. Michael McMahon, Associate Professor, University of Warwick and Consultant, ICD IMF</i></p> <ul style="list-style-type: none"> • Sources of fiscal risk • Tools and indicators • Reporting on fiscal risk

Wednesday, March 29		
9:00 am - 11:30 am	L11	Fiscal Multipliers: Estimation and Use <i>Mr. Ehsan Ebrahimi, Economist, IMF ICD</i>
		<ul style="list-style-type: none"> • Alternative approaches to multipliers –Keynesian vs. New Classical (utility/productivity of government expenditures) • Recent estimates: what have we learned about fiscal multipliers? • Fiscal multipliers in severe recessions/when the zero lower bound constrains
11:30 am – 11:45 am		Coffee Break
11:45 am – 1:00 pm	L12	Designing a Credible Fiscal Baseline <i>Mr. Ehsan Ebrahimi, Economist, IMF ICD</i>
		<ul style="list-style-type: none"> • Setting fiscal targets: macroeconomic considerations • Implementing fiscal consolidation • Instructions for participants for final presentation.
1:00 pm – 2:00 pm		Lunch Break
2:00 pm – 3:30 pm	P1	Preparation of Fiscal Baseline for Malaysia
3:30 pm – 3:45 pm		Coffee Break
3:45 pm – 5:30 pm	P1	Preparation of Fiscal Baseline for Malaysia
Thursday, March 30		
9:00 am - 5:30 pm	P1	Preparation of Fiscal Baseline for Malaysia
11:30 am – 11:45 am		Coffee Break
1:00 pm – 2:00 pm		Lunch Break
3:30 pm – 3:45 pm		Coffee Break
Friday, March 31		
9:00 am - 10:30 am	P2	Group Presentations
10:30 am – 10:45 am		Coffee Break
10:45 am – 11:15 pm		Final Quiz
11:15 pm – 12:45 pm		Course Evaluation
12:45 pm – 1:00 pm		Closing and Presentation of Certificates
1:00 pm – 2:00 pm		Lunch Break