

# AUSTRALASIAN ECONOMIC MODELLING CONFERENCE 1992

Colin J. Roberts

*University of Edinburgh and Monash University*

I first heard about this conference whilst attending the 1992 Australasian Meeting of the Econometric Society (Roberts, 1992). At the time, the prospect of attending seemed slim. However, as further information concerning the quality of the conference and its location gradually filtered through a grey and wet Melbourne winter, attendance became more and more appealing until a last-minute booking was inevitable. Any conference which can boast an impressive line-up of invited speakers and a desirable location deserves very careful consideration. My inclinations were clearly shared, as at least one department was left with a skeleton crew.

This was the third in a series of annual conferences, organised by the Economic Modelling Bureau of Australia and situated at the Radisson Palms, Port Douglas, near Cairns in North Queensland from 2nd to 5th September. The theme of this year's conference was Business Cycles, Seasonality, Forecasting and Cointegration. A training course immediately prior to the conference, given by David Hendry, Adrian Pagan and Peter Phillips, allowed conferees the chance to improve their knowledge in these areas before the conference proper.

Proceedings were organized into four symposia, with two invited papers in each, and three sets of parallel sessions of contributed papers. Two of the symposia were on business cycle modelling. In the first, Francis Diebold presented regime switching models with endogenous transition probabilities and Steven Durlauf considered an incomplete markets theory of business cycle fluctuations. In the second, Vivian Hall highlighted key features of New Zealand business cycles and Adrian Pagan evaluated a real business cycle model.

The third symposium, on forecasting and cointegration, featured David Hendry turning his attention to economic forecasting, helpfully providing the conclusions of five papers in ten key points and Peter Phillips following this with a Bayesian approach to modelling and forecasting, not only of Australian macroeconomic time series as advertised, but of US and Korean time series as well. The final symposium, on seasonality, included Neil Ericsson applying cointegration, seasonality and encompassing analysis to the UK demand for money and Svend Hylleberg modelling seasonal variation and concluding in optimistic mood that all that was needed was more close links between economic theory and statistical analysis!

Contributed papers ranged from applied general equilibrium analysis to developments of cointegration testing. The formal conference concluded with a paper by Colin Hargreaves comparing various methods of estimating

cointegrating relations followed by a panel discussion on cointegration. Advice was offered on the choice of VAR order, the need to fully modify OLS when using I(1) variables and the role of the cointegrating vector. Differences did emerge as to whether the Johansen procedure should be seen as a black box to be avoided on the structural path of estimation or a stepping stone on the very same path, but unfortunately, the session did not quite live up to the expectations generated by a similar one at the end of the training course, which apparently involved a lively interchange between the three proponents. By explicitly being asked to avoid repetition of this material, it is possible that the panel felt constrained. Alternatively, perhaps a week combining the rigours of academic debate and the delights of the venue had taken its toll.

However, spirits were refreshed the following morning as most conferees rounded off the conference with a Quicksilver Reef Trip. This proved a stimulating experience, with the opportunity to view the amazing variety of colour and shape of corals and fish at close range — either by glass-bottomed vessel, snorkelling or scuba diving, plus a liberal array of food and drink; something for everyone and a major attraction for most.

The relaxed and comfortable atmosphere created by holding the conference at a luxurious hotel complex in a semi-tropical location, close to the Great Barrier Reef, clearly paid off in terms of attracting a numerous and prestigious gathering of conferees. Social events ran smoothly with several informal gatherings at pool-side eating places and bars; many Redbacks were readily disposed of. Whilst it is unlikely that I will be in Australia at the time of this coming year's meeting (see below), the appeal of the programme and the venue will still be hard to resist.

## References

- Roberts, C. J. (1992) 1992 Australasian Meeting of the Econometric Society — Monash, *Journal of Economic Surveys*, 6, pp. 359–62.

## Future Meeting

The fourth conference in the annual series, with the theme of The Asia-Pacific Economy, is scheduled to take place 25–28 August, 1993, near Cairns, by the Great Barrier Reef. Special symposia have been arranged on Patterns of Savings and Investment and their Impact on Trade and Growth in Asia-Pacific Economies and invited speakers include Angus Deaton, Philippa Dee, Steven Dowrick, Bob Lawrence, Warwick McKibbin, Will Martin, Yasuichi Okada, Peter Phillips, Stephen Turnovsky, David Vines, Peter Warr and Wing Woo, with further invitations outstanding. The conference is preceded by a training course on Intertemporal Modelling, 22nd to 24th August and further details can be provided by Colin Hargreaves, Director of the EMBA, GPO Box 1363, Canberra, ACT 2601.