

# **Some remarks on Benčík**

Anna Czogała

**National Bank of Poland**

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# Overview of the paper

- Development of a macroeconometric model of the Slovak economy
- Conditional forecast of the exchange rate interpreted as the equilibrium exchange rate
- Simulations

## Model based approach - advantages

- taking into account interactions between the exchange rate and its determinants
  - reduction of the number of exogenous assumptions
  - possibility of simulation exercises
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## **Model based approach - limitations**

- adoption of a specific model of the economy, especially problematic in the CEECs
    - availability and reliability of the data
    - ongoing structural changes in the economy
  - complexity
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# Model based approach - requirement

- the model in use should have a well defined equilibrium

# Suggestions for improvement and further research

- Development of the model
    - time series characteristics of the data
    - econometric techniques
    - medium- and long-term properties of the model
    - model equations
      - exchange rate
      - net trade
      - output gap
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