



IMPROVING PERFORMANCE AT THE NEXUS OF THE COMMERCIAL AND SOCIAL SECTORS

ABSTRACT

PROJECTING CHANGES IN COMPONENTS OF GDP (NOVEMBER 2012)

Measuring GDP accurately on a regular basis helps policy makers, economists, and business leaders determine appropriate policies, research direction, and financial strategies. While headline GDP figures are typically reported each quarter, it is helpful for government and business organizations to refer to updated numbers in the weeks between. Selecting appropriate leading indicators and including those as a part of the information set of the forecasting model significantly improves predictability of quarterly growth rates. The IMF Global Integrated Monetary and Fiscal Model (GIMF) is a risk analysis and forecasting model based on historical data. The New-Keynesian Dynamic Stochastic General Equilibrium (DSGE) model is instrumental in analyzing the effect of the economic shocks and policies on major macroeconomic variables. Both models project changes in components of GDP.

