

# PFTAC Steering Committee

March 27, 2019

Macroeconomic Programming and Analysis

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# Macroeconomic Prog & Analysis - FY2019 Program

Activity Type	Planned (Adj Mid Year)	Outturn	Outturn v Planned	FY19 outturn v FY18 outturn
Missions	14	12	86%	92%
Regional events	3	3	100%	60%
TA Mission Days (Total)	145	132	91%	96%
LTX	112	121	108%	88%
STX	33	11	33%	n/a
Budget	\$635 k	\$612 k	96%	119%

+92 LTX backstop days

# Macroeconomic Prog & Analysis - FY2019 Program Results

- Responding to member requests for tailored training the macroeconomics program organized three events with the IMF's Institute for Capacity Development (ICD) and Singapore Training Institute (STI):
  - 1) **Sub-regional** course on 'Macroeconomic Policy for Stabilization and Growth in the Pacific' hosted by Solomon Islands;
  - 2) **Regional** workshop on 'Policy Making to Influence Sustainable Growth and Productivity' in Fiji;
  - 3) Course on 'Macroeconomic Policy' in PNG.
- The program was also involved in multi-topic training on government finance statistics (GFS), value added tax (VAT) implementation and cash management.



# Macroeconomic Prog & Analysis - FY2019 Program Results

- **Cook Islands** is preparing for a surveillance type-technical assistance mission. New fiscal rules have been established and implemented. Work is on-going to estimate the economic and revenue contribution of the international financial services industry.
- The Reserve Bank of **Fiji** is collaborating with the IMF Resident Representative Office to estimate an output gap—a useful indicator for monetary and fiscal policy but not directly observable — using ICD training material and computer code. Estimations will be applied to other countries.
- To address fiscal challenges and make the tax system fairer and more efficient **Palau** is considering fiscal reform including introduction of a VAT and expansion of the net profit tax for businesses to replace import duties and the highly distorting gross revenue tax.



# Macroeconomic Prog & Analysis - FY2019 Program Results

- The Bank of **Papua New Guinea** and Department of Treasury are leading capacity development at their institutions, the PNG public sector and the region. PNG requested tailored training and the PNG Monetary and Fiscal Forecasting (MFF) Model was used for the Honiara training.
- **RMI** continues to progress medium-term budgeting and further improve budget documentation and processes.
- **Samoa** revitalized its Macroeconomic Policy Coordination Committee following an observation attachment to the Reserve Bank of Fiji. The presentation of macroeconomic forecasts in the budget document is being reviewed.



# Macroeconomic Prog & Analysis - FY2019 Program Results

- The Central Bank of **Solomon Islands** (CBSI) and Ministry of Finance and Treasury (MoFT) continue to enhance their macroeconomic models. A template for the monetary sector discussed at the ICD-STI-PFTAC training in Honiara was adopted in the CBSI model. The MoFT model is informing tax reform.
- Staff at the **Tonga** Ministry of Finance continue to use and improve forecasting and analysis tools. The Chief Economist helped develop gross domestic product (GPD) forecasting in Tuvalu.
- **Tuvalu** continues to build capacity for GDP forecasting including the development of a database, Tuvalu Economic Indicators (TEI).
- Staff at the Reserve Bank of **Vanuatu** (RBV) continue to use the Model of the Vanuatu Economy. Following RBV methodology PNG is developing composite indexes to estimate and forecast non-mineral and mineral GDP.



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