

## Conference Venue

The conference will be held in the conference room of the "Bibliotheca Albertina", the main library of the University of Leipzig, which is located at Beethovenstr. 6, 04107 Leipzig.

## Conference Fee

The conference fee is €50. Students, postgraduates and participants without regular employment pay €25. The conference fee includes conference bag and documents, lunch on Friday and Saturday, coffee and refreshments during breaks.

## Registration

Please note that the number of participants is limited to 50. If you intend to participate, please send an informal letter of registration (E-Mail) with your position and contact details to Nico Koppo, M.A. [koppo@wifa.uni-leipzig.de].

Please pay your conference fee after registration by using the following bank details:

Account holder: Universität Leipzig  
 Bank: Ostsächsische Sparkasse Dresden  
 Kontonr.: 315 301 137 0  
 (IBAN: DE82 8505 0300 3153 0113 70)  
 Blz.: 850 503 00  
 (BIC: OSDD DE 81)  
 Reference number: 1714911  
 Reason for payment: Forecast „Your Name“

After payment, a confirmation of the registration as well as further details will be sent.

## The conference is jointly sponsored by



International Institute of Forecasters (IIF)



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UNIVERSITÄT LEIPZIG

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## Organisation and Information

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The front image of this flyer shows the historical signet "sigillum magnum universitatis" of the University of Leipzig that dates back to 1449.



Institute of Empirical Economic  
Research (IEW)

in collaboration with

International Institute  
of Forecasters (IIF):

# The Future of Economic Forecasting

International Conference,

16. /17. December 2005

## The Future of Economic Forecasting

Until the early 1970s, there were great expectations as to future possibilities and accuracy of economic forecasting. Considerable resources were used to improve existing methods and to develop new ones and much was accomplished at both areas. However, the rest of the decade saw a number of striking failures. Various "revolutions" offered explanations and suggested new approaches. Although the discussions which followed were often intellectually stimulating, we see now that they have not led to a substantial improvement in forecast accuracy. At the same time we perceive in all parts of the world a steadily increasing demand for "better" and "more" wide-ranging forecasts.

However, with respect to forecast accuracy both the producers and consumers of forecasts seem to have often ignored or have been unaware that from a longer perspective the record is particularly disappointing. The quest for better forecasts is usually answered with the demand for "better theories, data, or methods", without being specific about the possible role or contribution each of these elements and all three together can make.

Against this background, the conference has three major goals. First, to review current knowledge about forecasting accuracy and uncover why some of the most egregious errors occurred; second, to explore to which areas resources should be devoted in order to have the most impact on improving forecast accuracy? Should we continue to focus so much on predicting the onset of recessions or are there other, more promising or needed fields waiting to be more thoroughly worked on? Is there a law of diminishing returns also in forecast, and where we do stand with respect to theory, data, and methods; third, whatever the outcome: how should producers and consumers manage the risks and uncertainties associated with forecasts for the time being.

## Program

### Friday, December 16th 2005

9.00 am to 9.30 am	Addresses of welcome by <b>Franz Häuser</b> / President of the Universität Leipzig <b>Charlotte Bauer</b> / Provisional Director of University Library <b>Matthias Schmidt</b> / Deputy Dean of the Faculty of Economics and Management <b>Lars-Erik Öller</b> / President of the International Institute of Forecasters (IIF)
9.30 am to 10.00 am	<b>Herman Stekler</b> , George Washington University <b>Ulrich Heilemann</b> , Universität Leipzig <i>Scope and intention of the conference – some introductory remarks</i>
10.00 am to 11.00 am	Session I - The current state of forecast accuracy Chair: <b>Kajal Lahiri</b> , University at Albany, USA <b>Robert Fildes</b> , Lancaster University <i>Progress in time series forecasting – a critical evaluation</i> Discussion
11.00 am to 11.30 am	Coffee break
11.30 am to 12.30 pm	Session I, continued Chair: <b>Kajal Lahiri</b> , University at Albany, USA <b>Bernd Schips</b> , Swiss Institute for Business Cycle Research, ETH Zürich <i>Macroeconomic Forecasting - What goes wrong?</i> Discussion
12.30 pm to 1.30 pm	Lunch
1.30 pm to 3.30 pm	Session II - The promises of new methods, data, theories Chair: <b>Kenneth Wallis</b> , University of Warwick, Coventry <b>Massimiliano Marcellino</b> , Università Commerciale Luigi Bocconi, Milano <i>The use of leading indicators for forecasting</i> <b>Lars-Erik Öller</b> , Statistics Sweden/ Stockholm University and <b>Dr. Alex Teterukovsky</b> , Statistics Sweden <i>Quality measures of macroeconomic variables</i> Discussion
3.30 pm to 4.00 pm	Coffee break

4.00 pm to 5.00 pm	Session II, continued Chair: <b>Kenneth Wallis</b> , University of Warwick, Coventry <b>Kajal Lahiri</b> , University at Albany, USA <i>How far ahead can we forecast?</i> Discussion
7.30 pm	Dinner for all participants at "Lotter & Widemann", Altes Rathaus Leipzig, Markt 1 Dinner speech by <b>Hans-Helmut Kotz</b> , Member of the Executive Board of the Deutsche Bundesbank

### Saturday, December 17th 2005

9.00 am to 11.00 am	Session III - How to cope with forecast uncertainty Chair: <b>Bernd Schips</b> , ETH Zürich <b>Roy Batchelor</b> , City University Business School, London <i>Forecast Bias and Forecaster Behaviour</i> <b>Kenneth Wallis</b> , University of Warwick, Coventry <i>Forecast uncertainty, its measurement, representation and evaluation</i> Discussion
11.00 am to 11.30 am	Coffee break
11.30 am	Session III, continued to 12.30 pm Chair: <b>Lars-Erik Öller</b> , IIF-President <b>Victor Zarnowitz</b> , The Conference Board, New York <i>On Learning from History and Expectations, and from Rules, Forecasts and Errors</i> Discussion
12.30 pm to 1.30 pm	Lunch
1.30 pm to 2.30 pm	Session III, continued Chair: <b>Robert Fildes</b> , Lancaster University <b>Herman Stekler</b> <i>The Forecasting Process</i> Discussion
2.30 pm to 3.00 pm	Coffee break
3.00 pm to 4.00 pm	<b>Ulrich Heilemann</b> / <b>Herman Stekler</b> <i>Concluding remarks about the Future of Economic Forecasting</i> Final Discussion