Bårdsen, Gunnar; **Jansen, Eilev S.**; **Nymoen, Ragnar**
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Summary: Models in the literature on inflation targeting are mostly theoretical or calibrated, even though inflation targeting requires inflation forecasts. The motivation for this paper is therefore threefold: foremost we want to build an econometric model for forecasting inflation in Norway – one economy recently opting for formal inflation targeting rather than a managed nominal exchange rate. Next, we want to quantify the relative importance of the different transmission mechanisms – with basis in empirical estimates rather than calibrated values. Finally, we want to focus on and exploit econometric issues required in the design and estimation of econometric models used for inflation forecasting and policy analysis.

MSC:

91B28 Finance etc. (MSC2000)
91B64 Macroeconomic theory (monetary models, models of taxation)

Keywords:

monetary policy; wages and prices; cointegration; dynamic modelling

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paper as accurately as possible without claiming the completeness or perfect precision of the matching.