ANZESG 2018: The University of Queensland

The 28th meeting of the Econometric Study Group and first meeting under the group's new name *Australia New Zealand Econometric Study Group (ANZESG)* was hosted by the School of Economics at The University of Queensland on 8 and 9 February 2018. Since its foundation in 1997, NZESG has developed into a regular forum providing a supportive environment for econometricians to present and discuss their work. The new name reflects the culmination of the effort to connect the econometric communities in New Zealand and Australia over recent years.

Programme Chairs for the meeting were Professor Peter Phillips (Yale University and the University of Auckland) and A/Professors Alicia Rambaldi and Valentin Zelenyuk (The University of Queensland).

Local organising chair A/Professor Alicia Rambaldi was supported by the Head of the School of Economics, Professor Rodney Strachan, and colleagues Dr Mohamad Khaled, Dr Dong-Hyuk Kim, Dr Antonio Peyrache, Dr Christiern Rose, and A/Prof Valentin Zelenyuk. Administrative support was provided by Ms Sarah Brischetto and Ms Rebeka Metekingi.

The meeting received 56 submissions with 48 initially invited to present. After a process of attrition, the final programme contained 31 papers that were presented in nine sessions over two days. The workshop retained its unique features of a single stream of 15 minute presentations each followed by a formal five-minute discussant session and subsequent audience participation in five minutes of questions and answers. The quality of the presentations and content was high throughout and covered a wide range of topics in theoretical and applied econometrics.

As in previous years emphasis was placed on encouraging and supporting the achievements of emerging researchers. A grant from the **International Association for Applied Econometrics** provided the funds to waive the registration of the 11 young scholars (students/early career researchers) presenting at the meeting. In addition, these young researchers were eligible for the Research Awards, which were generously sponsored by the **Reserve Bank of New Zealand** and the **Centre for Efficiency and Productivity Analysis** at The University of Queensland. The Awards are based on research presented at the meeting and the quality of the presentation, including discussion. This year's Awards Committee comprised Professors Peter Phillips, Alicia Rambaldi, Gael Martin (Monash Univeristy), Adrian Pagan (University of Sydney) and Dr Leo Krippner (Reserve Bank of New Zealand).

Four prizes were awarded in a closing session held the end of the conference. The winners were Adam Gorajek (University of New South Wales), Dr Christiern Rose (The University of Queensland), Dr Chi Wan Cheang (University of Southampton), and Sihong Xie (PhD student/ University of Colorado - Boulder). Each received an ANZESG Award Certificate and financial award.

A Gorajek's paper, Econometric Origins of Index Numbers, is the first in his thesis and challenges common methods of economic measurement by arguing that the estimators used are inconsistent for the stated model parameters. New models are proposed which view price indexes as measuring changes in some average of quality-adjusted prices. The choice of formulae is distinguished by the type of average and the definition of quality.

C W Cheang's paper, Threshold Fractionally Cointegrated VAR Model and Application to Volatility Index Premium, considers the presence of nonlinear adjustment in a fractionally cointegrated VAR model. A two-regime threshold is assumed in the speed of adjustment parameter in the error-correction term treating long memory features and the cointegrating parameter as invariant across regimes. A supLM test for the presence of a threshold is proposed with a bootstrap test statistic and p-value. The Monte Carlo simulation shows that the test maintains satisfactory size and power in finite-samples.

C Rose's paper, co-authored with Prof. Eric Gautier (Tolouse School of Economics), considers models of social interaction when the underlying networks are unobserved but sparse and there are endogenous, contextual, and correlated effects. The paper provides results on identification, rates of convergence, model selection, and inference for the parameters and linear functionals in the high-dimensional paradigm. Inference is robust to identification and uniform over large classes of sparse identifiable parameters and data generating processes. Some results hold in finite samples.

S Xie's paper, Estimation of Jump Discontinuities in Regression: a Generalized Reflection Approach, proposes a new estimator for the size of a jump discontinuity in a nonparametric regression. While the main approach in the literature has been to use a local polynomial (mostly local linear) approximation for the regression on both sides of the discontinuity, the paper adopts a novel approach. The basic idea of the estimator is to extend the regression model on both sides of the discontinuity. These two extended regressions are then estimated and used to estimate the jump discontinuity.

All four awardees gave excellent presentations of their own work, complemented by thoughtful and well balanced discussions of the papers to which they were allocated as discussants.

The meeting was highly productive and enjoyed by all. The organisers received very positive feedback on the programme, the organisation of the meeting, the helpful and stimulating discussions, and the convivial conference dinner at George's Paragon Restaurant. The 29th meeting of the Group is planned for February 2019 and will be hosted by the Reserve Bank of New Zealand in Wellington.

Link to ANZESG2018 Photo Gallery