



Banka Slovenije in cooperation with the Research Centre of the School of Economics and Business

invites you to a seminar

Impact of fiscal measures in response to the COVID-19 pandemic on smallopen economies: lessons from Slovenia

Authors:

Miha Breznikar and Črt Lenarčič Banka Slovenije

The seminar will be held in the Great Hall (AvIa) of Banka Slovenije on Tuesday 21 February 2023 at 10:00 CEST

Abstract:

We estimate the impact of the fiscal expansion in response to the COVID-19 outbreak on the Slovene economy via twofold approach. Firstly, we employ a structural VAR model in order to estimate the effects of fiscal shocks. The findings suggest a significant response of GDP, private consumption, and imports to fiscal shocks. Secondly, we simulate fiscal shocks in a three-scenario setup using a calibrated large-scale DSGE model. As a result, the outcomes highlight that a government consumption shock explains the lion's share of domestic fluctuations, compared to other unanticipated fiscal developments. The main transmission channel is high complementarity between private and government consumption.

About the authors:

Miha Breznikar is a senior analyst in the Macroeconomic Trends and Projections division at Banka Slovenije. His research interests include empirical macroeconomics, energy economics and the forecasting methods. Miha Breznikar is a PhD student at the Interdisciplinary Doctoral Study Programme in Statistics, University of Ljubljana.

Črt Lenarčič is a Head of Development and Implementation of Macroprudential Policy at Banka Slovenije. His research focuses on economic policies and quantitative macroeconomics with a strong interest on macroprudential policy. Črt Lenarčič received a PhD in Economics from the School of Economics and Business, University of Ljubljana, in 2020.

How to sign up:

Please send an email to sign up for the seminar to <u>seminar@bsi.si</u>. You can sign up by Monday 20 February 2023. The seminar will be in English.