

Fabio Busetti

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EMPLOYMENT

Bank of Italy, Directorate General for Economics, Statistics and Research
Director, Head of the Macroeconomic Modeling and Forecasting Division

OTHER ACTIVITIES AND AFFILIATIONS

- **Member** of the Working Group on Forecasting of the European System of Central Banks.
- **External Fellow** of the “Granger Centre for Time Series Econometrics” (University of Nottingham) and the “Essex Centre for Financial Econometrics” (Essex Business School).
- **Lecturer** for the M.Sc.-Ph.D courses of “Nonstationary Time Series” (2002, 2003, 2008), “Unobserved Components Models” (2004, 2007, 2009) at the University of Rome "Tor Vergata".
- **Visiting Scholar** at the Economics Department of the University of California, San Diego (2004-2005)
- **Referee** for the following reviews: *American Economic Review*, *Econometric Reviews*, *Econometric Theory*, *Econometrics Journal*, *Economica*, *Empirical Economics*, *European Economic Review*, *International Journal of Forecasting*, *Journal of Applied Econometrics*, *Journal of Applied Statistics*, *Journal of Business and Economic Statistics*, *Journal of Computational Statistics and Data Analysis*, *Journal of Econometrics*, *Journal of Economic Dynamics and Control*, *Journal of Financial Econometrics*, *Journal of Nonparametric Statistics*, *Journal of Statistical Planning and Inference*, *Journal of Time Series Analysis*, *Labour*, *Macroeconomic Dynamics*, *Oxford Bulletin of Economics and Statistics*, *Research in Economics*, *Review of Economics and Statistics*, *Scandinavian Journal of Statistics*, *Studies in Nonlinear Dynamics & Econometrics*.

EDUCATION

- **Ph.D. in Economics** – London School of Economics and Political Science. Thesis: ‘Testing and Estimation of Models with Stochastic Trends’. Advisor: Andrew Harvey
- **M.Sc. in Econometrics** – London School of Economics and Political Science
- **Laurea (cum laude) in Economics and Business** – University of Torino, Italy

AWARDS AND HONORS

- **Mark of Distinction** in the M.Sc. in Econometrics at the LSE (1996).
- **Scholarship of Fondazione Luigi Einaudi** for graduate studies in economics (1995-96).
- **Ranked 70th** in the ranking of individuals by econometrics publications based on standardized page counts, in Badi Baltagi, ‘Worldwide Econometrics Rankings: 1998-2005’, *Econometric Theory*, 23, 2007, pp 952-1012.

RESEARCH INTERESTS

- Time Series Econometrics, Applied Macroeconomics, Forecasting
- Unobserved Component Models, Structural Change, Time-varying distributions

PUBLISHED RESEARCH ARTICLES

22. “Quantile aggregation of density forecasts”, *Oxford Bulletin of Economics and Statistics* 79 (2017), 495-512.
21. “The trend-cycle decomposition of output and the Phillips curve: Bayesian estimates for Italy and the euro area” (with M. Caivano), *Empirical Economics* 50 (2016), 1565-1587.
20. “The drivers of Italy's investment slump during the double recession” (with C. Giordano and G. Zevi), *Italian Economic Journal* 2 (2016), 143-165.
19. “On detecting end-of-sample instabilities” in: Koopman S.J. and N. Shephard eds, *Unobserved Components and Time Series Econometrics*, Oxford University Press (2015).
18. “Comparing forecast accuracy: a Monte Carlo investigation” (with J. Marcucci), *International Journal of Forecasting* 29 (2013), 13-27.
17. “When is a copula constant? A test for changing relationships” (with A. Harvey), *Journal of Financial Econometrics* 9 (2011), 106-131.
16. “Bootstrap LR tests of stationarity, common trends and cointegration” (with S. Di Sanzo), *Journal of Statistical Computation and Simulation* (2011).
15. “Tests of strict stationarity based on quantile indicators” (with A. Harvey), *Journal of Time Series Analysis* 31 (2010), 435-450.
14. “Initial conditions and stationarity tests”, *Economics Letters* 105 (2009), 296-299.
13. “Testing for trend” (with A. Harvey), *Econometric Theory* 24 (2008), 72-87.
12. “Inflation convergence and divergence within the European Monetary Union” (with A. Harvey, L. Forni, F. Venditti), *International Journal of Central Banking* 3 (2007), 95-121.
11. “Convergence of prices and rates of inflation” (with A. Harvey, S. Fabiani), *Oxford Bulletin of Economics and Statistics* 68 (2006), 863-877.
10. “Tests of seasonal integration and cointegration in multivariate unobserved component models”, *Journal of Applied Econometrics* 21 (2006), 419-438.
9. “Preliminary data and econometric forecasting: an application with the Bank of Italy quarterly model”, *Journal of Forecasting* 25 (2006), 1-23.
8. “Stationarity tests for irregularly spaced observations and the effects of sampling frequency on power” (with A.M.R. Taylor), *Econometric Theory* 21 (2005), 757-794.
7. “Tests of stationarity against a change in persistence” (with A.M.R. Taylor), *Journal of Econometrics* 123 (2004), 33-66.
6. “Further Comments on Stationarity Tests in Series with Structural Breaks at Unknown Points” (with A. Harvey), *Journal of Time Series Analysis* (2003), 137-140.
5. “Seasonality tests” (with A. Harvey), *Journal of Business and Economic Statistics* 21 (2003), 420-436.
4. “Testing against stochastic trend and seasonality in the presence of unattended breaks and unit roots” (with A.M.R. Taylor), *Journal of Econometrics* 117 (2003), 21-53.
3. “Variance shifts, structural breaks and stationarity tests” (with A.M.R. Taylor), *Journal of Business and Economic Statistics* 21 (2003), 510-531.

2. “Testing for (common) stochastic trends in the presence of structural breaks”, *Journal of Forecasting* (2002), 81-105.
1. “Testing for the presence of a random walk in series with structural breaks” (with A. Harvey), *Journal of Time Series Analysis* (2001), 127-150.

POLICY PAPERS

- “The Bank of Italy econometric model: an update of the main equations and model elasticities” (with G. Bulligan, M. Caivano, P. Cova, D. Fantino, A. Locarno and L. Rodano), Bank of Italy Working Papers n. 1130 (2017)
- “Main drivers of the recent decline in Italy's non construction investment” (with C. Giordano and G. Zevi), Bank of Italy Occasional Papers n. 276 (2015).
- “Deflationary shocks and de-anchoring of inflation expectations” (with G. Ferrero, A. Gerali and A. Locarno), Bank of Italy Occasional Papers n. 252 (2014).
- “The macroeconomic impact of the sovereign debt crisis: a counterfactual analysis for the Italian economy” (with P. Cova), Bank of Italy Occasional Papers n. 201 (2013).
- “The Bank of Italy’s quarterly model” (with A. Locarno and L. Monteforte), in G. Fagan and J. Morgan eds (2005), *Econometric Models of the Euro-area Central Banks*, Edward Elgar, Cheltenham, UK.

RECENT WORKING PAPERS

- “Trust but verify. De-anchoring of inflation expectations under learning and heterogeneity” (with D. Delle Monache, A. Gerali and A. Locarno), ECB Working Papers, 2017.
- “On the conditional distribution of euro area inflation forecasts” (with M. Caivano and L. Rodano), Bank of Italy Working Papers, n. 1027.
- “Quantile aggregation of density forecasts”, Bank of Italy Working Papers, n. 979.
- “The trend-cycle decomposition of output and the Phillips curve: Bayesian estimates for Italy” (joint with M. Caivano), Bank of Italy Working Papers, n. 941.
- “On detecting end-of-sample instabilities”, Bank of Italy Working Papers, n. 881.

CONFERENCE PRESENTATIONS

European Meeting of the Econometric Society (Santiago de Compostela 1999, Lausanne 2001, Stockholm 2003, Madrid 2004, Vienna 2006, Budapest 2007, Milan 2008, Barcelona 2009), International Conference on Panel Data (Geneva 2000), Far Eastern Meeting of the Econometric Society (Kobe 2001, Seoul 2004), International Conference on Modelling Structural Breaks, Long Memory and Stock Market Volatility (Cass Business School London 2002), International Symposium on Forecasting (Dublin 2002), EABCN Workshop on Understanding the Structure of the European Business Cycle (Milan 2002), ESF-EMM Conference on Econometric Methods for the Modelling of Nonstationary Data, Policy Analysis and Forecasting (Rome 2003), Oxmetrics User Conference (London 2004), NBER/NSF Time Series Conference (Heidelberg 2005), Conference on Empirical Econometric Methods applied to Business Cycles and Forecasting (Duke University 2007), Granger Centre Conference in Honour of Paul Newbold (Nottingham 2007), Conference in Honour of Andrew Harvey’s 65 year (Oxford, 2012), Italian Congress of Econometrics and Empirical Economics (Rimini 2007, Salerno 2015), Rimini Time Series Workshop (2013, 2015), International Association for Applied Econometrics (Milan 2016).