

Draft table for additional benchmarks

	Fall, Current	Spring, Current	Fall, Next	Spring, Next
IMF				
AR(1)				
AR(1) – direct				
AR(p)				
AR(p) – direct				
SV-BVAR				
SV-BVAR – direct				
SV-BVAR – direct+CISS				
BVAR				
BVAR – direct				
BVAR – direct+CISS				

Table 1: Inflation: Average interval scores over all countries.

- If we include CISS here, we might drop Figure 10 from paper.
- Does BVAR-CISS in Figure 10 refer to the direct or standard version of BVAR? In the former case, it should be called BVAR-direct+CISS

Text snippets

In the main paper, we consider an AR(1) benchmark model, with forecast distributions constructed based on past forecast errors as for the IMF method. Here we consider additional variants of the AR model.

First, we consider choosing the AR lag length p based on the Schwarz (1978) information criterion as stated in Equation 4.3.9 of Lütkepohl (2005) and discussed in Section 4.3 of the latter reference. Figure 1 provides an overview of the lag orders chosen in the empirical analysis. While we allowed for a maximal lag order of eight, the largest order chosen in practice was six. For inflation, lag orders between three and five are most common, whereas choices for GDP are clearly smaller, with one being the most popular and three being the maximal choice.

Second, we consider using the analytical forecast distribution implied by the AR model, as opposed to the empirical distribution of its past forecast

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BVAR – direct				
BVAR – direct+CISS				

Table 2: GDP growth: Average interval scores over all countries.

errors. We call this approach AR–direct, in analogy to our procedure for the BVAR.

References

- LÜTKEPOHL, H. (2005): *New Introduction to Multiple Time Series Analysis*, Springer.
- SCHWARZ, G. (1978): “Estimating the dimension of a model,” *The Annals of Statistics*, 6, 461–464.

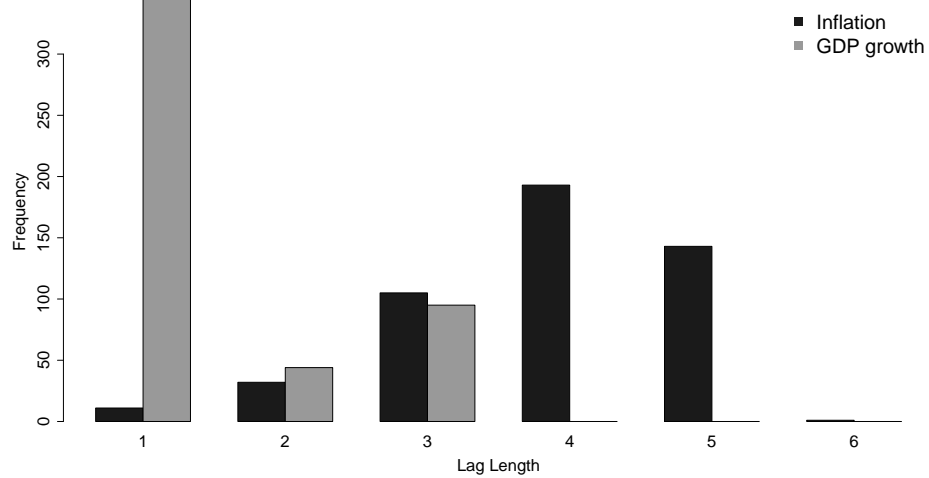


Figure 1: Empirical frequency of lag length choices $p \in \{1, 2, \dots, 6\}$ in the $AR(p)$ model, separately for inflation and GDP growth. Frequencies are pooled across the G7 countries as well as all forecasting years and the spring and fall seasons.