

ANNUAL REPORT

2022

Centre for Applied Macroeconomics and Commodity Prices
(CAMP)

BI

CENTRE FOR APPLIED
MACROECONOMICS AND
COMMODITY PRICES (CAMP)

Contents

1	Centre for Applied Macroeconomics and Commodity Prices	3
2	Funding	3
3	Highlights from 2022	4
4	CAMP Network	7
5	PhD Courses	10
6	Working Papers	10
7	Publications in International Journals	11
8	CAMP in the Media	12
9	CAMP blog	12
10	MACROCAMP	13

1 Centre for Applied Macroeconomics and Commodity Prices

Centre for Applied Macroeconomics and Commodity Prices (CAMP) brings together economists working on applied macroeconomic issues, with special emphasis on energy economics. The research activities at CAMP are broad and encompass all elements pertaining to the analysis of energy economics, macroeconomics and commodity prices. The Centre was founded and directed by Professor Hilde C. Bjørnland in 2012, and is now under direction of Manager and Professor Leif Anders Thorsrud, Director and Professor Hilde C. Bjørnland and Deputy Director and Adjunct Professor Ragnar Torvik.



Leif Anders Thorsrud - Manager, Hilde C. Bjørnland – Director, Ragnar Torvik – Deputy Director

2 Funding

CAMP has received funding from Equinor, the Research Council of Norway and the Finance Market Fund. These are non-exclusive relationships, and CAMP welcomes support from other sources. Our research is independent of positions taken by any funders.

2.1 Equinor's Research program in Petroleum and Energy Economics

- Equinor has renewed their research collaboration with CAMP at BI related to energy economics. The program was established in 2012 and renewed for a five-year period in 2017. In 2021, Equinor renewed the program for additional five years, 2022-2026.

- The purpose of the program is to develop new academic research capacity in the economics of resource management and financial wealth based on petroleum and energy. The academic program is based on the Norwegian experience over the last four decades, and it has a focus on Norwegian challenges for the coming decades.

2.2 The Resource Council of Norway

- In 2017 The Resource Council of Norway (NFR) awarded gift-strengthening support for CAMP.
- In 2020 NFR awarded CAMP with funding for the research project “The Corona-crisis, structural change, and macroeconomic policy”. This project analyses economic crisis and structural change through unique data sources, alternative methodological approaches and new economic theories.
- Professor Hilde C. Bjørnland and CAMP heads a new research project named ‘MACRO-CAMP’ in cooperation with Associate Professor Leif Anders Thorsrud (BI and CAMP), Professor Ragnar Torvik (NTNU and CAMP), and researchers from the Australian National University, Indiana University, and Norges Bank. The project has been awarded NOK 12 million by the Research Council of Norway and is due to begin in the summer of 2021 and finish in the spring of 2024.

3 Highlights from 2022

- NFR awarded CAMP with funding for the research project ”MACROCAMP” in co-operation with Associate Professor Leif Anders Thorsrud (BI and CAMP), Professor Ragnar Torvik (NTNU and CAMP), and researchers from the Australian National University, Indiana University, and Norges Bank.
- The CAMP network has published eight CAMP working papers, and eight published papers in international journals.
- CAMP established a blog (www.bicamp.wordpress.com) in 2018. We have continued to develop the blog further, and we have published eleven blog posts on working papers

and the FNI index in 2022.

- CAMP organized a conference on "Macroeconomic Implications of Energy Price Spurs and Climate Change amid Geopolitical Developments" in August 2022. The program can be downloaded [here](#).



The Panel discussion of the conference with Per Krusell (IIES, Stockholm University), Christiane Baumeister (University of Notre Dame, CEPR, NBER), Jarand Rystad (Rystad Energy) and Nils-Henrik M. von der Fehr (University of Oslo), moderated by Hilde C. Bjørnland.

- Professor Hilde C. Bjørnland was invited for a keynote speech at the ECB Forum on Central Banking 2022, presenting on the topic "The effect of rising energy prices amid geopolitical developments and supply disruptions".
- CAMP PhD student Thomas Størdal Gundersen has successfully defended his thesis, "Supply Heterogeneities and the Oil Market", and have thereby graduated from BI Norwegian Business School with a degree of PhD in economics.



From Thomas Størdal Gundersens' (left) PhD defense, defending his thesis in January 2022. The evaluation committee consisted of Professor Leif Anders Thorsrud, Professor Christiane Baumeister and Professor Ivan Petrella. Thomas was supervised by Professor Hilde C. Bjørnland and Researcher 2 Knut Are Aastveit.

4 CAMP Network

4.1 Internal Research Associates

Hilde C. Bjørnland	Director & Professor	BI Norwegian Business School
Leif Anders Thorsrud	Manager & Professor	BI Norwegian Business School
Fabio Canova	Professor	BI Norwegian Business School
Tommy Sveen	Head of Department & Professor	BI Norwegian Business School
Francesco Ravazzolo	Head of Department & Professor	BI Norwegian Business School
Helene Onshuus	Postdoctoral Fellow	BI Norwegian Business School
Paul Labonne	Postdoctoral Fellow	BI Norwegian Business School
Vegard Høghaug Larsen	Associate Professor	BI Norwegian Business School

4.2 External Research Associates

Ragnar Torvik	Deputy Director & Adjunct Professor	NTNU
Knut Are Aastveit	Deputy Director & Adjunct Researcher	Norges Bank Research
Julia Skretting	Adjunct Researcher	Statistics Norway
Thomas Størdal Gundersen	Researcher	Statistics Norway
Yoosoon Chang	Adjunct Researcher	Indiana University
Joon Y. Park	Adjunct Researcher	Indiana University
Jamie Cross	Lecturer	University of Queensland

4.3 PhD Candidates

Felix Kapfhammer	PhD Candidate	BI Norwegian Business School
Jon Ellingsen	PhD Candidate	BI Norwegian Business School
Maximilian Schröder	PhD Candidate	BI Norwegian Business School
Jonas Hölz	PhD Candidate	BI Norwegian Business School
Helene Olsen	PhD Candidate	BI Norwegian Business School

4.4 Visiting Scholars

Christiane Baumeister	Professor	University of Notre Dame
Drago Bergholt	Researcher & Senior Advisor	Norges Bank
Marcelle Chauvet	Professor	UC Riverside
James Hamilton	Professor	University of California
Ana M. Herrera	Professor	University of Kentucky
Renée Fry-McKibbin	Professor	Australian National University
Warwick McKibbin	Professor	Australian National University
Douglas Laxton	Adjunct Professor	NOVA School of Business and Economics
Junior Maih	Senior Advisor	Norges Bank
Galo Nuno	Economist	Banco de España
Michael Plante	Senior Researcher	Federal Reserve Bank of Dallas
Philip Rothman	Professor	East California University
Kenneth Singleton	Professor	Stanford University
Joaquin Vespignani	Associate Professor	University of Tasmania
Mike West	Professor	Duke University
Benjamin Wong	Senior Lecturer	Monash University
Jing Cynthia Wu	Associate Professor	University of Notre Dame

5 PhD Courses

6 Working Papers

Issue	Title	Authors
1/2022	Quantifying supply-side climate policies	Lassi Ahlvik, Jørgen Juel Andersen, Jonas Hveding Hamang and Torfinn Harding
2/2022	Oil Windfalls and Regional Economic Performance in Russia	Julia Skretting
3/2022	Local economic development and oil discoveries	Jonas Hveding Hamang
4/2022	Monetary policy when export revenues drop	Drago Bergholt, Øistein Røisland, Tommy Sveen and Ragnar Torvik
5/2022	Macroeconomic uncertainty and bank lending	Ragnar E. Juelsrud and Vegard H. Larsen
6/2022	Lost in transition? Earnings losses of displaced petroleum workers	Caroline Espegren and Jon Ellingsen
7/2022	The effect of rising energy prices amid geopolitical developments and supply disruptions	Hilde C. Bjørnland
8/2022	Dominant Drivers of National Inflation	Jan Ditzen and Francesco Ravazzolo

7 Publications in International Journals

7.1 Published in 2022

Larsen, H. L. and Thorsrud, L. A., 2022, Asset returns, news topics, and media effects. *Scandinavian Journal of Economics*, vol. 124, no. 3, pp. 838-868.

Iacopini, M., Ravazzolo, F. and Rossini, L., 2022, Proper Scoring Rules for Evaluating Density Forecasts with Asymmetric Loss Functions. *Journal of Business & Economic Statistics*, pp. 1-15.

ter Ellen, S., Larsen, V. H. and Thorsrud, L. A., 2022, Narrative monetary policy surprises and the media. *Journal of Money, Credit and Banking*, vol. 54, no. 5, pp. 1525-1549.

Agudze, K. M., Billio, M., Casarin, R. and Ravazzolo, F., 2022, Markov switching panel with endogenous synchronization effects. *Journal of Econometrics*, Vol. 230, No. 2, pp. 281-298.

Aastveit, K. A., Cross, J. L. and van Dijk, H. K., 2022, Quantifying Time-Varying Forecast Uncertainty and Risk for the Real Price of Oil. *Journal of Business Economic Statistics*.

Anundsen, A. K., Karlsen, B., Larsen, E. R. and Thorsrud, L. A., 2022, Behavioral changes in the housing market before and after the Covid-19 lockdown. *Journal of Housing Economics*.

Bjørnland, H. C., 2022, Den økonomiske styringen av det moderne Norge: Handlingsregelen og Oljefondet. *Samfunnsøkonomene*, no. 4.

7.2 Forthcoming Publications

Eraslan, S. and Schröder, M., Nowcasting GDP with a pool of factor models and a fast estimation algorithm. *Forthcoming in International Journal of Forecasting*.

8 CAMP in the Media

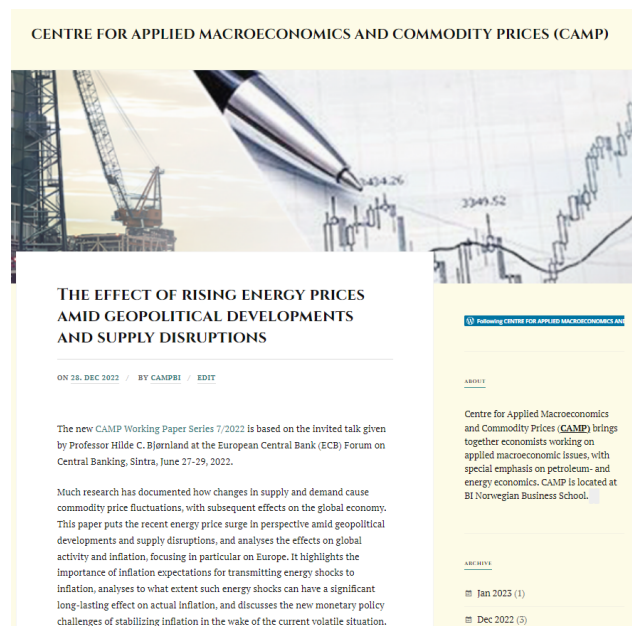
Op-eds and selected media appearances by CAMP associates (in Norwegian).

Date	Media	Involves
10.02.2022	Kronikk: Vi må gjøre noe med oljepengebruken (DN)	Hilde C. Bjørnland
25.03.2022	Kronikk: Tilbake til 1970-tallet (DN)	Hilde C. Bjørnland
30.06.2022	Recession fears creep into ECB thinking at summer conference (Reuters)	Hilde C. Bjørnland
11.10.2022	Association Webinars: Dutch Disease in Norway? (IAEE)	Hilde C. Bjørnland
22.11.2022	Norge kan tåle et oljeprisstup (Finansavisen)	Ragnar Torvik

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9 CAMP blog

CAMP has established a blog: <https://bicamp.wordpress.com>. The purpose of the blog is to convey news and research on a less formal platform than the website. In 2022, we published eleven blog posts about new working papers and updates of the FNI index. In the future, we aim to write about CAMP's take on current topics. We invite our network to contribute with posts.



10 MACROCAMP

The Corona pandemic has had a dramatic impact on business and society, and it is unlikely that the global economy will return to a pre-2020 normal. Even as the coronavirus starts to recede, we remain at the beginning of a global climate crisis set to fundamentally change the economy.

A fundamental problem with current economic models is that they assume stable economic relationships for example between industrial sectors, production, employment, and capital. Looking ahead, that is clearly inadequate. The pace of change is increasing, and policymakers need tools that can monitor the economy in real-time and theories able to capture structural economic change.

The main idea behind the project is to combine different data sources, alternative methodological approaches and new economic theories to study drivers of economic crises, structural changes and the effect of economic policy.

- The first part of the project will explore the possibility of setting up an early warning system for global incidents such as the pandemic and analyze how the pandemic and subsequent policy actions have affected the three small open economies Australia, Norway, and Sweden. As a part of the project, the researchers will use machine learning and natural language processing technologies, and alternative data sources, such as daily media coverage of economic news to capture signals of economic developments.
- The second part of the project will study how crisis events affect ongoing structural changes in the economy and discuss the role of economic policy in such transformations.
- In the final part, the researchers will extract detailed micro data to understand how structural change and large macroeconomic shocks affect individual firms and households behaviour, and study the macroeconomic implications of such microeconomic behaviour.

CAMP – Centre for Applied Macroeconomics and Commodity Prices

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www.bi.no/camp

