

Training Course on Monetary Policy in Inflation-Targeting Regimes

Professional Development Training Course Outline

Category	Banking Institute	Duration	5 Days
Base Fee	\$1,500 USD	Delivery Mode	Online / On-site Hybrid

Course Introduction

In today's complex economic environment, inflation-targeting regimes have become a cornerstone of modern monetary policy. Training course on Monetary Policy in Inflation-Targeting Regimes offers a comprehensive framework for understanding the design, implementation, and implications of inflation-targeted monetary strategies. Participants will gain in-depth insights into how central banks stabilize economies by setting explicit inflation targets, utilizing advanced econometric models, and employing communication strategies to anchor expectations.

With global inflation fluctuations and evolving financial markets, this course aims to build technical expertise in monetary policy tools, macroeconomic modeling, central bank transparency, and inflation forecasting. Designed for policymakers, economists, financial analysts, and students, the program emphasizes real-world applications through case studies from emerging and advanced economies.

Programme Curriculum

Training Course on Monetary Policy in Inflation-Targeting Regimes

Introduction

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Course Objectives

1. Understand the principles of inflation targeting and its role in macroeconomic stability.
2. Analyze monetary policy transmission mechanisms in inflation-targeting frameworks.
3. Explore the impact of interest rate policies on inflation expectations.
4. Develop competency in forecast-based monetary policy decision-making.
5. Assess the relationship between central bank credibility and inflation targeting success.
6. Examine communication strategies of central banks in inflation-targeting regimes.
7. Use macroeconomic models for inflation prediction and policy analysis.
8. Evaluate the role of exchange rates and external shocks in inflation targeting.
9. Compare inflation targeting in emerging markets vs. developed economies.
10. Interpret policy reports and inflation outlooks from central banks.
11. Learn to build and assess Taylor Rules for monetary decisions.
12. Assess the implications of supply-side shocks and fiscal dominance.
13. Analyze real-world case studies of inflation-targeting central banks (e.g., Bank of England, Reserve Bank of India).

Target Audience

1. Central Bank Economists
2. Macroeconomic Policy Advisors
3. Graduate Students in Economics
4. Government Financial Regulators
5. Research Analysts
6. Financial Journalists
7. Investment Bankers
8. International Development Professionals

Course Duration: 5 days

Course Modules

Module 1: Introduction to Inflation Targeting Frameworks

- Overview of inflation targeting: history and adoption
- Key elements and institutional preconditions
- Inflation vs. other monetary policy regimes
- Policy formulation and execution process
- Advantages and limitations
- **Case Study:** New Zealand's pioneering inflation targeting regime

Module 2: Monetary Transmission Mechanisms

- Channels of monetary policy transmission
- Interest rate pass-through analysis
- Credit market response to monetary changes
- Exchange rate effects
- Time lags and policy efficacy
- **Case Study:** ECB's response to 2008 financial crisis

Module 3: Inflation Forecasting and Modeling

- Forecast-based policy setting
- Use of Phillips Curve and DSGE models

- Data requirements and real-time challenges
- Model uncertainty and risk assessment
- Integrating market-based indicators
- **Case Study:** Bank of England's Inflation Report forecasting

Module 4: Policy Rules and Interest Rate Setting

- Introduction to the Taylor Rule
- Interest rate smoothing techniques
- Policy rule calibration and limitations
- Nominal vs. real interest rates
- Alternative rules (e.g., McCallum, Wicksell)
- **Case Study:** U.S. Federal Reserve's rate hikes post-COVID-19

Module 5: Communication and Transparency in Policy

- Role of transparency in inflation anchoring
- Forward guidance tools and their effectiveness
- Policy credibility and public trust
- Media strategy and central bank communication
- Inflation targeting and democratic accountability
- **Case Study:** Sveriges Riksbank's communication overhaul

Module 6: External Shocks and Exchange Rate Volatility

- Role of the exchange rate in open economies
- Policy responses to global commodity shocks
- Capital flow management under inflation targeting
- Impact of geopolitical instability
- Monetary-fiscal coordination challenges
- **Case Study:** Brazil's inflation targeting amid oil price swings

Module 7: Inflation Targeting in Emerging Markets

- Structural differences from advanced economies
- Policy constraints: informality and shallow markets
- Inflation credibility and indexation
- Target band vs. point inflation targeting
- Managing expectations under low credibility
- **Case Study:** India's flexible inflation targeting adoption

Module 8: Future of Inflation Targeting

- Evolving inflation dynamics (e.g., climate change, AI)
- Post-pandemic policy shifts
- Incorporating inequality and green mandates
- Policy innovation in digital currencies
- Revisiting the 2% target debate
- **Case Study:** Bank of Canada's review of inflation targeting mandate

Training Methodology

- Interactive lectures with real-time economic data simulations
- Group discussions and debate on global inflation policies
- Practical exercises in policy rule design and inflation modeling
- Analytical case study presentations by participants

- Guest lectures from central bank experts and economists

Register as a group from 3 participants for a Discount

Send us an email: info@fineskilltrainingcenter.org or call +254769199797

Certification

Upon successful completion of this training, participants will be issued with a globally- recognized certificate.

Tailor-Made Course

We also offer tailor-made courses based on your needs.

Key Notes

- a.** The participant must be conversant with English.
- b.** Upon completion of training the participant will be issued with an Authorized Training Certificate
- c.** Course duration is flexible and the contents can be modified to fit any number of days.
- d.** The course fee includes facilitation training materials, 2 coffee breaks, buffet lunch and A Certificate upon successful completion of Training.
- e.** One-year post-training support Consultation and Coaching provided after the course.
- f.** Payment should be done at least a week before commencement of the training, to Fineskill Training Center account, as indicated in the invoice so as to enable us prepare better for you.

Upcoming Scheduled Sessions

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