

# **GRA 8221 Oil Prices and the Macroeconomy**

## **Executive MBA - Maritime Offshore track**

### ***June 21-22, 2016***

#### Course responsible:

**Hilde C. Bjørnland** Professor at BI Norwegian Business School, Director at Centre for Applied Macro and Petroleum economics (CAMP) and Senior Advisor to Norges Bank; (hilde.c.bjornland@bi.no)

#### Guest lecturers:

**Svein Gjedrem** Norwegian economist and former Governor of the Central Bank of Norway and permanent under-secretary of State of the Ministry of Finance

**Frode M Nordvik** PhD candidate at BI Norwegian Business School, former economist at the Ministry of Petroleum and Energy and journalist in Kapital

The course gives an introduction to the world energy market and commodity prices at large and discuss how they are influenced by economic and technological developments in emerging and developed economies. It then discusses macroeconomic issues and policies in resource rich countries.

Topics to be covered:

- The role of demand and supply in driving commodity prices
- The effect of commodity prices for macroeconomic development and the role of monetary policy
- Spillovers from oil and gas in resource rich economies
- Stabilization policies in resource rich economies

## **Day 1: Tuesday 21 June**

### **09:00-12:30 Hilde C. Bjørnland**

Theories and empirical evidence of linkages between oil prices, the macroeconomy and monetary policy, including

- A Structural Model of the Global Market for Crude Oil
- What drives oil prices, demand or supply?
- Emerging versus developed economy as drivers of demand?
- Monetary Policy Responses to Oil Price Fluctuations

### **12:30-13:30 Lunch**

### **13:30-14:45 Hilde C. Bjørnland**

Group assignment: What are the effects of the current oil price decline on the global economy?

### **15:00-18:00 Frode M Nordvik**

A theory of natural resource (Hotelling).

Norwegian oil sector.

The shale oil revolution.

## **Day 2: Wednesday 22 June**

### **09:00-12:30 Hilde C Bjørnland**

Spillovers from the petroleum sectors.

- Resource curse and Dutch disease
- Empirical evidence (or lack of evidence) of Dutch disease
- Spillovers of oil and gas in resource rich economies

### **12:30-13:30 Lunch**

### **13:30-14:45 Hilde C. Bjørnland**

Group assignment: What are the effects of the current oil price decline on a resource rich economy?

### **15:00-17:30 Svein Gjedrem**

Stabilization policies in resource rich economies

- Framework for economic policies - A note on Monetary policy
- Fiscal policy considerations
- The Government Pension Fund: Saving versus stabilization
- Ways ahead