Comments on "Monetary Policy and Sectoral Composition" by Cesar Blanco and Sebastian Diz

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This paper

- analyzes the optimal measure of inflation that a central bank should target given the sectoral composition of the economy
- calibrates a two sector model (agricultural and non-agricultural) including features from the structural change and the new keynesian literature
- is based on flexible agricultural prices, sticky non-agricultural prices and sticky wages
- finds that the optimal weights depend on the type of shocks hitting the economy
Comments

- Very well written and motivated

- Money?

- Output gap in the Taylor rule?

- Some parameters are calibrated for developed and developing countries separately
Suggestions

- Paper format (not thesis format, reduce the size of the appendix)
- Make figures and tables self-contained
- Unequal degree of wage stickiness across sectors
- Labor cost to move