Granger causality analysis for business and consumers Surveys.

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Résumé
Each month business and consumer surveys are undertaken by the member states of the European Union. Consumers and companies have to provide their personal prediction about the future status of the consumption and production in Europe. They have to predict whether they expect an increase or decrease of these variables. Well-known indexes are derived from these surveys, such as the "consumer confidence index", or the "production expectation index". These surveys are costly and time-consuming, and their predictive power is therefore questioned. More precisely, we are, for example, interested to know whether these surveys about future production levels are able to make better forecasts than simple extrapolations based on the current and past production levels. This concept is known as Granger causality. We extend previous research in two ways, as we (i) explicitly allow for cross-country influences by using multivariate Granger-causality tests, and (ii) consider Granger-causality over Different planning horizons, by decomposing it over the spectrum.