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**A Robust and Efficient Method for Solving  
Nonlinear Rational Expectations Models**

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**Abstract**

The development and use of forward-looking macro models in policymaking institutions has proceeded at a pace much slower than predicted in the early 1980s. An important reason is that researchers have not had access to robust and efficient solution techniques for solving nonlinear forward-looking models. This paper discusses the properties of a new algorithm that is used for solving MULTIMOD, the IMF's multicountry model of the world economy. This algorithm is considerably faster and much less prone to simulation failures than to traditional algorithms and can also be used to solve individual country models of the same size.

**JEL Classification Numbers:**  
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