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The Mexican Inforum Model: MidMex

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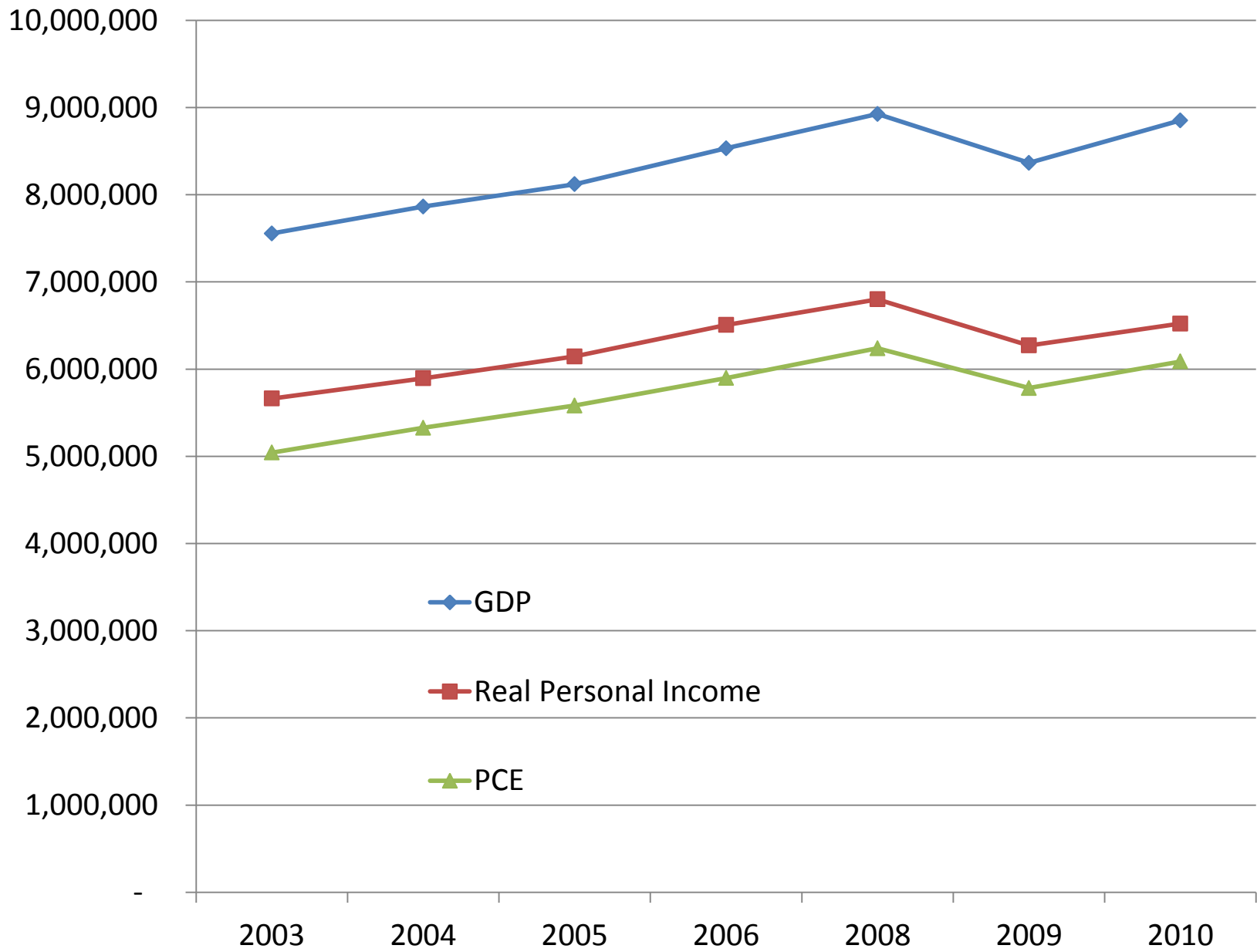
- Make & USE tables, 2003
- Input output table, 2003, product by product, 79x79 products
- National Account Time series, 2003-2010:
 - 79 intermediate consumption sectors
 - 79 Value added sectors: Wages, production taxes and capital compensation (converted to product with bridges)
 - Final demand vectors: PCE (34 commodities in 10 categories) corresponding to 69 products;
 - Government expenditure;
 - Investment;
 - Exports & Imports;

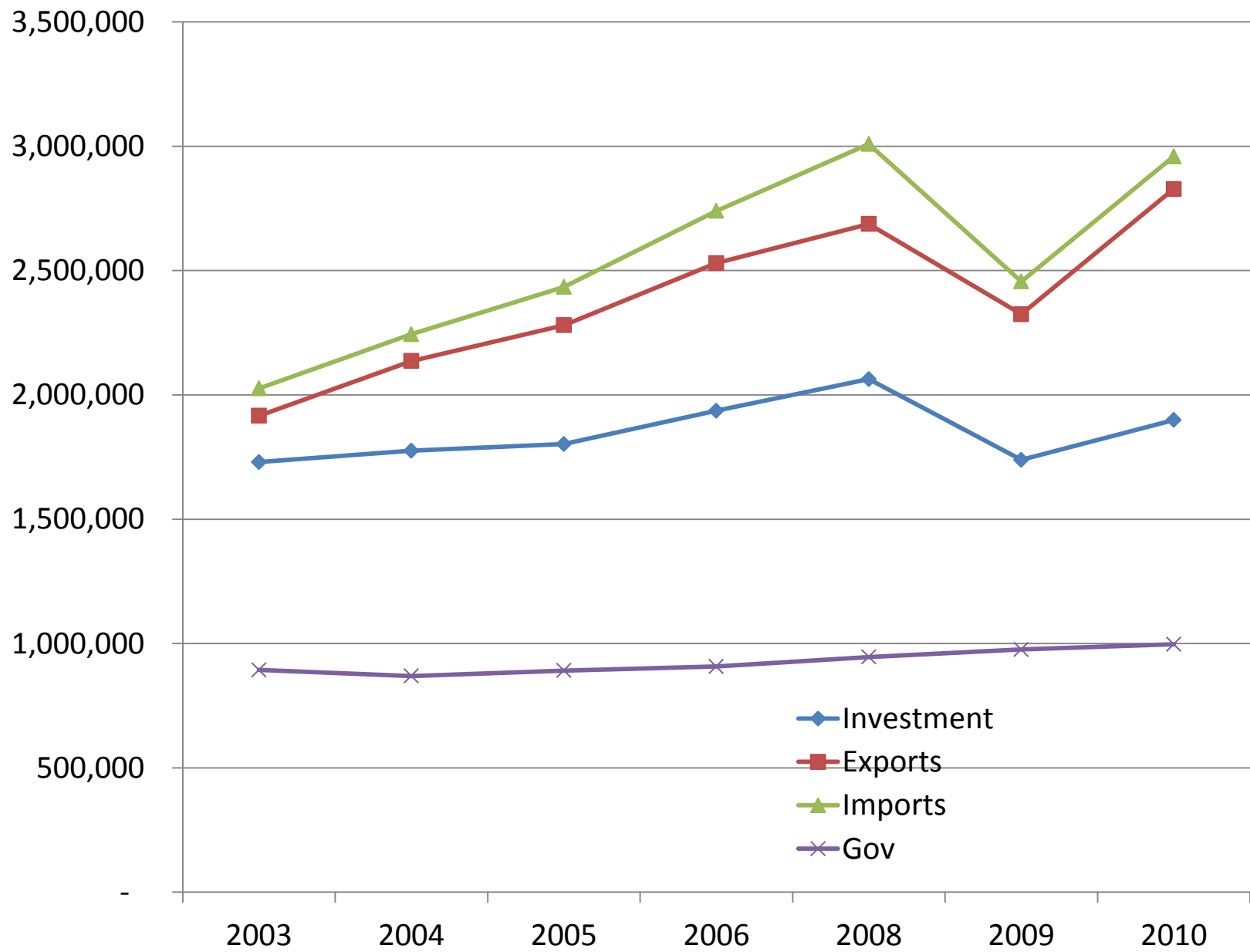
Work done until now:

1. Estimation of input output table time series from 2003 to 2010
2. Build a very basic (Tiny) Inforum model & first forecast exercises
3. Build comparable time series from 1988 to 2002 of final demand vectors; value added components, and intermediate consumption by sector

1. Some figures from I-O table

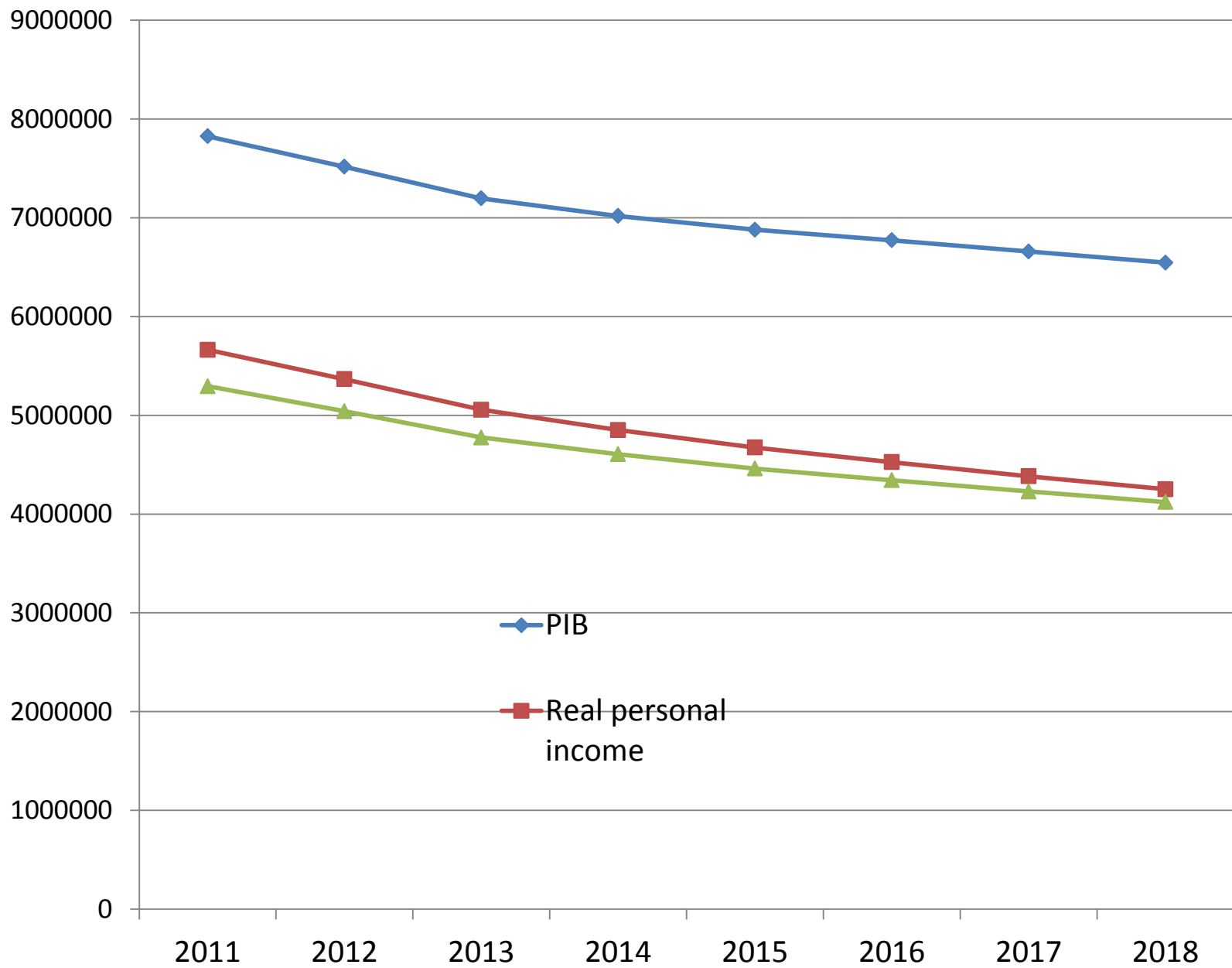
| Year | Value added as % of output | | Wage as % of value added | | Capital as % of value added | |
|------|----------------------------|----------|--------------------------|----------|-----------------------------|----------|
| | Manuf | Services | Manuf | Services | Manuf | Services |
| 2003 | 31.8 | 74.6 | 35.3 | 34.7 | 63.9 | 64.5 |
| 2004 | 31.5 | 74.1 | 32.0 | 33.3 | 67.4 | 66.1 |
| 2005 | 31.4 | 73.9 | 31.6 | 33.3 | 67.8 | 66.0 |
| 2006 | 30.9 | 73.5 | 29.4 | 32.6 | 70.0 | 66.7 |
| 2008 | 30.6 | 72.9 | 26.9 | 32.7 | 72.4 | 66.5 |
| 2009 | 30.8 | 72.9 | 27.0 | 34.2 | 72.3 | 65.0 |
| 2010 | 30.7 | 72.8 | 25.3 | 33.4 | 74.2 | 65.8 |





Very simple first Model:

- Same I-O technical coefficients since 2010 to 2018
- Pce equations system ($pce_i = f(y, dy)$) with no prices nor demographics effects
- Very simple endogenous investment
- No productivity modeled
- No wage equations
- All other FD vector with only time exogenous trend
- Results:



Future improvements for the model:

- Project technical coefficients from 2003-2010 to 2018
- Incorporate a PADs system (1988-2010)
- Introduce behavioral equations for imports & exports
- Model investment
- Model productivity & wages