

PIOJ Models

Aspects of the Jamaican economy are monitored in order to prepare models that reflect the behaviour of economic, social and environmental issues to aid in quantitative policy analysis and give guidance policy-makers, investors and other planners.

The main models are Threshold 21, Computable General Equilibrium, Input-Output, and the Econometric models. **Threshold 21 (T21)** is a dynamic model, designed to support long-term planning, which integrates, economics, social and environment factors.

Computable General Equilibrium Model (CGE) is a completely-specified model of an economy including all production activities, factors and institutions. It is used for example, to do taxation policy analysis.

An **Input-Output** model depicts the inter-industry relations of an economy. It is used to assess/predict the impact of changes in one industry on other industries and changes by consumers, government and foreign suppliers on the economy.

Econometric Models are used to forecast future developments in the economy and estimate coefficients so as to understand relationships between different variables. Software used to estimate these relationships include for example, Eviews and Stata.

There is also the capacity to analyze and create pension reform systems, and conduct micro simulation analysis to: 1) assess the implications of broadening various policy intervention programs; 2) do tax benefit analysis; and 3) identify winners and losers.