

In general, the shares of the primary and manufacturing industries are treated as exogenous. The forecast of oil and gas activity shares is being externally adjusted for consistency with the detailed energy assumptions underlying TIM. These adjustments reflect the relative base-year value weights of coal, oil and gas. Because of their importance for impact studies, data for the Northwest Territories and Yukon are separated from those from British Columbia in this section of the model. Current work is underway to link the provincial shares of metal and iron-ore mining to foreign trade variables from TIM forecasts.

The shares of manufacturing industries are adjusted in the forecast period to reflect known shifts derived from Intermetrix's Major Projects File. Some initial experiments were made to link related industries such as lumber and forestry and nonmetallic minerals and construction. It is anticipated that these linkages will be explicitly considered in subsequent versions of the model. The construction sector has been estimated as a function of the construction investment forecasts from the Provincial Construction Forecast Service. The remaining industrial sectors are estimated as functions of total provincial GDP or households.

In general, the equations are estimated in a pooled time-series/cross-section format with provincial dummies where appropriate. An example of one of the equations -- for health services -- is shown in Figure 3. In this case, the provincial