

Model Characteristics

The Regional-Industrial Model (RIM) can be characterized as a top-down provincial model used recursively with the Informetrica Model (IM), a national model. A top-down model offers the advantage of access to, and consistency with, the sophisticated intersectoral dynamic linkages available in the national model. This is particularly important in the Canadian context because many concepts and much of the industrial detail are currently available only at the national level. The top-down model also enables us to analyze effectively many more impacts at the regional level than should be possible with a bottom-up model. For example, the elaboration of a foreign trade sector, key to the understanding of an open economy such as Canada's, is feasible solely at the national level. Similarly, substantial industry investment detail is available only at the national level.

To ensure a consistent relationship between the national and regional models, the linkages between the two models are defined at the most disaggregated level possible. This ensures a more consistent analysis of impacts at the regional and national levels. In RIM, consistent forecasts are made of gross domestic product (GDP) for sixty industries and of employment for seventeen industries. Currently, estimates are also provided by province for labour supply, labour income, and corporate profits. Construction activity is driven by forecasts from the separate Provincial Construction Model.