

The model IMPEC¹ is a multisectoral macro model. This means that both industrial and macroeconomic variables are considered within the model. The model builds macroeconomic variables using industrial details (a “bottom up” approach). It is based on an input-output core but it also makes use of behavioral equations. The author of the approach is Clopper Almon who developed such a model for the US economy in the early 1960’s, and continues his effort within the project INFORUM (Almon 1991).

IMPEC uses much of INFORUM philosophy.

The current version of the model consists of 54 types of products. The disaggregation is in agreement with the NACE classification be found in the Polish input-output table for 2000.

The final demand elements are either at the level of categories typical of a given group of final users’ (households’ consumption - 43 categories, exports by 13 groups of products, investment demand in 29 groups of sectors) or they are expressed globally (inventories, government expenditures). The relevant conversion matrices (or vectors) link the categories of final demand (households', government, investment and export demand) with the sectors of economic activity.

Value added is disaggregated into several categories but this part of the model will not be used within the project as well as some econometric equations which are present in the full version of IMPEC. However The core of IMPEC model uses input-output relationships to generate:

- demand for products
- producers prices
- prices of final demand categories.

In the framework of the project IMPEC will be extended to cover several ecological and social aspects.

Almon C., 1991. The INFORUM Approach to Interindustry Modeling. *Economic Research Systems Research*, Vol. 3, No. 1, pp. 1-7.

¹ IMPEC is an acronym of Interindustry Model of the Polish Economy.