On the estimation procedure of the new I-O UK regional model: SEIM-UK

Topic: Socio-economic impact modelling in the UK: Building a new model in uncertain times
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The main objective of this paper is to present the different steps in the construction of a new impact assessment model, based on a multi-regional input-output (IO) framework for the UK: the SEIM-UK. The multi-regional model will cover 37 regions (NUTS-2 classification) and it will include foreign trade flows with other countries, as well as different households' profiles by socio-economic characteristics (age, income, etc.). The main databases feeding the model are the Living Costs and Food Survey, the Annual Survey of Hours and Earnings, and the UK trade info from HMRC, as well as the recently developed EUREGIO tables. In this model, we offer a larger disaggregation in terms of regions, industries and commodities with respect to previous alternatives using a regionalization method that maintains the consistency with the national/non disaggregated values. After explaining how the model was built, we will show some of its potential applications. Specifically we will be focusing on: (i) globalisation (trade openness, outsourcing and migration), technological change, and structural change in the labour market; (ii) household heterogeneity and socio-demographic change; and (iii) change in trade patterns and value added chains (substitutions in trade between domestic and imported products, disruption of supply chains).