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**An Econometric Input-Output Model for EU Countries
Based on Supply and use Tables: Private Consumption**

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**Title: An Econometric Input-Output Model for EU Countries
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Abstract:

This paper presents the results of an econometric study on household private consumption in EU15 aiming at the estimation of a household demand system including price and income parameters as well as other socio demographic explanatory variables. The econometric model is estimated by consistently combining a time series cross section dataset of aggregated household expenditure data for EU15 countries, published by Eurostat as part of the national accounts, and a cross section dataset of household budget surveys for five European countries. The estimated household demand system of equations is integrated into an Econometric Input-Output (EIO) model based on Eurostat Supply and Use table, recently proposed by Kratena and Streicher (2009). That gives a sound representation of the European household budget allocation behaviour in response to change in commodity price, total available income and household characteristics and its impacts on output and employment in Europe. A set of policies and socio-demographic scenarios is analysed through the resulting EIO-modelling framework with a demonstrative purpose.

Keywords: Household demand system, Micro and macro data, Econometric input-output model

Archives: CGE models and econometrics

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