

The E3ME Model

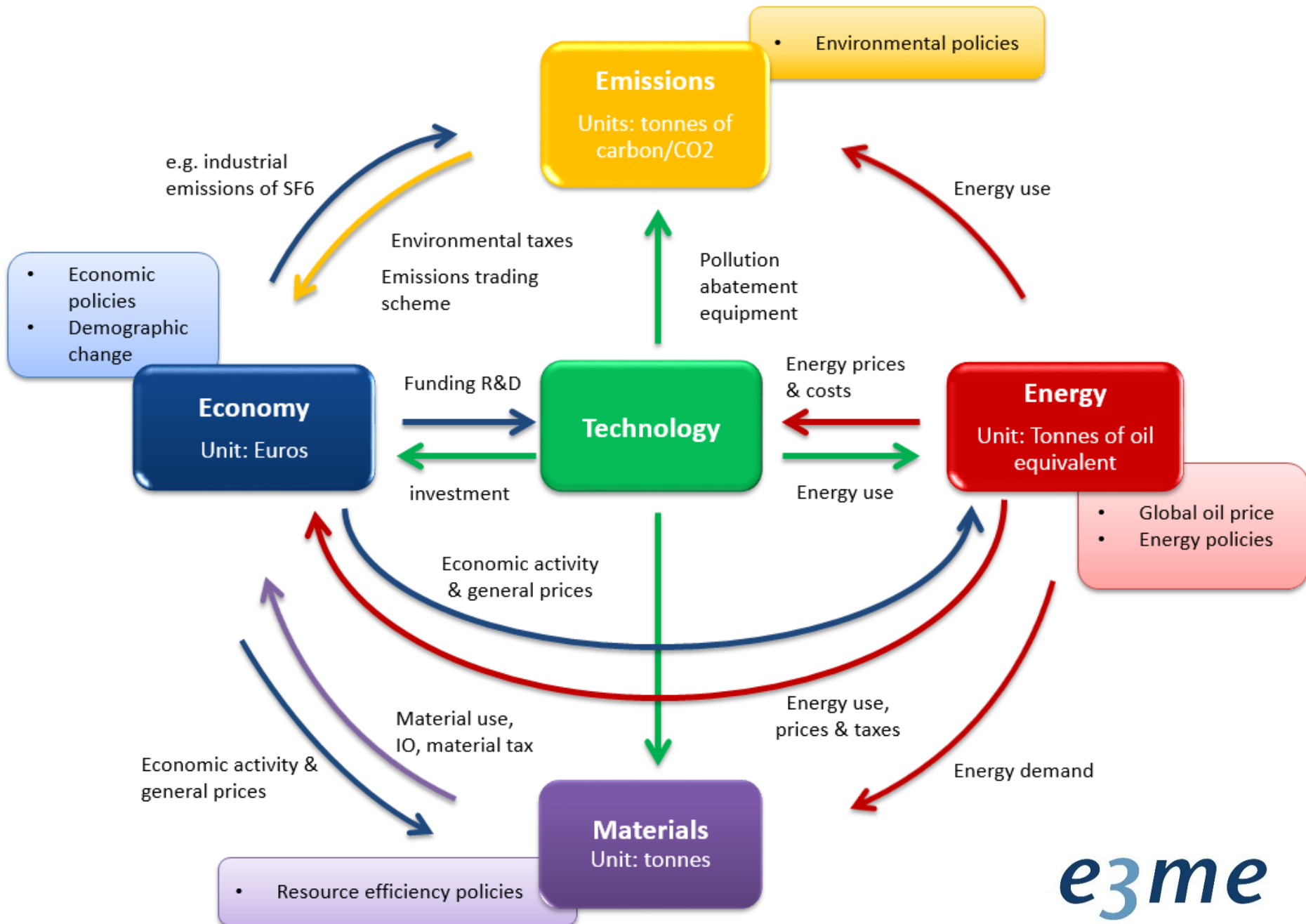
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- Basic model theory and structure
- Data and classifications
- Application for policy analysis
- Consumption-based emissions





- Macro-econometric model based on a post-Keynesian framework
- Optimisation not assumed
- Demand = Supply... but
- Demand \leq Potential Supply
- Under the right conditions it is therefore possible for regulation to increase output and employment

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- 53 geographical regions
- 69/43 economic sectors (Europe/RoW)
- 43/28 consumption categories
- 22 users of 19 fuels



- Eurostat for EU economic data
- OECD, ADB, national sources for economic data in other countries
- IEA for energy balances and prices
- EDGAR for emissions



- Baseline and scenarios
 - can be ex-post or ex-ante
- Baseline calibrated to WEO or similar projections
- Scenarios defined by making adjustments to model variables



- Approach builds on MRIO...
- ... but many of the policies assessed in the model change things that are assumed constant in MRIO
 - e.g. IO coefficients due to price effects
- Converters must be constructed for every year and scenario!



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