
The Bank of England quarterly model of the UK economy

The Bank of England quarterly model of the United Kingdom has recently been published in the October 1987 issue of *Economic Modelling*.⁽¹⁾ The authors of this article are Kerry Patterson, Ian Harnett, Gary Robinson and John Ryding.

The Bank of England first acquired a macroeconomic model of the UK economy in early 1973, and used it for forecasting in June and July of that year. The initial model was obtained from the London Business School (LBS), but the last fourteen years or so have, on the part of both the Bank and the LBS, led to developments which now make the models no closer to each other than to other large scale models of the United Kingdom. The article in *Economic Modelling* describes the structure and central properties of the current version of the Bank model, which has some 663 variables, of which 134 are modelled by behavioural equations and 153 by technical equations, 212 are identities and 164 exogenous variables.

The article is organised in six parts:

- Part 1 Introduction—including a brief history of the Bank model.
- Part 2 A simple stylised model—giving a brief description of the broad architecture of the model, abstracting from technical details and in terms familiar to macroeconomists.
- Part 3 Detailed description by sector—the model is arranged by sector and the equations that comprise each sector are described and analysed.
- Part 4 Model variables and equations—listing the complete set of model equations and defining variables used in the model.
- Part 5 Simulation properties—this part describes the workings of the model as a system when it is subjected to a variety of external shocks, for example, a cut in the standard rate of income tax.
- Part 6 Summary remarks.

(1) *Economic Modelling* is published by Butterworths Scientific and copies of the October issue can be obtained from:

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