



ธนาคารแห่งประเทศไทย  
BANK OF THAILAND

# Role and Usefulness of Models

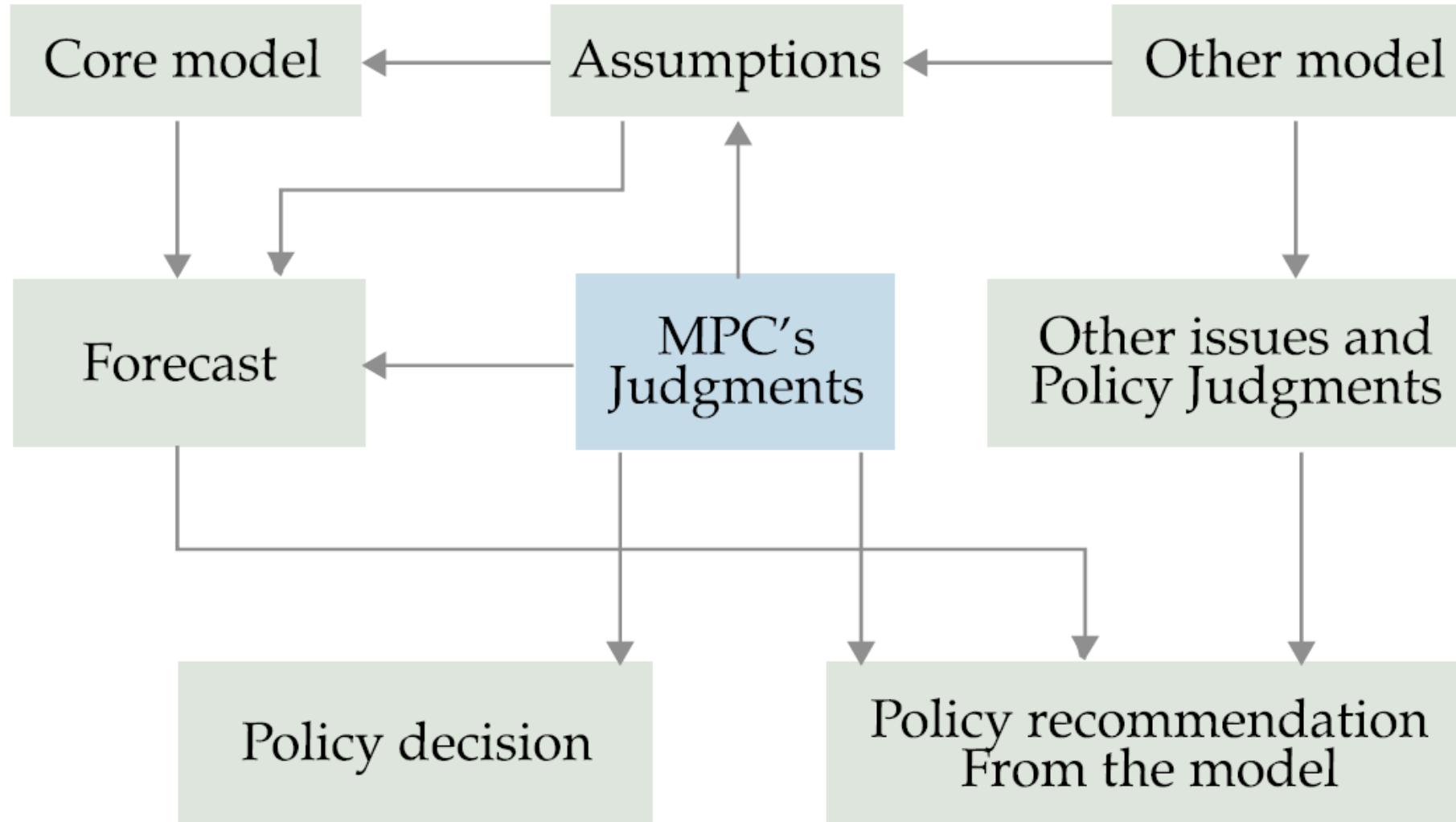
# Role of Models

- Models can be used as a tool.
- Models average past behavior.
- Models are consistent and systematic framework.
- A Model forecast is based on assumptions.
- Should be used with MPB's judgement.

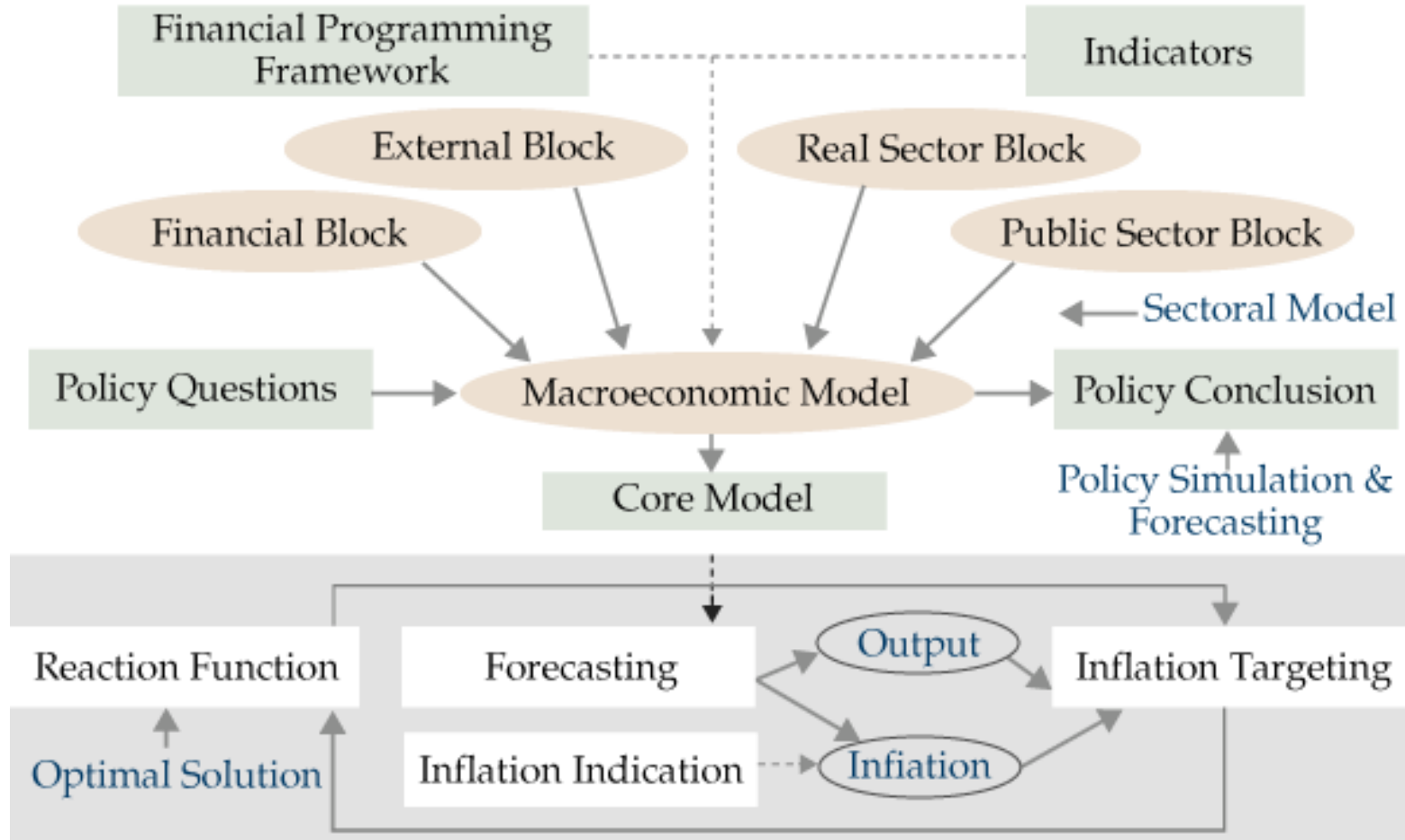
# Usefulness of Economic Models

- Help in forecasting macroeconomic picture.
- Assist in evaluating effects of policies and external factors

# Models, Forecasts and Policy



# Components of macroeconomic model



## Model needs to be improved depending on:

- New data become available.
- The opportunity in developing and improving the model.
- Changes in the economic and social environment.
- New research findings in economics and new techniques in econometrics.