The Inforum World Conference XII in Ascea is a meeting of economists from around the world who work on the construction and application of computer-based models of economies. This year in Ascea there will be 41 participants coming from Australia, Austria, China, Denmark, France, Germany, Hungary, Italy, Japan, Estonia, Latvia, Korea, Poland, Russia, Spain, Thailand, Turkey and the USA.

Though "Inforum" originally stood for "Interindustry Forecasting at the University of Maryland," it has come to characterize an approach to building models that is used around the world. Models of the Inforum type distinguish a number of industries, anywhere from 20 to over 300. The models show, for each of these industries, the sales to other industries as inputs, sales to various categories of final demand such as personal consumption, government consumption, investment, and export. They also show employment and income by industry. The models are all dynamic in that they trace a path over time of each variable. They also make investment by each industry depend on the growth of the industry's output.

In these models, the equations describing economic behavior – such as personal consumption, investment, imports, or employment -- are derived from careful statistical study of past data. These data often show regularities that are surprising to those which have not worked with them.

Many of the national models are connected by a model of international trade that shows bilateral trade flows between each pair of countries in the system.

The models are used by private firms in economic forecasting and by many governmental agencies in studying the effect of various policies. For example, they were used in studying the effects to be expected from the North American Free Trade Agreement. They are used in studying effects of environmental policy, of enlargement of the European Union, and in making Five Year Plans in China. This year, there is a particular interest in modeling regional economies within the national ones.

All the models work on a common software so that it is relatively easy for workers in different countries to communicate and help one another. The annual conferences are times for particularly active sharing of ideas and experiences. Many of the participants are old friends who have worked together for many years. This year, however, we are particularly happy to welcome new partners from Latvia, Lithuania, and Thailand.