

**From Input-Output to Computable General Equilibrium (CGE) modelling:
Estimating the effect on SMME output growth with government subsidies and
other policy measures.**

by

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Abstract

We introduce a CGE-model and its results. The model uses a 93-sector Input-Output table as input into a CGE-model, to simulate various policy scenarios. Four size classes of firms are modelled, namely, Micro, Medium, Small and Large. The Input-Output table is split to accommodate these various sizes, and fiscal, labour and trade policies are implemented to see how the various sized firms will benefit in terms of growth potential.

Each size class of firms has two types of labour inputs, namely skilled and unskilled labour, while they also differ with regards to access to capital.

In the paper the model is briefly explained, since it is not common knowledge how to go from an Input-Output model to a CGE-model, and then various government policies are motivated, and their effects simulated by the model, and the results reported.

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