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## How To Change a Macro Closure

*This exercise explains how to change the three macro closures in the UNI-CGE model: savings-investment, government savings (budget balance) and foreign savings/trade balance.*

### 1. FLAGS AND MACRO CLOSURES

This exercise explains how to change the three macro closures in the UNI-CGE model: saving-investment, government savings (fiscal balance) and the current account/trade balance.

To change a closure, go to the closure section of the UNI-CGE model by typing CTRL + F and searching for the term “Selecting Closures.”

Macro closure choices in the UNI-CGE model are defined using “flags.” The flags are numbers that correspond to definitions of different closure options. The default macro closure choices in the UNI CGE model are shown in Figure 1.

**Figure 1. Default macro closures in UNI-CGE model**

**Parameter**

```
SICLOS  savings-investment closure    /1/
GOVCLOS government expenditure closure /2/
ROWCLOS foreign exchange market closure /1/
;
```

To change a macro closure, change the numbers of the flag to represent the closure that you want to use. Table 1 provides a brief summary of the options for each macro closure in the model. You can learn more about macro closures in the lesson on macro closure in the Macro/General Equilibrium module.

**Table 1. Summary of macro closure options in the UNI-CGE model**

	Flag number	Fixed variable	Variable that adjusts
Savings-investment	SICLOS = 1	Household savings rate	Investment quantities
	SICLOS = 2	Investment quantities	House savings rate
Government Savings	GOVCLOS = 1	Quantities of government purchases	Budget surplus/deficit
	GOVCLOS = 2	Budget surplus/deficit	Quantities of government purchases
	GOVCLOS = 3	Quantities of gov't. purchases and budget balance	Income tax rate on households
Foreign Savings (trade balance)	ROWCLOS = 1	Exchange rate	Capital account/trade balance
	ROWCLOS = 2	Capital account/trade balance	Exchange rate