

Master EPP, International Macroeconomics
Lecture 3
New trade models for new international macroeconomics
Regression results

Figure 1: FE Estimation of distance coefficient

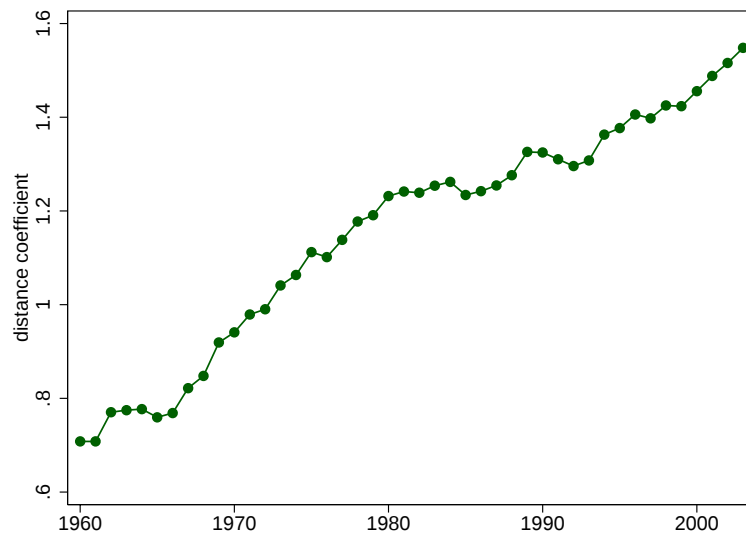


Figure 2: FE estimation of colonial link coefficient

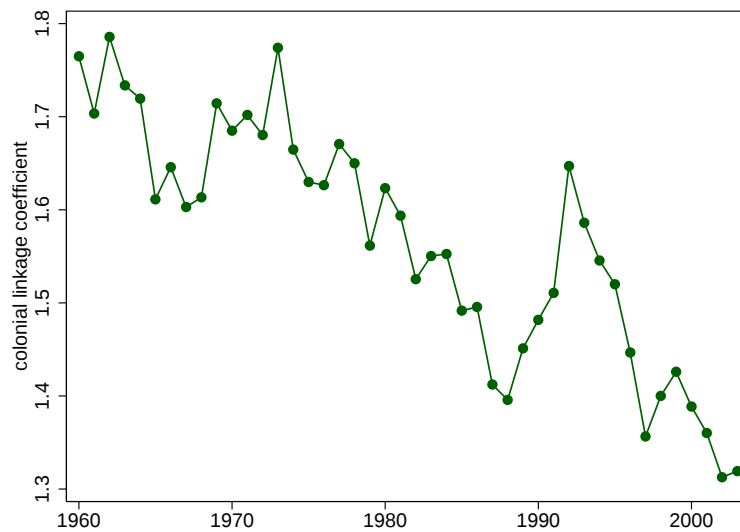


Table 1: Gravity equation, old fashion, Whole period

	(1)	(2)	(3)	(4)	(5)	(6)
ln gdp, origin	0.780 ^a (587.29)		0.780 ^a (587.86)	0.777 ^a (582.50)	0.783 ^a (588.86)	0.775 ^a (571.04)
ln gdp, dest	0.672 ^a (534.03)		0.672 ^a (534.47)	0.661 ^a (524.43)	0.673 ^a (534.31)	0.667 ^a (515.73)
ln distance	-1.061 ^a (-304.58)	-1.064 ^a (-304.92)	-0.999 ^a (-264.26)	-1.019 ^a (-271.35)	-0.977 ^a (-260.56)	-0.920 ^a (-234.47)
ln gdp cap, origin		0.764 ^a (413.58)				
ln gdp cap, dest		0.626 ^a (340.79)				
ln pop, dest		0.713 ^a (441.59)				
ln pop, origin		0.803 ^a (469.75)				
Contiguity			0.721 ^a (41.08)	0.793 ^a (45.51)	0.552 ^a (31.64)	0.526 ^a (30.20)
Landlocked dest				-0.710 ^a (-81.41)		
Landlocked origin				-0.423 ^a (-47.99)		
Common language					0.367 ^a (46.29)	0.343 ^a (43.05)
Colonial relationship					1.661 ^a (91.04)	1.699 ^a (93.24)
Regional trade agreement						0.880 ^a (46.40)
Currency Unions						0.619 ^a (16.20)
Gatt/WTO members						-0.015 ^a (-2.59)
Constant	-3.911 ^a (-118.95)	-3.561 ^a (-103.57)	-4.451 ^a (-125.87)	-4.007 ^a (-113.23)	-4.789 ^a (-133.58)	-5.166 ^a (-140.82)
Observations	529,387	526,753	529,387	529,387	529,387	529,387
R ²	0.524	0.526	0.525	0.533	0.536	0.539

t statistics in parentheses^c p<0.1, ^b p<0.05, ^a p<0.01

Table 2: Gravity equation, old fashion, Comparison across time

	Whole	1960	2003
ln gdp, origin	0.775 ^a (571.04)	0.712 ^a (45.75)	1.054 ^a (146.04)
ln gdp, dest	0.667 ^a (515.73)	0.653 ^a (43.58)	0.832 ^a (120.63)
ln distance	-0.920 ^a (-234.47)	-0.585 ^a (-18.77)	-1.181 ^a (-56.34)
Contiguity	0.526 ^a (30.20)	0.303 ^b (2.35)	1.085 ^a (11.00)
Common language	0.343 ^a (43.05)	0.018 (0.24)	0.796 ^a (18.38)
Colonial relationship	1.699 ^a (93.24)	0.904 ^a (6.85)	0.874 ^a (7.97)
Regional trade agreement	0.880 ^a (46.40)	0.869 ^a (4.25)	0.271 ^a (3.15)
Currency Unions	0.619 ^a (16.20)	1.164 ^a (3.42)	0.160 (1.01)
Gatt/WTO members	-0.015 ^a (-2.59)	0.680 ^a (11.84)	0.268 ^a (8.06)
Constant	-5.166 ^a (-140.82)	-5.999 ^a (-18.27)	-8.545 ^a (-43.34)
Observations	529387	3557	17917
R^2	0.539	0.564	0.657

t statistics in parentheses^c p<0.1, ^b p<0.05, ^a p<0.01

Table 3: Gravity equation, old fashion, Comparison across countries

	(1)	(2)	(3)	(4)	(5)
ln gdp, origin	0.775 ^a (571.04)	0.716 ^a (182.87)	0.697 ^a (243.12)	0.795 ^a (236.03)	0.726 ^a (304.51)
ln gdp, dest	0.667 ^a (515.73)	0.616 ^a (158.13)	0.756 ^a (292.04)	0.563 ^a (158.63)	0.571 ^a (253.45)
ln distance	-0.920 ^a (-234.47)	-0.767 ^a (-100.56)	-0.905 ^a (-117.00)	-0.594 ^a (-60.86)	-0.969 ^a (-164.19)
Contiguity	0.526 ^a (30.20)	0.341 ^a (10.74)	0.191 ^a (3.45)	0.649 ^a (9.60)	0.699 ^a (32.18)
Common language	0.343 ^a (43.05)	1.074 ^a (41.32)	0.541 ^a (34.01)	0.383 ^a (18.80)	0.406 ^a (36.16)
Colonial relationship	1.699 ^a (93.24)	0.456 ^a (12.60)	1.328 ^a (48.97)	1.600 ^a (47.91)	2.233 ^a (54.89)
Regional trade agreement	0.880 ^a (46.40)	0.141 ^a (7.12)	0.393 ^a (7.13)	0.809 ^a (11.97)	0.899 ^a (26.47)
Currency Unions	0.619 ^a (16.20)	0.380 ^a (4.72)	2.010 ^a (24.94)	0.493 (1.02)	0.345 ^a (7.39)
Gatt/WTO Members	-0.015 ^a (-2.59)	0.294 ^a (15.36)	-0.222 ^a (-22.14)	-0.038 ^a (-2.97)	-0.186 ^a (-20.28)
Constant	-5.166 ^a (-140.82)	-4.374 ^a (-64.66)	-4.820 ^a (-63.89)	-6.733 ^a (-70.67)	-3.737 ^a (-69.37)
Observations	529387	34906	131314	117987	245180
R^2	0.539	0.804	0.594	0.465	0.406
Origin	Whole	OECD	OECD	NonOECD	NonOECD
Destination	Whole	OECD	Non OECD	OECD	NonOECD

t statistics in parentheses^c p<0.1, ^b p<0.05, ^a p<0.01

Table 4: Gravity equation, Fixed Effects, 2003 data

	(1)	(2)	(3)	(4)	(5)
ln distance	-1.721 ^a (-91.26)	-1.629 ^a (-79.10)	-1.629 ^a (-79.10)	-1.554 ^a (-73.91)	-1.552 ^a (-69.59)
Contiguity		1.003 ^a (10.96)	1.003 ^a (10.96)	0.857 ^a (9.43)	0.841 ^a (9.22)
Landlocked, dest			-2.378 ^a (-6.50)		
Landlocked, origin			7.554 ^a (16.61)		
Common language				0.658 ^a (14.65)	0.653 ^a (14.53)
Colonial relationship				1.075 ^a (10.39)	1.070 ^a (10.32)
Regional trade agreement					-0.035 (-0.42)
Currency Unions					0.112 (0.76)
Gatt/WTO Members					0.617 ^a (6.73)
Observations	19833	19833	19833	19833	19833
R^2	0.744	0.746	0.746	0.751	0.752

t statistics in parentheses^c p<0.1, ^b p<0.05, ^a p<0.01

Figure 3: FE estimation of common language coefficient

