

Estimating Trade Elasticities:
Demand Composition and the Trade Collapse of 2008-09

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ONLINE APPENDIX: ADDITIONAL TABLES AND FIGURES

Table A1.a. Total Import Content of Main GDP Components

	Import content of private consumption			Import content of government consumption			Import content of total investment			Import content of exports		
	1995	2000	2005	1995	2000	2005	1995	2000	2005	1995	2000	2005
Australia	17.0%	18.6%	18.4%	9.0%	10.0%	9.9%	26.5%	26.6%	26.0%	14.0%	14.1%	14.0%
Austria	24.2%	28.4%	28.7%	9.3%	11.0%	11.5%	36.7%	42.3%	42.7%	30.0%	34.6%	34.7%
Belgium	32.3%	36.5%	33.6%	7.7%	10.6%	12.4%	43.6%	52.6%	49.7%	40.9%	45.9%	43.2%
Canada	25.9%	23.7%	25.8%	10.3%	10.0%	9.8%	39.0%	42.1%	34.8%	30.5%	30.9%	27.4%
Czech Republic	34.0%	39.5%	38.6%	18.8%	20.3%	19.8%	39.2%	53.3%	52.1%	29.1%	45.6%	48.3%
Denmark	21.4%	30.3%	31.8%	7.1%	8.9%	10.4%	34.3%	40.3%	39.1%	27.1%	32.3%	34.9%
Finland	20.6%	22.9%	26.8%	7.9%	10.8%	12.0%	42.4%	34.5%	32.4%	28.8%	33.4%	38.0%
France	19.4%	22.0%	22.7%	8.2%	8.0%	8.7%	24.7%	27.2%	25.4%	19.8%	26.5%	27.0%
Germany	18.3%	22.1%	22.6%	6.3%	8.0%	8.6%	22.7%	30.5%	31.1%	20.4%	25.8%	27.2%
Greece	21.0%	24.4%	24.1%	11.6%	19.4%	9.9%	35.0%	36.5%	35.5%	15.8%	26.9%	25.9%
Hungary	47.1%	35.4%	35.6%	29.2%	16.5%	15.4%	60.0%	53.6%	49.1%	47.4%	58.6%	55.8%
Iceland	30.7%	16.9%	14.8%	17.4%	6.2%	5.5%	41.7%	24.1%	24.4%	26.7%	26.9%	27.1%
Ireland	46.3%	42.0%	37.2%	16.4%	13.8%	14.4%	51.5%	48.6%	41.5%	48.7%	53.3%	50.7%
Italy	18.2%	20.7%	21.3%	5.7%	6.7%	7.2%	25.7%	29.6%	27.3%	23.4%	27.1%	29.0%
Japan	9.1%	9.8%	11.7%	3.0%	2.8%	6.0%	8.2%	10.6%	15.3%	8.4%	9.6%	15.4%
Korea	21.4%	23.8%	24.2%	11.4%	10.2%	10.5%	30.8%	35.5%	28.9%	29.9%	38.1%	38.6%
Luxembourg	45.5%	51.8%	50.3%	15.7%	18.1%	18.4%	49.9%	54.7%	53.6%	41.3%	57.7%	60.4%
Mexico	31.4%	18.6%	17.2%	8.3%	5.0%	4.7%	42.6%	32.0%	30.2%	42.5%	39.3%	33.2%
Netherlands	26.2%	28.5%	30.3%	10.4%	11.2%	11.3%	41.6%	41.6%	39.3%	33.3%	36.9%	34.9%
New Zealand	21.1%	23.8%	21.4%	10.1%	11.6%	9.8%	37.9%	41.2%	39.3%	18.1%	19.2%	17.5%
Norway	29.1%	31.8%	32.0%	11.1%	10.9%	10.9%	42.1%	42.0%	36.4%	21.6%	16.9%	16.2%
Poland	19.7%	26.3%	24.9%	8.0%	6.4%	9.5%	30.0%	45.8%	47.9%	16.8%	24.7%	30.6%
Portugal	27.5%	32.5%	29.0%	8.7%	10.9%	9.5%	35.3%	38.3%	36.1%	35.8%	30.8%	38.9%
Slovak Republic	38.2%	43.1%	44.7%	17.7%	16.3%	21.6%	53.6%	52.2%	57.3%	35.4%	50.3%	48.6%
Spain	18.1%	23.1%	24.0%	7.3%	9.9%	11.3%	26.1%	34.6%	28.3%	26.6%	33.9%	34.2%
Sweden	23.2%	26.4%	28.1%	10.5%	11.3%	11.2%	43.7%	47.8%	43.0%	28.9%	32.3%	33.2%
Switzerland	16.3%	22.5%	24.4%	5.8%	9.2%	9.3%	26.6%	33.1%	33.9%	14.2%	23.1%	25.3%
Turkey	18.1%	15.8%	23.0%	6.0%	10.3%	14.6%	36.8%	33.7%	41.7%	13.9%	13.6%	30.7%
United Kingdom	21.1%	24.9%	27.2%	11.2%	12.7%	12.5%	37.4%	35.0%	25.4%	22.2%	20.3%	18.6%
United States	8.7%	10.5%	11.9%	3.7%	6.0%	6.2%	18.4%	19.1%	17.3%	9.5%	11.0%	12.3%
Argentina	8.2%	7.9%	12.4%	2.2%	1.8%	2.8%	22.6%	22.6%	27.1%	10.3%	10.9%	16.8%
Brazil	9.6%	12.2%	10.4%	3.3%	4.8%	3.7%	13.1%	14.6%	20.9%	10.8%	12.0%	14.4%
China	11.4%	13.4%	19.1%	9.9%	10.8%	13.8%	26.2%	20.8%	28.8%	15.5%	19.6%	27.4%
Chinese Taipei	24.4%	22.9%	26.3%	13.6%	9.3%	8.7%	42.0%	49.9%	50.6%	35.2%	37.3%	48.3%
India	7.6%	10.4%	14.0%	5.9%	8.1%	8.3%	21.6%	23.7%	28.7%	10.4%	12.4%	18.5%
Indonesia	16.9%	23.3%	22.4%	12.4%	14.0%	13.9%	30.6%	35.5%	30.4%	15.1%	19.5%	18.1%
Israel	20.1%	30.2%	29.6%	6.2%	14.9%	15.5%	21.4%	38.3%	39.5%	16.6%	34.1%	37.9%
Russian Fed.	22.8%	24.7%	23.2%	10.6%	12.1%	12.2%	20.0%	25.7%	26.0%	10.6%	10.9%	9.1%
Singapore	45.9%	43.0%	46.7%	27.6%	35.0%	35.4%	58.2%	59.0%	64.0%	57.2%	58.4%	56.6%
South Africa	14.3%	18.4%	20.6%	5.5%	7.1%	8.7%	29.5%	37.4%	34.5%	9.7%	15.2%	14.6%
Hong Kong	12.0%	9.5%	7.0%	8.4%	9.7%	6.3%	14.0%	10.2%	5.9%	13.9%	14.1%	12.6%
Chile	23.4%	27.8%	31.7%	8.5%	8.2%	9.8%	39.4%	35.2%	37.6%	19.0%	19.0%	23.2%
Estonia	49.8%	40.0%	41.3%	25.1%	19.1%	18.5%	69.2%	58.8%	55.5%	47.5%	55.1%	50.8%
Slovenia	39.0%	36.2%	37.6%	19.6%	16.3%	15.7%	54.2%	54.7%	50.6%	36.9%	43.6%	45.6%
Malaysia	46.7%	41.8%	42.3%	24.4%	24.4%	25.2%	55.9%	64.1%	62.3%	38.8%	53.0%	50.4%
Philippines	25.1%	28.5%	32.1%	12.0%	11.8%	8.3%	41.2%	52.3%	53.1%	32.4%	46.0%	41.6%
Thailand	28.9%	31.7%	26.9%	8.2%	9.7%	10.5%	42.3%	52.5%	61.8%	33.5%	40.6%	38.1%
Romania	22.4%	24.1%	26.9%	19.0%	20.8%	17.8%	35.8%	47.9%	51.7%	26.0%	27.9%	29.0%
Vietnam	16.3%	33.3%	36.9%	12.2%	26.3%	28.8%	40.5%	50.6%	54.3%	15.0%	27.5%	30.6%
Saudi Arabia	17.4%	30.5%	34.8%	12.7%	18.8%	14.2%	19.6%	48.4%	52.6%	1.3%	5.9%	2.0%

Source: OECD Input-Output Tables and authors' calculations.

Table A1.b. Induced Import Content of Main GDP Components

	Import content of private consumption			Import content of government consumption			Import content of total investment		
	1995	2000	2005	1995	2000	2005	1995	2000	2005
Australia	9.1%	9.1%	8.8%	9.0%	8.9%	8.7%	11.1%	11.1%	11.1%
Austria	11.0%	13.3%	13.8%	7.8%	9.1%	9.2%	16.2%	16.0%	18.1%
Belgium	17.4%	19.5%	18.9%	7.3%	9.5%	11.2%	21.6%	23.8%	21.0%
Canada	11.3%	10.6%	9.4%	10.3%	10.0%	9.8%	16.1%	15.3%	15.6%
Czech Republic	19.1%	20.6%	20.5%	14.2%	17.6%	14.4%	21.0%	23.9%	20.9%
Denmark	9.9%	11.7%	13.3%	6.4%	8.1%	9.3%	15.3%	17.5%	19.0%
Finland	10.7%	12.7%	13.3%	7.1%	9.8%	10.8%	12.3%	18.4%	18.4%
France	9.3%	11.0%	10.7%	6.5%	6.8%	6.8%	12.1%	13.5%	13.0%
Germany	9.0%	11.7%	12.0%	5.5%	7.0%	7.1%	11.7%	14.5%	15.4%
Greece	8.8%	11.3%	10.0%	10.6%	18.1%	10.2%	17.0%	14.0%	13.8%
Hungary	25.6%	23.7%	18.5%	19.5%	13.5%	11.4%	22.3%	20.8%	20.7%
Iceland	14.8%	9.2%	8.0%	13.7%	6.2%	5.5%	13.2%	5.4%	5.7%
Ireland	16.3%	16.1%	19.6%	13.1%	13.8%	14.4%	23.0%	21.7%	22.8%
Italy	11.8%	13.2%	13.1%	5.4%	6.2%	6.6%	14.7%	15.6%	14.8%
Japan	4.6%	5.1%	6.9%	3.0%	2.8%	6.0%	5.6%	6.4%	9.1%
Korea	14.8%	16.6%	16.0%	11.4%	10.2%	10.5%	15.4%	17.8%	17.8%
Luxembourg	15.4%	18.8%	22.1%	13.0%	15.8%	16.7%	19.3%	22.1%	30.8%
Mexico	18.0%	11.7%	11.2%	8.3%	5.0%	4.6%	26.8%	16.2%	14.4%
Netherlands	13.8%	14.5%	15.8%	9.2%	10.0%	10.3%	19.7%	19.0%	16.3%
New Zealand	11.5%	12.6%	11.0%	8.8%	10.4%	8.9%	14.4%	15.3%	13.5%
Norway	13.2%	12.8%	11.9%	10.0%	9.5%	9.3%	15.0%	14.2%	14.1%
Poland	12.2%	14.3%	14.8%	6.9%	6.0%	7.8%	15.0%	14.3%	15.9%
Portugal	14.6%	15.2%	14.7%	7.7%	8.3%	7.9%	16.0%	16.4%	17.0%
Slovak Republic	18.8%	20.7%	17.5%	17.7%	16.3%	12.7%	18.7%	21.9%	18.2%
Spain	10.7%	12.8%	12.2%	6.7%	8.8%	9.0%	12.7%	15.6%	14.0%
Sweden	12.6%	14.1%	14.7%	9.5%	10.0%	9.6%	15.7%	15.9%	17.2%
Switzerland	8.3%	11.0%	13.2%	5.8%	9.1%	9.2%	11.0%	17.5%	18.3%
Turkey	9.6%	11.6%	14.5%	6.0%	6.8%	10.7%	11.0%	13.0%	21.0%
United Kingdom	11.7%	10.4%	10.5%	11.2%	12.3%	12.5%	12.2%	11.7%	11.4%
United States	4.1%	4.6%	5.8%	3.7%	4.5%	6.2%	7.8%	7.8%	9.0%
Argentina	4.9%	4.5%	6.3%	2.2%	1.8%	2.8%	7.1%	7.1%	11.6%
Brazil	5.7%	7.2%	7.1%	3.3%	4.8%	3.7%	5.9%	7.7%	11.0%
China	9.6%	10.3%	14.0%	9.5%	10.6%	13.6%	11.5%	15.4%	20.5%
Chinese Taipei	12.9%	11.9%	15.4%	13.6%	9.3%	8.7%	18.9%	18.4%	21.0%
India	5.5%	6.4%	11.4%	4.2%	4.4%	8.3%	12.1%	13.3%	19.9%
Indonesia	9.7%	11.2%	12.2%	9.8%	12.0%	12.1%	18.1%	21.8%	19.8%
Israel	9.1%	14.8%	15.0%	6.2%	14.9%	15.5%	11.3%	19.3%	20.6%
Russian Fed.	8.9%	9.5%	9.3%	9.9%	11.7%	11.7%	10.8%	13.2%	13.5%
Singapore	17.4%	18.7%	20.3%	27.6%	35.0%	35.4%	20.5%	23.3%	25.4%
South Africa	7.6%	10.4%	11.0%	5.5%	7.1%	8.7%	10.0%	13.4%	16.1%
Hong Kong	7.0%	5.7%	4.5%	8.4%	9.7%	6.3%	7.3%	4.9%	2.3%
Chile	12.9%	15.7%	17.3%	8.5%	8.2%	9.8%	12.0%	12.3%	14.7%
Estonia	23.3%	19.6%	18.7%	16.7%	17.3%	16.2%	19.1%	21.5%	20.6%
Slovenia	14.7%	14.3%	13.9%	16.1%	12.4%	11.6%	18.7%	18.3%	19.7%
Malaysia	20.8%	21.9%	23.3%	13.1%	22.2%	22.4%	20.0%	21.8%	19.9%
Philippines	14.6%	15.2%	15.6%	12.0%	11.8%	8.3%	17.1%	16.9%	17.6%
Thailand	15.3%	17.3%	21.8%	5.8%	9.7%	10.1%	19.9%	20.1%	25.3%
Romania	12.2%	15.7%	17.2%	18.0%	20.8%	17.8%	18.4%	15.4%	14.0%
Vietnam	12.3%	21.5%	23.9%	12.2%	26.3%	28.8%	27.6%	37.6%	41.4%
Saudi Arabia	3.7%	7.0%	8.3%	7.3%	11.9%	6.7%	2.4%	9.9%	11.9%

Source: OECD Input-Output Tables and authors' calculations.

Table A1.c. Direct Import Content of Main GDP Components

	Import content of private consumption			Import content of government consumption			Import content of total investment		
	1995	2000	2005	1995	2000	2005	1995	2000	2005
Australia	7.9%	9.5%	9.6%	0.0%	1.0%	1.2%	15.4%	15.5%	15%
Austria	13.2%	15.1%	14.9%	1.4%	1.9%	2.2%	20.5%	26.3%	25%
Belgium	14.8%	17.0%	14.8%	0.5%	1.1%	1.2%	22.0%	28.7%	29%
Canada	14.6%	13.2%	16.4%	0.0%	0.0%	0.0%	22.9%	26.8%	19%
Czech Republic	15.0%	19.0%	18.1%	4.6%	2.6%	5.4%	18.1%	29.4%	31%
Denmark	11.5%	18.6%	18.5%	0.7%	0.9%	1.1%	18.9%	22.9%	20%
Finland	9.9%	10.1%	13.6%	0.8%	1.0%	1.2%	30.1%	16.1%	14%
France	10.1%	11.0%	12.0%	1.7%	1.2%	1.9%	12.6%	13.7%	12%
Germany	9.3%	10.3%	10.5%	0.8%	1.0%	1.5%	11.0%	16.1%	16%
Greece	12.2%	13.1%	14.1%	1.0%	1.3%	-0.3%	18.0%	22.4%	22%
Hungary	21.5%	11.7%	17.0%	9.7%	3.0%	4.1%	37.7%	32.8%	28%
Iceland	15.9%	7.7%	6.8%	3.7%	0.0%	0.0%	28.5%	18.7%	19%
Ireland	30.0%	25.9%	17.6%	3.3%	0.0%	0.0%	28.5%	26.9%	19%
Italy	6.4%	7.5%	8.1%	0.3%	0.5%	0.6%	11.0%	14.0%	13%
Japan	4.5%	4.7%	4.8%	0.0%	0.0%	0.0%	2.6%	4.3%	6%
Korea	6.6%	7.2%	8.2%	0.0%	0.0%	0.0%	15.4%	17.7%	11%
Luxembourg	30.1%	33.0%	28.1%	2.6%	2.2%	1.7%	30.6%	32.7%	23%
Mexico	13.4%	6.9%	6.0%	0.1%	0.1%	0.0%	15.8%	15.8%	16%
Netherlands	12.3%	14.1%	14.6%	1.2%	1.2%	0.9%	21.9%	22.7%	23%
New Zealand	9.6%	11.2%	10.4%	1.3%	1.2%	0.9%	23.6%	25.9%	26%
Norway	15.8%	19.1%	20.1%	1.1%	1.5%	1.6%	27.1%	27.8%	22%
Poland	7.5%	12.0%	10.1%	1.0%	0.4%	1.7%	15.0%	31.5%	32%
Portugal	13.0%	17.3%	14.4%	0.9%	2.6%	1.6%	19.3%	21.9%	19%
Slovak Republic	19.4%	22.4%	27.2%	0.0%	0.0%	8.9%	34.9%	30.3%	39%
Spain	7.4%	10.3%	11.8%	0.6%	1.1%	2.4%	13.5%	19.0%	14%
Sweden	10.6%	12.4%	13.5%	1.0%	1.3%	1.6%	28.0%	31.9%	26%
Switzerland	8.0%	11.5%	11.2%	0.1%	0.1%	0.1%	15.6%	15.6%	16%
Turkey	8.5%	4.2%	8.4%	0.0%	3.4%	3.9%	25.8%	20.7%	21%
United Kingdom	9.4%	14.5%	16.7%	0.0%	0.4%	0.0%	25.2%	23.4%	14%
United States	4.5%	6.0%	6.0%	0.0%	1.5%	0.0%	10.6%	11.4%	8%
Argentina	3.3%	3.4%	6.1%	0.0%	0.0%	0.0%	15.5%	15.5%	15%
Brazil	3.9%	5.1%	3.3%	0.0%	0.0%	0.0%	7.2%	6.9%	10%
China	1.8%	3.1%	5.1%	0.4%	0.2%	0.2%	14.7%	5.4%	8%
Chinese Taipei	11.5%	11.0%	10.8%	0.0%	0.0%	0.0%	23.1%	31.5%	30%
India	2.1%	4.0%	2.6%	1.7%	3.7%	0.0%	9.5%	10.4%	9%
Indonesia	7.3%	12.1%	10.2%	2.6%	2.0%	1.8%	12.4%	13.7%	11%
Israel	11.0%	15.4%	14.6%	0.0%	0.0%	0.0%	10.1%	19.0%	19%
Russian Fed.	13.9%	15.2%	13.9%	0.7%	0.4%	0.4%	9.2%	12.5%	12%
Singapore	28.4%	24.3%	26.3%	0.0%	0.0%	0.0%	37.7%	35.8%	39%
South Africa	6.7%	8.0%	9.5%	0.0%	0.0%	0.0%	19.5%	24.1%	18%
Hong Kong	4.9%	3.8%	2.5%	0.0%	0.0%	0.0%	6.6%	5.3%	4%
Chile	10.5%	12.1%	14.4%	0.0%	0.0%	0.0%	27.4%	22.8%	23%
Estonia	26.4%	20.5%	22.6%	8.5%	1.9%	2.3%	50.1%	37.4%	35%
Slovenia	24.3%	21.9%	23.7%	3.5%	4.0%	4.1%	35.5%	36.3%	31%
Malaysia	25.9%	19.9%	19.0%	11.3%	2.2%	2.8%	35.9%	42.3%	42%
Philippines	10.5%	13.3%	16.5%	0.0%	0.0%	0.0%	24.0%	35.5%	35%
Thailand	13.5%	14.4%	5.1%	2.4%	0.0%	0.5%	22.4%	32.3%	36%
Romania	10.1%	8.5%	9.7%	0.9%	0.0%	0.0%	17.5%	32.5%	38%
Vietnam	4.0%	11.8%	13.0%	0.0%	0.0%	0.0%	12.9%	12.9%	13%
Saudi Arabia	13.7%	23.5%	26.5%	5.4%	6.9%	7.4%	17.2%	38.6%	41%

Source: OECD Input-Output Tables and authors' calculations.

Table A2. Estimation Results with Fixed Weights

Panel A. All countries			
$\Delta \ln IAD_t$	1.17***	1.20***	
	(0.1031)	(0.0756)	
$\Delta \ln IAD_{t-1}$		0.51***	
		(0.0560)	
$\Delta \ln(P_M)_t$	-0.18***	-0.19***	
	(0.0611)	(0.0504)	
<i>R-sq</i>	0.40	0.45	
<i>Observations</i>	1944	1944	
Panel B. G7 countries			
$\Delta \ln IAD_t$	1.27***	1.18***	1.25***
	(0.1168)	(0.1020)	(0.0852)
$\Delta \ln IAD_{t-1}$		0.46***	0.31**
		(0.0982)	(0.1035)
$\Delta \ln(P_M)_t$	-0.10***	-0.14***	-0.13***
	(0.0330)	(0.0296)	(0.0255)
$\sum_{l=0}^4 Invent.chg.$			-0.49***
<i>R-sq</i>	0.48	0.52	0.60
<i>Observations</i>	756	756	756

*** Significant at the 1 percent level.

** Significant at the 5 percent level.

* Significant at the 10 percent level.

Notes: The table reports the estimates of regressions of the form $\Delta \ln M_{c,t} = \delta_c + \beta_D \Delta \ln IAD_{c,t} + \beta_P \Delta \ln P_{M,c,t} + \varepsilon_{c,t}$ performed on our set of 18 countries and on the G7 countries, respectively. *IAD* stands for our new import intensity-adjusted measure of demand, and it is computed using the average values (1995-2005) of the import contents of the different demand components. Panel B presents the results of an additional specification where contemporaneous and lagged values of changes in inventories are included in the regression. To save space we do not report here the point estimates of the constant, and of the lagged values of the dependent variable and of relative import prices P_M . R^2 is the in-sample coefficient of determination. Robust standard errors are reported in parentheses. The analysis uses quarterly data from 1985Q1 to 2011Q4.

Table A3. Recessions vs. Expansions in the G7 Countries

Panel A. $L = 0$				
	<i>IAD</i> specification		<i>GDP</i> specification	
	<i>Expansions</i>	<i>Recessions</i>	<i>Expansions</i>	<i>Recessions</i>
$\Delta \ln(D)_t$	1.04*** (0.1376)	1.72*** (0.1169)	0.63** (0.2110)	2.58*** (0.4674)
$\Delta \ln(P_M)_t$	-0.08* (0.0368)	-0.25** (0.0510)	-0.05 (0.0465)	-0.12 (0.0836)
<i>R-sq</i>	0.29	0.68	0.10	0.38
<i>Observations</i>	669	87	669	87
Panel B. $L = 1$				
	<i>IAD</i> specification		<i>GDP</i> specification	
	<i>Expansions</i>	<i>Recessions</i>	<i>Expansions</i>	<i>Recessions</i>
$\sum \Delta \ln(D)_{t-l}$	1.54***	1.70***	1.33**	2.55***
$\Delta \ln(P_M)_t$	-0.10** (0.0417)	-0.27*** (0.0412)	-0.05 (0.0426)	-0.15** (0.0700)
<i>R-sq</i>	0.33	0.73	0.15	0.49
<i>Observations</i>	669	87	669	87

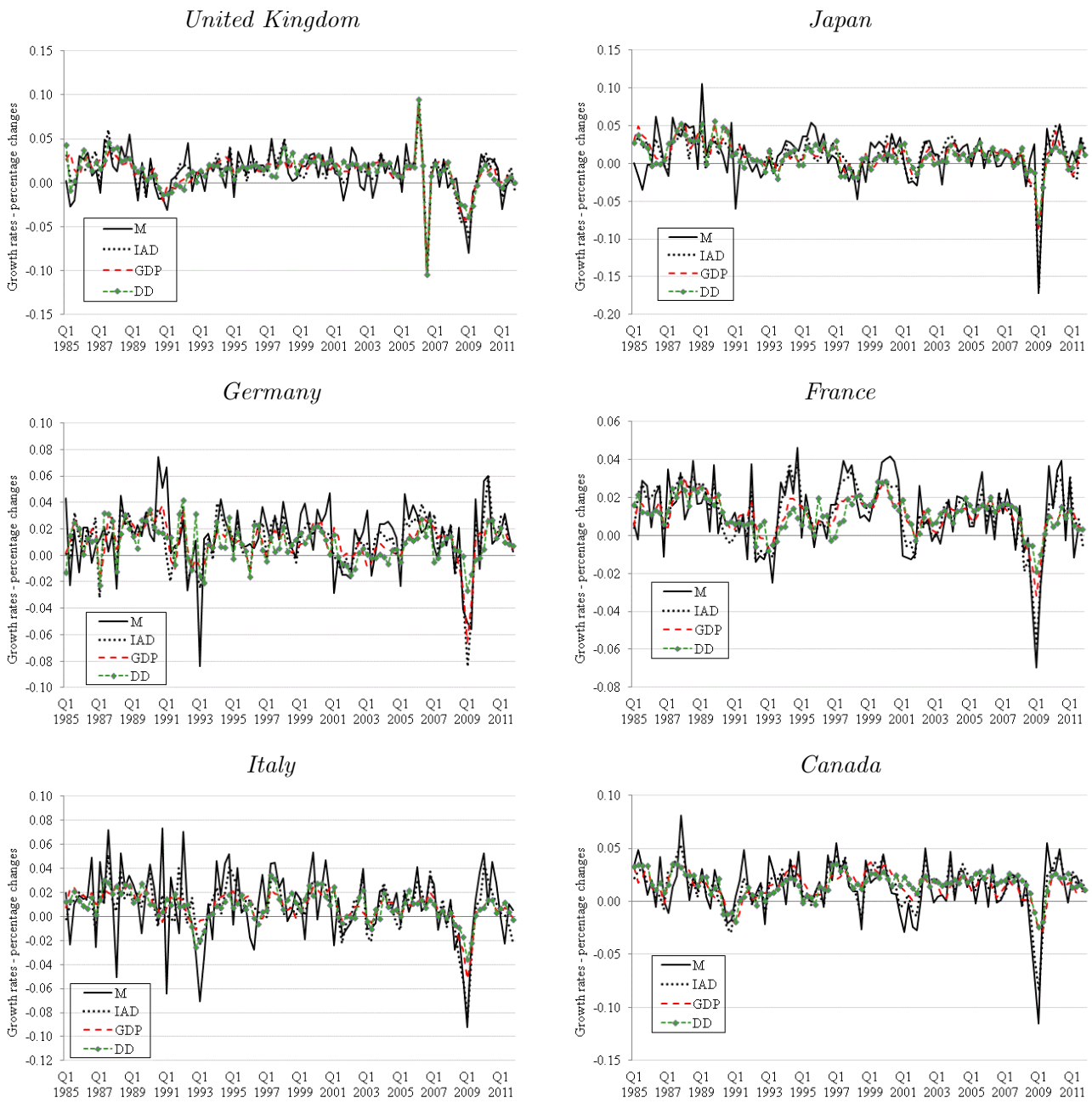
*** Significant at the 1 percent level.

** Significant at the 5 percent level.

* Significant at the 10 percent level.

Notes: The table reports the estimates of regressions of the form $\Delta \ln M_{c,t} = \delta_c + \beta_D \Delta \ln D_{c,t} + \beta_P \Delta \ln P_{M,c,t} + \rho_{c,t} + \varepsilon_{c,t}$ performed on the G7 countries. D is the demand measure used in each regression, where *IAD* stands for the new import intensity-adjusted measure of demand, and *GDP* for real GDP. $\rho_{c,t}$ is a dummy variable equal to 1 if country c is in recession at time t and equal to zero otherwise. Panel B reports the cumulative coefficients (1=0,1) of the alternative demand measures *GDP* and *IAD*. R^2 is the in-sample coefficient of determination. Robust standard errors are reported in parentheses. The analysis uses quarterly data from 1985Q1 to 2011Q4.

Figure A1—Actual vs. Fitted Values of Real Import Growth - G7 Economies



Notes: The solid line shows actual quarterly import growth, the dotted black line shows fitted values from the regression using *IAD* as a measure of demand plus the component changes in inventories, the dotted red line from the *GDP* specification and the dotted green line from the domestic demand specification, *DD*.