
Appendix D

Data and Data Sources

Most of the data series are taken from Datastream, which downloads the data from the *International Financial Statistics* (IFS) published by the IMF and the *Quarterly National Accounts* (QNA) and *Monthly Economic Indicators* (MEI) published by the OECD. The series are extracted for the G7 countries (Japan, the United States, Canada, the United Kingdom, France, Italy, and Germany) and for world aggregates as appropriate. We try to ensure that the data series for each country and for the world are as comparable as possible. In this appendix, we comment on each of the basic series contained in Appendix B, including a list of the series downloaded and the source, the data codes as appropriate, and the availability of the data (at the time that it was downloaded). The base period for the constant-price series is 1990, and all indices are for 1990 = 100. Therefore, the base period is mentioned only if an adjustment is necessary.

XGI: Domestic Goods-Exports Volume

- IFS line 72, volume of exports. Turned from an index into constant price series using 1990 average for merchandise exports in US dollars (IFS line 78aa) converted into domestic currency using 1990 average for r . United States and Canada (1972:Q1 to 1996:Q1); Germany, Japan, the United Kingdom, and Italy (1972:Q1 to 1995:Q4).¹ Except France, where *XGI* is created from IFS line 78aa (1975:Q1 to 1995:Q4), converted into domestic currency using r and deflated using *PXG*.

1. Missing observation for Germany IFS line 72, 1993:Q1 replaced by the average value for the previous and subsequent quarter.

WPXG: World Export Prices in Dollars

- IFS line 74, unit value of world exports in US dollars (1972:Q1 to 1995:Q3).

r: Nominal Dollar Exchange Rate (Local/US Dollars)

- IFS line rf, average exchange rate, national currency units per US dollar. All countries (1972:Q1 to 1996:Q1).

S: World Trade Volume

- IFS line 70, total world exports, US dollars current prices (1970:Q1 to 1995:Q4). Deflated using *WPXG*.

XS: Domestic Export Services Volume

- IFS line 78ad, services credits in US dollars. Converted into domestic currency using *r* and into a volume series by deflating by *PC*. United States (1973:Q1 to 1995:Q4); Germany (1976:Q1 to 1995:Q4); Japan (1981:Q1 to 1995:Q2); United Kingdom (1970:Q1 to 1995:Q2); France (1975:Q1 to 1995:Q4); and Italy and Canada (1970:Q1 to 1995:Q3).

PCW: World Consumer Prices

- MEI, OECD consumer price index (1970:Q1 to 1996:Q1).

PC: Domestic Consumer Prices, Domestic Currency

- IFS line 64, consumer price index. All countries (1972:Q1 to 1996:Q1).

EFEX: Nominal Effective Exchange Rate

- IFS line neu, nominal effective exchange rate index. All countries (1980:Q1 to 1996:Q1).

YW: World (OECD) Real GDP

- QNA, total OECD GDP at constant market prices in US dollars (adjusted from annual to quarterly rate) (1970:Q1 to 1995:Q4).

MGI: Domestic Import Goods Volume

- IFS line 73, volume of imports, FOB. Turned from an index into constant price series using 1990 average for merchandise exports in US dollars (IFS line 78ab) converted into domestic currency using 1990 average for *r*. United States and Canada (1972:Q1 to 1996:Q1); Germany, Japan, United Kingdom, and Italy (1972:Q1 to 1995:Q4).² Except

2. Missing observation for Germany IFS line 73, 1993:Q1 replaced by the average value for the previous and subsequent quarter.

France, where *MGI* is created from IFS line 78ab (1975:Q1 to 1995:Q4) converted into domestic currency using r and deflated using *PMG*.

PD: Domestic Prices, Domestic Currency

- IFS line 63, wholesale prices. United States, Japan, and Italy³ (1972:Q1 to 1996:Q1); wholesale prices—industrial: Germany (1972:Q1 to 1995:Q3); manufacturing output prices: United Kingdom (1972:Q1 to 1996:Q1); and aggregate industrial selling price: Canada (1972:Q1 to 1996:Q1). IFS line 63a, wholesale prices—industrial goods: France (1980:Q1 to 1996:Q1).

Y: Domestic Real GDP

- QNA—Japan: GNP in yen billion, adjusted from annual to quarterly rates (1970:Q1 to 1995:Q4); United Kingdom: GDP in millions of pounds (1970:Q1 to 1995:Q4); Italy: GDP in billions of lira, base year 1985 (1970:Q1 to 1995:Q3); France: GDP in billions of francs, adjusted from base year 1980 to 1990 (1970:Q1 to 1995:Q4); Canada: GDP in millions of Canadian dollars, adjusted from annual to quarterly rates and from base year 1986 to 1990 (1970:Q1 to 1995:Q4).
- IFS line 99br—United States: GDP in US dollars billion, adjusted from annual to quarterly rates (1970:Q1 to 1996:Q1).
- National Government Sources available on Datastream. Germany: Pan Germany GDP from 1991, West German prior, billions of deutsche marks, base year 1991 (1970:Q1 to 1996:Q1).

MS: Import Services Volume

- IFS line 78ae, services debits in US dollars. Converted into domestic currency using r and into a volume series by deflating by *PCW* converted into domestic currency terms using *EFEX*. United States (1973:Q1 to 1995:Q4); Germany (1976:Q1 to 1995:Q4); Japan (1981:Q1 to 1995:Q2); United Kingdom (1970:Q1 to 1995:Q2); France (1975:Q1 to 1995:Q4); and Italy and Canada (1970:Q1 to 1995:Q3).

WPO: Oil Price, Dollars

- IFS, index constructed from Saudi Arabian light oil spot price (US dollars/barrel), end period (1973:Q1 to 1996:Q1).

WPF: World Food Prices, Dollars

- IFS, food commodity price index, market prices, US dollars (1972:Q1 to 1996:Q1).

3. From 1993:Q4 wholesale prices for Italy are taken from OECD MEI.

WPBEV: World Beverages Prices, Dollars

- IFS, beverage commodity price index, market prices, US dollars (1972:Q1 to 1996:Q1).

WPANF: World Agricultural Nonfood Prices, Dollars

- IFS, agricultural raw materials commodity price index, market prices, US dollars (1972:Q1 to 1996:Q1).

WPMM: World Metals and Minerals Prices, Dollars

- IFS, base metals commodity price index, market prices, US dollars (1972:Q1 to 1996:Q1).

PY: Domestic GDP Deflator

- QNA—Japan: implicit price index GNP (1970:Q1 to 1995:Q4); United Kingdom: implicit price index calculated from Y and GDP at current market prices (1970:Q1 to 1995:Q4); Italy: implicit price index GDP, base year 1985 (1970:Q1 to 1995:Q3); France: implicit price index GDP adjusted from base year 1980 to 1990 (1970:Q1 to 1995:Q4); and Canada: implicit price index GDP adjusted from base year 1986 to 1990 (1970:Q1 to 1995:Q4).
- IFS—United States: implicit price index calculated from Y and line 99bc. GDP at current prices in billions of US dollars (1970:Q1 to 1996:Q1).
- National government sources available on Datastream—Germany: implicit price index GDP Pan Germany from 1991, West German prior, base year 1991 (1970:Q1 to 1996:Q1).

NTRAN: Net Transfers, Domestic Currency

- IFS lines 78aj and 78ak, current transfers credits and current transfers debits, both in US dollars, converted into domestic currency using r and into real terms using PY . United States (1973:Q1 to 1995:Q4); Germany (1976:Q1 to 1995:Q4); Japan (1981:Q1 to 1995:Q2); United Kingdom (1970:Q1 to 1995:Q2); France (1975:Q1 to 1995:Q4); and Italy and Canada (1970:Q1 to 1995:Q3).

CA: Current Account, Domestic Currency

- IFS line 78al, current account, current prices in US dollars. Converted into domestic currency using r . United States (1973:Q1 to 1995:Q4);

Germany (1976:Q1 to 1995:Q4); Japan (1981:Q1 to 1995:Q2); United Kingdom (1970:Q1 to 1995:Q2); France (1975:Q1 to 1995:Q4); and Italy and Canada (1970:Q1 to 1995:Q3).

Ae and *D*: External Assets and Liabilities

- Data on external assets and liabilities are not as readily available as data on many other economic variables. When it is available, it is only available as annual totals, rather than quarterly stocks. As far as possible, consistent data sources are used. For all the G7 countries, except the United Kingdom, data is available from an OECD publication (published on a country by country basis): *OECD Financial Statistics Part 2, Financial Accounts of OECD Countries*. This source publishes information on outstanding external assets and liabilities. For the United Kingdom, data is available on the level of identified external assets and liabilities from the CSO publication, *United Kingdom Balance of Payments*. The coverage of these publications is as follows:
 - United States (1979–94), US dollars, millions.
 - Germany (1980–95), deutsche marks, billions.
 - Japan (1983–94), yen, billions.
 - France (1980–95), francs, millions.
 - Canada (1980–94), Canadian dollars, millions.
 - Italy (1990–94), lira, billions.
 - United Kingdom (1973–94), pounds, millions.
- The series are converted into real terms using the GDP deflator.

iipdc: Interest Rate for IPD Credits

- IFS line 78ag, income credit in US dollars. Converted into domestic currency using r , and into real terms using PY . The implied interest rate is calculated from quarterly estimates of *Ae*. United States (1973:Q1 to 1995:Q4); Germany (1976:Q1 to 1995:Q4); Japan (1981:Q1 to 1995:Q2); United Kingdom (1970:Q1 to 1995:Q2); France (1975:Q1 to 1995:Q4); and Italy and Canada (1970:Q1 to 1995:Q3).

iipdd: Interest Rate for IPD Debits

- IFS line 78ah, income debit in US dollars. Converted into domestic currency using r , and into real terms using PY . The implied interest rate is calculated from quarterly estimates of *D*. United States (1973:Q1 to 1995:Q4); Germany (1976:Q1 to 1995:Q4); Japan (1981:Q1 to 1995:Q2); United Kingdom (1970:Q1 to 1995:Q2); France (1975:Q1 to 1995:Q4); and Italy and Canada (1970:Q1 to 1995:Q3).

Additional Data Necessary for Econometrics

PXG: Domestic Export Prices

- IFS line 74. Unit value of all exports. United States and Canada (1972:Q1 to 1996:Q1); Germany, Japan, France, United Kingdom, and Italy (1972:Q1 to 1995:Q4).

PMG: Domestic Import Prices

- IFS line 75. Unit value of all imports. United States and Canada (1972:Q1 to 1996:Q1); Germany, Japan, France, and United Kingdom (1972:Q1 to 1995:Q4); Italy (1972:Q1 to 1995:Q3).