
Appendix B

Further Measures of Regional Trade Integration

Table B2.1 Intraregional trade shares of 63 countries as a share of total trade of the region, 1962-94

Group	1962	1965	1970	1975	1980	1985	1990	1994
East Asia	0.35	0.32	0.31	0.33	0.39	0.41	0.46	0.52
APEC	0.56	0.58	0.63	0.61	0.63	0.73	0.72	0.76
ASEAN-6	0.31	0.22	0.18	0.14	0.15	0.18	0.18	0.22
Europe	0.68	0.70	0.73	0.72	0.72	0.72	0.76	0.75
EU-15	0.60	0.62	0.65	0.64	0.64	0.65	0.69	0.67
EU-12	0.53	0.54	0.58	0.58	0.58	0.59	0.64	0.62
EFTA	0.24	0.27	0.30	0.19	0.15	0.14	0.14	0.12
Western Hemisphere	0.50	0.48	0.48	0.48	0.44	0.47	0.44	0.50
Mercosur	0.06	0.12	0.10	0.08	0.13	0.08	0.11	0.20
Andean Community	0.01	0.02	0.03	0.05	0.05	0.05	0.06	0.11
NAFTA	0.39	0.39	0.42	0.40	0.36	0.42	0.39	0.45
Africa	0.01	0.02	0.02	0.01	0.01	0.02	0.02	0.02

**Table B2.2 Simple intraregional trade concentration ratios,^a
1962-94 (63 country data set)**

Group	1962	1965	1970	1975	1980	1985	1990	1994
East Asia	3.91	3.56	2.84	2.64	2.44	2.18	2.20	2.06
APEC	1.63	1.67	1.75	1.79	1.72	1.65	1.72	1.59
ASEAN-6	8.86	8.46	7.27	4.58	3.71	4.64	3.84	3.52
Europe	1.29	1.29	1.34	1.39	1.46	1.56	1.50	1.67
EU-15	1.25	1.27	1.32	1.37	1.44	1.54	1.49	1.64
EU-12	1.20	1.22	1.30	1.36	1.43	1.53	1.49	1.64
EFTA	1.24	1.37	1.76	2.49	2.11	2.22	1.98	2.06
Western Hemisphere	1.67	1.78	1.80	2.04	1.96	1.79	2.02	2.07
Mercosur	2.27	6.04	5.12	3.69	6.74	5.34	9.30	12.37
Andean Community	0.33	0.77	1.75	2.92	3.82	4.16	8.71	13.22
NAFTA	1.63	1.74	1.84	2.06	1.92	1.78	2.00	2.11
Africa	0.39	0.52	0.63	0.30	0.16	0.49	1.09	1.40

a. Calculated as the intraregional trade share in total trade of the region divided by the region's share of world trade.

**Table B2.3 Corrected intraregional trade concentration ratios,
1962-94 (63 country data set)**

Group	1962	1965	1970	1975	1980	1985	1990	1994
East Asia	4.26	3.88	3.09	2.87	2.64	2.36	2.38	2.22
APEC	1.69	1.74	1.82	1.86	1.79	1.70	1.78	1.64
ASEAN-5	10.57	10.11	8.69	5.47	4.43	5.53	4.58	4.18
Europe	1.31	1.31	1.36	1.41	1.49	1.58	1.53	1.70
EU-15	1.30	1.31	1.37	1.42	1.49	1.60	1.55	1.71
EU-12	1.26	1.28	1.37	1.43	1.51	1.62	1.57	1.73
EFTA	1.44	1.59	2.05	2.95	2.50	2.63	2.35	2.45
Western Hemisphere	1.71	1.82	1.84	2.09	2.00	1.83	2.06	2.12
Mercosur	3.01	8.02	6.79	4.90	8.95	7.10	12.37	16.43
Andean Community	0.41	0.96	2.18	3.64	4.76	5.18	10.88	16.50
NAFTA	2.25	2.41	2.55	2.89	2.69	2.46	2.81	2.94
Africa	0.40	0.53	0.64	0.31	0.16	0.50	1.11	1.43

Source: Derived from Statistics Canada, *World Trade Data Set*; UN, COMTRADE data base.

Note: The computation is described on pages 27-28 regarding table 2.3.

Table B3.1 Ad valorem transportation and insurance costs of US imports by two-digit commodity code, 1992-94
(log ratio of c.i.f. value to customs value)

Commodity	Transport and insurance costs (percent of product value)			1994 customs value (millions of dollars)
	1994	1993	1992	
All commodities	3.75	3.87	3.93	663,830
01 Live animals	2.37	1.81	1.60	1,392
02 Meat and edible meat offal	6.89	6.76	7.83	2,147
03 Fish and crustaceans, mollusks	5.36	5.85	5.74	5,676
04 Dairy produce, birds' eggs, natural honey	6.94	6.90	6.64	629
05 Products of animal origin, nesoi	6.10	6.62	5.69	249
06 Live trees and other plants; bulbs, roots	16.12	15.83	16.44	709
07 Edible vegetables and certain roots and tubers	12.61	12.54	12.27	1,549
08 Edible fruit and nuts; peel of citrus fruit	19.26	19.64	19.87	2,581
09 Coffee, tea, mate and spices	4.25	7.31	8.26	2,795
10 Cereals	9.08	9.72	10.35	864
11 Milling industry products; malt; starches; inulin	8.01	8.99	9.17	223
12 Oil seeds and oleaginous fruits	5.39	5.40	5.64	631
13 Lac; gums; resins and other vegetable saps	4.68	5.41	4.77	324
14 Vegetable plaiting materials and vegetable products	6.19	5.59	6.33	61
15 Animal or vegetable fats and oils	6.72	7.11	6.70	1,301
16 Edible preparations of meat, fish, crustaceans	3.97	4.55	4.40	1,407
17 Sugars and sugar confectionary	9.28	8.67	8.73	1,169
18 Cocoa and cocoa preparations	6.97	8.05	7.60	1,016
19 Preparations of cereals, flour, starch or milk	7.02	6.52	6.61	961
20 Preparations of vegetables, fruit, nuts	9.76	9.87	8.89	1,909
21 Miscellaneous edible preparations	4.92	5.25	5.26	677
22 Beverages, spirits, and vinegar	7.01	6.89	6.66	4,480
23 Residues and waste from the food industries	7.68	7.25	7.02	501
24 Tobacco and manufactured tobacco substitutes	5.22	4.37	4.53	861
25 Salt, sulfur; earths and stone; plastering material	25.05	23.67	24.29	1,169
26 Ores, slag, and ash	12.55	12.85	11.51	1,651
27 Mineral fuels, mineral oils and products	6.37	6.42	6.42	56,528
28 Inorganic chemicals; organic or inorganic compounds	6.86	7.17	7.07	4,662
29 Organic chemicals	3.53	3.29	3.11	11,863
30 Pharmaceutical products	1.73	1.70	1.24	3,158

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Table B3.1 (continued)

Commodity	Transport and insurance costs (percent of product value)			1994 customs value (millions of dollars)
	1994	1993	1992	
31 Fertilizers	13.39	14.45	13.72	1,311
32 Tanning or dyeing extracts; tannins and derivatives	3.34	3.41	3.26	1,886
33 Essential oils and resinoids; perfumery, cosmetics	3.07	3.03	3.25	1,568
34 Soap etc.; lubricating products; waxes	5.38	5.61	5.02	616
35 Albuminoidal substances; modified starches; glues	4.15	4.36	3.91	906
36 Explosives; pyrotechnic products; matches	8.83	7.15	5.95	199
37 Photographic or cinematographic goods	2.29	2.19	2.44	2,422
38 Miscellaneous chemical products	3.79	3.39	3.53	2,177
39 Plastics and articles thereof	5.51	5.52	5.48	10,655
40 Rubber and articles thereof	5.70	6.06	6.11	6,903
41 Raw hides and skins (other than furskins) and leather	3.13	3.42	3.52	996
42 Articles of leather; saddlery and harness	5.62	5.58	5.36	5,193
43 Furskins and artificial fur; manufactures thereof	2.16	2.44	2.43	296
44 Wood and articles of wood; wood charcoal	5.99	6.67	7.85	10,067
45 Cork and articles of cork	4.77	3.78	3.87	87
46 Manufactures of straw, esparto or other plaiting material	20.90	20.96	20.42	262
47 Pulp of wood or other fibrous cellulosic material	5.78	6.76	5.85	2,315
48 Paper and paperboard; articles of paper pulp	5.77	5.37	5.00	9,157
49 Printed books, newspapers, pictures	4.27	4.32	4.66	2,140
50 Silk, including yarns and woven fabrics thereof	3.30	3.38	3.12	307
51 Wool and fine or coarse animal hair	4.59	4.82	4.46	447
52 Cotton, including yarns and woven fabrics thereof	4.69	4.89	4.65	1,658
53 Vegetable textile fibers nesoi; yarns and woven fabrics	8.04	8.71	9.02	209
54 Manmade filaments, including yarns and woven fabrics	3.63	3.71	3.66	1,477
55 Manmade staple fibers, including yarns and woven fabrics	5.35	5.49	5.00	1,253
56 Wadding, felt and nonwovens; special yarns; twine	6.22	5.58	5.16	521
57 Carpets and other textile floor coverings	5.47	5.61	5.33	754

58	Special woven fabrics; tufted textile fabrics	5.07	5.33	4.97	389
59	Impregnated, coated, covered, or laminated textiles	3.23	3.22	3.42	472
60	Knitted or crocheted fabrics	4.70	5.13	4.98	337
61	Articles of apparel and clothing accessories, knit	5.10	5.34	5.27	12,188
62	Articles of apparel and clothing accessories, not classified elsewhere	5.07	5.28	5.47	21,062
63	Made-up textile articles nesoi; needlecraft sets	5.21	5.38	5.21	2,025
64	Footwear, gaiters and the like	4.83	4.74	4.63	11,716
65	Headgear and parts thereof	5.68	5.24	5.22	827
66	Umbrellas, sun umbrellas, walking sticks	5.60	5.70	5.74	190
67	Prepared feathers and down and articles thereof	8.19	8.11	7.71	764
68	Articles of stone, plaster, cement, asbestos, mica	7.37	6.71	6.58	1,450
69	Ceramic products	9.90	9.57	8.97	2,587
70	Glass and glassware	5.84	5.51	5.70	2,621
71	Natural or cultured pearls, precious or semiprecious stones	0.66	0.71	0.79	15,049
72	Iron and steel	8.02	7.34	7.39	12,333
73	Articles of iron or steel	6.02	6.00	5.93	8,096
74	Copper and articles thereof	3.07	3.20	2.94	2,922
75	Nickel and articles thereof	1.47	1.29	1.10	785
76	Aluminum and articles thereof	2.64	2.84	2.92	6,176
78	Lead and articles thereof	3.64	4.86	3.78	149
79	Zinc and articles thereof	3.13	3.37	3.00	866
80	Tin and articles thereof	3.24	3.16	2.97	248
81	Base metals nesoi; cermets; articles thereof	2.63	2.48	2.00	727
82	Tools, implements, cutlery, spoons and forks	3.45	3.39	3.51	2,731
83	Miscellaneous articles of base metal	4.17	4.23	4.19	2,459
84	Nuclear reactors, boilers, machinery	2.21	2.22	2.25	105,513
85	Electrical machinery and equipment and parts thereof	1.85	1.94	1.98	94,395
86	Railway or tramway locomotives, rolling stock	1.96	1.86	2.95	1,161
87	Vehicles, other than railway or tramway rolling stock	2.19	2.38	2.39	97,018
88	Aircraft, spacecraft, and parts thereof	0.75	0.65	0.89	6,769
89	Ships, boats and floating structures	1.84	1.90	2.44	806
90	Optical, photographic, cinematographic, measuring	2.04	2.21	2.22	19,763
91	Clocks and watches and parts thereof	2.60	2.66	2.69	2,643
92	Musical instruments; parts and accessories thereof	3.17	3.33	3.28	899

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Table B3.1 (continued)

Commodity	Transport and insurance costs (percent of product value)			1994 customs value (millions of dollars)
	1994	1993	1992	
93 Arms and ammunition; parts and accessories thereof	2.28	2.05	1.84	772
94 Furniture; bedding, cushions etc.; lamps and light fixtures	6.62	6.76	6.57	9,655
95 Toys, games, and sports equipment	6.01	5.47	5.57	11,099
96 Miscellaneous manufactured articles	4.60	4.76	4.85	1,906
97 Works of art, collectors' pieces, and antiques	0.88	0.76	0.79	2,405
98 Special classification provisions, nesoi	1.44	1.60	1.43	16,350
99 Special import reporting provisions, nesoi	0.00	0.00	0.00	4,579

c.i.f. = costs, insurance, and freight

Sources: US Commerce Department, Bureau of the Census, National Trade Data Bank.

Table B5.1 Gravity model pooled estimation of explicit regional trading arrangements (plus APEC)^a (dependent variable is total trade between countries *i* and *j*, 1970-92)

	Effects without openness ^b	Effects with openness ^c
GNP	0.762** (0.009)	0.745** (0.010)
Per Capita GNP	0.190** (0.010)	0.241** (0.013)
Distance	-0.619** (0.019)	-0.661** (0.026)
Adjacency	0.629** (0.085)	0.610** (0.088)
Language	0.450** (0.044)	0.529** (0.045)
EC-12 bloc	0.225** (0.052)	-0.036 (0.059)
EFTA bloc	0.044 (0.101)	0.274** (0.105)
NAFTA bloc	-0.359 (0.278)	-0.147 (0.325)
Mercosur bloc	0.936** (0.211)	0.810** (0.228)
Andean Community bloc	0.270 (0.185)	0.336 [#] (0.193)
ASEAN bloc	0.488** (0.186)	-0.063 (0.195)
East Asia (minus ASEAN) bloc	-0.036 (0.190)	-0.680** (0.206)
APEC bloc	1.512** (0.061)	1.717** (0.107)
Australia-New Zealand bloc	0.278* (0.139)	0.301 [#] (0.162)
EC-12 openness		0.229** (0.046)
EFTA openness		-0.339** (0.050)
NAFTA openness		-0.748** (0.085)
Mercosur openness		0.173** (0.056)
Andean Community openness		-0.011 (0.053)

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Table B5.1 (continued)

	Effects without openness ^b	Effect with openness ^c
ASEAN openness		-0.051 (0.101)
East Asian (minus ASEAN) openness		-0.046 (0.099)
APEC openness		0.514** (0.094)
Australia-New Zealand openness		-0.856** (0.110)
Number of observations	6,102	6,102
Adjusted R ²	0.777	0.795
Standard error of the regression	1.141	1.092

** , * , # denote significance at the 99%, 95%, and 90% levels respectively.

a. Data cover 1970, 1980, 1990, and 1992. All variables except dummy variables are in logs. All regressions have an intercept and year dummies not reported here.

b. Region 1 variables take the value one if the pair includes a country in the region.

c. Region 2 variables take the value one if both countries (*i* and *j*) in the pair are in the region.

Table B5.3 Trends in the openness of blocs^a (dependent variable is total trade between countries *i* and *j*, 1970-92)

	Effects without openness ^b	Trend ^c	Effects with openness ^d	Trend ^e
GNP	0.762** (0.009)		0.745** (0.010)	
Per Capita GNP	0.191** (0.010)		0.249** (0.013)	
Distance	-0.618** (0.019)		-0.659** (0.026)	
Adjacency	0.634** (0.084)		0.616** (0.087)	
Language	0.450** (0.044)		0.532** (0.045)	
EC-12 bloc	0.084 (0.082)	0.011* (0.005)	-0.160 ^f (0.092)	0.008 (0.005)
EFTA bloc	0.525** (0.134)	-0.037** (0.009)	0.593** (0.139)	-0.027** (0.009)
NAFTA bloc	-0.915** (0.313)	0.042 [#] (0.025)	-0.780 (0.487)	0.047 (0.032)
Mercosur bloc	0.121 (0.295)	0.063** (0.020)	0.210 (0.315)	0.047* (0.022)
Andean Community bloc	-0.473* (0.203)	0.054** (0.016)	-0.563* (0.219)	0.065** (0.017)
ASEAN bloc	0.471 (0.379)	0.002 (0.021)	-0.404 (0.389)	0.025 (0.022)
East Asia (minus ASEAN) bloc	0.149 (0.432)	-0.012 (0.026)	-0.720 ^f (0.434)	0.004 (0.027)
APEC bloc	1.446** (0.157)	0.005 (0.009)	2.184** (0.203)	-0.034** (0.012)
Australia-New Zealand bloc	0.011 (0.228)	0.015 (0.017)	-0.627* (0.276)	0.060** (0.019)
EC-12 openness			0.386** (0.068)	-0.013** (0.004)
EFTA openness			-0.004 (0.072)	-0.027** (0.004)
NAFTA openness			-1.102** (0.137)	0.024** (0.009)
Mercosur openness			0.102 (0.086)	0.005 (0.006)
Andean Community openness			0.272** (0.084)	-0.021** (0.005)
ASEAN openness			-0.466**	0.030**

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Table B5.3 (continued)

	Effects without openness ^b	Trend ^c	Effects with openness ^d	Trend ^c
			(0.172)	(0.011)
East Asia (minus ASEAN) openness			-0.544**	0.035**
			(0.175)	(0.011)
APEC openness			0.906**	-0.029**
			(0.152)	(0.010)
Australia-New Zealand openness			-0.970**	0.008**
			(0.200)	(0.012)
Number of observations		6,102		6,102
Adjusted R ²		0.777		0.798
Standard error of the regression		1.140		1.085

** , * , # denote significance at the 99%, 95%, and 90% levels, respectively.

a. Data cover 1970, 1980, 1990, and 1992. All variables except dummy variables are in logs. All regressions have an intercept and year dummies not reported here.

b. Region 1 variables take the value one if the pair includes a country in the region.

c. Coefficient and standard errors for the interaction between the listed variables and a trend term (defined as year-1970).

d. Region 2 variables take the value one if both countries (*i* and *j*) in the pair are in the region.

Table B5.4a Gravity model with GNP at current exchange rates, 1991^a

Variable	Effects
GNP	0.91** (0.03)
GNP per capita	-0.15** (0.04)
Distance	-0.58** (0.10)
Adjacency	0.42* (0.22)
Western Hemisphere bloc	0.69** (0.26)
East Asia bloc	0.11 (0.64)
APEC bloc	0.23 (0.25)
EC bloc	0.58** (0.16)
Western Hemisphere openness	-0.36** (0.16)
East Asia openness	1.80** (0.20)
APEC openness	-0.21 (0.20)
EC openness	0.87** (0.14)
Common language ^b	1.35** (0.17)
Number of observations	648
Standard error of the estimate	1.48
Adjusted R ²	0.74

** denotes significance at 1% level ($t = >2.576$); * denotes significance at 5% level ($t = >1.96$); # denotes significance at 10% level ($t = > 1.645$).

a. Heteroskedastic-consistent standard errors are in parentheses. All variables except the dummies are in logarithms.

b. "Common language" is the dummy for common linguistic or colonial links (German, Japanese, Dutch, English, Spanish, Chinese, Arabic, French, and Portuguese).

Table B5.4b Gravity model with PPP-adjusted GDP and per capita GDP, 1991 (dependent variable is bilateral trade)

Variable	Effect	Effects with openness
GDP	1.01** (0.03)	0.96** (0.29)
GDP per capita	0.34** (0.05)	0.36** (0.05)
Distance	-0.79** (0.08)	-0.55** (0.09)
Adjacency	0.14 (0.22)	0.40# (0.24)
Western Hemisphere bloc	-0.86** (0.18)	0.44* (0.22)
East Asia bloc	0.13 (0.68)	-0.10 (0.64)
APEC bloc	0.46# (0.28)	0.21 (0.26)
EC bloc	0.45** (0.17)	0.39* (0.15)
Western Hemisphere openness		-0.82** (0.16)
East Asia openness		1.57** (0.18)
APEC openness		-0.29## (0.18)
EC openness		0.75** (0.12)
Common language	0.98** (0.18)	1.05** (0.16)
Number of observations	648	648
Standard error of the estimate	1.59	1.38
Adjusted R ²	0.70	0.77

** denotes significance at 1% level ($t = >2.576$); * denotes significance at 5% level ($t = >1.96$); # denotes significance at 10% level ($t = >1.645$).

a. Heteroskedastic-consistent standard errors are in parentheses. All variables except the dummies are in logarithms.

b. "Common language" is the dummy for common linguistic links (German, Japanese, Dutch, English, Spanish, Chinese, Arabic, French, and Portuguese).

Table B5.5a Openness effects for individual countries, 1970 (dependent variable is the log of [bilateral trade / product of GNPs])

Country	IMF country code	Country effects					
		Estimated openness to imports	Standard error	t-statistic	Estimated openness to exports	Standard error	t-statistic
Canada	156	-.176	.297	-.593	-.091	.297	-.306
France	132	.246	.297	.826	-.164	.299	-.550
West Germany	134	.978	.298	3.278	.828	.300	2.764
Italy	136	.671	.299	2.248	.230	.300	.768
Japan	158	.835	.295	2.833	.768	.296	2.592
UK	112	1.059	.297	3.570	.764	.299	2.553
US	111						
Austria	122	.716	.301	2.379	.252	.302	.835
Belgium	124	1.285	.298	4.319	.736	.299	2.464
Denmark	128	.921	.299	3.085	.551	.300	1.838
Finland	172	.414	.297	1.391	.423	.301	1.405
Netherlands	138	1.340	.299	4.485	.986	.300	3.285
Norway	142	.940	.299	3.141	.470	.303	1.549
Sweden	144	.799	.301	2.660	.696	.299	2.327
Switzerland	146	.861	.297	2.897	.935	.300	3.120
Australia	193	-.148	.298	-.497	-.154	.297	-.519
Greece	174	.293	.298	.982	-1.048	.308	-3.401
Iceland	176	.005	.307	.015	.327	.350	.935
Ireland	178	.890	.296	3.006	-.614	.301	-2.037
New Zealand	196	.514	.302	1.702	.554	.308	1.800
Portugal	182	.549	.302	1.821	-.425	.309	-1.377
Spain	184	.593	.298	1.991	-.452	.297	-1.519
South Africa	199	.707	.343	2.064	-.194	.322	-.603

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Table B5.5a (continued)

Country	IMF country code	Country effects					
		Estimated openness to imports	Standard error	t-statistic	Estimated openness to exports	Standard error	t-statistic
Turkey	186	-1.404	.315	-4.457	-1.670	.309	-5.396
Yugoslavia	188	.388	.303	1.281	-.776	.305	-2.539
Israel	436	.445	.308	1.441	.198	.321	.617
Argentina	213	-.261	.297	-.881	-.343	.298	-1.152
Brazil	223	-.140	.301	-.467	-.191	.298	-.640
Chile	228	.902	.343	2.631	-.386	.312	-1.236
Colombia	233	-.242	.321	-.754	-.441	.318	-1.387
Ecuador	248	.556	.323	1.718	.339	.327	1.036
Mexico	273	-1.027	.315	-3.262	-1.962	.302	-6.497
Peru	293	.251	.313	.801	.216	.314	.687
Venezuela	299	-.008	.311	-.026	-1.223	.318	-3.846
Bolivia	218	.583	.376	1.551	-.706	.359	-1.969
Paraguay	288	.296	.334	.888	.402	.332	1.212
Uruguay	298	.524	.307	1.704	.039	.310	.127
Algeria	612	.119	.348	.342	-1.036	.344	-3.014
Libya	672	-.014	.321	-.042	-.028	.365	-.076
Nigeria	694	-.172	.326	-.529	-.980	.327	-2.993
Egypt	469	-.360	.319	-1.131	-1.103	.316	-3.496
Morocco	686	-.245	.304	-.807	-1.034	.316	-3.273
Tunisia	744	.258	.324	.796	-.848	.333	-2.549
Sudan	732	-1.286	.347	-3.710	-1.351	.321	-4.215
Ghana	652	-.161	.301	-.534	.355	.344	1.032
Kenya	664	.239	.311	.768	.421	.322	1.307
Ethiopia	644	-.132	.323	-.407	-.607	.360	-1.688

Iran	429	1.774	.372	4.771	-.045	.310	-.146
Kuwait	443	.834	.325	2.564	1.643	.334	4.922
Saudi Arabia	456	.768	.312	2.457	1.278	.320	3.995
Indonesia	536	.237	.320	.740	-.743	.313	-2.374
Taiwan	000	0.	0.	0.	0.	0.	0.
Hong-Kong	000	0.	0.	0.	0.	0.	0.
India	534	-1.532	.301	-5.091	-1.341	.301	-4.458
South Korea	542	.994	.312	3.189	-.484	.306	-1.582
Malaysia	548	.620	.304	2.040	1.200	.305	3.931
Pakistan	564	-1.037	.311	-3.334	-.294	.304	-.967
Philippines	566	-.198	.313	-.632	-.904	.311	-2.911
Singapore	576	2.226	.302	7.362	1.287	.309	4.170
Thailand	578	.409	.307	1.333	-.663	.310	-2.140
Hungary	944	0.	0.	0.	0.	0.	0.
Poland	964	0.	0.	0.	0.	0.	0.
China	924	2.273	.350	6.490	.965	.305	3.169

Variable	Estimated coefficient	Standard error	t-statistic
Dummy	-9.974	.588	-16.966
Log of distance	-.894	.053	-16.908
Adjacency	.161	.181	.889
Common language	.574	.098	5.850
Number of observations	2,877		
Standard error of regression	1.581		
R ²	.442		
F-statistic	17.115		

Table B5.5b Openness effects for individual countries, 1980 (dependent variable is the log of [bilateral trade / product of GNPs])

Country	IMF country code	Country effects					
		Estimated openness to imports	Standard error	t-statistic	Estimated openness to exports	Standard error	t-statistic
Canada	156	-.514	.273	-1.879	-.284	.273	-1.038
France	132	-.194	.274	-.709	-.618	.275	-2.244
West Germany	134	.129	.275	.468	-.024	.276	-.086
Italy	136	.311	.275	1.132	-.142	.276	-.514
Japan	158	-.012	.272	-.045	.249	.273	.914
UK	112	.131	.273	.478	.071	.276	.257
US	111						
Austria	122	-.263	.277	-.947	-.606	.278	-2.177
Belgium	124	.408	.274	1.487	.078	.275	.282
Denmark	128	-.102	.275	-.369	-.282	.276	-1.022
Finland	172	-.390	.275	-1.418	-.211	.278	-.759
Netherland	138	.585	.275	2.122	.123	.277	.446
Norway	142	-.293	.276	-1.061	-.373	.280	-1.335
Sweden	144	.063	.277	.226	.270	.276	.906
Switzerland	146	-.217	.274	-.792	.160	.276	.581
Australia	193	-.342	.275	-1.243	.045	.274	.163
Greece	174	-.255	.275	-.926	-1.266	.284	-4.457
Iceland	176	-.429	.284	-1.507	-.724	.333	-2.175
Ireland	178	-.034	.273	-.125	-.313	.278	-1.129
New Zealand	196	-.179	.278	-.642	.420	.285	1.474
Portugal	182	.559	.278	2.012	-.769	.285	-2.702
Spain	184	-.297	.274	-1.082	-.857	.274	-3.121
South Africa	199	.029	.316	.091	-.198	.306	-.649

Turkey	186	-1.695	.296	-5.729	-2.513	.287	-8.769
Yugoslavia	188	-.445	.279	-1.594	-1.445	.283	-5.106
Israel	436	-.179	.291	-.616	.281	.300	.936
Argentina	213	-.273	.279	-.978	-.422	.275	-1.538
Brazil	223	-.696	.279	-1.777	-.146	.275	-.532
Chile	228	.713	.322	2.214	-.223	.288	-.777
Colombia	233	-1.042	.296	-3.520	-.999	.293	-3.410
Ecuador	248	.298	.319	.935	-.321	.301	-1.065
Mexico	273	-1.208	.290	-6.164	-1.913	.280	-6.838
Peru	293	-.357	.292	-1.223	-.330	.291	-1.132
Venezuela	299	-.532	.292	-1.822	-1.275	.297	-4.295
Bolivia	218	.138	.351	.392	-.517	.334	-1.546
Paraguay	288	-1.381	.307	-4.490	-.164	.309	-.532
Uruguay	298	-.075	.286	-.261	-.487	.288	-1.693
Algeria	612	-.873	.321	-2.718	-2.029	.326	-6.225
Libya	672	-.724	.304	-2.380	-.569	.340	-1.673
Nigeria	694	-1.571	.319	-4.922	-2.199	.306	-7.173
Egypt	469	-.771	.294	-2.625	-1.819	.295	-6.175
Morocco	686	-.068	.283	.241	-1.036	.291	-3.557
Tunisia	744	-.376	.298	-1.261	-1.488	.309	-4.811
Sudan	732	-.623	.323	-1.932	-1.755	.302	-5.814
Ghana	652	-.789	.282	-2.798	-.140	.330	-.424
Kenya	664	-.494	.287	-1.724	-.119	.304	-.392
Ethiopia	644	-1.279	.298	-4.295	-.889	.348	-2.556
Iran	429	-.697	.343	-2.033	-1.576	-.295	-5.335
Kuwait	443	-.020	.307	-.064	.520	.310	1.675
Saudi Arabia	456	-.304	.288	-1.055	.623	.297	2.098
Indonesia	536	-.641	.295	-2.176	-1.015	.288	-3.521
Taiwan	000	0.	0.	0.	0.	0.	0.
Hong Kong	000	0.	0.	0.	0.	0.	0.
India	534	-1.170	.280	-4.176	-1.393	.280	-4.977

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Table B5.5b (continued)

Country	IMF country code	Country effects					
		Estimated openness to imports	Standard error	t-statistic	Estimated openness to exports	Standard error	t-statistic
South Korea	542	.454	.287	1.578	.379	.284	1.336
Malaysia	548	.045	.282	.160	.757	.283	2.678
Pakistan	564	-.770	.290	-2.653	-1.010	.285	-3.550
Philippines	566	-.714	.290	-2.459	-.906	.286	-3.165
Singapore	576	1.859	.279	6.673	1.849	.284	6.504
Thailand	578	.137	.283	.484	-.263	.287	-.917
Hungary	944	0.	0.	0.	0.	0.	0.
Poland	964	0.	0.	0.	-1.689	1.484	-1.138
China	924	-1.237	.323	-3.83	-1.112	.281	-3.963

Variable	Estimated coefficient	Standard error	t-statistic
Dummy	-8.536	.544	-15.694
Log of distance	-1.056	.049	-21.577
Adjacency	.018	.167	-.106
Common language	.410	.092	4.472
Number of observations	2,820		
Standard error of regression	1.457		
R ²	.456		
F-statistic	17.741		

Table B5.5c Openness effects for individual countries, 1990 (dependent variable is the log of [bilateral trade / product of GNPs])

Country	IMF country code	Country effects					
		Estimated openness to imports	Standard error	t-statistic	Estimated openness to exports	Standard error	t-statistic
Canada	156	-.166	.232	-.714	-.249	.233	-1.072
France	132	.008	.233	.035	-.252	.234	-1.077
West Germany	134	.313	.234	1.339	.319	.235	1.356
Italy	136	.092	.234	.391	-.125	.235	-.533
Japan	158	-.168	.231	-.726	.256	.232	1.103
UK	112	.150	.233	.646	-.015	.235	-.062
US	111						
Austria	122	-.020	.236	-.086	-.158	.237	.667
Belgium	124	.682	.233	2.923	.629	.236	2.671
Denmark	128	-.194	.234	-.828	.101	.235	.429
Finland	172	-.612	.234	-2.613	-.124	.236	-.525
Netherlands	138	.792	.234	3.377	.550	.235	2.337
Norway	142	-.560	.235	-2.385	-.081	.238	-.339
Sweden	144	-.245	.236	-1.041	.439	.235	1.858
Switzerland	146	-.365	.233	-1.566	.368	.235	1.564
Australia	193	-.001	.234	-.004	.261	.233	1.119
Greece	174	.345	.235	1.470	-.617	.245	-2.516
Iceland	176	-.420	.243	-1.727	.088	.283	.313
Ireland	178	-.062	.232	-.268	.589	.236	2.495
New Zealand	196	.538	.239	2.250	.970	.243	3.998
Portugal	182	.944	.236	3.990	-.302	.242	-1.249
Spain	184	.115	.234	.491	-.612	.234	-2.622
South Africa	199	-.001	.268	-.005	-.326	.269	-1.210

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Table B5.5c (continued)

Country	IMF country code	Country effects					
		Estimated openness to imports	Standard error	t-statistic	Estimated openness to exports	Standard error	t-statistic
Turkey	186	.258	.264	.975	-.601	.245	-2.453
Yugoslavia	188	1.165	.237	4.907	.592	.241	2.459
Israel	436	-.010	.251	-.038	.533	.257	2.073
Argentina	213	.719	.241	2.984	2.602	.234	11.134
Brazil	223	.353	.238	1.480	1.170	.234	5.003
Chile	228	1.544	.274	5.643	1.603	.245	6.555
Colombia	233	-.395	.252	-1.570	.318	.251	1.266
Ecuador	248	.512	.274	1.872	.443	.258	1.716
Mexico	273	-.290	.247	-1.177	-.551	.238	-2.317
Peru	293	.394	.252	1.564	.783	.249	3.139
Venezuela	299	-.529	.250	-2.118	-.144	.253	-.569
Bolivia	218	.012	.302	.039	-.028	.288	-.096
Paraguay	288	-.174	.264	-.661	.364	.265	1.375
Uruguay	298	.581	.247	2.354	.846	.248	3.417
Algeria	612	-.201	.273	-.737	-.938	.280	-3.351
Libya	672	.332	.265	1.253	-.363	.296	-1.225
Nigeria	694	.401	.271	1.479	-.711	.265	-2.683
Egypt	469	.004	.257	.017	-1.315	.251	-5.246
Morocco	686	.009	.241	.035	-.192	.249	-.772
Tunisia	744	.475	.254	1.873	-.403	.265	-1.522
Sudan	732	.245	.274	.892	-1.247	.261	-4.785
Ghana	652	-.197	.246	-.801	-.153	.284	-.540
Kenya	664	.232	.244	.951	.298	.260	1.146
Ethiopia	644	-.612	.255	-2.402	-.923	.304	-3.039

Iran	429	-.948	.291	-3.258	-2.109	.256	-8.226
Kuwait	443	-.021	.261	-.081	-.265	.268	-.989
Saudi Arabia	456	.504	.246	2.047	.825	.252	3.267
Indonesia	536	.682	.250	2.722	.273	.245	1.114
Taiwan	000	0.	0.	0.	0.	0.	0.
Hong Kong	000	0.	0.	0.	0.	0.	0.
India	534	-.542	.238	-2.272	-.940	.239	-3.925
South Korea	542	.984	.244	4.025	.910	.241	3.772
Malaysia	548	1.099	.239	4.591	1.252	.245	5.119
Pakistan	564	.190	.248	.765	-.193	.242	-.798
Philippines	566	.607	.247	2.458	-.447	.243	-1.836
Singapore	576	2.179	.237	9.194	1.995	.242	8.248
Thailand	578	1.038	.241	4.313	.566	.244	2.316
Hungary	944	0.	0.	0.	0.	0.	0.
Poland	964	0.	0.	0.	-.466	1.257	-.371
China	924	.133	.274	.485	.268	.239	1.122

Variable	Estimated coefficient	Standard error	t-statistic
Dummy	-10.468	.464	-22.564
Log of distance	-.999	.042	-23.919
Adjacency	.411	.142	2.894
Common language	.495	.078	6.329
Number of observations	2,780		
Standard error of regression	1.234		
R ²	.508		
F-statistic	21.578		

Table B5.5d Openness effects for individual countries, 1992 (dependent variable is the log of [bilateral trade / product of GNPs])

Country	IMF country code	Country effects					
		Estimated openness to imports	Standard error	t-statistic	Estimated openness to exports	Standard error	t-statistic
Canada	156	-.202	.220	-.921	-.335	.220	-1.524
France	132	.094	.220	.425	-.297	.221	-1.341
West Germany	134	.327	.221	1.479	.119	.222	.535
Italy	136	.100	.221	.452	-.169	.222	-.759
Japan	158	-.257	.218	-1.175	.107	.219	.486
UK	112	.201	.220	.913	-.128	.222	-.579
US	111						
Austria	122	-.176	.223	-.791	-.434	.224	-1.939
Belgium	124	.701	.221	3.180	.398	.223	1.789
Denmark	128	-.465	.222	-2.091	.054	.222	.245
Finland	172	-.288	.221	-1.302	-.008	.223	-.035
Netherlands	138	.912	.222	4.119	.279	.223	1.253
Norway	142	-.453	.222	-2.040	-.188	.225	-.837
Sweden	144	-.264	.223	-1.186	.197	.222	.890
Switzerland	146	-.296	.220	-1.343	.133	.222	.597
Australia	193	.044	.221	.201	.171	.220	.776
Greece	174	.343	.228	1.502	-.997	.245	-4.072
Iceland	176	-.388	.232	-1.672	-.344	.270	-1.274
Ireland	178	-.075	.220	-.341	.350	.223	1.569
New Zealand	196	.789	.228	3.459	.783	.229	3.414
Portugal	182	.686	.223	3.068	-.669	.229	-2.924
Spain	184	.234	.221	1.059	-.631	.221	-2.861
South Africa	199	.096	.264	.364	.241	.259	.930

Turkey	186	.074	.254	.293	-.632	.233	-2.712
Yugoslavia	188	-.679	.224	-3.027	-.677	.228	-2.974
Israel	436	.386	.240	1.608	.312	.250	1.245
Argentina	213	-.468	.228	-2.057	-.378	.221	-1.714
Brazil	223	-.148	.225	-.658	.430	.221	1.947
Chile	228	1.458	.259	5.639	1.016	.231	4.397
Colombia	233	.163	.241	.676	.254	.240	1.057
Ecuador	248	.648	.258	2.582	-.064	.248	-.257
Mexico	273	-.136	.233	-.582	-1.475	.225	-6.561
Peru	293	.547	.243	2.251	.336	.239	1.408
Venezuela	299	.092	.236	.390	-1.755	.242	-7.256
Bolivia	218	.819	.285	2.866	-.475	.275	-1.727
Paraguay	288	.048	.249	.192	-.751	.252	-2.980
Uruguay	298	.431	.234	1.837	.030	.234	.129
Algeria	612	-.353	.263	-1.342	-1.131	.267	-4.229
Libya	672	-.065	.257	-.254	-.215	.297	-.725
Nigeria	694	.948	.277	3.419	-.574	.259	-2.213
Egypt	469	.284	.242	1.170	-1.585	.237	-6.697
Morocco	686	.012	.229	.054	-.729	.235	-3.097
Tunisia	744	.264	.240	1.100	-.620	.253	-2.455
Sudan	732	.575	.270	2.126	-1.307	.262	-4.984
Ghana	652	.362	.247	1.465	-.220	.278	-.790
Kenya	664	.484	.239	2.022	.422	.252	1.675
Ethiopia	644	.482	.250	1.928	-1.322	.306	-4.321
Iran	429	.140	.275	.508	-.800	.251	-3.183
Kuwait	443	.608	.255	2.386	-.657	.266	-2.471
Saudi Arabia	456	.764	.242	3.157	.474	.247	1.920
Indonesia	536	.547	.237	2.313	.404	.232	1.746
Taiwan	000	0.	0.	0.	0.	0.	0.
Hong Kong	000	0.	0.	0.	0.	0.	0.
India	534	-.408	.230	-1.772	-.753	.234	-3.220

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Table B5.5d (continued)

Country	IMF country code	Country effects					
		Estimated openness to imports	Standard error	t-statistic	Estimated openness to exports	Standard error	t-statistic
South Korea	542	.952	.231	4.124	.966	.228	4.239
Malaysia	548	.957	.230	4.158	1.243	.237	5.248
Pakistan	564	.247	.235	1.053	-.210	.229	-.920
Philippines	566	.329	.233	1.410	-.980	.230	-4.261
Singapore	576	2.206	.225	9.801	2.078	.228	9.096
Thailand	578	.935	.227	4.113	.635	.234	2.719
Hungary	944	0.	0.	0.	0.	0.	0.
Poland	964	0.	0.	0.	-1.242	1.188	-1.046
China	924	.060	.259	.231	-.088	.226	-.392

Variable	Estimated coefficient	Standard error	t-statistic
Dummy	-9.731	.444	-21.898
Log of distance	-1.094	.040	-27.171
Adjacency	.310	.137	2.261
Common language	.552	.075	7.340
Number of observations	2,679		
Standard error of regression	1.166		
R ²	.543		
F-statistic	24.061		

Table B6.4 Instrumenting for income in the gravity equation, 1990
(dependent variables is the log of bilateral trade)

Variable	With five bloc terms			With European bloc terms only		
	OLS	IV1	IV2	OLS	IV1	IV2
Constant	-23.415** (0.812)	-21.989 (1.116)	-23.028** (0.875)	-21.552** (0.670)	-22.551 (0.791)	-20.646** (0.697)
log(GNP)	0.804** (0.017)	0.791** (0.018)	0.801** (0.017)	0.829** (0.018)	0.841** (0.018)	0.819** (0.018)
log(GNP/pop)	0.290** (0.027)	0.233** (0.041)	0.275** (0.030)	0.242** (0.024)	0.289** (0.031)	0.200** (0.026)
log(Distance)	-0.679** (0.057)	-0.702** (0.059)	-0.686** (0.057)	-0.891** (0.047)	-0.905** (0.047)	-0.879** (0.047)
Adjacency	0.573** (0.163)	0.558** (0.164)	0.569** (0.163)	0.546** (0.173)	0.532** (0.174)	0.558** (0.174)
EEC bloc	-0.319† (0.170)	-0.173 (0.187)	-0.279 (0.173)	-0.560** (0.178)	-0.686** (0.186)	-0.446* (0.180)
EFTA bloc	-0.042 (0.281)	0.127 (0.296)	0.004 (0.284)	-0.178 (0.301)	-0.306 (0.307)	-0.062 (0.303)
Western Hemisphere bloc	0.999** (0.145)	0.992** (0.145)	0.997** (0.145)			
East Asia bloc	0.573* (0.265)	0.439 (0.275)	0.537* (0.266)			
APEC bloc	0.910** (0.183)	1.075** (0.204)	0.955** (0.187)			

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Table B6.4 (continued)

Variable	With five bloc terms			With European bloc terms only		
	OLS	IV1	IV2	OLS	IV1	IV2
EEC openness	0.136 (0.096)	0.301* (0.131)	0.181† (0.103)	-0.080 (0.080)	-0.182* (0.091)	0.0130 (0.083)
EFTA openness	-0.645** (0.111)	-0.464** (0.148)	-0.596** (0.119)	-0.798** (0.099)	-0.917** (0.111)	-0.690** (0.102)
Western Hemisphere openness	-0.361** (0.081)	-0.307** (0.086)	-0.346** (0.082)			
East Asia openness	0.910** (0.110)	0.798** (0.126)	0.880** (0.113)			
APEC openness	-0.526** (0.119)	-0.338* (0.156)	-0.475** (0.126)			
Number of observations	1,223	1,223	1,223	1,223	1,223	1,223
Standard error of regression	0.990	0.993	0.990	1.087	1.090	1.089
R ²	0.846	0.846	0.846	0.814	0.813	0.813
Adjusted R ²	0.844	0.844	0.844	0.813	0.812	0.812

** = 99%; * = 95%; † = 90%.

IV1 = factor endowments (average investment share, growth rate of workers, average secondary-school enrollment ratio), population

IV2 = factor endowments, population, GDP₆₀

GNP = GNP₁ · GNP_j

GNP/pop = (GNP/pop)_i · (GNP/pop)_j

Table B6.5a Gravity model estimations (without bloc effects) with exports and imports estimated separately, 1965-75
(dependent variable is the log of country i 's exports to j)^a

Variable	1965	1970	1975
GDP _{i}	0.801** (0.023)	0.797** (0.024)	0.846** (0.022)
GDP _{j}	0.747** (0.023)	0.799** (0.026)	0.856** (0.025)
GDP/capita _{i}	0.619** (0.044)	0.704** (0.051)	0.740** (0.053)
GDP/capita _{j}	0.482** (0.047)	0.654** (0.053)	0.560** (0.050)
Distance	-0.732** (0.032)	-0.823** (0.034)	-0.916** (0.032)
Adjacency	0.065 (0.125)	0.159 (0.167)	0.162 (0.144)
Common language	0.437** (0.087)	0.688** (0.087)	0.605** (0.089)
Real exchange rate	0.152# (0.086)	-0.194# (0.114)	-0.049 (0.089)
Number of observations	1,953	2,354	2,767
Standard error of regression	1.275	1.530	1.567
Adjusted R ²	0.685	0.676	0.676
Log likelihood	-3241	-4337	-5164

** , * , # denotes significance at the 99%, 95%, and 90% levels respectively.

a. Standard errors shown are heteroskedastic-consistent estimates. All regressions have an intercept, which is not reported. All variables except the dummies are in natural logarithm.

Table B6.5b Gravity model estimations (without bloc effects) with exports and imports estimated separately, 1980-90
(dependent variable is the log of country *i*'s exports to *j*)

Variable	1980	1985	1987	1990
GDP _{<i>i</i>}	0.845** (0.023)	0.849** (0.023)	0.840** (0.022)	0.862** (0.024)
GDP _{<i>j</i>}	0.854** (0.025)	0.900** (0.023)	0.877** (0.021)	0.875** (0.023)
GDP/capita _{<i>i</i>}	0.746** (0.053)	0.952** (0.056)	1.045** (0.061)	1.038** (0.076)
GDP/capita _{<i>j</i>}	0.773** (0.055)	0.684** (0.057)	0.812** (0.057)	0.806** (0.068)
Distance	-0.919** (0.034)	-0.880** (0.033)	-0.915** (0.033)	-0.950** (0.032)
Adjacency	0.289* (0.144)	0.476** (0.142)	0.374** (0.133)	0.554** (0.139)
Common language	0.547** (0.095)	0.574** (0.090)	0.639** (0.086)	0.605** (0.099)
Real exchange rate	-0.181* (0.084)	0.075 (0.096)	0.056 (0.073)	0.047 (0.082)
Number of observations	2,824	2,823	3,028	2,600
Standard error of the regression	1.632	1.624	1.612	1.586
Adjusted R ²	0.668	0.673	0.685	0.716
Log likelihood	-5385	-5370	-5737	-4885

** = significance at 99%; * = 95%; # = 90%.

Table B6.6 Gravity estimation with GNP-weighted remoteness measures 1970-92^a (dependent variable is the log of exports from country *i* to *j*)

Variable	1970	1980	1990	1992
GNP _{<i>i</i>}	.87* (.03)	.90* (.02)	.84* (.02)	.96* (.02)
GNP _{<i>j</i>}	.87* (.03)	.91* (.03)	.87* (.02)	.89* (.02)
Per capita GNP _{<i>i</i>}	.40* (.04)	.41* (.03)	.17* (.02)	.21* (.02)
Per capita GNP _{<i>j</i>}	.28* (.04)	.27* (.03)	.04 (.03)	.06* (.03)
Bilateral distance _{<i>ij</i>}	-.89* (.06)	-.82* (.05)	-.86* (.05)	-.93* (.05)
Remoteness of <i>i</i>	.40 (.13)	.28* (.12)	.64* (.10)	.33* (.10)
Remoteness of <i>j</i>	-.45* (.16)	-.83* (.14)	-.65* (.12)	-.52* (.13)
Adjacency	.13 (.21)	.04 (.19)	.54* (.16)	.42* (.16)
Common language	.34* (.10)	.53* (.09)	.35* (.08)	.59* (.08)
EC Nonbloc	.40* (.13)	.26* (.11)	.02 (.10)	.10 (.10)
EC bloc	-.43* (.21)	-.35# (.19)	-.25* (.17)	-.29# (.16)
EFTA nonbloc	-.18 (.16)	-.44* (.14)	-.86* (.13)	-.75* (.12)
EFTA bloc	.21 (.42)	-.21 (.37)	-.36 (.33)	-.37 (.32)
US-Canada nonbloc	-.46* (.22)	-.15 (.18)	-.08 (.16)	-.17 (.16)
US-Canada bloc	-.77 (1.28)	-.28 (1.14)	-.44 (1.00)	-.73 (.98)
Mercosur nonbloc	-.12 (.15)	.27 (.14)	.18 (.13)	-.21# (.12)
Mercosur bloc	.86 (.54)	1.72* (.49)	2.09* (.43)	.78# (.42)
Andean Community nonbloc	.14 (.15)	.21 (.14)	-.02 (.12)	.25* (.12)
Andean Community bloc	.31 (.44)	1.56* (.39)	1.33* (.35)	1.38* (.34)
ASEAN nonbloc	.64* (.15)	.77* (.13)	1.02* (.11)	.82* (.11)
ASEAN bloc	2.21* (.43)	2.85* (.38)	1.76* (.33)	1.80* (.33)
Number of observations	2,699	2,699	2,699	2,699
Adjusted R ²	.61	.68	.72	.75

* = 95% significance; # = 90% significance.

a. Standard errors are in parentheses.

Intercept estimates are not reported. All variables except the dummies are in logarithmic form.

Table B6.7a Interactive terms: regional bloc dummy with distance and adjacency, 1965-91^a (total trade)

Variable	1965	1970	1975	1980	1985	1990	1991
GNP	0.63** (0.02)	0.64** (0.02)	0.74** (0.02)	0.77** (0.02)	0.58** (0.02)	0.80** (0.02)	1.00** (0.03)
GNP per capita	0.22** (0.03)	0.31** (0.03)	0.24** (0.02)	0.26** (0.02)	0.03 (0.03)	0.06** (0.02)	-0.20** (0.04)
Distance	-0.44** (0.06)	-0.55** (0.05)	-0.73** (0.05)	-0.58** (0.04)	-0.31** (0.05)	-0.57** (0.04)	-0.42** (0.11)
Adjacency	0.17 (0.30)	0.03 (0.39)	0.21 (0.34)	0.22 (0.32)	0.40 (0.38)	0.34 (0.38)	-0.24 (0.30)
Regional blocs	3.68** (0.97)	2.76** (0.87)	-0.24 (0.85)	0.56 (0.86)	4.82** (1.10)	-0.41 (0.82)	7.29** (1.56)
Distance × bloc	-0.12** (0.14)	-0.37** (0.11)	0.02 (0.11)	-0.05 (0.11)	-0.55** (0.07)	0.10 (0.11)	-0.87** (0.20)
Adjacency × bloc	-0.35 (0.32)	0.42 (0.42)	0.92** (0.37)	0.52 (0.37)	0.04 (0.13)	0.69# (0.43)	-0.11 (0.39)
Common language ^b	0.55** (0.09)	0.36** (0.09)	0.38** (0.09)	0.67** (0.09)	0.53** (0.44)	0.53** (0.09)	1.29** (0.18)
Number of observations	1,194	1,274	1,453	1,708	1,343	1,573	648
Standard error of the estimate	1.05	1.13	1.20	1.25	1.31	1.12	1.66
Adjusted R ²	0.69	0.68	0.70	0.69	0.49	0.75	0.67

** denotes significance at 99% level ($t = >2.576$); * denotes significance at 95% level ($t = >1.96$); # denotes significance at 90% level ($t = >1.645$).

a. Heteroskedastic-consistent standard errors are in parentheses. All variables except the dummies are in logarithms.

b. "Common language" is the dummy for common linguistic links: German, Japanese, Dutch, English, Spanish, Chinese, Arabic, French, and Portuguese.

Table B6.7b Interactive terms: regional bloc dummy with distance, adjacency, and individual bloc effects, 1965-91^a (total trade)

Variable	1965	1970	1975	1980	1985	1990	1991
GNP	0.63** (0.02)	0.63** (0.02)	0.72** (0.02)	0.74** (0.02)	0.54** (0.02)	0.76** (0.02)	0.99** (0.03)
GNP per capita	0.26** (0.03)	0.36** (0.03)	0.27** (0.02)	0.29** (0.02)	0.05# (0.02)	0.09** (0.02)	-0.21** (0.04)
Distance	-0.37** (0.05)	-0.50** (0.05)	-0.69** (0.05)	-0.52** (0.04)	-0.29** (0.05)	-0.52** (0.04)	-0.35** (0.11)
Adjacency	0.33 (0.26)	0.28 (0.39)	-0.02 (0.35)	0.39 (0.32)	0.49 (0.35)	0.48## (0.33)	-0.13 (0.30)
Western Hemisphere bloc	-0.21 (0.17)	-0.06 (0.14)	0.11 (0.15)	0.28* (0.14)	0.36# (0.19)	0.68** (0.17)	-0.44# (0.22)
East Asia bloc	1.62** (0.26)	1.81** (0.26)	0.95** (0.23)	0.92** (0.18)	-0.27 (0.21)	0.73** (0.18)	0.90 (0.64)
APEC bloc	0.35# (0.19)	0.63** (0.16)	0.85** (0.17)	1.28** (0.12)	1.39** (0.14)	1.19** (0.11)	0.55** (0.27)
EC bloc	0.07 (0.14)	0.01 (0.12)	-0.01 (0.12)	0.09 (0.12)	1.28** (0.16)	0.36** (0.12)	0.01 (0.17)
Regional blocs	3.47** (1.07)	2.60** (0.87)	0.18 (0.89)	1.22 (0.86)	2.83** (1.05)	0.73 (0.87)	6.96** (1.50)
Distance × bloc	-0.44** (0.14)	-0.35** (0.11)	-0.04 (0.11)	-0.14 (0.11)	-0.34 (0.14)	0.07 (0.11)	-0.79** (0.19)
Adjacency × bloc	-0.02 (0.32)	0.20 (0.42)	0.66# (0.38)	0.23 (0.36)	0.02 (0.41)	0.29 (0.39)	-0.05 (0.40)

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Table B6.7b (continued)

Variable	1965	1970	1975	1980	1985	1990	1991
Common language ^b	0.50** (0.09)	0.34** (0.09)	0.33** (0.09)	0.52** (0.09)	0.53** (0.09)	0.35** (0.08)	1.23** (0.19)
Number of observations	1,194	1,274	1,453	1,708	1,343	1,573	648
Standard error of the estimate	1.05	1.07	1.17	1.19	1.26	1.06	1.65
Adjusted R ²	0.69	0.71	0.72	0.72	0.53	0.77	0.67

** denotes significance at 99% level ($t = >2.576$); * denotes significance at 95% level ($t = >1.96$); # denotes significance at 90% level ($t = >1.645$).

a. Heteroskedastic-consistent standard errors are in parentheses. All variables except the dummies are in logarithms.

b. "Common language" is the dummy for common linguistic links: German, Japanese, Dutch, English, Spanish, Chinese, Arabic, French, and Portuguese.