Basu: IT only intermediary?

How GDP is going to be made?

Lenbel: What else can we observe?

I see we can observe IT, ...

but what else can play a role

that we observe.

Basu. Can we have 2 news shock?

The two are indistinguishable ---

3 distinctions. endo. - exog.
IT - non IT
news - surprise.

be careful with mapping.

Iceland. A model that look about

GPT in an endogenous growth model

Vito. You have news shock. < old news shock
IT news shock

Need to be cleared this point.

Jeff. What is a news shock?
Is it a reliable assumption?

Alex. News shock is something like we expect a new tech to develop.

Vera. What IT prices?

Basu/Ryan. Questions regarding the little model ...

Lewebel. A different way to represent it is 2 production sectors.
A to A+ε is the IT sector.

Ireland. non IT you produce consumption and investment
IT enters somehow in the production

Grossman and Helpman (2)

Lewbel. Just 2 news shocks.
but both are exogenous.

Basu. Cointegration between IT and PIT.

They should be cointegrated.

Basu. IFP. is the same.

Vito/Alex. Why SP500 are declining?
Should be more persistent ...

Ryan. Google and GE. } Here is the confusion.
What is going on? }

Lewbel. Robustness check. moving the time of the restriction.

Vito. Relative sign. Sign restrictions ...
Magnitude restriction on the impact.

Vito. Plot the difference between the 2.

Jeff. I did not understand.

IT shock ⇒ IT prod is higher

⇒ ↑ investment in IT ⇒ ↑TFP after a lag

news shock ⇒ nothing to do

⇒ ↑TFP after a lag

Sect. 1 did not understand.

II should ⇒ II good is higher

⇒ ↑ investment in II ⇒ ↑ TFP
after a lag

news shock ⇒ nothing to do

⇒ ↑ TFP after a lag