

Replication Package README for:
“Credit Allocation and Macroeconomic Fluctuations”

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Overview of Code

The code is written to run on Stata 17.

The program “master.do” is the master do file. This program executes the entire code from beginning to end and produces all the tables and figures. It thereby also provides an overview of the do files needed to prepare the datasets and perform the analysis. To run this file,

- Ensure that your Stata has the packages listed under section “(1) Set up” in “master.do”.
- Set your paths in section under “(2) Set folders” in “master.do” All paths used in the code are relative to the globals “pathG” and “pathD.”
- Once the paths are correctly set, you can run the program “master.do.” This program reproduces all datasets used in the analysis and all tables and figures produced in the main paper and appendices.

The replication kit contains three sets of Stata programs that are called by “master.do.” We next describe these three sets of programs.

1) Programs in the folder “/Code/Data” prepare the datasets used in the analysis.

- These programs are run in “master.do” the section under “(6) Process raw data.” They input and process the raw data from the folder “Raw-data.” The processed data are saved in the folders “Intermediate” and “Build.” The folder “Intermediate” contains intermediate datasets constructed as part of the preparation of the final datasets used in the analysis. The folder called “Build” contains the final datasets used in the analysis.
- Programs and description.
 - Code/Data/D01_MuellerVernerData-Readin.do.
 - Reads in Müller and Verner sectoral credit database.
 - Code/Data/D02_OtherCreditData-Readin.do.
 - Reads in other credit data
 - Code/Data/D03_OtherCreditData-Process.do.
 - Prepares other credit data.
 - Code/Data/D04_Macro-Readin.do.
 - Reads in other macroeconomic data.
 - Code/Data/D05_Merge-Macro-Micro.do.
 - Merges macro and micro data
 - Code/Data/D06_Merge-Macro-Micro-Credit.do.
 - Merges macro data with credit data.
 - Code/Data/D07_Estimation-Sample.do.
 - Final data preparation. Creates dataset "\$build/ICC_regdata.dta", which is the main dataset used in the analysis.

- Code/Data/D08_Collateral-char.do.
 - Prepares data on collateral usage by sector.
- Code/Data/D09_IO-Linkages.do.
 - Prepares data on sectoral characteristics and input-output linkages.

2) Programs in the folder “/Code/Analysis” perform the analysis and construct the tables and figures reported in the main paper and in the online appendix.

- These programs are run in “master.do” in the section under “(7) Perform analysis.” Each program is named by the table or figure number it creates. Tables and figures are saved in the folders “Tables” and “Graphs.”
- Programs and description:
 - Code/Analysis/prepare_credit-boom-events.do.
 - Prepares credit boom events and event study analysis.
 - Code/Analysis/prepare_local-projections.do.
 - Estimates all local projection impulse responses.
 - Code/Analysis/Figure1a_Total-Credit.do.
 - Produces Figure 1a.
 - Code/Analysis/Figure1b_Sectoral-Credit.do.
 - Produces Figure 1b.
 - Code/Analysis/Figure2_Industry-Shares.do.
 - Produces Figure 2.
 - Code/Analysis/Figure3_Case-Studies.do.
 - Produces Figure 3.
 - Code/Analysis/Figure4_Boom-Event-Credit.do.
 - Produces Figure 4.
 - Code/Analysis/Figure5+A1_Boom-Event-GDP.do.
 - Produces Figure 5 and Appendix Figure A1.
 - Code/Analysis/Figure6_LP-GDP.do.
 - Produces Figure 6.
 - Code/Analysis/Figure7_Crisis-Event.do.
 - Produces Figure 7.
 - Code/Analysis/Figure8_NPLs.do.
 - Produces Figure 8.
 - Code/Analysis/FigureA2_LP-VA-Control.do.
 - Produces Appendix Figure A2.
 - Code/Analysis/FigureA3_Bond-Debt.do.
 - Produces Appendix Figure A3.
 - Code/Analysis/FigureA4_LP-Alt-Sector-Splits-GDP.do.
 - Produces Appendix Figure A4.
 - Code/Analysis/FigureA5_LP-Robustness.do.
 - Produces Appendix Figure A5.
 - Code/Analysis/FigureA6_LP-Excl-Crises.do.
 - Produces Appendix Figure A6.
 - Code/Analysis/FigureA7_LP-House Prices.do.
 - Produces Appendix Figure A7.

- Code/Analysis/FigureB1_Case-Studies.do.
 - Produces Appendix Figure B1.
- Code/Analysis/FigureB2_Case-Studies.do.
 - Produces Appendix Figure B2.
- Code/Analysis/FigureB3_Case-Studies.do.
 - Produces Appendix Figure B3.
- Code/Analysis/FigureB4_Case-Studies.do.
 - Produces Appendix Figure B4.
- Code/Analysis/FigureB5_Case-Studies.do.
 - Produces Appendix Figure B5.
- Code/Analysis/Table2_Sum-Stats.do.
 - Produces Table 2.
- Code/Analysis/Table3a_Small-Firm-Share.do.
 - Produces Table 3 row 1.
- Code/Analysis/Table3b_Mortgage-share.do.
 - Produces Table 3 row 2.
- Code/Analysis/Table3c_Productivity.do.
 - Produces Table 3 rows 3 and 4.
- Code/Analysis/Table4_Credit-Reall.do.
 - Produces Table 4.
- Code/Analysis/Table5_Reg-GDP.do.
 - Produces Table 5.
- Code/Analysis/Table6_Crisis-Main.do.
 - Produces Table 6.
- Code/Analysis/Table7_HPI.do.
 - Produces Table 7.
- Code/Analysis/Table8_Panel-VA-FX.do.
 - Produces Table 8.
- Code/Analysis/Table9+A8_Productivity.do.
 - Produces Tables 9 and A8.
- Code/Analysis/TableA1_Country-List.do.
 - Produces Table A1.
- Code/Analysis/TableA2_CreditRisk-Corr.do.
 - Produces Table A2.
- Code/Analysis/TableA3_GDP-Robustness.do.
 - Produces Table A3.
- Code/Analysis/TableA4_Alt-Sector-Splits-GDP.do.
 - Produces Table A4.
- Code/Analysis/TableA5_Char-Corr.do.
 - Produces Table A5.
- Code/Analysis/TableA6_Crisis-Robustness.do.
 - Produces Table A6.
- Code/Analysis/TableA7_Crisis-2x2.do.
 - Produces Table A7.

3) Programs in the folder “Code/Auxiliary” contains some functions that are called by the remaining programs.

- These programs are created in “master.do” in the section under “(3) Create programs.”

Note that the code will run even if the folders “Intermediate,” “Build,” “Tables,” and “Graphs” are deleted. These folders are created by “master.do” under “(5) Make folders that may not exist” and their content is populated by running the code. All that is needed to reproduce the datasets and results are the folders “Code” and “Raw-data.”

Data Citations

The folder “Raw-data” contains all the raw data used in the analysis. Below, we provide data citations for these data sources. Note that the firm fundamentals data from Worldscope and the bond issuance data from SDC Platinum is proprietary; we thus only include country-level aggregates in the raw data.

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