

emand analysis with the Almost Ideal Demand System (AIDS)

Estimation Method: Linear Approximation (LA) with simplified Laspeyres Index (Ls)

Coefficients:

alpha

w_bread	w_meat	w_fish	w_milk_cheese	w_butter	w_oil	w_sugar
0.36643960	0.11798258	0.06468013	0.02121790	0.01756426	0.13146238	0.28065315

beta

w_bread	w_meat	w_fish	w_milk_cheese	w_butter	w_oil	w_sugar
-0.12733723	0.19288118	0.03845907	0.11197376	0.01202611	-0.05390524	-0.17409765

gamma

	p_bread	p_meat	p_fish	p_milk_cheese	p_butter	p_oil	p_sugar
w_bread	0.13687134	-0.041473900	-0.043148669	-0.03050909	0.0247707773	-0.022233592	-0.024276867
w_meat	-0.04147390	0.066542104	0.069238446	-0.04215575	-0.0240445662	0.001720964	-0.029827294
w_fish	-0.04314867	0.069238446	0.028526471	-0.02599873	-0.0175238995	-0.009930236	-0.001163385
w_milk_cheese	-0.03050909	-0.042155754	-0.025998728	-0.04280547	0.0169947043	0.013010982	0.111463354
w_butter	0.02477078	-0.024044566	-0.017523899	0.01699470	-0.0005011757	-0.014843781	0.015147941
w_oil	-0.02223359	0.001720964	-0.009930236	0.01301098	-0.0148437814	0.054361155	-0.022085493
w_sugar	-0.02427687	-0.029827294	-0.001163385	0.11146335	0.0151479412	-0.022085493	-0.049258256

> elas(estResult)

Demand Elasticities (formulas of Goddard / Chalfant for Laspeyres price index)

Expenditure Elasticities

q_w_bread	q_w_meat	q_w_fish	q_w_milk_cheese	q_w_butter	q_w_oil
0.4541938	1.6109270	1.4105437	1.8017599	1.2919886	0.1036166
q_w_sugar					
-0.4967339					

Marshallian (uncompensated) Price Elasticities

	p_bread	p_meat	p_fish	p_milk_cheese	p_butter	p_oil	p_sugar
q_w_bread	-0.2644577	-0.03939179	-0.1353000	-0.0685978	0.1206831	-0.04356822	-0.02356137
q_w_meat	-0.2979952	-0.94412426	0.1637321	-0.2031145	-0.0923971	-0.05245297	-0.18457508
q_w_fish	-0.5725811	0.63502314	-0.7328295	-0.3242974	-0.1979771	-0.14491500	-0.07296682
q_w_milk_cheese	-0.4371346	-0.50511551	-0.2590882	-1.3978273	0.1003749	0.01717073	0.67986002
q_w_butter	0.5217828	-0.65781900	-0.4520327	0.3793630	-1.0199296	-0.38807514	0.32472210
q_w_oil	-0.1252289	0.25587738	-0.0835905	0.3184661	-0.2230087	-0.01107568	-0.23505626
q_w_sugar	0.1995272	0.12303821	0.1261463	1.1287558	0.1700127	-0.04801001	-1.20273630

Hicksian (compensated) Price Elasticities

	p_bread	p_meat	p_fish	p_milk_cheese	p_butter	p_oil	p_sugar
q_w_bread	-0.15849378	0.10400575	-0.09275182	-0.005165121	0.13938994	-0.016254661	0.029269706
q_w_meat	0.07783596	-0.43552422	0.31464112	0.021867458	-0.02604797	0.044422326	0.002805325
q_w_fish	-0.24349965	1.08035839	-0.60069202	-0.127300875	-0.13988115	-0.060090028	0.091105325
q_w_milk_cheese	-0.01678189	0.06373407	-0.09030226	-1.146193555	0.17458382	0.125522027	0.889437791
q_w_butter	0.82320521	-0.24991385	-0.33100130	0.559802071	-0.96671658	-0.310379640	0.475004097
q_w_oil	-0.10105501	0.28859109	-0.07388387	0.332937197	-0.21874109	-0.004844558	-0.223003751

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q_w_sugar      0.08363858 -0.03379006  0.07961311  1.059381977  0.14955376 -0.077881787 -1.260515578
> summary(estResult )
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Estimated Coefficients:

	Estimate	Std. Error	t value	Pr(> t)	
alpha 1	0.36643960	0.02549737	14.3717	< 2.2e-16	***
alpha 2	0.11798258	0.02737384	4.3100	5.311e-05	***
alpha 3	0.06468013	0.01386605	4.6646	1.467e-05	***
alpha 4	0.02121790	0.02516003	0.8433	0.4019648	.
alpha 5	0.01756426	0.01042599	1.6847	0.0965725	.
alpha 6	0.13146238	0.01530048	8.5920	1.654e-12	***
alpha 7	0.28065315	0.03225115	8.7021	1.041e-12	***
beta 1	-0.12733723	0.02718919	-4.6834	1.369e-05	***
beta 2	0.19288118	0.02689673	7.1712	6.506e-10	***
beta 3	0.03845907	0.01498358	2.5667	0.0124385	*
beta 4	0.11197376	0.02822246	3.9675	0.0001753	***
beta 5	0.01202611	0.01195565	1.0059	0.3179813	.
beta 6	-0.05390524	0.01635272	-3.2964	0.0015492	**
beta 7	-0.17409765	0.03368673	-5.1681	2.192e-06	***
gamma 1 1	0.13687134	0.03693271	3.7060	0.0004211	***
gamma 1 2	-0.04147390	0.01969854	-2.1054	0.0388960	*
gamma 1 3	-0.04314867	0.01507113	-2.8630	0.0055530	**
gamma 1 4	-0.03050909	0.02348977	-1.2988	0.1983280	.
gamma 1 5	0.02477078	0.01152606	2.1491	0.0351358	*
gamma 1 6	-0.02223359	0.01555550	-1.4293	0.1574280	.
gamma 1 7	-0.02427687	0.03618125	-0.6710	0.5044737	.
gamma 2 1	-0.04147390	0.01969854	-2.1054	0.0388960	*
gamma 2 2	0.06654210	0.02291587	2.9038	0.0049484	**
gamma 2 3	0.06923845	0.01217524	5.6868	2.868e-07	***
gamma 2 4	-0.04215575	0.01723959	-2.4453	0.0170299	*
gamma 2 5	-0.02404457	0.00807598	-2.9773	0.0040089	**
gamma 2 6	0.00172096	0.01189484	0.1447	0.8853841	.
gamma 2 7	-0.02982729	0.02452290	-1.2163	0.2280137	.
gamma 3 1	-0.04314867	0.01507113	-2.8630	0.0055530	**
gamma 3 2	0.06923845	0.01217524	5.6868	2.868e-07	***
gamma 3 3	0.02852647	0.01469031	1.9419	0.0562382	.
gamma 3 4	-0.02599873	0.01587844	-1.6374	0.1061083	.
gamma 3 5	-0.01752390	0.01172974	-1.4940	0.1397421	.
gamma 3 6	-0.00993024	0.00863298	-1.1503	0.2540049	.
gamma 3 7	-0.00116339	0.01892678	-0.0615	0.9511644	.
gamma 4 1	-0.03050909	0.02348977	-1.2988	0.1983280	.
gamma 4 2	-0.04215575	0.01723959	-2.4453	0.0170299	*
gamma 4 3	-0.02599873	0.01587844	-1.6374	0.1061083	.

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gamma 4 4 -0.04280547 0.02947103 -1.4525 0.1509064
gamma 4 5 0.01699470 0.01558526 1.0904 0.2793152
gamma 4 6 0.01301098 0.01311815 0.9918 0.3247456
gamma 4 7 0.11146335 0.02760379 4.0380 0.0001377 ***
gamma 5 1 0.02477078 0.01152606 2.1491 0.0351358 *
gamma 5 2 -0.02404457 0.00807598 -2.9773 0.0040089 **
gamma 5 3 -0.01752390 0.01172974 -1.4940 0.1397421
gamma 5 4 0.01699470 0.01558526 1.0904 0.2793152
gamma 5 5 -0.00050118 0.01333565 -0.0376 0.9701298
gamma 5 6 -0.01484378 0.00731865 -2.0282 0.0464008 *
gamma 5 7 0.01514794 0.01584290 0.9561 0.3423425
gamma 6 1 -0.02223359 0.01555550 -1.4293 0.1574280
gamma 6 2 0.00172096 0.01189484 0.1447 0.8853841
gamma 6 3 -0.00993024 0.00863298 -1.1503 0.2540049
gamma 6 4 0.01301098 0.01311815 0.9918 0.3247456
gamma 6 5 -0.01484378 0.00731865 -2.0282 0.0464008 *
gamma 6 6 0.05436116 0.01119507 4.8558 7.197e-06 ***
gamma 6 7 -0.02208549 0.01707614 -1.2934 0.2002019
gamma 7 1 -0.02427687 0.03618125 -0.6710 0.5044737
gamma 7 2 -0.02982729 0.02452290 -1.2163 0.2280137
gamma 7 3 -0.00116339 0.01892678 -0.0615 0.9511644
gamma 7 4 0.11146335 0.02760379 4.0380 0.0001377 ***
gamma 7 5 0.01514794 0.01584290 0.9561 0.3423425
gamma 7 6 -0.02208549 0.01707614 -1.2934 0.2002019
gamma 7 7 -0.04925826 0.04862346 -1.0131 0.3145730

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Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

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R-squared Values of expenditure shares:

w_bread	w_meat	w_fish	w_milk_cheese	w_butter	w_oil	w_sugar
0.9256979	0.8687683	0.9089830	0.8891960	0.8891298	0.8713740	0.6767846

R-squared Values of quantities:

q_w_bread	q_w_meat	q_w_fish	q_w_milk_cheese	q_w_butter	q_w_oil
0.8832947	0.9705249	0.9764582	0.9300286	0.9046363	0.5089568
q_w_sugar					
0.6974555					

```
> lrtest(estResult,estResult)
```

Likelihood ratio test

Model 1: estResult (LA-AIDS, symmetry and homogeneity imposed)

Model 2: estResult (LA-AIDS, symmetry and homogeneity imposed)

```
#Df LogLik Df Chisq Pr(>Chisq)
```

```
1 54 447.22
2 54 447.22 0 0 1
```

```
> checkConsist( estResult )
```

Checking theoretical consistency of an Linear Approximate Almost Ideal Demand System (LA-AIDS):
The adding-up condition is fulfilled
The homogeneity condition is fulfilled
The symmetry condition is fulfilled
Monotonicity is fulfilled at 17 out of 17 observations (100%)