

Gravitational model

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1 Introducción

The gravity model relate the amount of commerce with the size of countries, its distance an its international trade.

Using the datasets:

- Locations (Click here)
- importations (Click here)
- Exportations (Click here)
- Gross domestic products (Click here)
- Country names (Click here)

The following work need to establish empirical evidence in Colombia, could test any model to support or not the hypothesis, for instance:

$$y_{ij} = \beta_0 + \beta_1 gpd_j + \beta_2 dist_{ij} \quad (1)$$

Where the y_{ij} is the amount of international trade (*importations+exportations*) between the i country with the j country, gdp_j is the domestic product j and $dist_{ij}$ could be a measure of distance among the countries i and j .