Unit Root Tests

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Variable | Level | | | | | 1st Difference | | | | |
| ERS | | PP | | KPSS | ERS | | PP | | KPSS |
| Intercept | Intercept and Trend | Intercept | Intercept and Trend | Intercept | Intercept and Trend | Intercept | Intercept and Trend |
| food | 0.98 | -2.649 | -1.549 | -3.434 | 0.151\*\* | -5.423\*\*\* | -5.452\*\*\* | -7.025\*\*\* | -7.002\*\*\* | 0.03 |
| oil\_dol | -0.225 | -1.681 | -1.687 | -2.074 | 0.333\*\*\* | -1.958\*\* | -2.85\* | -6.588\*\*\* | -6.552\*\*\* | 0.06 |
| oil\_rs | -0.942 | -1.831 | -1.825 | -2.157 | 0.277\*\*\* | -4.088\*\*\* | -3.839\*\*\* | -6.42\*\*\* | -6.376\*\*\* | 0.058 |
| ln\_food | 0.927 | -2.232 | -1.796 | -3.365 | 0.209\*\* | -5.293\*\*\* | -5.492\*\*\* | -6.893\*\*\* | -6.893\*\*\* | 0.033 |
| ln\_oil\_dol | -0.117 | -1.722 | -1.932 | -2.493 | 0.284\*\*\* | -3.573\*\*\* | -3.167\*\* | -7.107\*\*\* | -7.057\*\*\* | 0.048 |
| ln\_oil\_rs | -0.81 | -1.81 | -2.196 | -2.535 | 0.262\*\*\* | -4.737\*\*\* | -3.646\*\*\* | -7.075\*\*\* | -7.021\*\*\* | 0.046 |

\*\*\*, \*\* and \* indicates significance at 1%, 5% and 10% respectively

Critical Values

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Test | ERS | | | | | | PP | | | | | | | KPSS | | | |
| Intercept | | | Intercept and Trend | | | Intercept | | | Intercept and Trend | | | |
| 1% | 5% | 10% | 1% | 5% | 10% | 1% | 5% | 10% | 1% | 5% | 10% | 1% | | 5% | 10% |
| Critical Value | -2.59 | -1.94 | -1.62 | -3.58 | -3.03 | -2.74 | -3.498 | -2.891 | -2.582 | -4.054 | -3.456 | -3.153 | 0.216 | | 0.146 | 0.119 |