

Domestic Economic Policy Uncertainty and propagation of shocks to trade and investment within the G20

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Appendices

Appendix A1: Spillover Index

$$SOI = 100 \times \frac{1}{N} \sum_{i=1}^N \frac{\sum_{j \neq i} \sum_{h=0}^{H-1} (A_h L)_{ij}^2}{\sum_{h=0}^{H-1} (A_h \Sigma \epsilon A_h')_{ii}}; \text{ country 'i' is recipient and 'j' is source of EPU.}$$

Appendix A2: EPU index method

Table 1: EPU Index for select G20 countries

Authors	Countries	Newspapers	Keywords Used
2	Australia, Brazil, Canada, France, Germany, India, Italy, Mexico, South Korea, Russia, United Kingdom, United States	USA Today, Miami Herald, Chicago Tribune, Washington Post, Los Angeles Times, Boston Globe, San Francisco Chronicle, Dallas Morning News, New York Times, and Wall Street Journal	Trio of terms: “economic” or “economy”; “uncertain” or “uncertainty”; and one or more of “Congress,” “deficit,” “Federal Reserve,” “legislation,” “regulation,” or “White House.”
3	India	The Economic Times, Times of India, Hindustan Times, Hindu, The Statesman, Indian Express, and Financial Express	uncertain', 'uncertainty', 'worry', or fear', 'economic' or 'economy', "regulation," "central bank," "monetary policy," "policymakers," "deficit," "legislation," and "fiscal policy.
4	China	South China Morning Post. Also, newspapers of mainland China for robustness check Renmin Daily and the Guangming Daily.	Policy Uncertainty
5	Mainland China	Renmin Daily and the Guangming Daily	Economic, policy and uncertainty

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² Baker, Bloom, and Davis (2016)

³ Bhagat, Ghosh, and Rangan (2016)

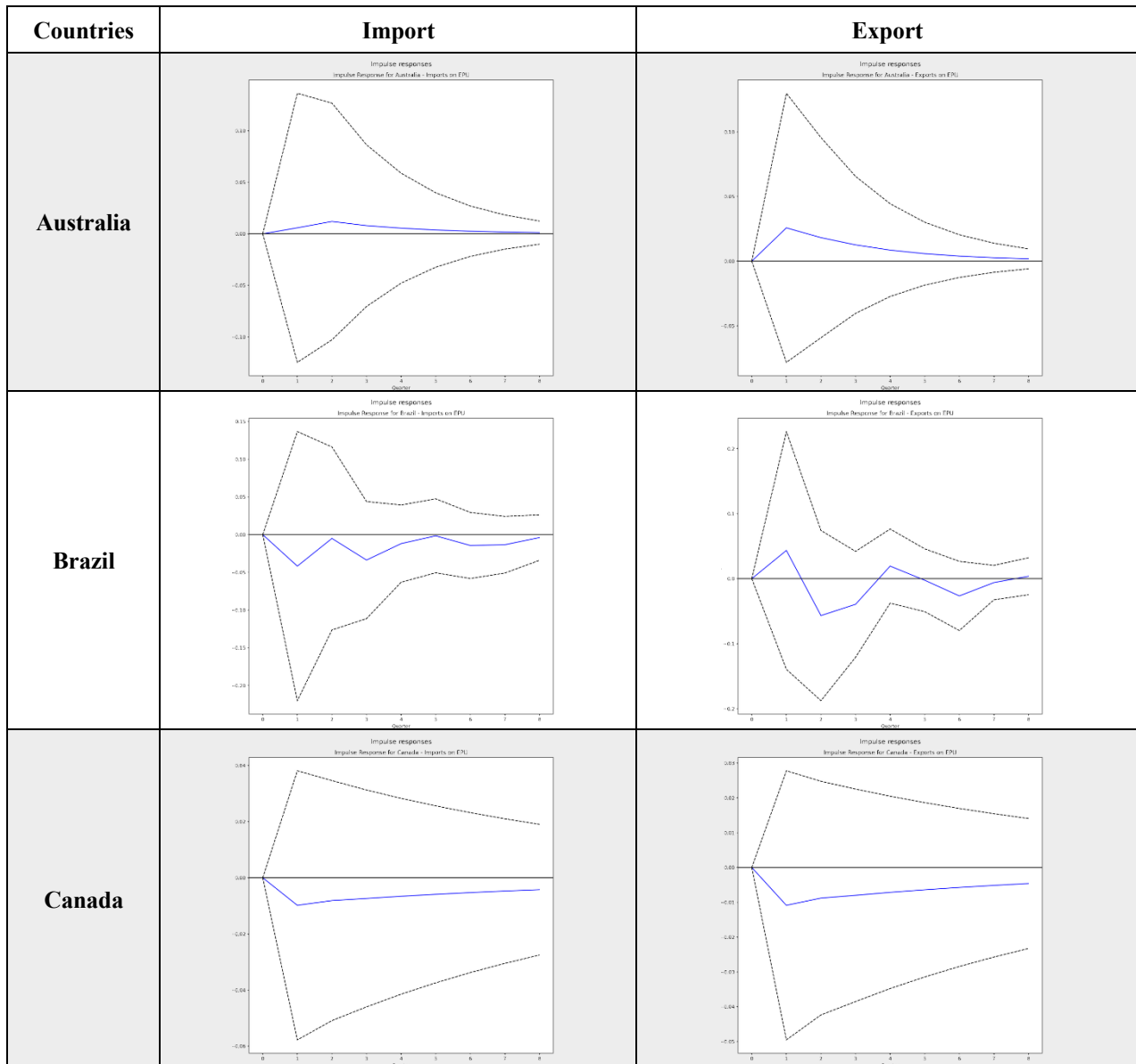
⁴ Sha, Kang, and Wang (2020)

⁵ Davis, Liu, and Sheng (2019)

6	Japan	Four major Japanese newspapers (Yomiuri, Asahi, Mainichi and Nikkei)	(E) ‘economic’ or ‘economy’; (P) ‘tax,’ ‘government spending,’ ‘regulation,’ ‘central bank’ or certain other policy-related terms; and (U) ‘uncertain’ or ‘uncertainty’
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Appendix A3: Impulse Response diagrams for VAR(2) model

Table 2: Impulse Response of Imports and Exports on EPU



⁶ Saxegaard et al. (2022)

