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

**Authors:**

Kalyan Kolukuluri[[1]](#footnote-1), Assistant Professor (Economics), Indian Institute of Management Visakhapatnam

Asmita Verma, Assistant Professor (Economics), Indian Institute of Management Visakhapatnam

Tamali Chakraborty, Assistant Professor (Economics), Indian Institute of Management Visakhapatnam

# Appendices

## Appendix A1: Spillover Index

; country ‘i’ is recipient and ‘j’ is source of EPU.

## Appendix A2: EPU index method

Table 2: EPU Index for select G20 countries

|  |  |  |  |
| --- | --- | --- | --- |
| **Authors** | **Countries** | **Newspapers** | **Keywords Used** |
| [[2]](#footnote-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]](#footnote-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]](#footnote-4) | China | South China Morning Post. Also, newspapers of mainland China for robustness check Renmin Daily and the Guangming Daily. | Policy Uncertainty |
| [[5]](#footnote-5) | Mainland China | Renmin Daily and the Guangming Daily | Economic, policy and uncertainty |
| [[6]](#footnote-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 |

## Appendix A3: Impulse Response diagrams for VAR(2) model

Table 3: Impulse Response of Imports and Exports on EPU

|  |  |  |
| --- | --- | --- |
| Countries | Import | Export |
| Australia |  |  |
| Brazil |  |  |
| Canada |  |  |
| China |  |  |
| France |  |  |
| India |  |  |
| Italy |  |  |
| Japan |  |  |
| Mexico |  |  |
| Russia |  |  |
| South Korea |  |  |
| United Kingdom |  |  |
| United States |  |  |

1. corresponding author, [kalyan@iimv.ac.in](mailto:kalyan@iimv.ac.in) [↑](#footnote-ref-1)
2. Baker, Bloom, and Davis (2016) [↑](#footnote-ref-2)
3. Bhagat, Ghosh, and Rangan (2016) [↑](#footnote-ref-3)
4. Sha, Kang, and Wang (2020) [↑](#footnote-ref-4)
5. Davis, Liu, and Sheng (2019) [↑](#footnote-ref-5)
6. Saxegaard et al. (2022) [↑](#footnote-ref-6)