

Use the preGeneralTrade.csv dataset in the Github.  
Monthly trade data from 2009–2019

1. The Exporter\_EXRate and Importer\_EXRate are exchange rates against the US Dollar. First calculate an exchange rate of Exporter's currency against Importer's currency.

2. In March 2014, Russia invaded Crimea. Say we think this event negatively affects the European countries' exports (Let's say we do not care about importers, just think the event negatively affects general importers). Create a dummy Euro for European countries.

```
european_countries <- c("ALB", "AND", "AUT", "BEL", "BGR", "BIH", "BLR", "CHE", "CYP",  
"CZE", "DEU", "DNK", "ESP", "EST", "FIN", "FRA", "GBR", "GRC", "HRV", "HUN", "IRL", "ISL",  
"ITA", "KOS", "LIE", "LTU", "LUX", "LVA", "MCO", "MDA", "MKD", "MLT", "MNE", "NLD",  
"NOR", "POL", "PRT", "ROU", "RUS", "SMR", "SRB", "SVK", "SVN", "SWE", "UKR", "VAT")
```

3. Create a post dummy, if time is after March 2014, it equals 1 and 0 otherwise

4. Traditional DiD with post\*Euro, with exporter, importer, and time fixed effects. Response is log(PrimaryValue), control variable GDP (Exporter and Importer), distance, exchange rate (you just created it), contig, comlang\_off, colony.

5. DiD with time dummy (Period\*Euro). Other settings identical to the previous one. Create the interaction plot (iplot).

6. Staggered DiD (optional)

Say Germany (DEU), France (FRA), the UK (GBR) are influenced in March 2014, and other European countries in January 2015. Run a Staggered DiD, where these countries Group 1, other European country Group 2, the rest as control group. Find ATT, Group ATT, and event study set up. Try both Sunab and Wooldridge.