

Web Appendix to  
International Risk-Sharing and the Transmission of Productivity  
Shocks

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**Table A1: Correlations between terms of trade and relative outputs<sup>a</sup>**

Country	Correlation with ROW	
	HP-Filtered	First-Difference
Austria	-0.34	-0.14
Belgium/Luxembourg	-0.36	-0.09
Canada	-0.61	-0.53
Denmark	-0.14	0.09
Finland	-0.22	0.04
France	-0.19	-0.18
Germany	-0.07	-0.12
Greece	0.16	0.15
Ireland	0.50	0.38
Italy	-0.04	-0.03
Japan	0.04	0.06
Netherlands	0.02	-0.01
Portugal	-0.47	-0.38
Spain	-0.71	-0.37
Sweden	-0.32	-0.23
U.K.	0.62	0.27
U.S.	-0.33	-0.37
Median	-0.19	-0.09

<sup>a</sup>See the data appendix for a description of the data used. ROW is a country-specific trade-weighted aggregate of the other countries listed in the table.

**Table A2. Exchange rates and prices in the theoretical economies<sup>a</sup>**  
**(Method of Moments estimation of  $\omega$ )**

Statistics	Data	Variations on the Baseline Bond Economy		
		CES Investment $\omega = 0.5$	No Spillovers $\omega = 0.87$	No Distribution Economy $\omega = 0.16$
<i>Standard deviation</i>				
<i>relative to GDP</i>				
Real exchange rate	3.90	3.06	2.69	2.98
Terms of trade	1.68	2.40	2.64	2.47
Relative price of nontradables	0.86	0.65	0.70	1.53
<i>Cross-correlations</i>				
Between real exchange rate and				
Relative GDPs	-0.19	-0.53	-0.99	-0.25
Relative consumptions	-0.71	-0.13	-0.62	-0.03
Real net exports	0.60	0.88	0.91	0.97
Terms of trade	0.52	0.99	0.94	0.99
Between terms of trade and				
Relative GDPs	-0.33	-0.53	-0.95	-0.14
Relative consumptions	-0.74	-0.15	-0.83	0.05
Real net exports	0.67	0.88	0.99	0.94

<sup>a</sup>See the text for a description of the variations on the benchmark economy.

**Table A3. Business cycle statistics in the theoretical economies<sup>a</sup>**  
**(Method of Moments estimation of  $\omega$ )**

Statistics	Data	Variations on the Baseline Bond Economy		
		CES Investment $\omega = 0.5$	No Spillovers $\omega = 0.87$	No Distribution $\omega = 0.15$
<i>Standard deviation</i>				
<i>relative to GDP</i>				
Consumption	0.94	0.48	0.58	0.45
Investment	4.33	2.98	3.23	3.22
Employment	1.19	0.45	0.54	0.53
<i>absolute (in percent)</i>				
Import ratio	4.94	0.87	1.85	0.62
Real net exports over GDP	0.64	0.29	0.22	0.16
<i>Cross-correlations</i>				
Between foreign and domestic				
GDP	0.68	0.38	0.44	0.39
Consumption	0.60	0.25	-0.24	0.50
Investment	0.25	0.21	0.49	0.44
Employment	0.54	0.36	0.51	0.47
Between real net exports and GDP	-0.48	-0.47	-0.48	-0.23

<sup>a</sup>See the text for a description of the variations on the benchmark economy.

**Table A4. Wealth Effects of a Home Productivity Shocks in the Tradable Sector (in percent)**

	Home Consumption	Foreign Consumption	Home Hours Worked	Foreign Hours Worked
$\omega = 0.85$				
$\eta = 0.5$				
Baseline Bond Economy	0.06	-0.02	-0.40	0.17
Arrow-Debreu Economy	0.03	0.002	-0.22	-0.01
$\eta = 0$				
Baseline Bond Economy	0.04	0.01	-0.18	-0.05
Arrow-Debreu Economy	0.04	0.01	-0.20	-0.04

**Table A5. Wealth Effects of a Persistent Home Productivity Shocks in the Tradable Sector (in percent)**

	Home Consumption	Foreign Consumption	Home Hours Worked	Foreign Hours Worked
$\eta = 0.5$ and:				
$\omega = 8$				
Bond economy	0.13	0.003	-0.98	-0.02
Arrow-Debreu Economy	0.05	0.09	-0.36	-0.64
$\omega = 3$				
Bond Economy	0.13	0.01	-0.93	-0.07
Arrow-Debreu Economy	0.10	0.04	-0.71	-0.28