Data Description

The data set is a two-way panel (country-pairs x year) data set.

Data Sources

Most of the data set is described in Glick and Rose (2002) "Does a Currency Union affect Trade?" *European Economic Review* 2002.

The trade data comes from the "Direction of Trade" (DoT) data set developed by the International Monetary Fund (IMF). It covers bilateral trade between 217 IMF trade partners between 1948 and 1999 (with many gaps). Not all of the areas covered are countries in the conventional sense of the word; colonies (e.g., Bermuda), territories (e.g., Guam), overseas departments (e.g., Guadeloupe), countries that gained their independence (e.g., Guinea-Bissau), and so forth are all included; a list is included in the appendix. Bilateral trade on FOB exports and CIF imports is recorded in American dollars; I deflate trade by the American CPI for all urban consumers (1982-1984=100; taken from www.freelunch.com). An average value of bilateral trade between a pair of countries is created by averaging all of the (four possible) measures potentially available (exports from i to j, imports into j from i, and so forth).

To this data set, a number of other variables are added. Population and real GDP data (in constant dollars) are taken from three sources. Wherever possible, "World Development Indicators" (taken from the World Bank's WDI 2000 CD-ROM) data are used. When the data are unavailable from the World Bank, I fill in missing observations with comparables from the Penn World Table Mark 5.6, and (when all else fails), from the IMF's "International Financial Statistics". The series have been checked and corrected for errors.

I exploit the CIA's "World Factbook" for a number of country-specific variables. These include: latitude and longitude, land area, landlocked and island status, physically contiguous neighbors, language, colonizers, and dates of independence (http://www.odci.gov/cia/publications/factbook). I use these to create great-circle distance and other controls. I obtain data from the World Trade Organization to create an indicator of regional trade agreements, and include: EEC/EC/EU; US-Israel FTA; NAFTA; CARICOM; CACM; PATCRA; ANZCERTA; Mercosur, ASEAN, and SPARTECA.

I add information on whether the pair of countries was involved in a currency union. By "currency union" I follow Glick-Rose and meaning essentially that money was interchangeable

between the two countries at a 1:1 par for an extended period of time, so that there was no need to convert prices when trading between a pair of countries. Hard fixes (such as those of Hong Kong, Estonia, or Denmark) do not qualify as currency unions under our definition. Our basic source for currency union data is the IMF's *Schedule of Par Values* and issues of the IMF's *Annual Report on Exchange Rate Arrangements and Exchange Restrictions.* I supplement this with information from annual copies of *The Statesman's Yearbook.*

Dummy variables for regional (e.g., South Asia) and income (e.g., Low Income) groupings were created using the lists in the World Bank's *World Development Indicators* CD-ROM.

Thomas Helbling from the IMF (THELBLING@imf.org) has kindly provided information for the last variables in the data set. Two are country dummies for primary non-fuel commodity exporters, and fuel exporters. Two are Herfindahl-Hirschmann trade concentration indices, for total trade and manufacturing only respectively. Finally, two are Grubel-LLoyd intra-industry trade indices, again for total trade and manufacturing only. The source of all these data is the UN Comtrade database.

"Countries" in Sample

Afghanistan
Albania
Algeria
American Samoa
Angola
Anguilla
Antigua and Barbuda
Argentina
Armenia
Aruba
Australia
Austria
Azerbaijan
Bahamas
Bahrain
Bangladesh
Barbados
Belarus
Belgium
Belize
Benin
Bermuda
Bhutan
Bolivia
Bosnia & Herzegovina
Botswana
Brazil
Brunei Darussalam
Bulgaria
Burkina Faso
Burma (Myanmar)
Burundi
Cambodia
Cameroon
Canada
Cape Verde
Cayman Islands
Central African Rep.
Chad
Chile
China
Colombia
Comoros
Congo, Dem. Rep. of (Zaire)
Congo, Rep. of
Costa Rica
Cote D'Ivorie (Ivory Coast)
Croatia
Cuba
Cyprus
Czech Republic
Czechoslovakia
Denmark
Djibouti
Dominica
Dominican Rep.
Eastern Germany
Ecuador
Egypt
El Salvador
Equatorial Guinea
Eritrea
Estonia
Ethiopia
Faeroe Islands

Falkland Islands
Fiji
Finland
France
French Guiana
French Polynesia
Gabon
Gambia
Georgia
Germany
Ghana
Gibraltar
Greece
Greenland
Grenada
Guadeloupe
Guam
Guatemala
Guinea
Guinea-Bissau
Guyana
Haiti
Honduras
Hong Kong
Hungary
Iceland
India
Indonesia
Iran
Iraq
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kazakhstan
Kenya
Kiribati
Korea, North
Korea, South (R)
Kuwait
Kyrgyz Republic
Lao People's Dem. Rep.
Latvia
Lebanon
Lesotho
Liberia
Libya
Lithuania
Luxembourg
Macao
Macedonia
Madagascar
Malawi
Malaysia
Maldives
Mali
Malta
Martinique
Mauritania
Mauritius
Mexico
Moldova
Mongolia
Montserrat
Morocco

Mozambique
Namibia
Nauru
Nepal
Netherlands
Netherlands Antilles
New Caledonia
New Zealand
Nicaragua
Niger
Nigeria
Norway
Oman
Pakistan
Panama
Papua N.Guinea
Paraguay
Peru
Philippines
Poland
Portugal
Qatar
Reunion
Romania
Russia
Rwanda
Samoa
Sao Tome & Principe
Saudi Arabia
Senegal
Seychelles
Sierra Leone
Singapore
Slovak Republic
Slovenia
Solomon Islands
Somalia
Somaliland, British
South Africa
Spain
Spanish Sahara
Sri Lanka
St. Helena
St. Kitts&Nevis
St. Pierre&Miquelon
St.Lucia
St.Vincent & Gren.
Sudan
Suriname
Swaziland
Sweden
Switzerland
Syria
Tajikistan
Tanzania
Thailand
Timor
Togo
Tonga
Trinidad&Tobago
Tunisia
Turkey
Turkmenistan
Tuvalu
U.S.S.R.
Uganda
Ukraine

United Arab Emirates
United Kingdom
United States
Uruguay
Uzbekistan
Vanuatu
Venezuela
Vietnam
Wake Islands
Wallis & Futuna
West Bank/Gaza Strip
Yemen Arab Rep.
Yemen, P.D.R.
Yemen, Republic of
Yugoslavia, Fr (Serbia/Montenegro)
Yugoslavia, Socialist Fed. Rep.
Zambia
Zimbabwe

Descriptive Statistics

Variable	Observations	Mean	Std. Dev.	Min	Max
cty1	234814	295.2306	189.3317	111	964
cty2	234814	571.6526	223.1675	112	968
year	234814	1980.974	12.4773	1948	1999
pairid	234814	11250.32	8629.731	765	32585
landl	234814	.2471233	.4668896	0	2
island	234814	.3411807	.5394365	0	2
border	234814	.0306796	.1724485	0	1
comlang	234814	.2226613	.4160337	0	1
comcol	234814	.1003347	.3004464	0	1
comctry	234814	.0002853	.0168894	0	1
colony	234814	.0206461	.1421969	0	1
curcol	234814	.0019164	.043735	0	1
custrict	234814	.0140537	.1177125	0	1
cumed	234814	.0188703	.1360671	0	1
ltrade	234814	10.06098	3.335308	-16.09047	20.81125
regional	234814	.0130444	.1134648	0	1
lareap	234814	24.20671	3.279593	9.638662	32.76884
ldist	234814	8.164845	.8093166	3.782556	9.421514
lrgdp	234814	47.88016	2.676026	35.3876	59.08996
lrgdppc	234597	16.03407	1.503634	9.716514	21.59728
rta	234814	.057948	.5897838	0	10
sasia1	234814	.035509	.1850627	0	1
ssafr1	234814	.0944322	.2924297	0	1
easia1	234814	.0439412	.2049647	0	1
highi1	234814	.5298492	.4991093	0	1
latca1	234814	.1964959	.3973487	0	1
least1	234814	.0741906	.2620814	0	1
lowin1	234814	.1375429	.3444203	0	1
menaf1	234814	.0653496	.2471422	0	1
midin1	234814	.3297248	.4701141	0	1
sasia2	234814	.0509978	.2199937	0	1
ssafr2	234814	.322847	.4675658	0	1
easia2	234814	.1180424	.322659	0	1
highi2	234814	.1192476	.3240803	0	1
latca2	234814	.1813819	.3853351	0	1
least2	234814	.2476258	.4316342	0	1
lowin2	234814	.3919272	.4881816	0	1
menaf2	234814	.1023491	.3031075	0	1
midin2	234814	.4820667	.4996794	0	1