

Online Appendix

to

NOMINAL AND REAL EXCHANGE RATE CO-MOVEMENTS

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This online appendix presents some results that support the findings reported in the main text. Whereas Table A1 refers to the main trading partners of all countries considered, Table A2 presents their international trade of goods. Additionally, Table A3 reports the variance decomposition for the exchange rate series for the subsample after the euro (1999:1-2010:4).

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Table A1. Main trading partner

Period 1993-1995						
Country	First trading partner		Second trading partner		Third trading partner	
	Country	%	Country	%	Country	%
US	Japan	19.0%	Canada	18.2%	Euro Zone ^(a)	17.4%
Canada	US	71.2%	Euro Zone	6.9%	Japan	6.6%
Germany	Euro Zone	44.5%	US	9.2%	UK	7.4%
UK	Euro Zone	52.9%	US	13.9%	Japan	8.0%
France	Euro Zone	55.8%	US	9.3%	UK	8.2%
Italy	Euro Zone	52.1%	US	8.4%	UK	6.8%
Spain	Euro Zone	62.8%	UK	7.0%	US	6.9%
Sweden	Euro Zone	48.0%	US	9.7%	UK	9.6%
Finland	Euro Zone	39.3%	Sweden	8.8%	US	8.5%
Denmark	Euro Zone	51.4%	Sweden	9.5%	UK	7.8%
Belgium	Euro Zone	59.6%	UK	8.6%	US	7.8%
Austria	Euro Zone	64.2%	US	5.0%	Japan	4.8%
Czech Republic	Euro Zone	69.7%	UK	5.0%	US	4.4%
Hungary	Euro Zone	65.7%	US	5.1%	Russia	4.5%
Poland	Euro Zone	63.6%	UK	5.5%	US	5.3%
Slovakia	Euro Zone	46.5%	Czech Republic	27.7%	Russia	3.4%
Slovenia	Euro Zone	69.2%	Croatia	5.5%	US	4.2%

Period 2008-2010						
Country	First trading partner		Second trading partner		Third trading partner	
	Country	%	Country	%	Country	%
US	China	20.9%	Euro Zone ^(b)	17.4%	Canada	13.3%
Canada	US	58.4%	China	11.9%	Euro Zone	8.6%
Germany	Euro Zone	39.9%	China	10.9%	US	8.3%
UK	Euro Zone	46.5%	US	11.3%	China	11.0%
France	Euro Zone	52.3%	China	9.1%	US	7.3%
Italy	Euro Zone	49.2%	China	9.2%	US	6.2%
Spain	Euro Zone	57.7%	China	8.9%	UK	5.4%
Sweden	Euro Zone	44.8%	China	7.5%	US	7.1%
Finland	Euro Zone	37.4%	China	9.9%	Sweden	8.2%
Denmark	Euro Zone	43.8%	Sweden	9.7%	China	9.1%
Belgium	Euro Zone	54.4%	US	7.9%	China	6.8%
Austria	Euro Zone	57.9%	China	6.9%	US	4.9%
Czech Republic	Euro Zone	53.6%	China	10.6%	Poland	5.2%
Hungary	Euro Zone	51.4%	China	8.6%	US	4.4%
Poland	Euro Zone	53.4%	China	9.9%	UK	4.7%
Slovakia	Euro Zone	47.5%	Czech Republic	9.1%	China	7.8%
Slovenia	Euro Zone	60.0%	China	6.4%	Croatia	3.5%

Notes: These weights are based on the main 59 trading partners for each country. (a) Only the countries that signed the Treaty of Maastricht in 1992 are considered. (b) All countries included in the European Monetary Union up to 2010 are considered. Source: Bank for International Settlements.

Table A2. International trade of goods

	Exports in goods (value) s.a. in billions of US dollars			Imports in goods (value) s.a. in billions of US dollars			Exports + Imports in goods (value) s.a. in billions of US dollars		
	NAC-2	EUC-11	CEEC-5	NAC-2	EUC-11	CEEC-5	NAC-2	EUC-11	CEEC-5
1994	56.49	135.64	4.20	29.93	58.64	58.43	86.42	194.28	62.63
1995	64.65	167.67	5.47	36.11	70.36	71.67	100.76	238.03	77.14
1996	68.94	175.25	5.93	38.20	74.06	73.78	107.14	249.31	79.71
1997	75.36	170.61	6.40	39.03	72.07	73.7	114.39	242.68	80.10
1998	74.73	176.27	7.31	40.07	77.4	76.85	114.8	253.67	84.16
1999	77.92	176.41	7.46	40.17	79.39	78.77	118.09	255.8	86.23
2000	88.35	182.22	8.32	42.61	85.7	83.96	130.96	267.92	92.28
2001	82.51	182.61	9.28	41.98	84.38	80.99	124.49	266.99	90.27
2002	78.80	193.56	11.23	44.61	88.10	83.01	123.41	281.66	94.24
2003	83.08	230.88	14.53	51.33	108.24	99.39	134.41	339.12	113.92
2004	94.64	273.63	19.47	61.84	130.60	118.28	156.48	404.23	137.75
2005	105.51	293.54	22.77	67.27	142.4	131.88	172.78	435.94	154.65
2006	118.74	330.63	28.01	75.96	160.33	153.03	194.7	490.96	181.04
2007	130.61	381.41	36.49	86.37	189.03	178.68	216.98	570.44	215.17
2008	145.03	416.85	43.51	91.02	210.32	203.27	236.05	627.17	246.78
2009	114.27	322.42	34.32	69.66	156.39	157.35	183.93	478.81	191.67
2010	138.78	362.07	40.07	79.21	177.25	183.69	217.99	539.32	223.76
Average	94.02	245.39	17.93	55.02	115.57	112.16	149.05	360.96	130.09

Notes: This table presents the value of the exports/imports in goods in billions of US dollars for all countries considered.
Source: OECD-Main Economic Indicators.

Table A3. Variance analysis: exchange rates (1999:1-2010:4)

Panel A: NAC-2										
Country(*)		REER -CPI			REER -ULC			NEER		
		33	50	66	33	50	66	33	50	66
US	global	0.243	0.275	0.292	0.269	0.304	0.322	0.219	0.252	0.270
	country	0.023	0.078	0.129	0.020	0.064	0.113	0.021	0.068	0.119
	region	0.564	0.623	0.658	0.564	0.616	0.644	0.616	0.670	0.699
	idiosyn	0.034	0.038	0.043	0.022	0.025	0.029	0.018	0.022	0.026
CAN	global	0.006	0.010	0.014	0.014	0.022	0.028	0.007	0.013	0.017
	country	0.305	0.343	0.374	0.307	0.351	0.379	0.301	0.345	0.375
	region	0.604	0.631	0.670	0.597	0.626	0.664	0.600	0.628	0.667
	idiosyn	0.007	0.010	0.014	0.001	0.004	0.007	0.010	0.013	0.016
Panel B: EUC-11										
		33	50	66	33	50	66	33	50	66
GER	global	0.817	0.832	0.844	0.899	0.906	0.912	0.957	0.968	0.976
	country	0.003	0.009	0.027	0.001	0.002	0.004	0.000	0.001	0.001
	region	0.016	0.027	0.043	0.002	0.005	0.012	0.004	0.010	0.020
	idiosyn	0.100	0.117	0.130	0.079	0.083	0.087	0.016	0.018	0.021
UK	global	0.149	0.156	0.163	0.124	0.130	0.137	0.131	0.137	0.145
	country	0.771	0.789	0.802	0.801	0.818	0.829	0.798	0.816	0.829
	region	0.004	0.008	0.016	0.005	0.009	0.017	0.005	0.010	0.019
	idiosyn	0.036	0.042	0.047	0.034	0.039	0.045	0.028	0.032	0.037
FRA	global	0.898	0.915	0.929	0.877	0.895	0.907	0.940	0.955	0.964
	country	0.001	0.001	0.003	0.001	0.002	0.004	0.000	0.001	0.002
	region	0.017	0.029	0.046	0.013	0.025	0.043	0.008	0.016	0.029
	idiosyn	0.046	0.050	0.055	0.068	0.074	0.080	0.023	0.026	0.030
ITA	global	0.768	0.785	0.800	0.920	0.933	0.941	0.943	0.956	0.964
	country	0.007	0.019	0.053	0.001	0.001	0.002	0.000	0.001	0.001
	region	0.013	0.025	0.042	0.006	0.014	0.024	0.006	0.012	0.023
	idiosyn	0.118	0.141	0.162	0.047	0.050	0.054	0.025	0.028	0.032
SPA	global	0.594	0.614	0.630	0.767	0.782	0.794	0.954	0.964	0.971
	country	0.021	0.046	0.064	0.001	0.003	0.005	0.000	0.001	0.001
	region	0.023	0.040	0.059	0.013	0.023	0.039	0.004	0.009	0.017
	idiosyn	0.281	0.296	0.310	0.180	0.187	0.193	0.022	0.025	0.027
SWE	global	0.008	0.013	0.017	0.001	0.003	0.004	0.002	0.004	0.006
	country	0.527	0.649	0.845	0.554	0.666	0.851	0.539	0.658	0.859
	region	0.046	0.229	0.371	0.043	0.215	0.336	0.047	0.237	0.370
	idiosyn	0.053	0.061	0.069	0.064	0.073	0.083	0.046	0.055	0.064
FIN	global	0.908	0.915	0.920	0.868	0.874	0.880	0.974	0.980	0.984
	country	0.001	0.002	0.003	0.001	0.003	0.007	0.000	0.001	0.001
	region	0.001	0.003	0.008	0.001	0.003	0.007	0.002	0.004	0.009
	idiosyn	0.072	0.076	0.080	0.105	0.112	0.119	0.010	0.013	0.016
DEN	global	0.901	0.908	0.915	0.883	0.889	0.895	0.952	0.958	0.963
	country	0.001	0.002	0.004	0.002	0.004	0.008	0.001	0.001	0.002
	region	0.003	0.008	0.015	0.001	0.004	0.008	0.002	0.004	0.008
	idiosyn	0.070	0.076	0.082	0.091	0.097	0.103	0.029	0.033	0.037
NET	global	0.753	0.761	0.769	0.852	0.857	0.863	0.961	0.969	0.974
	country	0.004	0.009	0.019	0.001	0.004	0.010	0.000	0.000	0.001
	region	0.003	0.007	0.013	0.001	0.003	0.007	0.003	0.007	0.014
	idiosyn	0.206	0.215	0.224	0.121	0.128	0.135	0.020	0.023	0.025
BEL	global	0.802	0.816	0.828	0.892	0.902	0.908	0.951	0.964	0.972
	country	0.002	0.005	0.009	0.001	0.002	0.004	0.000	0.000	0.001
	region	0.010	0.020	0.033	0.004	0.008	0.016	0.006	0.013	0.024
	idiosyn	0.141	0.150	0.160	0.080	0.085	0.089	0.019	0.021	0.024

Table A3. (Continued) Variance analysis: exchange rates (1999:1-2010:4)

		Panel C: CEEC-5								
Country		REER-CPI			REER-ULC			NEER		
		33	50	66	33	50	66	33	50	66
AUS	global	0.851	0.857	0.863	0.859	0.869	0.876	0.937	0.945	0.951
	country	0.001	0.002	0.005	0.001	0.002	0.005	0.001	0.001	0.003
	region	0.001	0.003	0.007	0.005	0.010	0.019	0.002	0.005	0.011
	idiosyn	0.128	0.133	0.138	0.109	0.114	0.120	0.042	0.045	0.049
CZE	global	0.028	0.032	0.035	0.034	0.038	0.042	0.022	0.026	0.029
	country	0.845	0.864	0.880	0.866	0.887	0.901	0.859	0.885	0.903
	region	0.016	0.030	0.049	0.014	0.030	0.052	0.028	0.048	0.073
	idiosyn	0.064	0.071	0.078	0.038	0.044	0.049	0.036	0.041	0.047
HUN	global	0.000	0.001	0.001	0.001	0.001	0.002	0.001	0.002	0.003
	country	0.862	0.875	0.888	0.862	0.878	0.892	0.961	0.973	0.983
	region	0.004	0.010	0.019	0.004	0.010	0.020	0.004	0.010	0.021
	idiosyn	0.098	0.107	0.117	0.091	0.102	0.114	0.003	0.008	0.014
POL	global	0.053	0.058	0.064	0.043	0.047	0.053	0.031	0.035	0.041
	country	0.859	0.876	0.891	0.876	0.894	0.908	0.884	0.904	0.922
	region	0.019	0.029	0.045	0.018	0.028	0.044	0.026	0.039	0.057
	idiosyn	0.025	0.027	0.030	0.021	0.024	0.027	0.009	0.012	0.016
SLV	global	0.519	0.527	0.535	0.566	0.581	0.601	0.486	0.493	0.500
	country	0.020	0.039	0.060	0.037	0.066	0.097	0.044	0.080	0.115
	region	0.003	0.006	0.010	0.030	0.040	0.051	0.002	0.005	0.008
	idiosyn	0.400	0.421	0.437	0.265	0.298	0.324	0.383	0.417	0.449
SLK	global	0.065	0.068	0.072	0.059	0.062	0.066	0.098	0.102	0.105
	country	0.592	0.612	0.632	0.715	0.733	0.750	0.692	0.712	0.728
	region	0.056	0.065	0.073	0.071	0.081	0.090	0.057	0.068	0.079
	idiosyn	0.236	0.255	0.273	0.109	0.123	0.138	0.103	0.119	0.133

Notes: This table presents the variance decomposition of exchange rates series for the NAC-2 (Panel A), the EUC-11 (Panel B) and the CEEC-5 (Panel C) for the subsample after the euro (1999:1-2010:4). We report the median of posterior quantiles, as well as 33% and 66% quantiles. REER-CPI: real effective exchange rate based on consumer price index; REER-ULC: real effective exchange rate based on unit labour cost, NEER: nominal effective exchange rate. (*) US: The United States; CAN: Canada; AUS: Austria; BEL: Belgium; DEN: Denmark; FIN: Finland; FRA: France; GER: Germany; ITA: Italy; NET: The Netherlands; SPA: Spain; SWE: Sweden; UK: The United Kingdom; CZE: The Czech Republic; HUN: Hungary; POL: Poland; SLV: Slovenia; and SLK: Slovakia.