Capital Control Policy, Industry, and Trade: Evidence from the Past 20 Years

Online Appendix

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Table O1: Correlation matrix: capital controls

	KC	KC inflows	KC outflows	KC Trade	Chinn-Ito	de facto KC
KC	1					
KC Inflows	0.95	1				
KC Outflows	0.97	0.84	1			
KC Trade	0.93	0.88	0.9	1		
Chinn-Ito	-0.8	-0.75	-0.78	-0.78	1	
de facto KC	-0.23	-0.19	-0.23	-0.23	0.27	1

Note: This table presents the correlations between capital controls measures: KC, KC inflows, KC outflows, KC Trade, KC Chinn-Ito, de facto KC.

Table O2: Correlation matrix: financial development

	FD: Financial Development index	FM: Financial Markets index	FI: Financial Institutions index	PCB	SMC
FD: Financial development index	1				
FM: Financial markets	0.95	1			
FI: Financial institutions	0.93	0.77	1		
Priv Credit by Banks to GDP	0.82	0.71	0.83	1	
Stock Mkt Cap to GDP	0.45	0.46	0.39	0.47	1

Note: This table presents correlations between financial development measures: FD: Financial development index, FM: Financial markets index, FI: Financial institutions index, PCB: Private credit by banks to GDP, and SMC: Stock market cap to GDP.

Table O3: Correlation Matrix: Industry Financial Vulnerability

	efd (RZ)	NA efd (1995-2014)	NA efd (1995-2007)	NA efd (2008-2014)	Exporter efd (1995-2014)	at (RZ)	NA at (1995-2014)	NA at (1995-2007)	NA at (2008-2014)	Exporter at (1995-2014)	hci	pci
efd (RZ)	1											
NA efd (1995-2014)	0.63	1										
NA efd (1995-2007)	0.64	0.96	1									
NA efd (2008-2014)	0.44	0.84	0.77	1								
Exporter efd (1995-2014)	0.22	0.33	0.31	0.32	1							
at (RZ)	-0.34	-0.37	-0.38	-0.12	-0.11	1						
NA at (1995-2014)	-0.38	-0.35	-0.36	-0.05	-0.12	0.89	1					
NA at (1995-2007)	-0.38	-0.34	-0.36	-0.05	-0.12	0.9	1	1				
NA at (2008-2014)	-0.44	-0.45	-0.48	-0.04	-0.13	0.91	0.99	0.99	1			
Exporter at (1995-2014)	-0.32	-0.43	-0.44	-0.12	-0.23	0.71	0.75	0.75	0.75	1		
hci	0.15	0.22	0.23	0.35	0.13	0.09	0.04	0.07	0.03	-0.07	1	
pci	0.04	-0.03	0	0.13	0	0.75	0.66	0.66	0.62	0.46	0.54	1

Note: This table presents correlations between industry financial vulnerability measures described in section 4 and appendix A.3.

Table O4: Capital controls levels regressions: Robust KC asset measures

	(1) eq	(2) bo	(3) mm	(4) ci	(5) de	(6) cc	(7) fc	(8) gs	(9) di
Importer KC	-0.018	-0.087***	-0.047	0.028	-0.034	-0.025	-0.042*	-0.079***	-0.072**
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.02)	(0.03)	(0.03)
Exporter KC × external finance dependence	-0.331***	-0.511***	-0.355***	-0.448***	-0.208***	-0.433***	-0.435***	-0.223***	-0.154***
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.03)	(0.04)	(0.03)
Exporter KC × asset tangibility	0.404***	0.697***	0.036	-0.203	-0.192*	-0.235**	0.385***	-0.631***	0.546***
	(0.12)	(0.12)	(0.12)	(0.13)	(0.11)	(0.11)	(0.10)	(0.11)	(0.09)
Importer KC × external finance dependence	-0.014	0.077**	0.017	-0.059*	-0.014	-0.033	0.011	0.010	0.053*
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Importer KC × asset tangibility	-0.083	0.325***	0.085	-0.008	0.058	-0.227***	0.095	-0.118	-0.045
	(0.09)	(0.08)	(0.08)	(0.09)	(0.08)	(0.08)	(0.07)	(0.09)	(0.09)
Exporter dom. credit × external finance dependence	1.308***	1.279***	1.295***	1.291***	1.330***	1.273***	1.263***	1.329***	1.348***
	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)	(0.03)
Exporter dom. credit × asset tangibility	-2.478***	-2.450***	-2.535***	-2.570***	-2.573***	-2.590***	-2.471***	-2.649***	-2.451***
	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)	(0.09)
Observations	1957117	1957117	1957117	1957117	1957117	1957117	1957117	1957117	1957117
R^2	0.620	0.620	0.620	0.620	0.620	0.620	0.620	0.620	0.620
Ex. × Time, Im. × Industry	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note: This table presents the results of our baseline specification using the overall capital control measure for each asset category. In Fernández et al. (2016), 0 refers to no capital control and 1 refers to consistent full capital control. The asset classes in columns 1-9 refer to equities, bonds, money markets, collective investments, derivatives, commercial credits, financial credits, guarantees, and direct investment. Log trade value is the dependent variable. Standard errors are clustered by country pair. ***, **, * indicate statistical significance at 1%, 5%, and 10%, respectively.
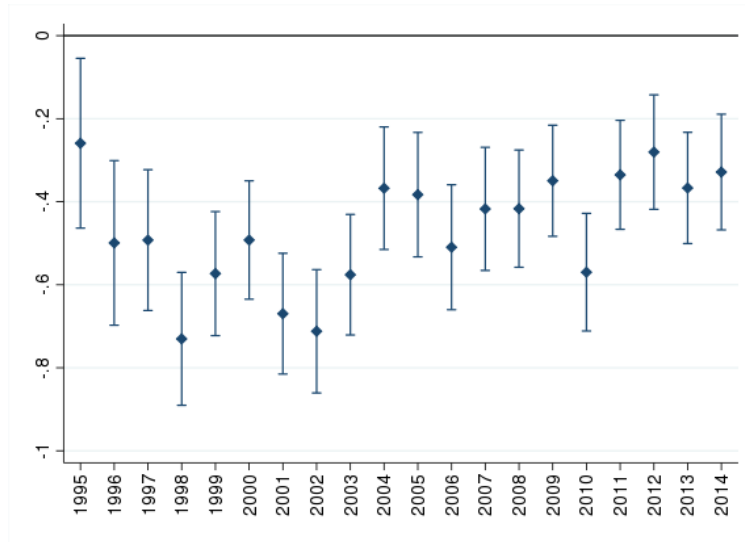
Table O5: Capital controls levels regressions - Exports side

	Baseline		w/ domestic credit	
	(1)	(2)	(3)	(4)
Exporter KC inflows	0.188		0.213	
	(0.32)		(0.30)	
Exporter KC inflows × external finance dependence	-1.254***	-1.239***	-0.521*	-0.500
	(0.38)	(0.38)	(0.31)	(0.31)
Exporter KC inflows × asset tangibility	0.446	0.384	-0.747	-0.828
	(0.96)	(0.96)	(0.76)	(0.75)
Exporter domestic credit			0.243	
			(0.18)	
Exporter domestic credit × external finance dependence			1.267***	1.269***
			(0.19)	(0.19)
Exporter domestic credit × asset tangibility			-2.019***	-2.024***
			(0.53)	(0.53)
Observations	2645131	2645131	2436650	2436650
R^2	0.302	0.310	0.306	0.314
Ex., Time FE	Y	N	Y	N
Ex. × Time FE	N	Y	N	Y

Note: This table presents the results of our regression excluding importer country variables. Columns 1 and 2 present the results using exporter and time fixed effects and exporter × time fixed effects respectively. Columns 3 and 4 include the interaction between exporter domestic credit (divided by GDP) from the World Bank and efd/at, and use exporter and time fixed effects and exporter × time fixed effects respectively. Log trade value is the dependent variable. Exporter and gravity controls are included in the regressions but not reported.
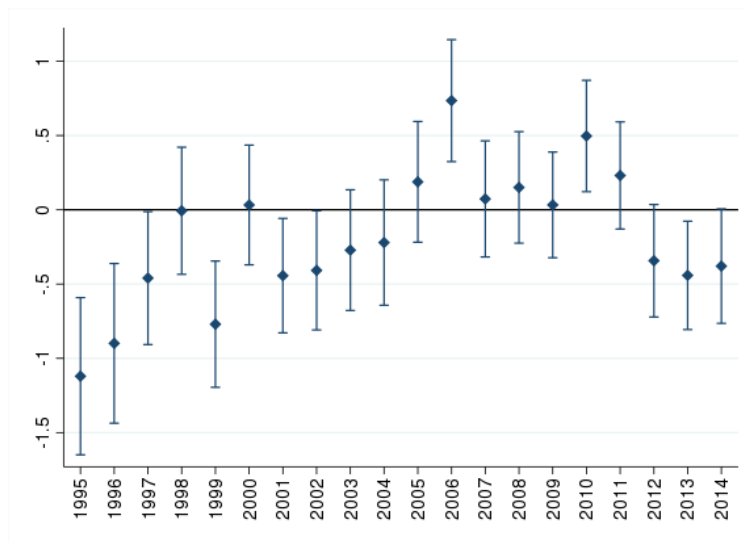
O1 Robustness of Coefficients Across Time

Figure O1: $ExporterKC \times efd$ across time

Note: This plot shows the cross-sectional coefficients of $ExporterKC \times efd$ of our baseline result for each year.

Figure O2: $ExporterKC \times at$ across time

Note: This plot shows the cross-sectional coefficients of $ExporterKC \times at$ of our baseline result for each year.