

**Replication files for Egger and Pfaffermayr (2024): Bonus-vetus-OLS
for Gravity Models and Its Approximation Error**

Table 2:

do file: Linearize_bb_wiod_decomposition.do
data file: Linearize_bb_wiod.dta
log-file: Linearize_bb_wiod_decomposition_‘exp’.smcl
local exp="RTA"

The do file uses
mata_prod_wiod_final.do
mata_mat_wiod.do

Table 3:

MC data in directory MC
do file: Linearize_bb_mc_tables_graphs_het.do
log file: log Linearize_bb_mc_het_tables_and_graphs.smcl

Table 4:

Step 1
do file: Linearize_bb_wiod_final.do
local exp="tc"
global cf=0.95 (0.75)
generates data file: linearize_BB_wiod_‘exp’_‘cfs’_estimates.dta
log file: log using Linearize_bb_wiod_‘exp’_‘cfs’.smcl

Step 2:
do file: Linearize_bb_wiod_graphs_final.do
log file: Linearize_bb_wiod_graphs_‘exp’_‘cfs’.smcl
run with
local exp="tc"
local cfs=5
local cfs=25

Step 2 in addition produces Figures 3 and 4.

Figures 1 and 2:

Run the matlab file compare_bb_Figure_1_revision.m

For Figure 1 set

fig 1
s=3, f=0.5, A=[0.5;0.5]
s=3, f=0.5, A=[0.2;0.8]
s=6, f=0.5, A=[0.2;0.8]

For Figure 2 set

fig 2

s=3, f=1.166666667, A=[0.5;0.5]

s=3, f=1.166666667, A=[0.2;0.8]

s=6, f=1.166666667, A=[0.2;0.8]