Online Appendix

to

THE ADVERSE EFFECTS OF REAL EXCHANGE RATE VARIABILITY IN LATIN AMERICA AND THE CARIBBEAN

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The online appendix provides detailed parameter estimates for output growth and price inflation, summarized in Table 1 of the published paper. In addition, it provides graphs that track movements in trends and variability of real growth and inflation with the variability of exchange rate shocks across the sample of 32 countries in Latin America and the Caribbean.

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A. **Detailed parameter estimates for output growth and price inflation**

Table 1. Fluctuations in Real Output Growth, Price Inflation and Private Spending

Country	Output Growth			Price Inflation		
	EDreer	posreers	negreers	EDreer	posreers	negreers
Antigua & Barbuda	-0.15	0.31	0.059	0.17	-0.43**	-0.11
	(-0.92)	(1.29)	(0.22)	(1.00)	(-1.78)	(-0.41)
Argentina	0.18*	-0.55*	0.63*	-0.12**	0.62*	-0.71*
	(2.77)	(-2.83)	(3.59)	(-1.76)	(3.03)	(-3.85)
The Bahamas	-0.30	0.71**	-0.34	0.28	-0.68**	0.31
	(-1.29)	(1.94)	(-0.98)	(1.21)	(-1.87)	(0.89)
Barbados	-0.15	0.11	0.078	0.15	0.061	-0.28
	(-1.06)	(0.43)	(0.22)	(1.02)	(0.22)	(-0.74)
Belize	0.18	-0.93	-0.67	-0.14	0.66	0.49
	(0.90)	(-1.27)	(-1.02)	(-0.66)	(0.83)	(0.69)
Bolivia	0.068	0.10	-0.018	-0.068	-0.11	0.027
	(0.84)	(0.37)	(-0.10)	(-0.86)	(-0.39)	(0.15)
Brazil	0.033	-0.06	0.12	-0.032	0.062	-0.11
	(0.38)	(-0.26)	(0.29)	(-0.38)	(0.26)	(-0.29)
Chile	0.44*	0.54*	-0.23**	-0.44*	-0.55*	0.23**
	(6.93)	(4.10)	(-1.69)	(-6.96)	(-4.14)	(1.69)
Colombia	0.11*	0.20**	-0.21	-0.11*	-0.20**	0.22
	(2.15)	(1.76)	(-1.30)	(-2.14)	(-1.76)	(1.30)
Costa Rica	0.06	-0.57*	0.29	-0.056	0.57*	-0.30
	(0.32)	(-2.11)	(0.63)	(-0.32)	(2.11)	(-0.64)
Dominica	-0.31**	0.072	-0.047	0.093	0.30	-0.22
	(-1.91)	(0.19)	(-0.12)	(0.73)	(1.03)	(-0.72)
Dominican Republic	(-0.087)	0.045	0.12	0.091	-0.044	-0.12
	(-0.70)	(0.21)	(0.80)	(0.71)	(-0.20)	(-0.79)

Table 1. Fluctuations in Real Output Growth, Price Inflation and Private Spending (cont'd)

Country	Output Growth			Price Inflation		
	EDreer	posreers	negreers	EDreer	posreers	negreers
Ecuador	-0.25*	-0.26*	0.016	0.25*	0.26*	-0.019
	(-2.24)	(-2.23)	(0.11)	(2.22)	(2.25)	(-0.13)
El Salvador	0.23*	0.15	-0.088	-0.22*	-0.16	0.095
	(2.25)	(0.92)	(-0.83)	(-2.05)	(-0.98)	(0.88)
Grenada	0.16	-0.37	-0.36	-0.12	0.16	0.07
	(0.77)	(-0.64)	(-0.71)	(-0.66)	(0.31)	(0.16)
Guatemala	-0.07	-0.01	0.19	0.06	0.002	-0.19**
	(-0.86)	(-0.07)	(1.64)	(0.75)	(0.02)	(-1.69)
Guyana	0.11	-0.13	0.041	-0.10	0.13	-0.046
	(0.91)	(-0.53)	(0.24)	(-0.86)	(0.53)	(-0.26)
Haiti	0.95*	-0.18	0.18	-0.95*	0.18	-0.18
	(3.87)	(-1.37)	(1.15)	(-3.86)	(1.36)	(-1.14)
Honduras	-0.012	0.053	0.10	0.011	-0.052	-0.10
	(-0.07)	(0.25)	(0.99)	(0.06)	(-0.25)	(-0.98)
Jamaica	-0.087	0.065	-0.065	0.088	-0.062	0.061
	(-0.88)	(0.34)	(0.34)	(0.91)	(-0.32)	(0.52)
Mexico	0.14*	-0.0092	0.27*	-0.15*	0.012	-0.26*
	(2.65)	(-0.07)	(3.73)	(-2.67)	(0.10)	(-3.73)
Nicaragua	-0.13	-1.29	-0.60	0.13	1.30	0.59
	(-0.69)	(-0.94)	(-0.82)	(0.69)	(0.96)	(0.82)
Panama	-0.067	-0.018	-0.062	0.07	0.03	0.06
	(-0.36)	(-0.04)	(-0.17)	(0.36)	(0.06)	(0.16)
Paraguay	0.06	0.008	0.0012	-0.06	-0.008	-0.003
	(0.56)	(0.03)	(0.01)	(-0.56)	(-0.04)	(-0.02)

Table 1. Fluctuations in Real Output Growth, Price Inflation and Private Spending (cont'd)

Country	Output Growth			Price Inflation		
	EDreer	posreers	negreers	EDreer	posreers	negreers
Peru	0.41**	0.92	-1.33	-0.41**	-0.91	1.32
	(1.69)	(0.60)	(-0.72)	(-1.68)	(-0.59)	(0.71)
St. Kitts & Nevis	0.23	0.20	-0.098	-0.26	-0.26	0.47
	(0.60)	(0.56)	(-0.15)	(-0.75)	(-0.83)	(0.78)
St. Lucia	-0.33	-0.09	-0.12	0.30	0.33	-0.039
	(-1.58)	(-0.15)	(-0.21)	(1.34)	(0.52)	(-0.06)
St. Vincent and The Grenadines	-0.50*	0.51	-0.15	0.28	0.20	-0.22
	(-1.96)	(1.48)	(-0.50)	(1.41)	(0.84)	(-0.69)
Suriname	0.18*	0.29**	-0.14	-0.18*	-0.29**	0.16
	(3.89)	(1.85)	(-0.86)	(-3.90)	(-1.82)	(0.91)
Trinidad & Tobago	-0.15	-0.63*	0.22	0.15	0.63*	-0.22
	(-0.41)	(-2.31)	(0.83)	(0.41)	(2.31)	(-0.83)
Uruguay	0.06	0.016	0.039	-0.07	0.098	-0.12
	(0.40)	(0.04)	(0.12)	(-0.56)	(0.26)	(-0.43)
Venezuela	0.00	0.16	0.085	-0.002	-0.15	-0.09
	(0.00)	(0.49)	(0.32)	(-0.01)	(-0.48)	(-0.34)

Notes:

EDreer: Anticipated change in real effective exchange rate.

posreers: positive shock, i.e., unanticipated appreciation of real effective exchange rate.

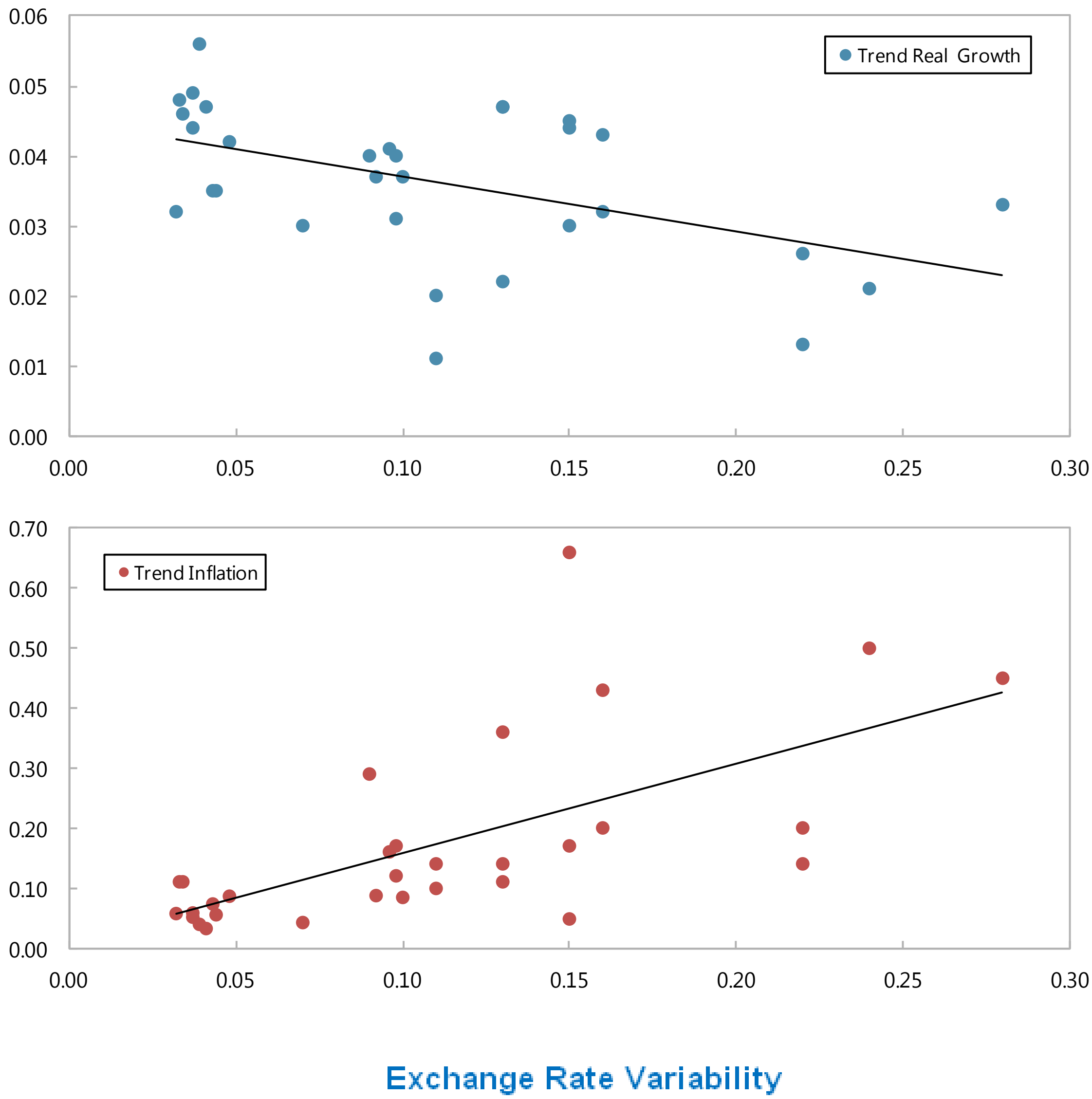
negreers: negative, shock, i.e., unanticipated depreciation of real effective exchange rate.

Coefficients measure the response of each variable to demand shocks.

Bracketed magnitudes are t-statistics, where * and ** denote statistical significance at the five and ten percent levels.

B. Graphs that track movements in trends and variability of real growth and inflation across the sample of 32 countries in Latin America and the Caribbean

Movements in trends with exchange rate variability



Movements in variability with exchange rate variability