

An Empirical Investigation of Trade Flows Between Australia and its Major Trading Partners

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Abstract:

This study introduces Net Export (NX) models to examine the determinants of the trade flows between Australia and eight selected trading partner (TP) countries (China, France, Germany, Malaysia, Singapore, Thailand, United Kingdom, United States of America) in four selected Trade Deficit (TD) categories (Pharmaceutical Products; Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Electrical Machinery and Equipment; Sound Recorders and Producers, and Vehicles Other Than Railway or Tramway Rolling-Stock). A total of 29 NX models are estimated, which are based on both the monetary and Quantity (QTY) values. Findings in this study suggest that macroeconomic variables such as money supply, interest rates and savings rates have no-significant effect in the determination of the NX levels in the selected TD categories in Australia. This study also identifies some policy implications which arise from this paper.

Keywords: Australia; Trade deficit; Trading partners; Net export models; Estimation

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I. Introduction

Research in the area of trade flows between Australia and China, France, Germany, Malaysia, Singapore, Thailand, United Kingdom and United States of America is scant. To our knowledge, there is only one study (see, for instance, Kyereme, 2002) that examined the key determinants of Net Export (NX) between the United States of America and Australia. Despite the growing Trade Deficit (TD) between Australia and these selected TD and relevant industries (such as Pharmaceutical Products, Nuclear Reactors, Boilers, Machinery and Mechanical Appliances etc.) involved in international trade, there is only very limited research in this area. The existing literature is sporadic and selective in their focus on industries, countries and the export (X) and import (M) determinants/ variables. According to the extensive list of empirical studies such as McColl & Nicol (1980), Labys & Cohen (2006), Swift (2005), Bahmani-Oskooee & Wang (2007), Mulgan (2008), there is strong evidence to show that systematic, intensive and in-depth research has not been undertaken in respect to Australia's trading partners in selected TD categories within the current literature. In this study, our objective is to introduce Net Export (NX) models to analyse the determinants of the trade flows from the theoretical and empirical perspectives between Australia and eight selected Trading partner countries (China, France, Germany, Malaysia, Singapore, Thailand, United Kingdom, United States of America) during the period of 1990-2006. This study has focused on this particular period because during this period, the Australian economy has experienced the longest period of economic growth and the Australian dollar has significantly appreciated, especially during the start of the year 2006 (one of the year of commodity export boom). The NX model estimated will clearly identify which macroeconomic variables are significant in explaining the NX level in the four selected TD categories (Category 30 - Pharmaceutical Products; Category 84 - Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts Thereof; Category 85 -Electrical Machinery and Equipment and Parts Thereof; Sound Recorders and Producers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles and Category 87 - Vehicles Other Than Railway or Tramway Rolling-Stock, and Parts and Accessories). Additionally, the existing studies (see, for example, Kyereme, 2002 and Duasa, 2007) which estimated the NX models did not incorporate the key variables such as interest rates and savings rates which based on the economic theory playing a significant influence in determination of the NX levels. To our knowledge there are no existing studies which specifically investigate the NX between Australia and its trading partner countries in any of the above specific categories, which generate the need to introduce the NX models in these categories to identify and to better understand the variables responsible for the trade balance in these categories. We believe conducting such analysis is important for policy implications and to ascertain what macroeconomic variables are influencing the NX levels in the selected categories. For example, the existing studies lack the emphasis on the interest rates and saving rates and their effects on the NX levels. As a result, this study will establish the significance of these two variables with respect to the NX levels in these categories and in turn it will clarify its significance for policy makers.

The NX models estimated in this study are concerned with bilateral trade analysis between Australia and the selected trade partner countries in the four selected TD categories. Bilateral trade analysis in comparison to multilateral trade analysis are likely to divulge additional information that are distinctive for each trading partner country analysed and as a result, it is likely to provide supplementary information to the relevant industries and trade policy makers.

The NX in this study refers to the trade balance between Australia and the selected trading partner countries in the selected TD categories. The selected categories in this study are growing industries in Australia in respect to their contribution to Gross domestic Product (GDP) and at the same time Australia is experiencing a significant and growing TD in these categories. All NX models estimated are examined on a bilateral basis in order to establish the patterns and determinants of a two-way trade between Australia and the selected trade partner countries. According to Kyereme (2002), the bilateral trade analyses when compared to the multilateral trade analysis are likely to provide policy makers with more comprehensive trade balance information. This includes 'country specific' variables that are significant in trade flows determination, which in turn can assist policy makers to tailor more effective trade policies.

II. A Review of the Literature

According to the Keynesian open macroeconomic model, a country's GDP is one of the major determinants of the NX levels, which argues that contractionary fiscal policy reduces the TD, while expansionary fiscal policy increases the TD levels. This method in the current literature is known as the 'absorption approach'. The 'absorption approach' has been pioneered by Harberger (1950), Meade (1951) and Alexander (1959), which specifies that any trade balance improvements can be achieved only by increasing the domestic aggregate income over aggregate expenditure.

Econometric analysis of the NX in the current literature is limited. Investigating the relationship between the trade balance and the net trade flows has been a main focus in the literature (Bahmani-Oskooee (1992), Martín & Velázquez (2002), Kyereme (2002) and Duasa (2007)). Two most relevant empirical studies that have estimated the NX are the studies by Kyereme (2002) and Duasa (2007), while Tang (2008) has reviewed the study by Duasa (2007). The study by Kyereme (2002) estimated the NX between the United States of America and Australia, while the study by Duasa (2007) estimated the NX between Malaysia and the Association of Southeast Asian Nations (ASEAN) countries. The dependent variables used in these two studies by Kyereme (2002) and Duasa (2007) are the United States of America's NX over the Australian NX and the ratio of the X over M between Malaysia and ASEAN countries respectively.

Kyereme (2002) used four independent variables which include the Gross Domestic Product (GDP), exchange rates (EXR), money supply (MS) and interest rates (IR), while the GDP, MS and IR are all expressed as a ratio of the United States of America's values relative to the Australian values and the EXR is expressed as value of one unit of the AUD in terms of the USD. The major findings in this study suggest that the IR is the most significant variable, followed by the GDP, MS and EXR. Furthermore, all variables except the MS and the EXR are statistically significant at 1 per cent level, while the MS is significant at a 5 per cent level and the EXR is not statistically significant. Finally, the 3 independent variables (GDP, MS and EXR) have a negative relationship with the NX and the IR is having a positive relationship with the NX.

Duasa (2007) used three independent variables which includes the Malaysian EXR, GDP and MS. The overall finding in this study shows a weak statistical link between the NX and the EXR, while the links between the NX - GDP and the NX - MS are statistically significant at a 1 per cent level of significance. In overall, in the long-run, the independent variables GDP and EXR shows a negative relationship with the NX and the MS shows a positive

relationship with the NX. However, the coefficients estimated using the ECM shows a negative relationship between the NX and all these 3 independent variables.

The major difference between these two studies is that Kyereme (2002) compared to Duasa (2007) has used in the model the IR variable as an additional independent variable. Furthermore, Kyereme has taken into account the values of both the domestic and foreign macroeconomic variables, while Duasa has included only the Malaysian domestic macroeconomic variables in the model. Tang (2008) has criticized the approach adopted by Duasa (2007), on the basis that the independent variables the GDP and MS are only observed for the Malaysian economy, while the foreign GDP and MS are not taken into account. In addition, according to Tang (2008), the IR is an important dependent variable and should be included in the NX model; however, Duasa (2007) has omitted this variable.

Both NX models estimated by Kyereme (2002) and Duasa (2007), have used an aggregated X and M volumes as a dependent variable, without reference to any specific category. This approach is likely to have some shortcomings, for instance, different trade categories is likely to respond differently to changes in the macroeconomic variables. Hence, the estimation of the NX models with reference to specific trade categories is likely to reveal more specific information on a category-by-category basis. Kyereme (2002) recognized the potential downsides of his model and clearly suggests that further research in this area is required, which includes and is not limited, to model modification and inclusion of an additional variable(s) in order to develop a more robust NX model. Hence, these above studies suffer from many limitations such as lack of emphasis on variables such as interest rates and savings rates which based on the economic theory playing a significant influence in determination of the NX levels. Furthermore, the existing studies mainly focus on the United States of America and Malaysia, and none of them focus on Australia.

III. Theoretical Framework and Methodology

In this study we follow Duasa's (2007) approach in determining the dependent variable, where the NX will be expressed as a ratio of the X to M between Australia and the selected TD country, in the selected TD category. This approach as Bahmani-Oskooee (1991) suggested is preferable, since it is not sensitive to the units of measurement and interpretation of such ratio refers to real trade balance. In addition, the usage of the ratio maintains a positive value of the NX, irrespective of whether the trade balance is a positive or negative value; hence, the variables can be expressed in a natural logarithm if required. Due to these advantages, the NX ratio has been used in numerous empirical studies, which includes studies by Bahmani-Oskooee & Brooks (1999), Onafowora (2003) and Duasa (2007).

Existing studies which provide empirical evidence on the relationship between GDP levels and the trade flows include Balassa (1967), Goldstein & Khan (1978; 1985), Silvapulle & Phillips (1985), Arize (1987), Lawrence 1990, Koshal *et al.* (1992), Carone (1996), Warr & Wollmer (1996), Belessiotis & Giuseppe (1997), Baharumshah (2001), Boyd *et al.* (2001); Chinn (2004), Havrila (2004), Lau *et al.* (2004), Kyereme (2002) and Duasa (2007).

Based on the above review of empirical studies, the NX model can be expressed in the following form:

$$X_{D(i)}{}^{t} / M_{D(i)}{}^{t} = f\left[\left(GDP_{D}{}^{t} / GDP_{j}{}^{t}\right)\right]$$
(1)

Where: X_D' and M_D' is the Australian (or domestic) X and M respectively, '*i*' is the industry for the category *i*, '*j*' is the foreign country *j* and '*t*' is the time period.

Another independent variable that is traditionally used in the analysis of the balance of payment and the trade models is the EXR, where the EXR theoretically determines the relative prices of the X and M volumes, and hence the NX levels. This method in the current literature is known as the 'elasticity approach' or as the 'imperfect substitute' model. The 'elasticity approach' attempts to establish whether the devaluation of the country currency improves the country's trade balance according to the Marshall-Lerner condition³. Studies that analysed the trade balance using the elasticities approach include Frenkel *et al.* (1969), Dornbusch (1975), Johnson (1976) and Boyd *et al.* (2001) and Xu (2008).

From the point of economic theory, the EXR is likely to have a significant impact on the X and M flows and this is supported by an enormous number of empirical studies (see, for instance, Himarios (1989), Bahmani-Oskooee (2001), Kyereme (2002) and Bahmani-Oskooee & Wang (2007)). These studies have found a significant relationship between the trade balance and the EXR. On the other hand, studies by Greenwood (1984), Mahdavi & Sohrabian (1993), Rahman *et al.* (1997) and Duasa (2007) have found rather weak empirical evidence on the relationship between the EXR and the X and M flows. Based on these empirical findings, inconclusive evidence exists as to whether the EXR are statistically significant in determining the X and M flows. In order to shed some light as to whether the EXR is statistically significant in determining the X and M flows between Australia and the selected TD countries and categories, the EXR variable will be included in the NX models estimated in this study. The EXR variable was also used in the studies by Kyereme (2002) and Duasa (2007), which have estimated the NX between the United States of America, Australia, Malaysia and ASEAN countries respectively. The NX model in this form is presented in Equation 2 as follows:

$$X_{D(i)}^{t} / M_{D(i)}^{t} = f\left[\left(GDP_{D}^{t} / GDP_{j}^{t}\right), EXR_{D/F}\right]$$
(2)

Where: $'EXR_{D/F}'$ is the EXR of the Australian Dollar per one unit of the foreign currency.

Finally, another method used in the analysis of the balance of payments can be viewed from a 'monetary' point of view. This approach puts forward that the MS and demand for money is likely to influence the country's trade balance and other components of the balance of payments. According to the monetary approach, the excess MS in the economy causes a balance of payments deficit and as a result, the balance of payments dis-equilibrium should be addressed with an appropriate monetary policy. Polak (1957), Hahn (1959), Prais (1961) and Mundell (1971) argue that the balance of payment should be viewed primarily from a 'monetary' point of view. Recent empirical studies, which have included money variables in the trade models, include Liew *et al.* (2003), Kyereme (2002) and Duasa (2007). As a result, the MS variable will be included in the NX model and the NX model in this form is presented in Equation 3 as follows:

³ The Marshall-Lerner condition stipulates that if the sum of the price elasticity of the X and M (in absolute values) exceed unity, the devaluation of the country's currency will improve the trade balance. However, based on empirical evidence, the relative depreciating of the currency in relations to other trading partners currencies will lead to the improvement in trade balance only in the long-run, while in the short-run, the trade balance will deteriorate. This phenomenon is known as a 'J-curve' (Dornbusch *et al.*, 2002); however, the empirical support for the J-curve phenomena is inconclusive, and some studies show the evidence for the J-curve phenomena (Bahmani-Oskooee, 1985), while others such as Himarios (1989) do not.

$$X_{D(i)}^{t} / M_{D(i)}^{t} = f\left[\left(GDP_{D}^{t} / GDP_{j}^{t}\right) EXR_{D/F}^{t}, \left(MS_{D}^{t} / MS_{j}^{t}\right)\right]$$
(3)

Where: $'MS_D'$ and $'MS_i'$ is the Australian and foreign country MS (M3) respectively.

According to Tang (2008, p.128), the independent variables GDP, EXR and MS presented in Equation 3 represents an 'open economy' macro equilibrium variables rather than from the 'absorption approach' and the 'monetary' point of view. Tang (2008) criticised Duasa (2007) for estimating the NX model presented in this above form, and suggested that the IR should be included in the NX model. Following the suggestion by Tang (2008) and the empirical study by Kyereme (2002), the NX model in this study incorporates the IR variable and the NX model in this form is presented in Equation 4 as follows:

$$X_{D(i)}^{t} / M_{D(i)}^{t} = f \left[\left(GDP_{D}^{t} / GDP_{j}^{t} \right) EXR_{D/F}^{t}, \left(MS_{D}^{t} / MS_{j}^{t} \right), \left(IR_{D}^{t} / IR_{j}^{t} \right) \right]$$
(4)

Where: $'IR_{D}'$ and $'IR_{i}'$ is the Australian and foreign country IR respectively.

By referring to the Keynesian Investment-Saving and Liquidity Preference-Money Supply (IS-LM), the equilibrium in an open economy is achieved when equilibrium in the goods and money market exists. The Saving (S) is likely to play an important part in the trade balance determination. Based on the S and Investment (I) framework, the Current Account (CRA) = S – I, which can be also expressed as a Trade Balance = S – I (Griswold, 2007 and Tang, 2008). Based on this S and I framework, there is a strong argument to include the SVR as an additional independent variable in the NX model. Tang (2008) suggests the importance of the inclusion of the SVR variable in this model, while Kyereme (2002) suggests that the estimation and/or inclusion of an additional variable(s). Based on this review, an additional independent variable - the SVR will be included in the NX model and the NX model in this form is presented in Equation 5 as follows:

$$X_{D(i)}^{t} / M_{D(i)}^{t} = f \Big[\Big(GDP_{D}^{t} / GDP_{j}^{t} \Big) EXR_{D/F}^{t}, \Big(MS_{D}^{t} / MS_{j}^{t} \Big), \Big(IR_{D}^{t} / IR_{j}^{t} \Big), \Big(SVR_{D}^{t} / SVR_{j}^{t} \Big) \Big]$$
(5)

Where: $|SVR_p|$ and $|SVR_i|$ is the Australian and foreign country SVR respectively.

Based on this review, the NX model which will be estimated is presented in Equation 6 as follows:

$$NX_{ii}^{\ t} = \alpha_0 + \alpha_1 GDP^t + \alpha_2 EXR^t + \alpha_3 MS^t + \alpha_4 IR^t + \alpha_5 SVR^t + \varepsilon^t$$
(6)

Where: $'\alpha_0'$ is the intercept, $'\alpha_1, \alpha_2, \alpha_3, \alpha_4, \alpha_5'$ are the slope coefficients, $'\varepsilon'$ is a random error, '*NX*' is the ratio of the Australian X over the Australian M, '*GDP*'' is the ratio of the Australian GDP level over foreign country GDP level, '*EXR*'' is the EXR of the Australian Dollar per one unit of the foreign currency, '*MS*'' is the ratio of the Australian MS (M3) over foreign country MS (M3) levels, '*IR*'' is the ratio of the Australian IR over foreign country IR, '*SVR*'' is the Australian SVR over foreign country SVR, '*i*' is the industry for the category *i*, '*j*' is a country *j* and '*t*' is a time period.

The expected a priory signs for variables in Equation 6 are negative for $'\alpha_1, \alpha_2, \alpha_3'$ and positive for $'\alpha_4, \alpha_5'$. For $'\alpha_1'$ other things being equal, as the Australian GDP relative to foreign GDP increases by a greater amount, it is expected that the trade balance will worsen (as the M volume tends to increase and as a result the ratio of the Australian X over the Australian M will decrease), hence a negative a priori sign. For $'\alpha_2'$ other things being equal, as the Australian dollar appreciates against the foreign currency, it is expected that the trade balance will worsen (as an appreciation of the Australian currency is likely to increase the M levels and to decrease the X levels and as a result, the ratio of the Australian X over the Australian M will decrease), hence a negative a priori sign. For ' α_3 ' other things being equal, as the Australian MS increases by greater amounts than the foreign MS, it is expected that the trade balance will worsen (as the M volume tend to increase and as a result, the ratio of the Australian X over the Australian M will decrease), hence a negative a priori sign. For ' α_4 ' other things being equal, as the Australian IR increases by a greater amount than a foreign IR, it is expected that the trade balance will improve (as the M volume tends to decrease and as a result, the ratio of the Australian X over the Australian M will increase), hence a positive a priori sign. Finally, for ' α_5 ' other things being equal, as the Australian SVR increases by a greater amount than a foreign SVR, it is expected that the trade balance will improve (as the M volume tends to decrease and as a result, the ratio of the Australian X over the Australian M will increase), hence a positive a priori sign.

Having determined the the theoretical NX model, an important aspect to consider is whether to use a linear or non-linear NX model. According to Khan & Ross (1975; 1977) and Salas (1982), when the estimated model is used for forecasting, the linear model is a more suitable form. However, when the purpose of the study is to establish to what degree the changes in the explanatory variables affect the dependant variable overtime, the preferred model is the log-log form. Model estimation in log-log form has been adopted in a vast number of studies (see, for instance, Kyereme (2002) and Duasa (2007)). Hence, the functional form for the NX model, which will be estimated for the selected TD categories and countries, will be in the log-log form. According to Gujarati (2003, p.421), this approach will not only produce elasticities but it is also likely to reduce the problems with heteroscedasticity⁴. The adopted functional form for the NX in the log-log form is presented in Equation 7 as follows:

$$LnNX_{ii}^{t} = \alpha_0 + \alpha_1 LnGDP^{t} + \alpha_2 LnEXR^{t} + \alpha_3 LnMS^{t} + \alpha_4 LnIR^{t} + \alpha_5 LnSVR^{t} + \varepsilon^{t}$$
(7)

Where: '*Ln*' is the natural logarithm for the corresponding variables.

The aim of the methodology used in this study is to ensure that all NX models estimated are conforming to the 9 classical model assumptions (Gujarati, 2003), in order to obtain an unbiased estimates for the population parameters. If one or more of these assumptions are violated, it can lead to problems associated with biased coefficient and standard error estimates. This in turn will ultimately affect the validity of the inferential statistics about estimates and finally, the distribution assumed during the tests will become inappropriate. According to Phillips (1986), if these assumptions are violated, the t-tests and F- tests are unlikely to be reliable. On the other hand, if these 9 classical assumptions are satisfied, the regression model is likely to produce the Best Unbiased Estimators (BUE) for the population regression parameters. However, the classical assumptions for the regression model estimation assume that the time-series data for both the dependent and independent variable(s) are stationary. This implies that the mean, variances and autocovariances do not change overtime. On the contrary, this assumption is frequently violated and as a result, it is likely to lead to autocorrelation, a non-normality problem and most importantly to cause spurious regression⁵ (Gujarati, 2003).

⁴ Heteroscedasticity is a common problem when cross-sectional data is used, which is the case in this study.

 $^{^{5}}$ A spurious regression produces a high R-square and high t-statistics; however, despite these desirable properties of the overall regression results, they are without any economic meaning. For a more detail explanation of the properties of the spurious regression, refer to Granger & Newbold (1974). According to Gujarati (2003), another indication of spurious regression is when R-square > DW, where DW is Durbin-Watson statistic.

Since the 9 classical assumptions and stationarity are critical, the adopted estimation procedures will commence by testing the variables for the presence of the unit root (non-stationarity). The tests for non-stationarity will include both informal and formal procedures. The informal procedure includes plotting the time-series data and observing the trend (both the linear and non-linear) and any possible relationship and the formal method will include the Dickey-Fuller Test (DFT), Augmented Dickey-Fuller Test (ADFT) (Dickey & Fuller, 1979) and the Phillips-Perron Test (PPT) (Phillips & Perron, 1988).

Once the variables are tested for non-stationarity and if none of the variables have a unit root, the Ordinary Least Squares (OLS) will be applied, followed by the standard diagnostic tests. If some variables have a unit root and some do not, the first difference or second difference (if required) will be taken off the variables which have a unit root. Once these variables (with a unit-root) after differencing becomes stationary, the OLS will be applied followed by the standard diagnostic tests. If all variables have a unit root and such variables are stationary in the first difference form I(1) or in any other form i.e. $I(2)^6$, I(3), such variables can be potentially cointegrated, consequently, the Johansen Maximum Likelihood Procedure (JMLP) test for cointegration will be carried out. If the JMLP reveals one cointegrating equation, the Error Correction Model (ECM) will be applied followed by the standard diagnostic tests. However, if the JMLP reveals more than one cointegrating equation, the Vector Autoregression Model (VARM) will be applied, followed by the standard diagnostic tests.

IV. DATA AND DATA SOURCES

The Australian X and M trade data for all the selected trading partner countries and categories are obtained from the Trade Data International (TDI). The Australian GDP (ABS, 2008 d) and the SVR (ABS, 2008a) data are obtained from the Australian Bureau of Statistics (ABS). The Australian EXR⁷ for all the selected TD countries except for Thailand (RBA, 2009a), MS (RBA, 2009c) and IR (RBA, 2009d) are obtained from the Reserve Bank of Australia (RBA).

The units of the X and M between Australia and the selected TD countries and categories in the monetary values are expressed in millions of Australian Dollars (AUD) in both the HS-2 and HS-4 (Harmonized Commodity Description and Coding System - Second and fourth Levels of aggregation).

Furthermore, the units of the X and M values based on Quantity (QTY) in all estimated models between Australia and the selected TD countries are in single units. Finally, the Australian GDP and SVR⁸ are expressed in millions of AUD, MS is expressed in billions of AUD, and the IR⁹ are expressed in percentage per annum.

The data for China is obtained from the Organization for Economic Cooperation and Development (OECD), RBA and The People's Bank of China. The GDP data is are obtained from OECD (2008a), the EXR are obtained from the RBA (2009a), the MS, IR data are obtained from OECD (2008b), and the SVR data is obtained from The People's Bank of China (2009). The GDP¹⁰ and MS¹¹ are expressed in billions of Chinese Yuan, the SVR¹²

⁶ If it is more than 2 '>I(2)', the coefficient(s) estimated cannot be meaningfully interpreted.

⁷ The EXR data from the RBA are originally in monthly time-intervals and for the purpose of this analysis converted to quarterly time-series by taking an average of the corresponding 3 monthly EXR's, while the EXR for Thailand are originally in quarterly time intervals. Furthermore, all EXR (except for the TWI) are expressed as value of one unit of foreign currency in terms of the Australian currency.

⁸ The Australian SVR originally is expressed in millions of Australian Dollars.; however, these figures are converted to AUD bill. in order to be consistent with most of the other TD countries data.

⁹ The lending standard variable rates.

¹⁰The Chinese GDP data is only available from 1995:Q1 and is expressed in billions of Yuan, while these data are converted to AUD, mill. in order to be consistent with the Australian GDP data.

¹¹ The Chinese MS (M3) data is converted to billions of AUD in order to be consistent with the Australian MS data.

data is expressed in 100s of millions of Yuan, and the IR is expressed in percentage per annum.

The data for France and Germany are obtained from the Bank of France (BOF), Deutsche Bundesbank, OECD and RBA. The GDP data for France and Germany are obtained from the OECD (2008a), the EXR¹³ is obtained from the RBA (2009a), and the MS data for France and Germany are obtained from the BOF (2008a) and Deutsche Bundesbank (2009) respectively. Furthermore, the IR data for France and Germany are obtained from the OECD (2008b) and the SVR data for France and Germany are obtained from BOF (2008b) and OECD (2008b) respectively. The GDP¹⁴ data for both France and Germany are expressed in billions of euro, the MS¹⁵ is expressed in millions of euro and the IR¹⁶ for France and Germany are expressed in millions of euro, while the SVR¹⁸ for Germany is expressed in billions of euro.

The data for Malaysia is obtained from the Department of Statistics Malaysia (DOSM) and the RBA. The GDP data is obtained from the DOSM (2009) and the EXR is obtained from the RBA (2009a), while the Malaysian GDP^{19} is expressed in millions of Malaysian Ringgit.

The data for Singapore is obtained from the Monetary Authority of Singapore (MAS), the RBA and the Singapore Department of Statistics. The GDP data is obtained from the Singapore Department of Statistics (2009), the EXR is obtained from RBA (2009a), while the MS (MAS, 2008a), IR (MAS, 2008b) and SVR (MAS, 2008c) data are obtained from the MAS. The GDP²⁰, MS²¹ and SVR²² are expressed in millions of Singaporean Dollars (SGD) and the IR²³ is expressed in percentage per annum.

The data for Thailand is obtained from the Bank of Thailand (BOT) and the Thailand National Economic and Social Development Board (NESDB). The GDP data is obtained

 20 The GDP data for Singapore is converted to millions of AUD in order to be consistent with the Australian GDP.

¹² The Chinese SVR refers to net savings data and is only available from 2000:Q1. The net savings data is originally expressed in monthly intervals and in 100s Yuan, mill. These data are converted to quarterly time intervals (as the values at the end of the period) and to billions of AUD in order to be consistent with the Australian SVR data.

¹³ The structural break in the EXR for France and Germany exists, due to the introduction of the Euro currency on January 1, 1999, when France's Franc and Germans' Mark were replaced by the common European currency Euro. Consequently, the EXR for these 2 countries is proxy by the Trade-Weighted Index (TWI). This proxy can be considered reliable, since according to the RBA (2009b), the European Euro is on the third highest position in the TWI table, where the total Australian trade weight with the European countries (which includes France and Germany) accounts for 11.65 per cent of the total Australian trade.

¹⁴ The GDP data for France and Germany is converted to millions of AUD in order to be consistent with the Australian GDP. Furthermore, as the EXR for Euro is not available before January 1999, the period between 1990:Q1 and 1998:Q4 is the EXR estimate only, which has been used for conversion of the France and German GDP to millions of AUD for this period. ¹⁵ The original MS data (M2) for Europe and Germany are represented in millions of AUD for this period.

¹⁵ The original MS data (M3) for France and Germany are expressed in millions of euro and are in monthly intervals. These data are converted to billions of AUD and to the quarterly time-series (as the values at the end of the period) in order to be consistent with the Australian MS data. Additionally, the MS data for these 2 countries correspond to the MS for the whole Euro Area and are available only from 1997:Q3, consequently the MS for period between 1990:Q1 and 1997:Q2, are again estimates only. The main reason why the whole Euro Area MS data for these 2 countries is used is due to the nature of the MS data for individual European countries (individual European countries (individual European countris) such data are considered not suitable since the log values cannot be taken from negative values. Due to this, the MS data for France and Germany used in this study are those for the whole Euro Area.

¹⁶ The IR data for France and Germany due to breakdowns in series, which are associated with the European Union integration, are proxy by the 10-year government bonds yield.

¹⁷ The France SVR are originally expressed in monthly intervals and in millions of euro; these data are converted to quarterly time intervals (as the values at the end of the period) and are converted to billions of AUD in order to be consistent with the Australian SVR data. ¹⁸ The Germany SVR are originally expressed in quarterly intervals and in billions of euro. These data are converted to AUD, bill. in order

¹⁸ The Germany SVR are originally expressed in quarterly intervals and in billions of euro. These data are converted to AUD, bill. in order to be consistent with the Australian SVR data.

¹⁹ The Malaysian GDP data is obtained from the DOSM on special request. This data is originally expressed in millions of Malaysian Ringgit, which is converted to millions of AUD in order to be consistent with the Australian GDP data.

 $^{^{21}}$ The original MS data (M3) for Singapore is expressed in millions of Singaporean Dollars, in monthly intervals and are available from 1991:Q1. This data is converted to billions of AUD, and to the quarterly time-series (as the values at the end of the period) in order to be consistent with the Australian MS data.

²² The Singaporean SVR is originally expressed in millions of Singaporean Dollars, in monthly intervals and are available from 1991:Q1 This data is converted to the quarterly time-series (as the values at the end of the period) and to billions of AUD in order to be consistent with the Australian SVR data.
²³ The IR data for Singapore is originally in monthly time-intervals, which are converted to quarterly time-series (as the values at the end of the period) and the series (as the values at the end of the period).

²³ The IR data for Singapore is originally in monthly time-intervals, which are converted to quarterly time-series (as the values at the end of the period) in order to be consistent with the Australian IR data.

from the NESDB (2008), while the EXR (BOT, 2008a), the MS (BOT, 2008b), the IR (BOT, 2007a) and the SVR (BOT, 2007b) data are all obtained from the BOT. The GDP²⁴, MS^{25} and SVR^{26} are expressed in millions of Thai baht and the IR^{27} are expressed in percentage per annum.

The data for the United Kingdom is obtained from the Bank of England (BOE), the OECD and the RBA. The GDP data is obtained from the OECD (2008a), the EXR from the RBA (2009a), the MS from the OECD (2008b), whilst the IR (BOE, 2009a) and SVR (BOE, 2009b) are obtained from the BOE. The GDP²⁸, MS²⁹ are expressed in billions of Pound Sterlingand SVR³⁰ is expressed in millions of Pound Sterling, while the IR is expressed in percentage per annum.

The data for the United States of America is obtained from the OECD, the RBA and the U.S. Board of Governors of the Federal Reserve System. The GDP data is obtained from the OECD (2008a), the EXR from the RBA (2009a), the MS from the OECD (2008b), whilst the IR (The U.S. Board of Governors of the Federal Reserve System, 2008a) and the SVR (The U.S. Board of Governors of the Federal Reserve System, 2008b) are obtained from the U.S. Board of Governors of the Federal Reserve System. The GDP³¹, MS³² are expressed in millions of U.S. dollars (USD) and SVR³³ are expressed in billions of USD, while the IR³⁴ are expressed in percentage per annum.

²⁴ The GDP data for Thailand is converted to millions of AUD, in order to be consistent with the Australian GDP, while Thailand's GDP data is available from 1993:Q1.

 $^{^{25}}$ The original MS data (M3) for Thailand is expressed in millions of Thai baht and are in monthly intervals. This data is converted to billions of AUD, and to the quarterly time-series (as the values at the end of the period) in order to be consistent with the Australian MS data.

²⁶ Thailand's SVR is originally expressed in millions of Thai baht, in quarterly time intervals and are available from 1992:Q4. This data is converted to millions of AUD, in order to be consistent with the Australian SVR data.

²⁷ The IR data for Thailand is originally in monthly time-intervals, which are converted to quarterly time-series (as the values at the end of the period) in order to be consistent with the Australian IR data.

²⁸ The GDP data for the United Kingdom is converted to millions of AUD, in order to be consistent with the Australian GDP.

²⁹ The original MS data (M3) for the United Kingdom is converted to billions of AUD, in order to be consistent with the Australian MS data.
³⁰ The United Kingdom's SVR is converted to billions of AUD, in order to be consistent with the Australian SVR data.

³¹ The GDP data for the United States of America is converted to millions of AUD, in order to be consistent with the Australian GDP.

³² The original MS data (M3) for The United States of America is converted to billions of AUD in order to be consistent with the Australian MS data. Furthermore, this data is only available until 2005:Q4 as the Board of Federal Reserve System has ceased the publication of the 'M3' and its components for The United States of America on March 23, 2006. For more information visit: http://www.federalreserve.gov/releases/h6/discm3.htm

³³ The United States of America's SVR is originally in monthly time-intervals, which are converted to quarterly time-series (as an average of the corresponding 3 months period) and to billions of AUD, in order to be consistent with the Australian SVR data.

³⁴ The IR data for The United States of America is originally in monthly time-intervals, which is converted to quarterly time-series (as the values at the end of the period) in order to be consistent with the Australian IR data.

V. EMPIRICAL FINDINGS

Table 1 shows the NX models that will be estimated in this section. This table consists of 29 NX models, however, as each of these models are estimated based on AUD and QTY values, the NX models estimated in this study are 58 in total. Tables 2-5 shows all 58 NX models estimated, which includes the estimated coefficients, corresponding t-ratios and diagnostic tests results.

Table 1: NET EXPORT – ESTIMATED MODELS (AUD & QTY)

HS-2										
AUSTRALIA -	30	84	85	87						
China	Yes (n=28) ^j	Yes (n=28) ^j	Yes (n=28) ^j	Yes (n=28) ^j						
France	Yes (n=68) ^a	Yes (n=68) *	Yes (n=68) *	Yes (n=42) ^g						
Germany	Yes (n=68) ^a	Yes (n=68) ^a	Yes (n=68) ^a	Yes (n=68) ^a						
Malaysia	No	Yes (n=68) *	Yes (n=68) *	Yes (n=68) ^a						
Singapore	No	Yes (n=64) ^b	Yes (n=64) ^b	Yes (n=64) ^b						
Thailand	No	Yes (n=56) ^d	Yes (n=56) ^d	Yes (n=56) ^d						
United Kingdom	Yes (n=68) ^a	Yes (n=68) ^a	Yes (n=68) ^a	Yes (n=68) ^a						
United States of America	Yes (n=64) ^c	Yes (n=64) °	Yes (n=64) ^c	Yes (n=64) ^c						

^a 1990;Q1 - 2006;Q4; ^b 1991;Q1 - 2006;Q4; ^c 1990;Q1 - 2005;Q4; ^d 1993;Q1 - 2006;Q4; ^g 1996;Q3 - 2006;Q4; ^j 2000;Q1 - 2006;Q4; ^d 1993;Q1 - 2006;Q4; ^b 1990;Q3 - 2006;Q4; ^j 2000;Q1 - 2006;Q1 - 2

Table 2 (Part A): NET EXPORT MODELS – CATEGORY 30* (AUD & QTY)	T MODELS – CATEGORY 30* (AUD & OTY)
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			AUSTR	RALIA - CH	INA		
AUD	DEPENDENT	VARIABLE: A	(LnX/M)				
	Coefficient	t-ratio		Diag	gnostic Results		Note:
Constant	3.092	0.917	\mathbf{R}^2	0.107	LMT F(2,19)	0.716	
LnGDP	0.119	0.329	Adj. R ²	0.106	LMT F(Prob.)	0.502	
Δ(LnEXR)	-8.877	-0.890	F(5,21)	0.5***	BPGT F(5,21)	1.434	
Δ(LnMS)	-8.004	-0.802	F(Prob.)	0.072	BPGT F(Prob.)	0.253	-Incorrect sign for GDP;
Δ(LnIR)	-1.037	-1.052***	DW	2.277	RESET F(1,20)	0.364	IŘ.
LnSVR	0.590	1.007***	AIC	2.090	RESET F(Prob.)	0.553	
			SC	2.378	JBT $\chi^2(2)$	0.256	
			LL	-22.22	JBT χ^2 (Prob.)	0.880	
QTY	DEPENDENT	VARIABLE: L	nX/M	•			
	Coefficient	t-ratio		Dia	gnostic Results		Note:
Constant	8.980	1.525***	R ²	0.294	LMT F(2,19)	1.302	
Δ(LnGDP)	-0.447	-0.707	Adj. R ²	0.126	LMT F(Prob.)	0.295	
Δ(LnEXR)	-46.873	-2.691**	F(5,21)	1.8***	BPGT F(5,21)	1.489	
Δ(LnMS)	-44.979	-2.581**	F(Prob.)	0.067	BPGT F(Prob.)	0.236	
Δ(LnIR)	2.354	1.368***	DW	1.362	RESET F(1,20)	0.513	
LnSVR	1.792	1.752***	AIC	3.205	RESET F(Prob.)	0.482	
			SC	3.492	JBT χ^2 (2)	0.151	
			LL	-37.261	JBT χ ² (Prob.)	0.927	
			AUSTR	ALIA - FRA	NCE		
AUD	DEPENDENT	VARIABLE: L	nX/M				
	Coefficient	t-ratio		Diag	gnostic Results		Note:
Constant	3.351	0.510	\mathbf{R}^2	0.555	LMT F(2,57)	1.090	
Δ(LnGDP)	1.056	0.940	Adj. R ²	0.510	LMT F(Prob.)	0.343	
Δ(LnEXR)	-0.768	-0.271	F(6,59)	12.28*	BPGT F(5,60)	0.679	-Residuals are not
LnMS	2.155	0.930	F(Prob.)	0.000	BPGT F(Prob.)	0.641	normally distributed.
Δ(LnIR)	0.219	0.123	DW	1.835	RESET F(1,58)	0.749	-Incorrect sign for GDP;
LnSVR	-0.010	-0.612	AIC	2.668	RESET F(Prob.)	0.391	MS; SVR.
AR(1)	0.726	8.387*	SC	2.900	JBT $\chi^2(2)$	19.272*	
			LL	-81.040	JBT χ ² (Prob.)	0.000	
QTY	DEPENDENT	VARIABLE: L	nX/M				
	Coefficient	t-ratio			gnostic Results		Note:
Constant	7.104	1.129***	\mathbf{R}^2	0.356	LMT F(2,57)	2.148	
Δ(LnGDP)	16.080	4.611*	Adj. R ²	0.291	LMT F(Prob.)	0.126	
Δ(LnEXR)	-3.779	-0.466	F(6,59)	5.447*	BPGT F(5,60)	0.269	-Model is mis-specified
LnMS	3.683	1.663***	F(Prob.)	0.000	BPGT F(Prob.)	0.929	-Incorrect sign for GDP
Δ(LnIR)	4.772	0.998	DW	2.137	RESET F(1,58)	7.238*	MS; ŠVR.
LnSVR	-0.051	-1.199***	AIC	4.521	RESET F(Prob.)	0.009	
AR(1)	0.334	2.775*	SC	4.753	JBT $\chi^2(2)$	2.673	
			LL	-142.2	JBT χ ² (Prob.)	0.263	

* Pharmaceutical Products

*DW – Durbin-Watson Statistics; AIS – Akaike Info Criterion; SC – Schwartz Criterion; LL – Log Likelihood; LMT – Lagrange Multiplier (Breusch-Godfrey) Test for Serial Correlation; BPGT – Breusch-Pagan-Godfrey Test for Heteroskedasticity; RESET – Ramsey RESET Test for Model Specification; JBT – Jarques-Bera Test for normality of the residuals; * significant at the 1%, ** significance at 5%, ***significance at 10%*

			AUSTRA	LIA - GERM	MANY		
AUD	DEPENDENT	VARIABLE: A					
	Coefficient	t-ratio		Diag	nostic Results		Note:
Constant	0.181	0.236	\mathbf{R}^2	0.176	LMT F(2,57)	2.349	
Δ(LnGDP)	-1.952	-1.359***	Adj. R ²	0.093	LMT F(Prob.)	0.105	
A(LnEXR)	-2.339	-1.121***	F(6,59)	2.1***	BPGT F(5,60)	0.911	
	-0.047	-0.171	F(Prob.)	0.066	BPGT F(Prob.)	0.480	
Δ(LnIR)	0.484	0.452	DW	2.177	RESET F(1,58)	0.430	
A(LnSVR)	0.004	0.479	AIC	1.950	RESET F(Prob.)	0.382	
AR(1)	-0.359	-2.863*	SC	2.182	JBT $\chi^2(2)$	0.246	
			LL	-57.36	JBT χ ² (Prob.)	0.884	
QTY	DEPENDENT	VARIABLE: L	nX/M				
	Coefficient	t-ratio		Diag	gnostic Results		Note:
Constant	16.455	3.004*	\mathbb{R}^2	0.288	LMT F(2,57)	2.91***	
Δ(LnGDP)	3.490	0.842	Adj. R ²	0.215	LMT F(Prob.)	0.063	-Residuals are serially
Δ(LnEXR)	-3.052	-0.334	F(6,59)	3.973*	BPGT F(5,60)	4.104*	correlated.
LnMS	5.971	3.050*	F(Prob.)	0.002	BPGT F(Prob.)	0.003	-Residuals are
Δ(LnIR)	0.502	0.092	DW	2.086	RESET F(1,58)	0.005	Heteroscedastic.
							-Incorrect sign for GDP
Δ(LnSVR)	-0.064	-1.693***	AIC	4.699	RESET F(Prob.)	0.793	
AR(1)	0.227	1.806***	SC	4.931	JBT $\chi^2(2)$	0.235	MS; SVR.
			LL	-148.18	JBT χ ² (Prob.)	0.889	
			AUSTRALIA	- UNITED F	KINGDOM		
AUD	DEPENDENT	VARIABLE: L	nX/M				
	Coefficient	t-ratio		Diag	gnostic Results		Note:
Constant	-1.573	-16.986*	\mathbf{R}^2	0.455	LMT F(1,58)	0.014	
Δ(LnGDP)	0.392	0.875	Adj. R ²	0.400	LMT F(Prob.)	0.905	
Δ(LnEXR)	0.651	0.407	F(6.59)	8.213*		1.094	
			(1)11		BPGT F(5,60)		I COD
Δ(LnMS)	1.014	0.626	F(Prob.)	0.000	BPGT F(Prob.)	0.373	-Incorrect sign for GDP
Δ(LnIR)	-0.161	-0.324	DW	1.908	RESET F(1,58)	1.551	EXR; MS; IR; SVR.
LnSVR	-0.001	-0.184	AIC	0.187	RESET F(Prob.)	0.218	
AR(1)	0.651	6.569*	SC	0.420	JBT χ^2 (2)	2.139	
			LL	0.820	JBT χ ² (Prob.)	0.343	
QTY	DEPENDENT	VARIABLE: L	nX/M				
-	Coefficient	t-ratio		Diac	gnostic Results		Note:
Constant	2.676	3.899*	\mathbb{R}^2	0.303	LMT F(1,58)	5.409**	110101
Δ(LnGDP)	1.728	0.320	Adj. R ²	0.232	LMT F(Prob.)	0.024	
	21.934	1.169***		4.281*		0.024	-Residuals are serially
A(LnEXR)			F(6,59)		BPGT F(5,60)		correlated.
Δ(LnMS)	32.546	1.714***	F(Prob.)	0.001	BPGT F(Prob.)	0.466	-Model is mis-specified
Δ(LnIR)	-8.476	-1.499***	DW	2.176	RESET F(1,58)	4.057**	-Incorrect sign for GDP
LnSVR	-0.100	-2.030**	AIC	4.946	RESET F(Prob.)		
AR(1)	0.467	4.001*	0.0			0.049	
	0.407	4.021*	SC	5.178		1.351	EXR; MS; IR; SVR.
(-)	0.407	4.021*	SC LL	5.178 -156.22	$\frac{\text{JBT } \chi^2 (2)}{\text{JBT } \chi^2 (\text{Prob.})}$		
(-)	0.407	4.021*	LL	-156.22	JBT χ ² (2) JBT χ ² (Prob.)	1.351	
			LL AUSTRALIA	-156.22	JBT χ ² (2) JBT χ ² (Prob.)	1.351	
AUD	DEPENDENT	VARIABLE: L	LL AUSTRALIA	-156.22 A - UNITED	$\frac{\text{JBT }\chi^2(2)}{\text{JBT }\chi^2 \text{ (Prob.)}}$ STATES	1.351	EXR; MS; IR; SVR.
AUD	DEPENDENT Coefficient	VARIABLE: L t-ratio	LL AUSTRALIA nX/M	-156.22 A - UNITED Diag	$\frac{\text{JBT }\chi^{2}(2)}{\text{JBT }\chi^{2} \text{ (Prob.)}}$ STATES gnostic Results	1.351 0.509	
AUD Constant	DEPENDENT Coefficient -1.505	VARIABLE: L t-ratio -8.414*	LL AUSTRALIA nX/M R ²	-156.22 A - UNITED Diag 0.501	JBT χ ² (2) JBT χ ² (Prob.) STATES gnostic Results LMT F(2,53)	1.351 0.509 4.164**	EXR; MS; IR; SVR.
AUD Constant A(LnGDP)	DEPENDENT Coefficient -1.505 2.068	VARIABLE: L t-ratio -8.414* 2.307**	LL AUSTRALIA nX/M R ² Adj. R ²	-156.22 A - UNITED Diag 0.501 0.447	JBT χ ² (2) JBT χ ² (Prob.) STATES mostic Results LMT F(2,53) LMT F(Prob.)	1.351 0.509 4.164** 0.021	EXR; MS; IR; SVR.
AUD Constant Δ(LnGDP) Δ(LnEXR)	DEPENDENT Coefficient -1.505 2.068 2.718	VARIABLE: L t-ratio -8.414* 2.307** 0.722	LL AUSTRALIA nX/M R ² Adj. R ² F(6,55)	-156.22 Diag 0.501 0.447 9.220*	JBT χ ² (2) JBT χ ² (Prob.) STATES mostic Results LMT F(2,53) LMT F(Prob.) BPGT F(5,56)	1.351 0.509 4.164** 0.021 0.416	EXR; MS; IR; SVR. Note: -Residuals are serially
AUD Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS)	DEPENDENT Coefficient -1.505 2.068 2.718 0.014	VARIABLE: L t-ratio -8.414* 2.307** 0.722 0.004	LL AUSTRALIA nX/M R ² Adj. R ² F(6,55) F(Prob.)	-156.22 A - UNITED Diag 0.501 0.447 9.220* 0.000	JBT χ ² (2) JBT χ ² (Prob.) STATES mostic Results LMT F(2,53) LMT F(Prob.) BPGT F(5,56) BPGT F(Prob.)	1.351 0.509 4.164** 0.021 0.416 0.836	EXR; MS; IR; SVR. Note: -Residuals are serially correlated.
	DEPENDENT Coefficient -1.505 2.068 2.718	VARIABLE: L t-ratio -8.414* 2.307** 0.722	LL AUSTRALIA nX/M R ² Adj. R ² F(6,55)	-156.22 Diag 0.501 0.447 9.220*	JBT χ ² (2) JBT χ ² (Prob.) STATES mostic Results LMT F(2,53) LMT F(Prob.) BPGT F(5,56)	1.351 0.509 4.164** 0.021 0.416	EXR; MS; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified
AUD Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS)	DEPENDENT Coefficient -1.505 2.068 2.718 0.014	VARIABLE: L t-ratio -8.414* 2.307** 0.722 0.004	LL AUSTRALIA nX/M R ² Adj. R ² F(6,55) F(Prob.)	-156.22 A - UNITED Diag 0.501 0.447 9.220* 0.000	JBT χ ² (2) JBT χ ² (Prob.) STATES mostic Results LMT F(2,53) LMT F(Prob.) BPGT F(5,56) BPGT F(Prob.)	1.351 0.509 4.164** 0.021 0.416 0.836	EXR; MS; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified -Incorrect sign for GDP
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnMS)$ $\Delta(LnIR)$ LnSVR	DEPENDENT Coefficient -1.505 2.068 2.718 0.014 0.126	VARIABLE: L t-ratio -8.414* 2.307** 0.722 0.004 0.120	LL AUSTRALIA nX/M R ² Adj. R ² F(6,55) F(Prob.) DW	-156.22 Diag 0.501 0.447 9.220* 0.000 2.390	JBT χ² (2) JBT χ² (Prob.) STATES mostic Results LMT F(2,53) LMT F(Prob.) BPGT F(5,56) BPGT F(Prob.) RESET F(1,54) RESET F(Prob.)	1.351 0.509 4.164** 0.021 0.416 0.836 4.997**	EXR; MS; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnMS)$ $\Delta(LnIR)$ LnSVR	DEPENDENT Coefficient -1.505 2.068 2.718 0.014 0.126 0.012	VARIABLE: L t-ratio -8.414* 2.307** 0.722 0.004 0.120 1.388***	LL AUSTRALIA nX/M R ² Adj. R ² F(6,55) F(Prob.) DW AIC SC	-156.22 Diag 0.501 0.447 9.220* 0.000 2.390 1.447 1.687	JBT χ² (2) JBT χ² (Prob.) STATES cnostic Results LMT F(2,53) LMT F(Prob.) BPGT F(5,56) BPGT F(7rob.) RESET F(1,54) RESET F(Prob.) JBT χ² (2)	1.351 0.509 4.164** 0.021 0.416 0.836 4.997** 0.030	EXR; MS; IR; SVR. Note: -Residuals are serially correlatedModel is mis-specifiedIncorrect sign for GDP;
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnIR)$ LnSVR AR(1)	DEPENDENT Coefficient -1.505 2.068 2.718 0.014 0.126 0.012 0.635	VARIABLE: L t-ratio -8.414* 2.307** 0.722 0.004 0.120 1.388*** 6.135*	LL AUSTRALI/ nX/M R ² Adj. R ² F(6,55) F(Prob.) DW AIC SC LL	-156.22 Diag 0.501 0.447 9.220* 0.000 2.390 1.447	JBT χ² (2) JBT χ² (Prob.) STATES mostic Results LMT F(2,53) LMT F(Prob.) BPGT F(5,56) BPGT F(Prob.) RESET F(1,54) RESET F(Prob.)	1.351 0.509 4.164** 0.021 0.416 0.836 4.997** 0.030 2.127	EXR; MS; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified -Incorrect sign for GDP
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnMS)$ $\Delta(LnIR)$ LnSVR	DEPENDENT Coefficient -1.505 2.068 2.718 0.014 0.126 0.012 0.635 DEPENDENT	VARIABLE: L t-ratio -8.414* 2.307** 0.722 0.004 0.120 1.388*** 6.135* VARIABLE: Δ	LL AUSTRALI/ nX/M R ² Adj. R ² F(6,55) F(Prob.) DW AIC SC LL	-156.22 Diag 0.501 0.447 9.220* 0.000 2.390 1.447 1.687 -37.84	JBT χ² (2) JBT χ² (Prob.) STATES mostic Results LMT F(2,53) LMT F(2,53) LMT F(7rob.) BPGT F(5,56) BPGT F(7rob.) RESET F(1,54) RESET F(1,54) JBT χ² (2) JBT χ² (Prob.)	1.351 0.509 4.164** 0.021 0.416 0.836 4.997** 0.030 2.127	EXR; MS; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified -Incorrect sign for GDP EXR; MS.
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnIR)$ $\Delta(LnIR)$ LnSVR AR(1) QTY	DEPENDENT Coefficient -1.505 2.068 2.718 0.014 0.126 0.012 0.635 DEPENDENT Coefficient	VARIABLE: L t-ratio -8.414* 2.307** 0.722 0.004 0.120 1.388*** 6.135* VARIABLE: A t-ratio	LL AUSTRALI/ nX/M R ² Adj. R ² F(6,55) F(Prob.) DW AIC SC LL LL L(nX/M)	-156.22 Diag 0.501 0.447 9.220* 0.000 2.390 1.447 1.687 -37.84 Diag	$\frac{\text{JBT } \chi^2 (2)}{\text{JBT } \chi^2 (\text{Prob.})}$ STATES nostic Results LMT F(2,53) LMT F(Prob.) BPGT F(5,56) BPGT F(5,56) BPGT F(Prob.) RESET F(1,54) RESET F(Prob.) JBT $\chi^2 (2)$ JBT $\chi^2 (\text{Prob.})$ gnostic Results	1.351 0.509 4.164** 0.021 0.416 0.836 4.997** 0.030 2.127 0.345	EXR; MS; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified -Incorrect sign for GDP
AUD Constant A(LnGDP) A(LnEXR) A(LnMS) A(LnIR) LnSVR AR(1) QTY Constant	DEPENDENT Coefficient -1.505 2.068 2.718 0.014 0.126 0.012 0.635 DEPENDENT Coefficient 0.010	VARIABLE: L t-ratio -8.414* 2.307** 0.722 0.004 0.120 1.388*** 6.135* VARIABLE: A t-ratio 0.126	LL AUSTRALIA nX/M R ² Adj. R ² F(6,55) F(Prob.) DW AIC SC LL LL LL LL LL LL LL R ²	-156.22 Diag 0.501 0.447 9.220* 0.000 2.390 1.447 1.687 -37.84 Diag 0.262	JBT χ² (2) JBT χ² (Prob.) STATES mostic Results LMT F(2,53) LMT F(Prob.) BPGT F(5,56) BPGT F(1,54) RESET F(1,54) RESET F(1,54) JBT χ² (2)	1.351 0.509 4.164** 0.021 0.416 0.836 4.997** 0.030 2.127 0.345 2.311	EXR; MS; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified -Incorrect sign for GDP EXR; MS.
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnIR)$ LnSVR AR(1) QTY Constant $\Delta(LnGDP)$	DEPENDENT Coefficient -1.505 2.068 2.718 0.014 0.126 0.012 0.635 DEPENDENT Coefficient 0.010 -4.138	VARIABLE: L t-ratio -8.414* 2.307** 0.722 0.004 0.120 1.388*** 6.135* VARIABLE: A t-ratio 0.126 -2.440*	LL AUSTRALI/ nX/M R ² Adj. R ² F(6,55) F(Prob.) DW AIC SC LL LL LL LL LR X/M R ² Adj. R ²	-156.22 Diag 0.501 0.447 9.220* 0.000 2.390 1.447 1.687 -37.84 Diag 0.262 0.198	JBT χ² (2) JBT χ² (Prob.) STATES mostic Results LMT F(2,53) LMT F(Prob.) BPGT F(S,56) BPGT F(1,54) RESET F(1,54) RESET F(1,54) JBT χ² (2) LMT F(2,55) LMT F(Prob.)	1.351 0.509 4.164** 0.021 0.416 0.836 4.997** 0.030 2.127 0.345 2.311 0.109	EXR; MS; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified -Incorrect sign for GDP EXR; MS.
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnIR)$ LnSVR AR(1) QTY Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$	DEPENDENT Coefficient -1.505 2.068 2.718 0.014 0.126 0.635 DEPENDENT Coefficient 0.010 -4.138 -12.105	VARIABLE: L t-ratio -8.414* 2.307** 0.722 0.004 0.120 1.388*** 6.135* VARIABLE: A t-ratio 0.126 -2.440* -2.009**	LL AUSTRALI/ nX/M R ² Adj. R ² F(6,55) F(Prob.) DW AIC SC LL LL LnX/M) R ² Adj. R ² F(5,57)	-156.22 Diag 0.501 0.447 9.220* 0.000 2.390 1.447 1.687 -37.84 Diag 0.262 0.198 4.053*	$JBT \chi^{2} (2)$ $JBT \chi^{2} (Prob.)$ STATES mostic Results LMT F(2,53) LMT F(Prob.) BPGT F(5,56) BPGT F(7rob.) RESET F(1,54) RESET F(1,54) RESET F(2,54) JBT \chi^{2} (2) JBT \chi^{2} (2) JBT \chi^{2} (2) JBT \chi^{2} (2) JBT \chi^{2} (7rob.) EMT F(2,55) LMT F(Prob.) BPGT F(5,57)	1.351 0.509 4.164** 0.021 0.416 0.836 4.997** 0.030 2.127 0.345 2.311 0.109 0.578	EXR; MS; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified -Incorrect sign for GDP EXR; MS.
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnMS)$ $\Delta(LnIR)$ LnSVR AR(1) QTY Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$	DEPENDENT Coefficient -1.505 2.068 2.718 0.014 0.126 0.012 0.635 DEPENDENT Coefficient 0.010 -4.138 -12.105 -4.125	VARIABLE: L t-ratio -8.414* 2.307** 0.722 0.004 0.120 1.388*** 6.135* VARIABLE: A t-ratio 0.126 -2.440* -2.009** -0.731	LL AUSTRALI/ nX/M R ² Adj. R ² F(6,55) F(Prob.) DW AIC SC LL LL LL LL LR X/M R ² Adj. R ²	-156.22 Diag 0.501 0.447 9.220* 0.000 2.390 1.447 1.687 -37.84 Diag 0.262 0.198	JBT χ² (2) JBT χ² (Prob.) STATES mostic Results LMT F(2,53) LMT F(Prob.) BPGT F(S,56) BPGT F(1,54) RESET F(1,54) RESET F(1,54) JBT χ² (2) LMT F(2,55) LMT F(Prob.)	1.351 0.509 4.164** 0.021 0.416 0.836 4.997** 0.030 2.127 0.345 2.311 0.109	EXR; MS; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified -Incorrect sign for GDP EXR; MS.
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnIR)$ LnSVR AR(1) QTY Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnMS)$	DEPENDENT Coefficient -1.505 2.068 2.718 0.014 0.126 0.635 DEPENDENT Coefficient 0.010 -4.138 -12.105	VARIABLE: L t-ratio -8.414* 2.307** 0.722 0.004 0.120 1.388*** 6.135* VARIABLE: A t-ratio 0.126 -2.440* -2.009**	LL AUSTRALI/ nX/M R ² Adj. R ² F(6,55) F(Prob.) DW AIC SC LL LL LnX/M) R ² Adj. R ² F(5,57)	-156.22 Diag 0.501 0.447 9.220* 0.000 2.390 1.447 1.687 -37.84 Diag 0.262 0.198 4.053*	$JBT \chi^{2} (2)$ $JBT \chi^{2} (Prob.)$ STATES mostic Results LMT F(2,53) LMT F(Prob.) BPGT F(5,56) BPGT F(7rob.) RESET F(1,54) RESET F(1,54) RESET F(2,54) JBT \chi^{2} (2) JBT \chi^{2} (2) JBT \chi^{2} (2) JBT \chi^{2} (2) JBT \chi^{2} (7rob.) EMT F(2,55) LMT F(Prob.) BPGT F(5,57)	1.351 0.509 4.164** 0.021 0.416 0.836 4.997** 0.030 2.127 0.345 2.311 0.109 0.578	EXR; MS; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified -Incorrect sign for GDP EXR; MS.
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnIR)$ LnSVR AR(1) QTY Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnIR)$	DEPENDENT Coefficient -1.505 2.068 2.718 0.014 0.126 0.012 0.635 DEPENDENT Coefficient 0.010 -4.138 -12.105 -4.125	VARIABLE: L t-ratio -8.414* 2.307** 0.722 0.004 0.120 1.388*** 6.135* VARIABLE: A t-ratio 0.126 -2.440* -2.009** -0.731	LL AUSTRALI/ nX/M R ² Adj. R ² F(6,55) F(Prob.) DW AIC SC LL LnX/M) R ² Adj. R ² F(5,57) F(Prob.)	-156.22 Diag 0.501 0.447 9.220* 0.000 2.390 1.447 1.687 -37.84 Diag 0.262 0.198 4.053* 0.003	$\frac{\text{JBT } \chi^2 (2)}{\text{JBT } \chi^2 (2 \text{ (Prob.)})}$ STATES mostic Results $\frac{\text{LMT } F(2,53)}{\text{LMT } F(Prob.)}$ BPGT $F(5,56)$ BPGT $F(Prob.)$ RESET $F(1,54)$ RESET $F(1,54)$ RESET $f(2,55)$ $\frac{\text{JBT } \chi^2 (2)}{\text{JBT } \chi^2 (Prob.)}$ mostic Results $\frac{\text{LMT } F(2,55)}{\text{LMT } F(2,55)}$ $\frac{\text{LMT } F(2,55)}{\text{LMT } F(Prob.)}$ BPGT $F(5,57)$ BPGT $F(5,57)$	1.351 0.509 4.164** 0.021 0.416 0.836 4.997** 0.030 2.127 0.345 2.311 0.109 0.578 0.716	EXR; MS; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified -Incorrect sign for GDP EXR; MS.
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnIR)$ LnSVR AR(1) QTY Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$	DEPENDENT Coefficient -1.505 2.068 2.718 0.014 0.126 0.012 0.635 DEPENDENT Coefficient 0.010 -4.138 -12.105 -4.125 0.951	VARIABLE: L t-ratio -8.414* 2.307** 0.722 0.004 0.120 1.388*** 6.135* VARIABLE: A t-ratio 0.126 -2.440* -2.009** -0.731 0.742	LL AUSTRALI/ nX/M R ² Adj. R ² F(6,55) F(Prob.) DW AIC SC LL LnX/M) R ² R ² Adj. R ² F(5,57) F(Prob.) DW	-156.22 Diag 0.501 0.447 9.220* 0.000 2.390 1.447 1.687 -37.84 Diag 0.262 0.198 4.053* 0.003 2.409	$JBT \chi^{2} (2)$ $JBT \chi^{2} (Prob.)$ STATES mostic Results $LMT F(2,53)$ $LMT F(2,53)$ $BPGT F(5,56)$ $BPGT F(7rob.)$ $RESET F(1,54)$ $RESET F(1,754)$ $RESET F(2,55)$ $LMT F(2,55)$ $LMT F(2,55)$ $LMT F(2,55)$ $BPGT F(5,57)$ $BPGT F(5,57)$	1.351 0.509 4.164** 0.021 0.416 0.836 4.997** 0.030 2.127 0.345 2.311 0.109 0.578 0.716 0.175	EXR; MS; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified. -Incorrect sign for GDP; EXR; MS.

Table 2 (Continued - Part B): NET EXPORT MODELS - CATEGORY 30* (AUD & QTY)

* Pharmaceutical Products

DW – Durbin-Watson Statistics; AIS – Akaike Info Criterion; SC – Schwartz Criterion; LL – Log Likelihood; LMT – Lagrange Multiplier (Breusch-Godfrey) Test for Serial Correlation; BPGT – Breusch-Pagan-Godfrey Test for Heteroskedasticity; RESET – Ramsey RESET Test for Model Specification; JBT – Jarques-Bera Test for normality of the residuals; * significant at the 1%, ** significance at 5%, ***significance at 10% As shown in Table 2, all 10 NX models in Category 30 are significant. Additionally, in most of the estimated models, the variable SVR is significant, while the variables GDP, EXR, MS and IR are mostly not significant.

The variables GDP and EXR are significant in 4 out of the 10 models, the variables MS and IR are significant in 3 out of the 10 models and the SVR is significant in 7 out of the 10 models. The correct coefficient signs for all the GDP, EXR, MS, IR and SVR are found in 3 out of the 10 models (1 based on AUD and 2 based on QTY), while for these 3 models, the coefficients range for the GDP, EXR, MS, IR and SVR is between (-0.447 and -4.138), (-2.339 and -46.873), (-0.047 and -44.979), (0.484 and 2.354) and (0.004 and 1.792) respectively. Finally, the overall Adj. R-Square for all 10 models in this category ranges between 9.3 and 51 per cent respectively.

In overall, out of the 10 estimated models in this category, 3 models (the NX with Germany based on AUD; the NX with China and The United States of America based on QTY) have the correct signs and have satisfactory passed all diagnostic tests. The NX model with China shows that a 1 per cent growth rate in the GDP, EXR and MS will decrease the NX by 0.447, 46.873 and 44.979 per cent respectively; a 1 per cent growth rate in the IR will increase the NX by 2.354 per cent, on average, while a 1 per cent increase in the SVR will increase the NX by 1.792 per cent. The NX model with the United States of America shows that a 1 per cent growth rate in the GDP, EXR and MS will decrease the NX growth rate by 4.138, 12.105 and 4.125 per cent respectively, while 1 per cent growth rate in the IR and SVR will increase the NX growth rate on average by 0.951 and 0.017 per cent respectively. The NX model with Germany shows that a 1 per cent growth rate in the GDP and EXR will decrease the NX growth rate by 1.952 and 2.339 per cent respectively; a 1 per cent increase in MS will decrease the NX growth rate by 0.047 per cent, while a 1 per cent growth rate in the IR and SVR will increase the NX growth rate on average by 0.484 and 0.004 per cent respectively. For all of these 3 models, the variables GDP, EXR and MS are mostly elastic, while the variable IR and MS are mostly inelastic. Finally, the Adj. R-Square for China, the United States of America and Germany is 12.6, 19.8 and 9.3 per cent respectively.

			AUSTE	RALIA - CH	INA		
AUD	DEPENDENT	VARIABLE: A	(LnX/M)				
	Coefficient	t-ratio		Dia	gnostic Results		Note:
Constant	-0.716	-0.736	R ²	0.470	LMT F(2,17)	0.469	
LnGDP	-0.030	-0.247	Adj. R ²	0.303	LMT F(Prob.)	0.634	
Δ(LnEXR)	-2.671	-0.737	F(6,19)	2.81**	BPGT F(5,20)	0.584	
Δ(LnMS)	-3.570	-1.013***	F(Prob.)	0.039	BPGT F(Prob.)	0.712	
Δ(LnIR)	0.296	1.052***	DW	2.219	RESET F(1,18)	0.143	
LnSVR	0.120	0.741	AIC	-0.064	RESET F(Prob.)	0.710	
AR(1)	-0.553	-3.132*	SC	0.275	JBT χ^2 (2)	1.880	
			LL	7.828	JBT χ ² (Prob.)	0.391	
QTY	DEPENDENT	VARIABLE: A	(LnX/M)				
	Coefficient	t-ratio		Dia	gnostic Results		Note:
Constant	-1.860	-0.559	R ²	0.404	LMT F(2,17)	0.482	
LnGDP	-0.017	-0.040	Adj. R ²	0.216	LMT F(Prob.)	0.626	
Δ(LnEXR)	-6.353	-0.536	F(6,19)	2.2***	BPGT F(5,20)	0.947	
Δ(LnMS)	-8.905	-0.757	F(Prob.)	0.095	BPGT F(Prob.)	0.473	
A(LnIR)	0.192	0.193	DW	1.639	RESET F(1,18)	0.407	
LnSVR	0.368	0.661	AIC	2.487	RESET F(Prob.)	0.532	
AR(1)	-0.634	-3.185*	SC	2.825	JBT χ^2 (2)	0.197	
			LL	-25.326	JBT γ^2 (Prob.)	0.906	

Table 3 (Part A): NET EXPORT MODELS – CATEGORY 84*	(AUD & OTY)
	(· · · · · · · · · · · · · · · · · · ·

*Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts Thereof

DW – Durbin-Watson Statistics; AIS – Akaike Info Criterion; SC – Schwartz Criterion; LL – Log Likelihood; LMT – Lagrange Multiplier (Breusch-Godfrey) Test for Serial Correlation; BPGT – Breusch-Pagan-Godfrey Test for Heteroskedasticity; RESET – Ramsey RESET Test for Model Specification; JBT – Jarques-Bera Test for normality of the residuals; * significant at the 1%, ** significance at 5%, ***significance at 10%

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$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	1	Coofficient	t ratio	I	Die	mostic Docults		Note:
	stant			\mathbf{R}^2			2.54***	Note.
ALLEXR) 2.2417 -1.35^{1***} $F(c, Sp)$ 2.26^{**} BPGT F(S, 60) 0 LnMS -0.263 -0.556 F(Prob.) 0.000 BPGT F(Prob.) 0 ALIAR -0.228 -0.216 DW 2.151 RESET F(Prob.) 0 AR(1) 0.312 2.479^{**} SC 1.727 JBT χ^2 (2) 1SX AR(1) 0.312 2.479^{**} SC 1.727 JBT χ^2 (2) ISX QTY DEPENDENT VARIABLE: LaXM $UL = -42.399$ JBT χ^2 (2) 1.53 Coefficient t-ratio Diagnostic Results $O.003$ Interpreting (2, 5, 6, 6, 9) 1.13 ALaGDP) -0.240 -0.135 Adj, R ² 0.203 LMT F(2, S7) 1.04 ALLarGDP) -0.240 -0.135 Adj, R ² 0.203 LMT F(2, S7) 1.04 ALBAN 0.104 0.312 ALGT 3.379^* BPGT F(7, 56, 0) 0.312 LaMS 0.165 <							0.088	-Residuals are serially
							0.485	correlated.
							0.485	-Model is mis-specified
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$				· · · /			5.987**	 Residuals are not
AR(1) 0.312 2.479** SC 1.729 JBT χ^2 (Prob.) 18.5 QTY DEPENDENT VARIABLE: LAXM -42.399 JBT χ^2 (Prob.) 0 Constant -3.798 -0.797 R ² 0.279 LMT F(2,57) 1 A(LaGDP) -0.240 -0.135 Adj. R ² 0.205 LMT F(Prob.) 0 A(LaGXDP) -0.015 -0.003 F(6,59) 3.797* BPCT F(5,60) 1 LmNS 0.151 0.090 F(Prob.) 0.03 BRCT F(Prob.) 0 A(LaIR) 0.611 0.230 DW 2.211 RESET F(1,58) 3.60 LmNS 0.049 2.103** AIC 3.349 RESET F(1,58) 3.60 LaNS 0.049 2.103** AIC 3.349 RESET F(1,58) 3.60 LaNS 0.049 2.013** AIC 3.40 RESET F(1,50) 0 A(LaRDP) 0.435 0.629 Adj.R ² 0.135 BPGT F(5,60) 1						RESEI F(1,50)		normally distributed.
Defendence LL -42.399 JBT χ^2 (Prob.) 0 QTY DEPENDENT VARIABLE: LaXM Diagnostic Results 0 Coefficient t-ratio Diagnostic Results 0 Constant -3.798 -0.797 R ² 0.279 LMT F(2,57) 1 A(LnEXR) -0.015 -0.003 F(6,59) 3.797* BPGT F(7,60) 0 A(LnEXR) -0.015 -0.003 F(6,59) 3.797* BPGT F(7,60) 0 A(LnEXR) -0.015 -0.003 F(7,60) 0.003 BPGT F(7,60) 0 A(LnEXR) -0.049 2.103** AIC 3.349 RESET F(1,58) 3.60 AR(1) 0.490 4.327* SC 3.581 JBT χ^2 (2) 3 AR(1) 0.490 4.327* SC 3.581 JBT χ^2 (2) 3 ALL -103.52 JBT χ^2 (2) 3 4.61 3.42 4.32 A(LnSVR) 0.064 0.422 F(Prob.) 0.183						RESET F(Frod.)	0.018	-Incorrect sign for GDF
QTY DEPENDENT VARIABLE: LnX/M Coefficient t-ratio Diagnostic Results Constant -0.798 -0.279 LMT F(2,57) 1 A(LnGDP) -0.240 -0.135 Adj, R ² 0.205 LMT F(2,57) 1 A(LnEXR) -0.015 -0.003 F(6,59) 3.797* BPGT F(3,60) 1 LnMS 0.0151 0.090 F(Prob). 0.003 BPGT F(2,50) 0 A(LnIR) 0.611 0.230 DW 2.211 RESET F(1,58) 3.66 LnSVR 0.049 2.103** AIC 3.349 RESET F(1,58) 3.66 LnSVR 0.049 2.103** AIC 3.349 RESET F(1,58) 0.6 A(R1) 0.430 4.327* SC 3.581 JBT χ ² (2) 3 AUD DEPENDENT VARIABLE: A(LnX/M) MUT F(Prob.) 0.0 A(LnCDP) 0.435 0.629 4.32 0.135 IMT F(2,57) 4.32 A(LnSUR) 0.0041 1.03*** A	1)	0.312	2.479***			$\frac{JBT}{2} \frac{\chi}{2} (2)$	18.570*	IR; SVR.
Coefficient t-ratio Diagnostic Results Constant -3.798 -0.797 R ² 0.279 LMT F(2,57) 1 A(LnGDP) -0.240 -0.135 Adj, R ² 0.205 LMT F(2,57) 1 LaMS 0.015 -0.003 F(6,59) 3.797* BPGT F(5,60) 1 LaMS 0.151 0.090 F(Prob.) 0.003 BPGT F(7rob.) 0 A(LnIR) 0.611 0.230 DW 2.211 RESET F(1,58) 3.60 LNSVR 0.049 2.103** AIC 3.349 RESET F(Prob.) 0 AR(1) 0.490 4.327* SC 3.581 JBT χ^2 (2) 3 AR(1) 0.490 4.327* SC 3.581 JBT χ^2 (2) 0 ALL ILL -103.52 JBT χ^2 (2) 3 0 1.33 JBT χ^2 (2) 0 A(LaCXN Outball 0.103 F(6,59) 1.535 JBT T F(7ob.) 0 0		DEDENDENT			-42.399	JB1 X ⁻ (Prob.)	0.000	
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Y			nX/M				
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $				2				Note:
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$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$							0.161	
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $							1.195	
LnSVR 0.049 2.103** AIC 3.349 RESET F(Prob.) 0 AR(1) 0.490 4.327* SC 3.581 JBT χ^2 (2) 3 AR(1) 0.490 4.327* SC 3.581 JBT χ^2 (Prob.) 0 AUD DEPENDENT VARIABLE: A(LnX/M) 0 AUSTRALIA - GERMANY AUD DEPENDENT VARIABLE: A(LnX/M) 0.106 0.428 R ² 0.135 LMT F(2,57) 4.36 A(LnGDP) 0.435 0.629 Adj. R ² 0.047 LMT F(2,57) 4.36 A(LnEXR) 0.108 0.103 F(6,59) 1.535 BPGT F(7.60) 0 A(LnIR) -0.536 -0.993 DW 2.229 RESET F(Prob.) 0 A(LnIR) -0.352 -2.546** SC 0.778 JBT χ^2 (2) 100 A(LnSVR) 0.005 1.103*** AIC 0.546 RESET F(Prob.) 0 A(LnSVR) 0.005 1.037*** AIC 0.323 LMT F(2,57) 3.55 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0.323</td> <td> Model is mis-specified </td>							0.323	 Model is mis-specified
AR(1) 0.490 4.327^{*} SC 3.581 JBT $\chi^{2}(2)$ 3 AUD DEPENDENT VARIABLE: $\Delta(LnX/M)$ AUSTRALIA - GERMANY AUD DEPENDENT VARIABLE: $\Delta(LnX/M)$ Constant 0.166 0.428 R^{2} 0.135 LMT F(2,57) 4.32 A(LnGDP) 0.435 0.629 Adj, R^{2} 0.047 LMT F(2,57) 4.32 A(LnEXR) 0.108 0.103 F(6,59) 1.535 BPGT F(Prob.) 0 A(LnRR) 0.064 0.462 F(Prob.) 0.183 BPGT F(Prob.) 0 A(LnSR) 0.005 1.103*** AIC 0.546 RESET F(1,58) 2.86 A(LnSVR) 0.005 1.03*** SC 0.778 JBT $\chi^{2}(2)$ 10.6 QTY DEPENDENT VARIABLE: LaX/M Coefficient t-ratio Diagnostic Results Constant -1.383 -0.437 R^{2} 0.323 LMT F(2,57) 3.55 A(LnEXR) -4.486 -1.478*** F(6,59) 4.6							3.606**	-Incorrect sign for MS
LL -103.52 JBT χ^2 (Prob.) 0 AUSTRALIA - GERMANY AUD DEPENDENT VARIABLE: $\Delta(LnX/M)$ Coefficient t-ratio Diagnostic Results Constant 0.166 0.435 LAT F(Prob.) 0.047 LMT F(2,57) 4.36 Constant 0.166 0.435 LAT F(P,C) 0.047 LIL t-10.135 LMT F(2,57) 4.36 Constant 0.166 0.437 RESET F(Prob.) 0.183 BPGT F(5,60) A(LnSVR) 0.005 1.103*** AIC 0.546 RESET F(Prob.) 0.0 QTY DEPENDENT VARIABLE: LnX/M Coefficient t-ratio Diagnostic Results Constant -1.383 -0.437 R ² 0.					3.349		0.063	
LL -103.52 JBT χ^2 (Prob.) 0 AUSTRALIA - GERMANY AUD DEPENDENT VARIABLE: $\Lambda(LnX/M)$ Coefficient t-ratio Diagnostic Results Constant 0.166 0.428 R ² 0.135 LMT F(2,57) 4.36 Constant 0.166 0.428 R ² 0.135 LMT F(2,57) 4.36 Alge Not and State Sta	(1)	0.490	4.327*	SC		JBT χ^2 (2)	3.357	
AUD DEPENDENT VARIABLE: $\Delta(LnX/M)$ Constant 0.166 0.428 R ² 0.135 LMT F(2,57) 4.36 A(LnGDP) 0.435 0.629 Adj. R ² 0.135 BPGT F(2,50) 0 Δ(LnEXR) 0.108 0.103 F(6,59) 1.535 BPGT F(2,60) 0 Δ(LnEXR) 0.064 0.462 F(Prob.) 0.183 BPGT F(2,60) 0 Δ(LnIR) -0.536 -0.993 DW 2.229 RESET F(1,58) 2.86 Δ(LnIR) -0.055 -2.546** SC 0.778 JBT χ^2 (2) 10.6 A(I) -0.325 -2.546** SC 0.778 JBT χ^2 (2) 10.6 QTY DEPENDENT VARIABLE: LnX/M Diagnostic Results Constant -1.383 -0.437 R ² 0.323 LMT F(2,57) 3.55 Δ(LnGDP) 2.145 1.695*** Adj. R ² 0.233 LMT F(2,60) 0 Δ(LnEXR) -4.486 -1.478*** F(6,59) 4.694* BPGT F(7				LL	-103.52	JBT χ ² (Prob.)	0.187	
AUD DEPENDENT VARIABLE: $\Delta(LnX/M)$ Constant 0.166 0.428 R ² 0.135 LMT F(2,57) 4.36 A(LnGDP) 0.435 0.629 Adj. R ² 0.135 BPGT F(2,50) 0 Δ(LnEXR) 0.108 0.103 F(6,59) 1.535 BPGT F(2,60) 0 Δ(LnEXR) 0.064 0.462 F(Prob.) 0.183 BPGT F(2,60) 0 Δ(LnIR) -0.536 -0.993 DW 2.229 RESET F(1,58) 2.86 Δ(LnIR) -0.055 -2.546** SC 0.778 JBT χ^2 (2) 10.6 A(I) -0.325 -2.546** SC 0.778 JBT χ^2 (2) 10.6 QTY DEPENDENT VARIABLE: LnX/M Diagnostic Results Constant -1.383 -0.437 R ² 0.323 LMT F(2,57) 3.55 Δ(LnGDP) 2.145 1.695*** Adj. R ² 0.233 LMT F(2,60) 0 Δ(LnEXR) -4.486 -1.478*** F(6,59) 4.694* BPGT F(7				AUSTRA	LIA - GERM	MANY		
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	D	DEPENDENT	VARIABLE: A					
$\begin{array}{c c c c c c c c c c c c c c c c c c c $				(1.1.1.1.1.)	Diac	mostic Results		Note:
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	stant			P ²			4.369**	
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $							0.017	-Residuals are serially
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$							2.28	correlated.
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $								-Model is mis-specified
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $				· · · /			0.158	-Residuals are not
AR(1) -0.325 -2.546** SC 0.778 JBT χ^2 (2) 10.0 QTY DEPENDENT VARIABLE: LnX/M IL -11.020 JBT χ^2 (Prob.) 0 QTY DEPENDENT VARIABLE: LnX/M Diagnostic Results							2.86***	normally distributed.
$\begin{tabular}{ c c c c c c c } \hline LL & -11.020 & JBT \chi^2 (Prob.) & 0 \\ \hline QTY & DEPENDENT VARIABLE: LnX/M \\ \hline Coefficient & t-ratio & Diagnostic Results \\ \hline Constant & -1.383 & -0.437 & R^2 & 0.323 & LMT F(2,57) & 3.59 \\ \hline A(LnGDP) & 2.145 & 1.695*** & Adj. R^2 & 0.254 & LMT F(Prob.) & 0 \\ \hline A(LnEXR) & -4.486 & -1.478*** & F(6,59) & 4.694* & BPGT F(5,60) & 0 \\ \hline LnMS & 0.987 & 0.874 & F(Prob.) & 0.001 & BPGT F(Prob.) & 0 \\ \hline A(LnIR) & 0.502 & 0.267 & DW & 2.277 & RESET F(1,58) & 4.67 \\ \hline A(LnSVR) & -0.013 & -1.083*** & AIC & 2.645 & RESET F(Prob.) & 0 \\ \hline A(LnSVR) & -0.013 & -1.083*** & AIC & 2.645 & RESET F(Prob.) & 0 \\ \hline A(LnSVR) & -0.013 & -1.083*** & AIC & 2.645 & RESET F(Prob.) & 0 \\ \hline A(LnSVR) & 0.501 & 4.209* & SC & 2.878 & JBT \chi^2 (2) & 0 \\ \hline A(UD & DEPENDENT VARIABLE: $\Delta(LnX/M) \\ \hline Coefficient & t-ratio & Diagnostic Results \\ \hline Constant & -0.046 & -1.427*** & R^2 & 0.163 & LMT F(2,61) & 11 \\ \Delta(LnGDP) & 0.250 & 0.363 & Adj. R^2 & 0.123 & LMT F(Prob.) & 00 \\ \hline A(LnEXR) & 0.442 & 0.437 & F(3,63) & 4.10** & BPGT F(3,63) & 0 \\ \hline Residuals (-1) & -0.257 & -3.473* & F(Prob.) & 0.010 & BPGT F(1,62) & 0 \\ \hline All & AIC & 0.150 & RESET F(Prob.) & 0 \\ \hline Coefficient & I & DW & 2.241 & RESET F(1,62) & 0 \\ \hline AIC & AIC & 0.150 & RESET F(Prob.) & 0 \\ \hline Coefficient & LL & -1.029 & JBT \chi^2 (2) & 0 \\ \hline COC & C & SC & 0.282 & JBT \chi^2 (2) & 0 \\ \hline COC & C & SC & 0.282 & JBT \chi^2 (2) & 0 \\ \hline COC & C & LL & -1.029 & JBT \chi^2 (Prob.) & 0 \\ \hline COC & C & C & C & C & 2.878 & JBT \chi^2 (2) & 0 \\ \hline COC & C & LL & -1.029 & JBT \chi^2 (Prob.) & 0 \\ \hline COC & C & LL & -1.029 & JBT \chi^2 (Prob.) & 0 \\ \hline COC & C & C & C & C & C & C & C & C & C$							0.097	-Incorrect sign for GDF
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	(1)	-0.325	-2.546**			$JBT \chi^2(2)$	10.672*	EXR; MS; IR.
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$					-11.020	JBT χ² (Prob.)	0.005	-Model is not significant
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	Y		VARIABLE: L	nX/M				
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$								Note:
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	stant					LMT F(2,57)	3.595**	
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	nGDP)	2.145	1.695***	Adj. R ²	0.254	LMT F(Prob.)	0.034	-Residuals are serially
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	nEXR)	-4.486	-1.478***	F(6,59)	4.694*	BPGT F(5,60)	0.862	correlated.
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	AS	0.987	0.874	F(Prob.)	0.001	BPGT F(Prob.)	0.512	-Model is mis-specified
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	nIR)	0.502	0.267	DW	2.277	RESET F(1,58)	4.670**	- Incorrect sign for GDI
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	nSVR)	-0.013	-1.083***	AIC	2.645	RESET F(Prob.)	0.035	MS; SVR.
LL -80.300 JBT χ² (Prob.) 0 AUSTRALIA - MALAYSIA AUD DEPENDENT VARIABLE: Δ(LnX/M) Coefficient t-ratio Diagnostic Results Coefficient t-ratio Diagnostic Results Constant -0.046 -1.427*** R² 0.163 LMT F(2,61) 1 A(LnGDP) 0.250 0.363 Adj. R² 0.163 LMT F(Prob.) 0 AIC 0.163 LMT F(Prob.) 0 AIC 0.163 LMT F(Prob.) 0 AIC 0.010 BPGT F(3,63) 0 AIC DW 2.241 RESET F(1,62) 0 AIC 0.150 RESET F(Prob.) 0 AIC 0.123			4.209*				2.145	
AUSTRALIA - MALAYSIA AUD DEPENDENT VARIABLE: $\Delta(LnX/M)$ Coefficient t-ratio Diagnostic Results Constant -0.046 -1.427*** R ² 0.163 LMT F(2,61) 1 $\Delta(LnGDP)$ 0.250 0.363 Adj. R ² 0.123 LMT F(Prob.) 00 $\Delta(LnEXR)$ 0.442 0.437 F(3,63) 4.10** BPGT F(3,63) 0 Residuals (-1) -0.257 -3.473* F(Prob.) 0.010 BPGT F(7rob.) 0 DW 2.241 RESET F(1,62) 0 0 Coefficient LL -1.029 JBT χ^2 (2) 0 LL -1.029 JBT χ^2 (Prob.) 0 QTY DEPENDENT VARIABLE: LnX/M Diagnostic Results		0.000	=				0.342	
AUD DEPENDENT VARIABLE: $\Delta(LnX/M)$ Coefficient t-ratio Diagnostic Results Constant -0.046 -1.427*** R ² 0.163 LMT F(2,61) 1 $\Delta(LnGDP)$ 0.250 0.363 Adj. R ² 0.123 LMT F(Prob.) 0 $\Delta(LnEXR)$ 0.442 0.437 F(3,63) 4.10** BPGT F(3,63) 0 Residuals (-1) -0.257 -3.473* F(Prob.) 0.010 BPGT F(7,63) 0 0 DW 2.241 RESET F(1,62) 0 0 0 AIC 0.150 RESET F(Prob.) 0 0 0 SC 0.282 JBT χ^2 (2) 0 0 LL -1.029 JBT χ^2 (Prob.) 0 QTY DEPENDENT VARIABLE: LnX/M Diagnostic Results 0							0.012	
Coefficient t-ratio Diagnostic Results Constant -0.046 -1.427*** R ² 0.163 LMT F(2,61) 1 A(LnGDP) 0.250 0.363 Adj. R ² 0.123 LMT F(Prob.) 0 Δ(LnEXR) 0.442 0.437 F(3,63) 4.10** BPGT F(3,63) 0 Residuals (-1) -0.257 -3.473* F(Prob.) 0.010 BPGT F(7,63) 0 0 DW 2.241 RESET F(1,62) 0 0 0 AIC 0.150 RESET F(Prob.) 0 0 0 SC 0.282 JBT χ ² (2) 0 0 LL -1.029 JBT χ ² (Prob.) 0 QTY DEPENDENT VARIABLE: LnX/M Diagnostic Results 0		DEDENDENT	VADIADI E. A		LIA - MAL	AISIA		
Constant -0.046 -1.427*** R ² 0.163 LMT F(2,61) 1 Δ(LnGDP) 0.250 0.363 Adj. R ² 0.123 LMT F(Prob.) 0 Δ(LnEXR) 0.442 0.437 F(3,63) 4.10** BPGT F(7,65) 0 Residuals (-1) -0.257 -3.473* F(Prob.) 0.010 BPGT F(Prob.) 0 0 DW 2.241 RESET F(1,62) 0 0 AIC 0.150 RESET F(Prob.) 0 0 SC 0.282 JBT χ ² (2) 0 0 LL -1.029 JBT χ ² (Prob.) 0 QTY DEPENDENT VARIABLE: LnX/M Diagnostic Results Diagnostic Results	5			(LnX/NI)				N 7 - 1
$\begin{array}{c c c c c c c c c c c c c c c c c c c $				2				Note:
Δ(LnEXR) 0.442 0.437 F(3,63) 4.10** BPGT F(3,63) 0 Residuals (-1) -0.257 -3.473* F(Prob.) 0.010 BPGT F(Prob.) 0 DW 2.241 RESET F(1,62) 0 AIC 0.150 RESET F(Prob.) 0 SC 0.282 JBT χ ² (2) 0 LL -1.029 JBT χ ² (Prob.) 0 QTY DEPENDENT VARIABLE: LnX/M Diagnostic Results							1.343	
Residuals (-1) -0.257 -3.473* F(Prob.) 0.010 BPGT F(Prob.) 0 DW 2.241 RESET F(1,62) 0 AIC 0.150 RESET F(Prob.) 0 SC 0.282 JBT χ ² (2) 0 LL -1.029 JBT χ ² (Prob.) 0 QTY DEPENDENT VARIABLE: LnX/M Diagnostic Results							0.269	
DW 2.241 RESET F(1,62) 0 AIC 0.150 RESET F(Prob.) 0 SC 0.282 JBT χ² (2) 0 LL -1.029 JBT χ² (Prob.) 0 QTY DEPENDENT VARIABLE: LnX/M Diagnostic Results							0.703	
AIC 0.150 RESET F(Prob.) 0 SC 0.282 JBT χ ² (2) 0 LL -1.029 JBT χ ² (Prob.) 0 QTY DEPENDENT VARIABLE: LnX/M Diagnostic Results	iduals (-1)	-0.257	-3.473*	F(Prob.)		BPGT F(Prob.)	0.554	-Incorrect sign for GDF
SC 0.282 JBT χ ² (2) 0 LL -1.029 JBT χ ² (Prob.) 0 QTY DEPENDENT VARIABLE: LnX/M -1.029 JBT χ ² (Prob.) 0 Coefficient t-ratio Diagnostic Results -1.029 <td></td> <td></td> <td></td> <td>DW</td> <td>2.241</td> <td>RESET F(1,62)</td> <td>0.676</td> <td>EXR.</td>				DW	2.241	RESET F(1,62)	0.676	EXR.
QTY DEPENDENT VARIABLE: LnX/M -1.029 JBT χ² (Prob.) 0 Coefficient t-ratio Diagnostic Results							0.414	
QTY DEPENDENT VARIABLE: LnX/M -1.029 JBT χ² (Prob.) 0 Coefficient t-ratio Diagnostic Results				SC	0.282	JBT χ^2 (2)	0.055	
QTY DEPENDENT VARIABLE: LnX/M Coefficient t-ratio Diagnostic Results					-1.029		0.973	
Coefficient t-ratio Diagnostic Results	Y	DEPENDENT	VARIABLE: L			** * *		
					Diag	nostic Results		Note:
	stant			R ²			0.348	
							0.708	
				1			1.039	
	,						0.360	
	1)	0.230	2.015				1.517	-Model is not significan
								-
	1						0.223	
SC 1.906 JBT χ^2 (2) 1 LL -54.506 JBT χ^2 (Prob.) 0							1.480	

Table 3 (Continued - Part B): NET EXPORT MODELS - CATEGORY 84* (AUD & QTY)

*Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts Thereof DW – Durbin-Watson Statistics; AIS – Akaike Info Criterion; SC – Schwartz Criterion; LL – Log Likelihood; LMT – Lagrange Multiplier (Breusch-Godfrey) Test for Serial Correlation; BPGT – Breusch-Pagan-Godfrey Test for Heteroskedasticity; RESET – Ramsey RESET Test for Model Specification; JBT – Jarques-Bera Test for normality of the residuals; * significant at the 1%, ** significance at 5%, ***significance at 10%

1			AUSTRAL	LIA - SINGA	APORE		
AUD	DEPENDENT	VARIABLE: L		5111-511107	II OKE		
	Coefficient	t-ratio		Dia	gnostic Results		Note:
Constant	-0.627	-8.606*	\mathbf{R}^2	0.298	LMT F(2,53)	0.381	
Δ(LnGDP)	0.430	0.823	Adj. R ²	0.222	LMT F(Prob.)	0.685	
Δ(LnEXR)	0.583	0.523	F(6,55)	3.896*	BPGT F(5,56)	3.726*	 Residuals are Heteroscedastic.
Δ(LnMS)	-0.371	-0.403	F(Prob.)	0.003	BPGT F(Prob.)	0.006	-Model is mis-specified.
Δ(LnIR)	2.778	3.582*	DW	2.121	RESET F(2,53)	5.394*	-Incorrect sign for GDP;
LnSVR	0.000	0.069	AIC	0.459	RESET F(Prob.)	0.007	EXR.
AR(1)	0.479	4.143*	SC	0.700	JBT χ^2 (2)	0.073	LAR.
			LL	-7.244	JBT χ ² (Prob.)	0.964	
QTY	DEPENDENT	VARIABLE: A	(LnX/M)				
	Coefficient	t-ratio		Diag	gnostic Results		Note:
Constant	-0.162	-1.186***	R ²	0.395	LMT F(2,54)	0.273	
Δ(LnGDP)	1.547	0.706	Adj. R ²	0.330	LMT F(Prob.)	0.763	-Residuals are
Δ(LnEXR)	2.404	0.599	F(6,56)	6.081*	BPGT F(6,56)	5.775*	Heteroscedastic.
Δ(LnMS)	1.584	0.508	F(Prob.)	0.000	BPGT F(Prob.)	0.000	-Residuals are not
Δ(LnIR)	0.337	0.150	DW	1.925	RESET F(1,55)	5.138	normally distributed.
LnSVR	-0.044	-2.638*	AIC	2.878	RESET F(Prob.)	0.116	-Incorrect sign for GDP;
Residuals (-1)	-0.473	-4.020*	SC	3.116	JBT χ^2 (2)	4.689*	EXR; MS; SVR.
			LL	-83.65	JBT χ^2 (Prob.)	0.000	
			AUSTRA	LIA - THAI	LAND		
AUD	DEPENDENT	VARIABLE: A	(LnX/M)				
	Coefficient	t-ratio		Dia	gnostic Results		Note:
Constant	-0.016	-0.377	R ²	0.505	LMT F(2,46)	0.426	
Δ(LnGDP)	-1.393	-1.503***	Adj. R ²	0.443	LMT F(Prob.)	0.656	
Δ(LnEXR)	-2.868	-1.449***	F(6,48)	8.156*	BPGT F(6,48)	1.210	
Δ(LnMS)	-0.017	-0.009	F(Prob.)	0.000	BPGT F(Prob.)	0.317	
Δ(LnIR)	0.601	1.064***	DW	2.081	RESET F(1,47)	0.002	
Δ(LnSVR)	0.148	1.415***	AIC	0.611	RESET F(Prob.)	0.963	
Residuals (-1)	-0.663	-4.651*	SC	0.866	JBT χ^2 (2)	0.031	
			TT	0.702	$\mathbf{DT} = 2(\mathbf{D} + \mathbf{L})$	0.005	
			LL	-9.793	JBT χ ² (Prob.)	0.985	
QTY	DEPENDENT	VARIABLE: L		-9.793	JB1 χ ⁻ (Prob.)	0.985	
QTY	DEPENDENT Coefficient	VARIABLE: La t-ratio			JB1 χ ⁻ (Prob.) gnostic Results	0.985	Note:
QTY Constant	Coefficient -3.478					1.478	Note:
	Coefficient	t-ratio	nX/M	Diag	gnostic Results		Note:
Constant	Coefficient -3.478	t-ratio -12.451*	nX/M R ²	Dia 0.177	gnostic Results LMT F(2,45)	1.478	Note: -Residuals are not
Constant Δ(LnGDP)	Coefficient -3.478 -0.034 -2.170 -2.727	t-ratio -12.451* -0.019 -0.397 -0.526	nX/M R ² Adj. R ² F(6,47) F(Prob.)	Diag 0.177 0.072 1.687 0.145	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.)	1.478 0.239 1.499 0.208	-Residuals are not normally distributed.
Constant Δ(LnGDP) Δ(LnEXR)	Coefficient -3.478 -0.034 -2.170	t-ratio -12.451* -0.019 -0.397 -0.526 0.341	nX/M R ² Adj. R ² F(6,47)	Diag 0.177 0.072 1.687	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48)	1.478 0.239 1.499 0.208 4.680	-Residuals are not normally distributed. -Incorrect sign for SVR.
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS)	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475	t-ratio -12.451* -0.019 -0.397 -0.526	nX/M R ² Adj. R ² F(6,47) F(Prob.)	Diag 0.177 0.072 1.687 0.145	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.)	1.478 0.239 1.499 0.208	-Residuals are not normally distributed.
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR)	Coefficient -3.478 -0.034 -2.170 -2.727 0.542	t-ratio -12.451* -0.019 -0.397 -0.526 0.341	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC	Dia; 0.177 0.072 1.687 0.145 2.160 2.690 2.948	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2)	1.478 0.239 1.499 0.208 4.680 0.036 58.650*	-Residuals are not normally distributed. -Incorrect sign for SVR.
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR) LnSVR	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647***	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC	Diag 0.177 0.072 1.687 0.145 2.160 2.690	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.)	1.478 0.239 1.499 0.208 4.680 0.036	-Residuals are not normally distributed. -Incorrect sign for SVR.
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR) LnSVR	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877*	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC	Diag 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.)	1.478 0.239 1.499 0.208 4.680 0.036 58.650*	-Residuals are not normally distributed. -Incorrect sign for SVR.
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR) LnSVR	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877*	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA	Diag 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED I	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) KINGDOM	1.478 0.239 1.499 0.208 4.680 0.036 58.650*	-Residuals are not normally distributed. -Incorrect sign for SVR.
Constant Δ (LnGDP) Δ (LnEXR) Δ (LnMS) Δ (LnIR) LnSVR AR(1)	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877* VARIABLE: La t-ratio	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M	Dia; 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED I Dia;	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.)	1.478 0.239 1.499 0.208 4.680 0.036 58.650*	-Residuals are not normally distributed. -Incorrect sign for SVR.
Constant Δ (LnGDP) Δ (LnEXR) Δ (LnMS) Δ (LnIR) LnSVR AR(1)	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877* VARIABLE: Li	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA	Diag 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED I	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) KINGDOM	1.478 0.239 1.499 0.208 4.680 0.036 58.650*	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant.
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnIR) LnSVR AR(1) Constant Δ(LnGDP)	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient -0.937 -1.069	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877* VARIABLE: L t-ratio -23.220* -2.690*	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ²	Dia; 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED I Dia; 0.222 0.143	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) GNGDOM gnostic Results LMT F(2,57) LMT F(Prob.)	1.478 0.239 1.499 0.208 4.680 0.036 58.650* 0.000 0.147 0.864	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant.
Constant A(LnGDP) A(LnEXR) A(LnMS) A(LnIR) LnSVR AR(1) AUD Constant A(LnGDP) A(LnEXR)	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient -0.937 -1.069 -1.098	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877* VARIABLE: Li t-ratio -23.220* -0.816	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59)	Diag 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED 1 Diag 0.222 0.143 2.80**	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(1,46 RESET F(1,46 RESET F(1,46 JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) KINGDOM gnostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60)	1.478 0.239 1.499 0.208 4.680 0.036 58.650* 0.000 0.000	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant.
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR) LnSVR AR(1) AUD Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS)	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient -0.937 -1.069 -1.098 -1.711	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877* VARIABLE: Li t-ratio -23.220* -2.690* -0.816 -1.259***	nX/M R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² F(6,59) F(Prob.)	Dia; 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED I Dia; 0.222 0.143 2.80** 0.018	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(Prob.) RESET F(1,46 RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) CARACTORY (2) SUBJOANT (2) SUBJOAN	$\begin{array}{c} 1.478\\ 0.239\\ 1.499\\ 0.208\\ 4.680\\ 0.036\\ 58.650^*\\ 0.000\\ \hline \end{array}$	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant.
Constant Δ(LnGDP) Δ(LnFXR) Δ(LnMS) Δ(LnIR) LnSVR AR(1) Constant Δ(LnGDP) Δ(LnEXR) Δ(LnAGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR)	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient -0.937 -1.069 -1.098 -1.711 0.151	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877* VARIABLE: La t-ratio -23.220* -2.690* -0.816 -1.259*** 0.385	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA N/M R ² Adj. R ² F(6,59) F(Prob.) DW	Diag 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED 1 Diag 0.222 0.143 2.80** 2.80**	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) KINGDOM gnostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(5,60) RESET F(1,58)	$\begin{array}{c} 1.478\\ 0.239\\ 1.499\\ 0.208\\ 4.680\\ 0.036\\ 58.650^*\\ 0.000\\ \hline \end{array}$	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant.
Constant $\Delta(LnGDP)$ $\Delta(LnRXR)$ $\Delta(LnRS)$ $\Delta(LnRS)$ $\Delta(LnR)$ LnSVR AR(1) Constant $\Delta(LnGDP)$ $\Delta(LnRS)$ $\Delta(LnRS)$ $\Delta(LnRS)$ $\Delta(LnRS)$ $\Delta(LnRS)$ $\Delta(LnRS)$ $\Delta(LnRS)$ $\Delta(LnRS)$ $\Delta(LnRS)$	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient -0.937 -1.069 -1.098 -1.711 0.151 0.003	t-ratio -12.451* -0.019 -0.526 0.341 -1.647*** 2.877* VARIABLE: Li t-ratio -23.220* -2.690* -0.816 -1.259*** 0.385 0.819	nX/M R ² Adj. R ² F(6,647) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC	Dia; 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED 1 Dia; 0.222 0.143 2.80** 0.018 1.961 -0.409	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) KINGDOM gnostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(5,60) RESET F(1,58) RESET F(1,58)	$\begin{array}{c} 1.478\\ 0.239\\ 1.499\\ 0.208\\ 4.680\\ 0.036\\ 58.650^*\\ 0.000\\ \hline \end{array}$	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant.
Constant Δ(LnGDP) Δ(LnFXR) Δ(LnMS) Δ(LnIR) LnSVR AR(1) Constant Δ(LnGDP) Δ(LnEXR) Δ(LnAGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR)	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient -0.937 -1.069 -1.098 -1.711 0.151	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877* VARIABLE: La t-ratio -23.220* -2.690* -0.816 -1.259*** 0.385	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC SC	Diag 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED 1 Diag 0.222 0.143 2.80** 0.018 1.961 1.961 -0.409 -0.177	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Fo.48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) KINGDOM gnostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Frob.) RESET F(1,58) RESET F(Prob.) JBT χ^2 (2)	1.478 0.239 1.499 0.208 4.680 0.036 58.650* 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant.
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnIR) LnSVR Δ(LnIR) Constant Δ(LnGDP) Δ(LnGDP) Δ(LnGDP) Δ(LnEXR) Δ(LnBX) Δ(LnBXR) Δ(LnIR) LnSVR	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient -0.937 -1.069 -1.098 -1.711 0.151 0.003	t-ratio -12.451* -0.019 -0.526 0.341 -1.647*** 2.877* VARIABLE: Li t-ratio -23.220* -2.690* -0.816 -1.259*** 0.385 0.819	nX/M R ² Adj. R ² F(6,647) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC	Dia; 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED 1 Dia; 0.222 0.143 2.80** 0.018 1.961 -0.409	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) KINGDOM gnostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(5,60) RESET F(1,58) RESET F(1,58)	$\begin{array}{c} 1.478\\ 0.239\\ 1.499\\ 0.208\\ 4.680\\ 0.036\\ 58.650^*\\ 0.000\\ \hline \end{array}$	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant.
Constant $\Delta(LnGDP)$ $\Delta(LnRXR)$ $\Delta(LnIR)$ LnSVR AR(1) Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnEXR)$ $\Delta(LnIR)$ LnSVR	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient -0.937 -1.098 -1.098 -1.711 0.151 0.003 0.357 DEPENDENT	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877* VARIABLE: L1 t-ratio -23.220* -2.690* -0.816 -1.259*** 0.385 0.819 3.196* VARIABLE: L1	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC SC LL	Diag 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED I 0.222 0.143 2.80** 0.018 1.961 -0.409 -0.177 20.513	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) KINGDOM gnostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Frob.) RESET F(Prob.) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.)	1.478 0.239 1.499 0.208 4.680 0.036 58.650* 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant. Note:
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR) LnSVR AR(1) AUD Constant Δ(LnGDP) Δ(LnGDP) Δ(LnEXR) Δ(LnIR) LnSVR Δ(LnEXR) Δ(LnIR) LnSVR Δ(LnIR) QTY	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient -0.937 -1.069 -1.098 -1.711 0.151 0.003 0.357 DEPENDENT Coefficient	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877* VARIABLE: L1 t-ratio -23.220* -2.690* -0.816 -1.259*** 0.385 0.819 3.196* VARIABLE: L1 t-ratio	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² F(6,59) F(Prob.) DW AIC SC LL N/M	Dia; 0.177 0.072 1.687 2.160 2.690 2.948 -65.62 - UNITED 1 Dia; 0.222 0.143 2.80** 0.018 1.961 -0.409 -0.177 20.513 Dia;	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(Prob.) RESET F(1,46 RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) KINGDOM gnostic Results LMT F(2,57) LMT F(Prob.) BPGT F(Prob.) BPGT F(Prob.) RESET F(1,58) RESET F(1,58) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) gnostic Results	$\begin{array}{c} 1.478\\ 0.239\\ 1.499\\ 0.208\\ 4.680\\ 0.036\\ 58.650^*\\ 0.000\\ \hline \end{array}$	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant.
Constant A(LnGPP) A(LnEXR) A(LnIR) LnSVR AR(1) AUD Constant A(LnGPP) A(LnEXR) A(LnEXR) A(LnIR) LnSVR AR(1) Constant Constant	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient -0.937 -1.069 -1.098 -1.711 0.151 0.003 0.357 DEPENDENT Coefficient -2.329	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877* VARIABLE: L1 t-ratio -23.220* -2.690* -0.816 -1.259*** 0.385 0.819 3.196* VARIABLE: L1 t-ratio -14.652*	nX/M R ² Adj. R ² F(6rob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6rob.) DW AIC SC LL NV AIC SC LL nX/M R ² R ² Adj. R ² F(Prob.) DW AIC SC LL nX/M R ² R ³ R ⁴ R	Diag 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED I Diag 0.222 0.143 2.80** 0.018 1.961 -0.409 -0.177 20.513 Diag 0.500	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) KINGDOM gnostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(5,60) BPGT F(5,60) RESET F(1,58) RESET F(1,58) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) gnostic Results LMT F(2,57)	$\begin{array}{c} 1.478\\ 0.239\\ 1.499\\ 0.208\\ 4.680\\ 0.036\\ 58.650^*\\ 0.000\\ \hline \end{array}$	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant. Note:
Constant Δ(LnGDP) Δ(LnRXR) Δ(LnRS) Δ(LnR) LnSVR AR(1) Constant Δ(LnGDP) Δ(LnGDP) Δ(LnRN) Δ(LnRN) Δ(LnRN) Δ(LnRN) Δ(LnRN) Δ(LnRN) Δ(LnRN) Δ(LnROP) Constant Δ(LnGDP)	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient -0.937 -1.069 -1.098 -1.711 0.151 0.003 0.357 DEPENDENT Coefficient -2.329 -2.806	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877* VARIABLE: L1 t-ratio -23.220* -2.690* -0.816 -1.259*** 0.819 3.196* VARIABLE: L1 t-ratio -14.652* -2.903*	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AIC SC LL R ² Adj. R ² Adj. R ²	Diag 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED I Diag 0.222 0.143 2.80** 0.018 1.961 -0.409 -0.177 20.513 Diag 0.500 0.449	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) KINGDOM gnostic Results LMT F(2,57) LMT F(Prob.) BPGT F(Prob.) BPGT F(Prob.) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) gnostic Results LMT F(2,57) LMT F(2,57) LMT F(2,57)	1.478 0.239 1.499 0.208 4.680 0.036 58.650* 0.000 0.00147 0.802 0.416	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant. Note:
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR) LnSVR AR(1) AUD Constant Δ(LnGDP) Δ(LnGDP) Δ(LnGDP) Δ(LnGDP) Δ(LnIR) LnSVR Δ(LnIR) Constant Δ(LnIR) Δ(LnGDP) Δ(LnIR) QTY Constant Δ(LnGDP) Δ(LnEXR)	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient -0.937 -1.069 -1.098 -1.711 0.151 0.003 0.357 DEPENDENT Coefficient -2.329 -2.806 -3.482	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877* VARIABLE: L1 t-ratio -23.220* -2.690* -0.816 -1.259*** 0.385 0.819 3.196* VARIABLE: L1 t-ratio -14.652* -2.903* -1.020***	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC SC LL NX/M R ² Adj. R ² F(6,59)	Diag 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED 1 0.222 0.143 2.80** 0.018 1.961 -0.409 -0.177 20.513 Diag 0.500 0.449 9.816*	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) KINGDOM gnostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) RESET F(1,58) RESET F(1,58) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) BPGT F(2,57) LMT F(2,57) LMT F(2,57) LMT F(2,57) LMT F(2,57) LMT F(2,57) LMT F(2,57) LMT F(2,57)	1.478 0.239 1.499 0.208 4.680 0.036 58.650* 0.000 0.373 0.544 0.262 0.892 0.416 0.874	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant. Note:
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR) LnSVR AR(1) Constant Δ(LnGDP) Δ(LnGDP) Δ(LnGDP) Δ(LnGDP) Δ(LnMS) Δ(LnIR) LnSVR AR(1) QTY Constant Δ(LnGDP) Δ(LnGDP) Δ(LnGDP) Δ(LnGDP) Δ(LnGDP) Δ(LnGDP) Δ(LnGDP) Δ(LnGDP) Δ(LnGDP) Δ(LnGDP)	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient -0.937 -1.098 -1.711 0.151 0.003 0.357 DEPENDENT Coefficient -2.329 -2.806 -3.482 -1.372	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877* VARIABLE: L1 t-ratio -23.220* -2.690* -0.816 -1.259*** 0.385 0.819 3.196* VARIABLE: L1 t-ratio -14.652* -2.903* -1.020*** -0.398	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² F(6,59) F(Prob.) DW AIC SC LL nX/M R ² F(6,59) F(Prob.) DW	Diag 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED I Diag 0.222 0.143 2.80** 0.018 1.961 -0.177 20.513 Diag 0.500 0.449 9.816* 0.000	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(Prob.) RESET F(1,46 RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) KINGDOM gnostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) BFGT F(Prob.) BFGT F(Prob.) BFGT F(2,57) LMT F(2,57) LMT F(2,57) LMT F(2,57) LMT F(2,57) LMT F(2,57) LMT F(2,50) BPGT F(5,60) BPGT F(5,60) BPGT F(5,60)	$\begin{array}{c} 1.478\\ 0.239\\ 1.499\\ 0.208\\ 4.680\\ 0.036\\ 58.650^*\\ 0.000\\ \hline \end{array}$	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant. Note:
Constant Δ(LnGDP) Δ(LnMS) Δ(LnIR) LnSVR AR(1) AUD Constant Δ(LnGDP) Δ(LnEXR) Δ(LnGDP) Δ(LnEXR) Δ(LnIR) LnSVR Δ(LnIR) Constant Δ(LnIR) Δ(LnGDP) Δ(LnIR) QTY Constant Δ(LnGDP) Δ(LnEXR) Δ(LnEXR) Δ(LnEXR) Δ(LnEXR) Δ(LnEXR) Δ(LnIR)	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient -0.937 -1.069 -1.098 -1.711 0.151 0.003 0.357 DEPENDENT Coefficient -2.329 -2.806 -3.482 -1.372 2.381	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877* VARIABLE: L1 t-ratio -23.220* -2.690* -0.816 -1.259*** 0.385 0.819 3.196* VARIABLE: L1 t-ratio -14.652* -2.903* -1.020*** -0.398 2.272**	nX/M R ² Adj. R ² F(670) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² F(659) F(Prob.) DW AIC SC LL nX/M R ² F(6,59) F(Prob.) DW	Diag 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED I Diag 0.222 0.143 2.80** 0.018 1.961 -0.409 -0.177 20.513 Diag 0.500 0.449 9.816* 0.000 2.092	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) KINGDOM gnostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Frob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) mostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(5,60) BPGT F(5,60) BPGT F(Frob.) RESET F(1,58)	1.478 0.239 1.499 0.208 4.680 0.036 58.650* 0.000 0.147 0.864 0.248 0.373 0.544 2.681 0.262 0.416 0.874 0.504 0.504 0.404	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant. Note:
Constant $\Delta(LnGDP)$ $\Delta(LnMS)$ $\Delta(LnMS)$ $\Delta(LnIR)$ LnSVR AR(1) Constant $\Delta(LnGDP)$ $\Delta(LnGDP)$ $\Delta(LnRXR)$ $\Delta(LnRS)$ $\Delta(LnRS)$ $\Delta(LnRS)$ $\Delta(LnIR)$ LnSVR $\Delta(LnIR)$ $\Delta(LnIR)$ $\Delta(LnIR)$ $\Delta(LnIRS)$ $\Delta(LnIRS)$ $\Delta(LnIR)$ $\Delta(LnIR)$ $\Delta(LnIR)$ $\Delta(LnIR)$	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient -0.937 -1.069 -1.098 -1.711 0.151 0.003 0.357 DEPENDENT Coefficient -2.329 -2.806 -3.482 -1.372 2.381 0.022	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877* VARIABLE: L1 t-ratio -23.220* -2.690* -0.816 -1.259*** 0.885 0.819 3.196* VARIABLE: L1 t-ratio -14.652* -2.903* -1.020*** -0.398 2.272** 2.264**	nX/M R ² Adj. R ² F(6rob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC SC LL nX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC SC LL N/M	Diag 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED I Diag 0.222 0.143 2.80** 0.222 0.143 2.80** 0.018 1.961 -0.409 -0.177 20.513 Diag 0.500 0.449 9.816* 0.000 2.092 1.631	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) KINGDOM gnostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Prob.) JBT χ^2 (2) JBT χ^2 (2) BPGT F(Prob.) Exercise (2,57) LMT F(2,57) LMT F(2,50) BPGT F(5,60) BPGT F(5,60) BPGT F(2,50) RESET F(1,58) RESET F(1,58) RESET F(1,58) RESET F(1,58)	$\begin{array}{c} 1.478\\ 0.239\\ 1.499\\ 0.208\\ 4.680\\ 0.036\\ 58.650^*\\ 0.000\\ \hline \end{array}$	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant. Note:
Constant Δ(LnGDP) Δ(LnMS) Δ(LnIR) LnSVR AR(1) AUD Constant Δ(LnGDP) Δ(LnEXR) Δ(LnGDP) Δ(LnEXR) Δ(LnIR) LnSVR Δ(LnIR) Constant Δ(LnIR) Δ(LnGDP) Δ(LnIR) QTY Constant Δ(LnGDP) Δ(LnEXR) Δ(LnEXR) Δ(LnEXR) Δ(LnEXR) Δ(LnEXR) Δ(LnIR)	Coefficient -3.478 -0.034 -2.170 -2.727 0.542 -0.475 0.390 DEPENDENT Coefficient -0.937 -1.069 -1.098 -1.711 0.151 0.003 0.357 DEPENDENT Coefficient -2.329 -2.806 -3.482 -1.372 2.381	t-ratio -12.451* -0.019 -0.397 -0.526 0.341 -1.647*** 2.877* VARIABLE: L1 t-ratio -23.220* -2.690* -0.816 -1.259*** 0.385 0.819 3.196* VARIABLE: L1 t-ratio -14.652* -2.903* -1.020*** -0.398 2.272**	nX/M R ² Adj. R ² F(670) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² F(659) F(Prob.) DW AIC SC LL nX/M R ² F(6,59) F(Prob.) DW	Diag 0.177 0.072 1.687 0.145 2.160 2.690 2.948 -65.62 - UNITED I Diag 0.222 0.143 2.80** 0.018 1.961 -0.409 -0.177 20.513 Diag 0.500 0.449 9.816* 0.000 2.092	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) KINGDOM gnostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Frob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) mostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(5,60) BPGT F(5,60) BPGT F(Frob.) RESET F(1,58)	1.478 0.239 1.499 0.208 4.680 0.036 58.650* 0.000 0.147 0.864 0.248 0.373 0.544 2.681 0.262 0.416 0.874 0.504 0.504 0.404	-Residuals are not normally distributed. -Incorrect sign for SVR. -Model is not significant. Note:

Table 3 (Continued - Part C): NET EXPORT MODELS – CATEGORY 84*	(AUD /	& QTY)

*Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts Thereof DW – Durbin-Watson Statistics; AIS – Akaike Info Criterion; SC – Schwartz Criterion; LL – Log Likelihood; LMT – Lagrange Multiplier (Breusch-Godfrey) Test for Serial Correlation; BPGT – Breusch-Pagan-Godfrey Test for Heteroskedasticity; RESET – Ramsey RESET Test for Model Specification; JBT – Jarques-Bera Test for normality of the residuals; * significant at the 1%, ** significance at 5%, ***significance at 10%

			AUSTRALL	A - UNITED	STATES		
AUD	DEPENDENT	VARIABLE: A	(LnX/M)				
	Coefficient	t-ratio		Dia	gnostic Results		Note:
Constant	0.009	0.774	R ²	0.441	LMT F(2,54)	1.033	
Δ(LnGDP)	0.436	1.727***	Adj. R ²	0.381	LMT F(Prob.)	0.363	
Δ(LnEXR)	3.158	3.571*	F(6,56)	7.367*	BPGT F(6,56)	0.726	
Δ(LnMS)	1.643	1.991***	F(Prob.)	0.000	BPGT F(Prob.)	0.631	-Incorrect sign for GDP;
Δ(LnIR)	0.004	0.019	DW	1.900	RESET F(1,55)	0.326	EXR; MS; SVR.
Δ(LnSVR)	-0.002	-1.597***	AIC	-1.881	RESET F(Prob.)	0.570	
Residuals (-1)	-0.596	-5.489*	SC	-1.643	JBT χ^2 (2)	0.732	1
			LL	66.240	JBT χ ² (Prob.)	0.693	
QTY	DEPENDENT	VARIABLE: L	nX/M				
	Coefficient	t-ratio		Dia	Note:		
Constant	-3.135	-31.113*	R ²	0.348	LMT F(2,53)	2.49***	
Δ(LnGDP)	2.774	4.125*	Adj. R ²	0.277	LMT F(Prob.)	0.093	
Δ(LnEXR)	-0.849	-0.301	F(6,55)	4.897*	BPGT F(5,56)	0.383	-Residuals are serially correlated.
Δ(LnMS)	-2.126	-0.783	F(Prob.)	0.000	BPGT F(Prob.)	0.859	
Δ(LnIR)	-0.465	-0.619	DW	2.107	RESET F(1,54)	6.945**	 Model is mis-specified. Incorrect sign for GDP;
LnSVR	-0.002	-0.406	AIC	0.737	RESET F(Prob.)	0.011	-Incorrect sign for GDP; IR; SVR.
AR(1)	0.517	4.315*	SC	0.978	JBT χ^2 (2)	3.643	п, эт.
			LL	-15.861	JBT γ^2 (Prob.)	0.162	

Table 3 (Continued - Part D): NET EXPORT MODELS - CATEGORY 84	· (AUD & QTY	Y)
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*Nuclear Reactors, Boilers, Machinery and Mechanical Appliances; Parts Thereof

DW – Durbin-Watson Statistics; AIS – Akaike Info Criterion; SC – Schwartz Criterion; LL – Log Likelihood; LMT – Lagrange Multiplier (Breusch-Godfrey) Test for Serial Correlation; BPGT – Breusch-Pagan-Godfrey Test for Heteroskedasticity; RESET – Ramsey RESET Test for Model Specification; JBT – Jarques-Bera Test for normality of the residuals; * significant at the 1%, ** significance at 5%, ***significance at 10%

As shown in Table 3, out of the 16 NX models in Category 84, 13 models are significant and 3 NX models are not significant. The NX models which are not significant are the NX model with Germany based on AUD and Malaysia and Thailand based on QTY values. Furthermore, for most of the models, the majority of the variables are not significant. The variables GDP, EXR, MS, IR are significant in 7, 5, 3 and 4 out of the 16 models respectively, while the variable SVR is significant in 8 out of the 16 models. The correct coefficient signs for all the GDP, EXR, MS, IR and SVR are found in 6 out of the 16 models (3 based on AUD and 3 based on QTY), while for these 6 models, the coefficients range for the GDP, EXR, MS, IR and SVR is between (-0.017 and -2.806), (-0.365 and -6.353), (-0.017 and -8.905), (0.151 and 2.381) and (0.003 and 0.368) respectively. Finally, overall, the Adj. R-Square or all 16 models in this category ranges between 1.9 and 44.9 per cent respectively.

Overall, out of the 16 estimated models in this category, 5 models (the NX with China, Thailand and the United Kingdom based on AUD; the NX with China and the United Kingdom based on QTY) have the correct signs and have satisfactory passed all diagnostic tests. The NX model with China based on AUD shows that a 1 per cent increase in the GDP will decrease the NX growth rate by 0.03 per cent, a 1 per cent growth rate in the EXR and MS will decrease the NX growth rate by 2.671 and 3.57 per cent respectively, a 1 per cent growth rate in the IR will increase the NX growth rate by 0.296 per cent, on average, while 1 per cent increase in SVR will increase the NX growth rate by 0.12 per cent. The NX model with Thailand shows that a 1 per cent growth rate in the GDP, EXR and MS will decrease the NX growth rate by 1.393, 2.868 and 0.017 per cent respectively, while 1 per cent growth rate in the IR and SVR will increase the NX growth rate by 0.601 and 0.148 per cent respectively in average. The NX model with the United Kingdom based on AUD shows that a 1 per cent growth rate in the GDP, EXR and MS will decrease the NX by 1.069, 1.098 and 1.711 per cent respectively, a 1 per cent growth rate in IR will increase the NX by 0.151 per cent, on average, while a 1 per cent increase in the SVR will increase the NX by 0.003 per cent. The NX model with China based on QTY shows that a 1 per cent increase in the GDP will decrease the NX growth rate by 0.017 per cent, a 1 per cent growth rate in the EXR and MS

will decrease the NX growth rate by 6.353 and 8.905 per cent respectively, a 1 per cent growth rate in the IR will increase the NX growth rate by 0.192 per cent, on average, while 1 per cent increase in SVR will increase the NX growth rate by 0.368 per cent. The NX model with the United Kingdom based on QTY shows that a 1 per cent growth rate in the GDP, EXR and MS will decrease the NX by 2.806, 3.482 and 1.372 per cent respectively, a 1 per cent growth rate in IR will increase the NX by 2.381 per cent, on average, while a 1 per cent increase in the SVR will increase the NX by 0.022 per cent. For all of these 5 models, the variables GDP, EXR and MS are mostly elastic, while the variable IR and SVR are mostly inelastic. Finally, the Adj. R-Square for China, Thailand and the United Kingdom based on AUD values is 30.3, 44.3 and 14.3 per cent respectively and for China and the United Kingdom based on QTY, the values are 21.6 and 44.9 per cent respectively.

			AUSTE	RALIA - CH	INA		
AUD	DEPENDENT	VARIABLE: A	(LnX/M)				
	Coefficient	t-ratio		Dia	gnostic Results		Note:
Constant	-3.977	-2.427**	\mathbf{R}^2	0.434	LMT F(2,19)	0.740	
LnGDP	-0.240	-1.366***	Adj. R ²	0.299	LMT F(Prob.)	0.490	
Δ(LnEXR)	-1.442	-0.297	F(5,21)	3.22**	BPGT F(5,21)	0.689	
Δ(LnMS)	-4.025	-0.830	F(Prob.)	0.026	BPGT F(Prob.)	0.637	
Δ(LnIR)	0.873	-1.822***	DW	2.115	RESET F(1,20)	0.273	
LnSVR	0.704	-2.472**	AIC	0.647	RESET F(Prob.)	0.607	
			SC	0.935	JBT χ^2 (2)	3.912	
			LL	-2.738	JBT χ ² (Prob.)	0.141	
QTY	DEPENDENT	VARIABLE: A	(LnX/M)				
	Coefficient	t-ratio		Dia	gnostic Results		Note:
Constant	7.125	1.519***	\mathbb{R}^2	0.264	LMT F(2,19)	1.839	
LnGDP	0.041	0.081	Adj. R ²	0.089	LMT F(Prob.)	0.186	
Δ(LnEXR)	-9.296	-0.670	F(5,21)	1.5***	BPGT F(5,21)	0.356	
Δ(LnMS)	-13.617	-0.981	F(Prob.)	0.093	BPGT F(Prob.)	0.873	-Incorrect sign for GDP;
Δ(LnIR)	-0.537	-0.392	DW	1.637	RESET F(1,20)	1.928	IR.
LnSVR	1.438	1.766***	AIC	2.750	RESET F(Prob.)	0.180	
			SC	3.038	JBT $\gamma^2(2)$	0.227	
			LL	-31.120	JBT χ ² (Prob.)	0.893	
			AUSTR	ALIA - FRA	NCE		
AUD	DEPENDENT	VARIABLE: L	nX/M				
	Coefficient	t-ratio		Diag	gnostic Results		Note:
Constant	-3.929	-2.575**	\mathbf{R}^2	0.215	LMT F(2,57)	2.343	
Δ(LnGDP)	0.858	1.224***	Adj. R ²	0.136	LMT F(Prob.)	0.105	
A(LnEXR)	0.550	0.327	F(6,59)	2.70**	BPGT F(5,60)	2.30	-Model is mis-specified.
LnMS	-0.390	-0.725	F(Prob.)	0.022	BPGT F(Prob.)	0.116	-Residuals are not
Δ(LnIR)	0.054	0.053	DW	2.205	RESET F(1,58)	7.050**	normally distributed. -Incorrect sign for GDP;
LnSVR	-0.010	-1.173***	AIC	1.414	RESET F(Prob.)	0.010	-Incorrect sign for GDP; EXR; SVR.
AR(1)	0.421	3.523*	SC	1.646	JBT $\chi^2(2)$	6.566**	EAR, SVR.
			LL	-39.649	JBT χ ² (Prob.)	0.038	
QTY	DEPENDENT	VARIABLE: L	nX/M				
-	Coefficient	t-ratio		Diag	gnostic Results		Note:
Constant	-2.170	-0.826	\mathbb{R}^2	0.164	LMT F(2,57)	0.141	
Δ(LnGDP)	0.173	0.102	Adj. R ²	0.079	LMT F(Prob.)	0.868	
A(LnEXR)	4.327	1.143	F(6,59)	1.9***	BPGT F(5,60)	0.576	
LnMS	1.153	1.251	F(Prob.)	0.090	BPGT F(Prob.)	0.718	-Incorrect sign for GDP;
Δ(LnIR)	-4.045	-1.817***	DW	1.997	RESET F(1,58)	0.374	EXR; MS; IR.
LnSVR	0.009	0.464	AIC	2.980	RESET F(Prob.)	0.544	
A D(1)			-		/	1	
AR(1)	0.260	2.026**	SC	3.212	JBT χ^2 (2)	3.814	

*Electrical Machinery and Equipment and Parts Thereof; Sound Recorders and Producers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles

DW – Durbin-Watson Statistics; AIS – Akaike Info Criterion; SC – Schwartz Criterion; LL – Log Likelihood; LMT – Lagrange Multiplier (Breusch-Godfrey) Test for Serial Correlation; BPGT – Breusch-Pagan-Godfrey Test for Heteroskedasticity; RESET – Ramsey RESET Test for Model Specification; JBT – Jarques-Bera Test for normality of the residuals; * significant at the 1%, ** significance at 5%, ***significance at 10%

			AUSTRA	LIA - GERI	MANY		
AUD	DEPENDENT	VARIABLE: A	LnX/M)				
	Coefficient	t-ratio		Diag	gnostic Results		Note:
Constant	0.453	0.946	R ²	0.046	LMT F(2,59)	0.271	
Δ(LnGDP)	0.009	0.016	Adj. R ²	0.043	LMT F(Prob.)	0.764	-Residuals are not normally distributed. -Incorrect sign for GDP; MS; IR; SVR.
Δ(LnEXR)	-0.566	-0.501	F(5,61)	0.451	BPGT F(5,61)	0.630	
LnMS	0.152	0.883	F(Prob.)	0.811	BPGT F(Prob.)	0.678	
Δ(LnIR)	-0.426	-0.681	DW	2.116	RESET F(1,60)	0.137	
Δ(LnSVR)	-0.001	-0.115	AIC	0.558	RESET F(Prob.)	0.713	-Model is not significan
			SC	0.755	JBT $\chi^2(2)$	5.77***	-woder is not significant
			LL	-12.686	JBT χ ² (Prob.)	0.056	
QTY	DEPENDENT	VARIABLE: A	LnX/M)				
-	Coefficient	t-ratio	l í	Diag	gnostic Results		Note:
Constant	-0.512	-0.547	R ²	0.256	LMT F(2,57)	1.253	
Δ(LnGDP)	3.580	2.217**	Adj. R ²	0.181	LMT F(Prob.)	0.293	
A(LnEXR)	-1.172	-0.475	F(6,59)	3.392*	BPGT F(5,60)	0.648	-Residuals are not
LnMS	-0.200	-0.596	F(Prob.)	0.006	BPGT F(Prob.)	0.664	normally distributed.
Δ(LnIR)	-1.985	-1.541***	DW	1.852	RESET F(1,58)	1.449	-Incorrect sign for GDP
Δ(LnSVR)	-0.022	-2.025**	AIC	2.256	RESET F(Prob.)	0.234	IR; SVR.
AR(1)	-0.300	-2.494**	SC	2.488	$JBT \chi^2(2)$	234.62*	,
			LL	-67.443	$\frac{3BT \chi^2}{JBT \chi^2}$ (Prob.)	0.000	
				LIA - MAL		0.000	
AUD	DEPENDENT	VARIABLE: A			1151A		
AUD	Coefficient	t-ratio		Dier	gnostic Results		Note:
Constant	-0.019	-0.584	R ²	0.029	LMT F(2,62)	0.397	Note.
Δ(LnGDP)	0.845	1.218	Adj. R ²	0.023	LMT F(Prob.)	0.674	
Δ(LnEXR)	1.372	1.334	F(2,64)	0.950	BPGT F(2,64)	0.203	
A(LIIEAK)	1.372	1.554	F(Prob.)	0.392	BPGT F(Prob.)	0.203	-Incorrect sign for GDP
			· /			0.101	EXR.
			DW	2.085	RESET F(1,63	0.101	-Model is not significant
			AIC	0.190 0.289	RESET F(Prob.)	0.752	
			SC	-3.367	$\frac{\text{JBT }\chi^2(2)}{\text{IDT }\chi^2(2)}$	0.364	
OTV	DEDENDENT		LL	-3.307	JBT χ ² (Prob.)	0.834	
QTY		VARIABLE: L	nA/M				.
C	Coefficient	t-ratio	D ²	,	nostic Results	0.727	Note:
Constant	-4.023	-6.460*	\mathbf{R}^2	0.728	LMT F(2,60	0.737	
Δ(LnGDP)	2.648	1.318***	Adj. R ²	0.715	LMT F(Prob.)	0.483	-Residuals are
Δ(LnEXR)	3.937	1.130***	F(3,62)	55.34*	BPGT F(2,63)	4.419**	Heteroscedastic.
AR(1)	0.771	12.892*	F(Prob.)	0.000	BPGT F(Prob.)	0.016	-Model is mis-specified
			DW	2.114	RESET F(2,60)	9.665*	-Incorrect sign for GDP
			AIC	3.114	RESET F(Prob.)	0.000	EXR.
			SC	3.246	JBT $\chi^2(2)$	0.611	
			LL	-98.751	JBT χ ² (Prob.)	0.737	
			AUSTRAI	JA - SINGA	APORE		
AUD	DEPENDENT	VARIABLE: A	LnX/M)				
AUD	DEPENDENT Coefficient	VARIABLE: A t-ratio	LnX/M)	Diag	gnostic Results		Note:
Constant	Coefficient -0.017	t-ratio -0.623	R ²	0.119	LMT F(2,54)	0.906	Note:
	Coefficient	t-ratio				0.906 0.410	Note:
Constant	Coefficient -0.017 0.332 0.328	t-ratio -0.623 0.671 0.366	R ² Adj. R ² F(6,56)	0.119	LMT F(2,54)	0.410 0.247	-Model is mis-specified
Constant Δ(LnGDP)	Coefficient -0.017 0.332	t-ratio -0.623 0.671	R ² Adj. R ²	0.119 0.025	LMT F(2,54) LMT F(Prob.)	0.410	-Model is mis-specified
Constant Δ(LnGDP) Δ(LnEXR)	Coefficient -0.017 0.332 0.328	t-ratio -0.623 0.671 0.366	R ² Adj. R ² F(6,56)	0.119 0.025 1.266	LMT F(2,54) LMT F(Prob.) BPGT F(6,56)	0.410 0.247	-Model is mis-specified
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS)	Coefficient -0.017 0.332 0.328 -0.368	t-ratio -0.623 0.671 0.366 -0.506	R ² Adj. R ² F(6,56) F(Prob.)	0.119 0.025 1.266 0.288	LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.)	0.410 0.247 0.959	-Model is mis-specified -Incorrect sign for GDP EXR; IR.
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR)	Coefficient -0.017 0.332 0.328 -0.368 -0.144	t-ratio -0.623 0.671 0.366 -0.506 -0.271	R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC	0.119 0.025 1.266 0.288 2.224 -0.089 0.149	LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.) JBT χ^2 (2)	0.410 0.247 0.959 0.430 0.515 2.439	-Model is mis-specified -Incorrect sign for GDP EXR; IR.
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR) Δ(LnSVR)	Coefficient -0.017 0.332 0.328 -0.368 -0.144 0.002	t-ratio -0.623 0.671 0.366 -0.506 -0.271 0.623	R ² Adj. R ² F(6,56) F(Prob.) DW AIC	0.119 0.025 1.266 0.288 2.224 -0.089	LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.)	0.410 0.247 0.959 0.430 0.515	-Model is mis-specified -Incorrect sign for GDP EXR; IR.
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR) Δ(LnSVR)	Coefficient -0.017 0.332 0.328 -0.368 -0.144 0.002 -0.188	t-ratio -0.623 0.671 0.366 -0.506 -0.271 0.623	R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC LL	0.119 0.025 1.266 0.288 2.224 -0.089 0.149	LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.) JBT χ^2 (2)	0.410 0.247 0.959 0.430 0.515 2.439	-Model is mis-specified -Incorrect sign for GDP EXR; IR.
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnIR) Δ(LnIR) Δ(LnIR) A(LnSVR) Residuals (-1)	Coefficient -0.017 0.332 0.328 -0.368 -0.144 0.002 -0.188	t-ratio -0.623 0.671 0.366 -0.506 -0.271 0.623 -2.396**	R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC LL	0.119 0.025 1.266 0.288 2.224 -0.089 0.149 9.799	LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.) JBT χ ² (2) JBT χ ² (Prob.)	0.410 0.247 0.959 0.430 0.515 2.439	-Model is mis-specified -Incorrect sign for GDP EXR; IR.
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnEXR) Δ(LnIR) Δ(LnIR) Δ(LnIR) Δ(LnSVR) Residuals (-1)	Coefficient -0.017 0.332 0.328 -0.368 -0.144 0.002 -0.188 DEPENDENT	t-ratio -0.623 0.671 0.366 -0.506 -0.271 0.623 -2.396** VARIABLE: Δ	R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC LL	0.119 0.025 1.266 0.288 2.224 -0.089 0.149 9.799	LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.) JBT χ^2 (2)	0.410 0.247 0.959 0.430 0.515 2.439	-Model is mis-specified -Incorrect sign for GDP EXR; IR. -Model is not significant
Constant Δ (LnGDP) Δ (LnEXR) Δ (LnIR) Δ (LnIR) Δ (LnSVR) Residuals (-1) QTY	Coefficient -0.017 0.332 0.328 -0.368 -0.144 0.002 -0.188 DEPENDENT Coefficient	t-ratio -0.623 0.671 0.366 -0.506 -0.271 0.623 -2.396** VARIABLE: A t-ratio	R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC LL LnX/M)	0.119 0.025 1.266 0.288 2.224 -0.089 0.149 9.799 Diag	LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) posstic Results	0.410 0.247 0.959 0.430 0.515 2.439 0.295	-Model is mis-specified -Incorrect sign for GDP EXR; IR. -Model is not significant
Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnMS)$ $\Delta(LnIR)$ $\Delta(LnSVR)$ Residuals (-1) QTY Constant	Coefficient -0.017 0.332 0.328 -0.368 -0.144 0.002 -0.188 DEPENDENT Coefficient 0.011	t-ratio -0.623 0.671 0.366 -0.506 -0.506 -0.271 0.623 -2.396** VARIABLE: A t-ratio 0.119	R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC LL LnX/M) R ² Adj. R ²	0.119 0.025 1.266 0.288 2.224 -0.089 0.149 9.799 Diag 0.366 0.298	LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) mostic Results LMT F(2,54) LMT F(Prob.)	0.410 0.247 0.959 0.430 0.515 2.439 0.295	-Model is mis-specified -Incorrect sign for GDP EXR; IR. -Model is not significant
Constant A(LnGDP) A(LnEXR) A(LnIXR) A(LnIR) A(LnSVR) Residuals (-1) OTY Constant A(LnGDP) A(LnEXR)	Coefficient -0.017 0.332 0.328 -0.368 -0.144 0.002 -0.188 DEPENDENT Coefficient 0.011 -1.811 -4.963	t-ratio -0.623 0.671 0.366 -0.506 -0.271 0.623 -2.396** VARIABLE: Δ(t-ratio 0.119 -1.125***	R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC LL LnX/M) R ² Adj. R ² F(6,56)	0.119 0.025 1.266 0.288 2.224 -0.089 0.149 9.799 Diag 0.366 0.298 5.376*	LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(1,55) JBT χ ² (2) JBT χ ² (2) JBT χ ² (2) JBT χ ² (2) LMT F(2,54) LMT F(Prob.) BPGT F(6,56)	0.410 0.247 0.959 0.430 0.515 2.439 0.295 1.889 0.161 0.801	-Model is mis-specified -Incorrect sign for GDP EXR; IR. -Model is not significant
Constant A(LnGDP) A(LnEXR) A(LnIR) A(LnIR) A(LnSVR) Residuals (-1) OTY Constant A(LnGDP) A(LnEXR) A(LnMS)	Coefficient -0.017 0.332 0.328 -0.368 -0.144 0.002 -0.188 DEPENDENT Coefficient 0.011 -1.811 -4.963 -2.854	t-ratio -0.623 0.671 0.366 -0.506 -0.271 0.623 -2.396** VARIABLE: At t-ratio 0.119 -1.125*** -1.705** -1.282***	R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC LL LnX/M) R ² Adj. R ² F(6,56) F(Prob.)	0.119 0.025 1.266 0.288 2.224 -0.089 0.149 9.799 Diag 0.366 0.298	LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) DBT χ^2 (2) LMT F(2,54) LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.)	0.410 0.247 0.959 0.430 0.515 2.439 0.295 1.889 0.161 0.801 0.574	-Model is mis-specified -Incorrect sign for GDP EXR; IR. -Model is not significant
Constant A(LnGDP) A(LnEXR) A(LnIR) A(LnIR) A(LnSVR) Residuals (-1) QTY Constant A(LnGDP) A(LnEXR) A(LnIR)	Coefficient -0.017 0.332 0.328 -0.368 -0.144 0.002 -0.188 DEPENDENT Coefficient 0.011 -1.811 -4.963	t-ratio -0.623 0.671 0.366 -0.506 -0.271 0.623 -2.396** VARIABLE: A t-ratio 0.119 -1.125*** -1.705**	R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC LL LnX/M) R ² Adj. R ² F(6,56) F(Prob.) DW	0.119 0.025 1.266 0.288 2.224 -0.089 0.149 9.799 Diag 0.366 0.298 5.376* 0.000	LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(7,05) RESET F(1,55) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) mostic Results LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55)	0.410 0.247 0.959 0.430 0.515 2.439 0.295 1.889 0.161 0.801	-Model is mis-specified -Incorrect sign for GDP EXR; IR. -Model is not significant
Constant A(LnGDP) A(LnEXR) A(LnIR) A(LnIR) A(LnSVR) Residuals (-1) OTY Constant A(LnGDP) A(LnEXR) A(LnMS)	Coefficient -0.017 0.332 0.328 -0.368 -0.144 0.002 -0.188 DEPENDENT Coefficient 0.011 -1.811 -4.963 -2.854 1.248	t-ratio -0.623 0.671 0.366 -0.506 -0.271 0.623 -2.396** VARIABLE: A t-ratio 0.119 -1.125*** -1.705** -1.282*** 0.723	R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC LL LnX/M) R ² Adj. R ² F(6,56) F(Prob.)	0.119 0.025 1.266 0.288 2.224 -0.089 0.149 9.799 0.366 0.298 5.376* 0.000 2.229	LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) DBT χ^2 (2) LMT F(2,54) LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.)	0.410 0.247 0.959 0.430 0.515 2.439 0.295 1.889 0.161 0.574 1.292	-Model is mis-specified -Incorrect sign for GDP EXR; IR. -Model is not significant

Table 4 (Continued - Part B): NET EXPORT MODELS - CATEGORY 85* (AUD & QTY)

 LL
 -04.200
 JB1 \chi² (Irob.)
 0.294

 *Electrical Machinery and Equipment and Parts Thereof; Sound Recorders and Producers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles

 DW – Durbin-Watson Statistics; AIS – Akaike Info Criterion; SC – Schwartz Criterion; LL – Log Likelihood; LMT – Lagrange Multiplier (Breusch-Godfrey)

 Test for Serial Correlation; BPGT – Breusch-Pagan-Godfrey Test for Heteroskedasticity; RESET – Ramsey RESET Test for Model Specification; JBT – Jarques-Bera Test for normality of the residuals; * significant at the 1%, ** significance at 5%, ***significance at 10%

AUD Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS)	DEPENDENT		AUSTRA	LIA - IIIAI	LAND		
Δ(LnGDP) Δ(LnEXR) Δ(LnMS)		VARIABLE: Li	nX/M				
Δ(LnGDP) Δ(LnEXR) Δ(LnMS)	Coefficient	t-ratio			nostic Results		Note:
Δ(LnEXR) Δ(LnMS)	-1.735	-3.033*	R ²	0.744	LMT F(3,44)	2.115	
Δ(LnMS)	-1.096	-1.380***	Adj. R ²	0.711	LMT F(Prob.)	0.112	
· /	3.137	1.207***	F(6,47)	22.72*	BPGT F(5,48)	1.686	-Model is mis-specified.
	4.052	1.633***	F(Prob.)	0.000	BPGT F(Prob.)	0.156	-Incorrect sign for EXR;
Δ(LnIR)	-1.058	-1.302***	DW	2.551	RESET F(2,45	0.070	MS; IR; SVR.
	-0.108	-0.734 11.244*	AIC	1.568	RESET F(Prob.)	0.006	
AR(1)	0.868	11.244*	SC LL	1.825 -35.324	<u>JBT χ² (2)</u> JBT χ ² (Prob.)	3.248 0.197	
OTV	DEDENDENT			-33.324	JBIX (Prod.)	0.197	
QTY		VARIABLE: Li	IX/M				
C	Coefficient	t-ratio	D ²		nostic Results	0.000	Note:
Constant	-2.759	-10.486*	R^2	0.305	LMT F(2,45)	0.339	
A(LnGDP)	-2.784	-1.659***	Adj. R ²	0.216	LMT F(Prob.)	0.714	
A(LnEXR)	-3.398	-0.676	F(6,47)	3.434*	BPGT F(5,48)	0.328	-Residuals are not
Δ(LnMS)	0.734	0.153	F(Prob.)	0.007	BPGT F(Prob.)	0.894	normally distributed.
Δ(LnIR)	-3.196	-2.173**	DW	1.937	RESET F(1,46	0.843	 Incorrect sign for MS; IR; SVR.
LnSVR	-0.111	-0.417	AIC	2.540	RESET F(Prob.)	0.363	IK, SVK.
AR(1)	0.408	2.969*	SC	2.798	$\frac{\text{JBT }\chi^2(2)}{\text{IDT }\chi^2(2)}$	10.462*	
			LL	-61.573	JBT χ ² (Prob.)	0.005	
			AUSTRALIA	- UNITED F	KINGDOM		
AUD		VARIABLE: Δ(LnX/M)				
	Coefficient	t-ratio			nostic Results		Note:
Constant	0.010	0.326	R ²	0.346	LMT F(2,58)	0.354	
Δ(LnGDP)	0.803	1.264***	Adj. R ²	0.281	LMT F(Prob.)	0.704	
Δ(LnEXR)	1.484	0.798	F(6,60)	5.295*	BPGT F(6,60)	0.446	-Residuals are not
Δ(LnMS)	1.466	0.778	F(Prob.)	0.000	BPGT F(Prob.)	0.845	normally distributed.
Δ(LnIR)	0.466	0.949	DW	1.903	RESET F(1,59)	0.013	-Incorrect sign for GDP;
Δ(LnSVR)	0.003	0.835	AIC	0.072	RESET F(Prob.)	0.909	EXR; MS.
Residuals (-1)	-0.569	-5.117*	SC	0.302	JBT χ^2 (2)	8.330**	
			LL	4.588	JBT χ² (Prob.)	0.016	
QTY	DEPENDENT	VARIABLE: Δ(LnX/M)				
	Coefficient	t-ratio			gnostic Results		Note:
Constant	0.021	0.257	R ²	0.359	LMT F(2,58)	0.600	
Δ(LnGDP)	4.824	2.763*	Adj. R ²	0.295	LMT F(Prob.)	0.552	
Δ(LnEXR)	-3.340	-0.665	F(6,60)	5.608*	BPGT F(6,60)	0.551	-Residuals are not
Δ(LnMS)	-5.372	-1.054	F(Prob.)	0.000	BPGT F(Prob.)	0.768	normally distributed.
Δ(LnIR)	0.465	0.338	DW	2.117	RESET F(1,59)	0.763	-Incorrect sign for GDP.
Δ(LnSVR)	0.012	1.114***	AIC	2.070	RESET F(Prob.)	0.386	5
Residuals (-1)	-0.586	-5.074*	SC	2.300	$\frac{\text{JBT }\chi^2(2)}{2}$	22.386*	
			LL	-62.348	JBT χ² (Prob.)	0.000	
			USTRALIA	- UNITED S			
					STATES		
AUD	DEPENDENT	VARIABLE: A(
AUD	Coefficient	t-ratio	LnX/M)	Diag	gnostic Results		Note:
AUD Constant	Coefficient 0.016	t-ratio 0.652	LnX/M)	Diag 0.397	nostic Results LMT F(2,54)	1.720	Note:
AUD Constant Δ(LnGDP)	Coefficient 0.016 1.575	t-ratio 0.652 3.077*	LnX/M) R ² Adj. R ²	Diag 0.397 0.333	nostic Results LMT F(2,54) LMT F(Prob.)	0.189	Note:
AUD Constant Δ(LnGDP) Δ(LnEXR)	Coefficient 0.016 1.575 0.252	t-ratio 0.652 3.077* 0.138	LnX/M) R ² Adj. R ² F(6,56)	Diag 0.397 0.333 6.153*	nostic Results LMT F(2,54) LMT F(Prob.) BPGT F(6,56)	0.189 0.657	
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnMS)$	Coefficient 0.016 1.575 0.252 -1.468	t-ratio 0.652 3.077* 0.138 -0.860	LnX/M) R ² Adj. R ² F(6,56) F(Prob.)	Diag 0.397 0.333 6.153* 0.000	nostic Results LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.)	0.189 0.657 0.684	-Model is mis-specified.
AUD Constant A(LnGDP) A(LnEXR) A(LnIX) A(LnIR)	Coefficient 0.016 1.575 0.252 -1.468 -0.229	t-ratio 0.652 3.077* 0.138 -0.860 -0.575	LnX/M) R ² Adj. R ² F(6,56) F(Prob.) DW	Diag 0.397 0.333 6.153* 0.000 2.145	nostic Results LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55)	0.189 0.657 0.684 3.14***	-Model is mis-specified. -Incorrect sign for GDP;
AUD Constant A(LnGDP) A(LnEXR) A(LnMS) A(LnIR) A(LnIR) A(LnSVR)	Coefficient 0.016 1.575 0.252 -1.468 -0.229 -0.002	t-ratio 0.652 3.077* 0.138 -0.860 -0.575 -0.557	LnX/M) R ² Adj. R ² F(6,56) F(Prob.) DW AIC	Diag 0.397 0.333 6.153* 0.000 2.145 -0.431	nostic Results LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.)	0.189 0.657 0.684 3.14*** 0.082	-Model is mis-specified.
AUD Constant A(LnGDP) A(LnEXR) A(LnIX) A(LnIR)	Coefficient 0.016 1.575 0.252 -1.468 -0.229	t-ratio 0.652 3.077* 0.138 -0.860 -0.575	LnX/M) R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC	Diag 0.397 0.333 6.153* 0.000 2.145 -0.431 -0.193	nostic Results LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.) JBT χ ² (2)	0.189 0.657 0.684 3.14*** 0.082 1.495	-Model is mis-specified. -Incorrect sign for GDP;
AUD Constant Δ(LnGDP) Δ(LnEXR) Δ(LnIR) Δ(LnIR) Δ(LnSVR) Residuals (-1)	Coefficient 0.016 1.575 0.252 -1.468 -0.229 -0.002 -0.567	t-ratio 0.652 3.077* 0.138 -0.860 -0.575 -0.557 -4.843*	LnX/M) R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC LL	Diag 0.397 0.333 6.153* 0.000 2.145 -0.431	nostic Results LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.)	0.189 0.657 0.684 3.14*** 0.082	-Model is mis-specified. -Incorrect sign for GDP;
AUD Constant A(LnGDP) A(LnEXR) A(LnMS) A(LnIR) A(LnIR) A(LnSVR)	Coefficient 0.016 1.575 0.252 -1.468 -0.229 -0.002 -0.567	t-ratio 0.652 3.077* 0.138 -0.860 -0.575 -0.557	LnX/M) R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC LL	Diag 0.397 0.333 6.153* 0.000 2.145 -0.431 -0.193 20.580	nostic Results LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.)	0.189 0.657 0.684 3.14*** 0.082 1.495	-Model is mis-specified. -Incorrect sign for GDP;
AUD Constant Δ(LnGDP) Δ(LnEXR) Δ(LnIR) Δ(LnIR) Δ(LnSVR) Residuals (-1)	Coefficient 0.016 1.575 0.252 -1.468 -0.229 -0.002 -0.567 DEPENDENT Coefficient	t-ratio 0.652 3.077* 0.138 -0.860 -0.575 -0.557 -4.843* VARIABLE: Lu t-ratio	LnX/M) R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC LL X/M	Diag 0.397 0.333 6.153* 0.000 2.145 -0.431 -0.193 20.580 Diag	nostic Results LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) mostic Results	$\begin{array}{c} 0.189 \\ 0.657 \\ 0.684 \\ 3.14^{***} \\ 0.082 \\ 1.495 \\ 0.474 \end{array}$	-Model is mis-specified. -Incorrect sign for GDP;
AUD Constant Δ(LnGDP) Δ(LnEXR) Δ(LnIR) Δ(LnIR) Δ(LnSVR) Residuals (-1)	Coefficient 0.016 1.575 0.252 -1.468 -0.229 -0.002 -0.567 DEPENDENT	t-ratio 0.652 3.077* 0.138 -0.860 -0.575 -0.557 -4.843* VARIABLE: Lt t-ratio -7.086*	LnX/M) R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC LL	Diag 0.397 0.333 6.153* 0.000 2.145 -0.431 -0.193 20.580	nostic Results LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.)	0.189 0.657 0.684 3.14*** 0.082 1.495	-Model is mis-specified. -Incorrect sign for GDP; EXR; IR; SVR.
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnIR)$ $\Delta(LnSVR)$ Residuals (-1) QTY Constant $\Delta(LnGDP)$	Coefficient 0.016 1.575 0.252 -1.468 -0.229 -0.002 -0.567 DEPENDENT Coefficient	t-ratio 0.652 3.077* 0.138 -0.860 -0.575 -0.557 -4.843* VARIABLE: Lu t-ratio	LnX/M) R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC LL X/M	Diag 0.397 0.333 6.153* 0.000 2.145 -0.431 -0.193 20.580 Diag 0.676 0.640	nostic Results LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) mostic Results	0.189 0.657 0.684 3.14*** 0.082 1.495 0.474 4.157** 0.021	-Model is mis-specified. -Incorrect sign for GDP; EXR; IR; SVR. Note:
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnIR)$ $\Delta(LnSVR)$ Residuals (-1) QTY Constant	Coefficient 0.016 1.575 0.252 -1.468 -0.229 -0.002 -0.567 DEPENDENT Coefficient -3.958 -1.915 0.491	t-ratio 0.652 3.077* 0.138 -0.860 -0.575 -0.557 -4.843* VARIABLE: Li t-ratio -7.086* -1.542*** 0.093	LnX/M) R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC LL DX/M R ²	Diag 0.397 0.333 6.153* 0.000 2.145 -0.431 -0.193 20.580 Diag 0.676	prostic Results LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) mostic Results LMT F(2,53)	0.189 0.657 0.684 3.14*** 0.082 1.495 0.474 4.157** 0.021 0.552	-Model is mis-specified. -Incorrect sign for GDP; EXR; IR; SVR. Note: -Residuals are serially
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnIR)$ $\Delta(LnSVR)$ Residuals (-1) QTY Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnMS)$	Coefficient 0.016 1.575 0.252 -1.468 -0.229 -0.002 -0.567 DEPENDENT Coefficient -3.958 -1.915	t-ratio 0.652 3.077* 0.138 -0.860 -0.575 -0.557 -4.843* VARIABLE: Li t-ratio -7.086* -1.542** 0.093 0.344	LnX/M) R ² Adj. R ² F(6,56) F(Prob.) DW AIC SC LL DX/M R ² Adj. R ²	Diag 0.397 0.333 6.153* 0.000 2.145 -0.431 -0.193 20.580 Diag 0.676 0.640	Image: constitute constitute Constitute	0.189 0.657 0.684 3.14*** 0.082 1.495 0.474 4.157** 0.021	-Model is mis-specified. -Incorrect sign for GDP; EXR; IR; SVR. <u>Note:</u> -Residuals are serially correlated.
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnRSXR)$ $\Delta(LnSVR)$ Residuals (-1) QTY Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$	Coefficient 0.016 1.575 0.252 -1.468 -0.229 -0.002 -0.567 DEPENDENT Coefficient -3.958 -1.915 0.491	t-ratio 0.652 3.077* 0.138 -0.860 -0.575 -0.557 -4.843* VARIABLE: Li t-ratio -7.086* -1.542*** 0.093	LnX/M) R ² Adj, R ² F(6,56) F(Prob.) DW AIC SC LL DX/M R ² Adj, R ² F(6,55)	Diag 0.397 0.333 6.153* 0.000 2.145 -0.431 -0.193 20.580 Diag 0.676 0.640 19.09*	pnostic Results LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(1,55) RESET F(1,55) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) DBT χ^2 (2) BFGT F(2,53) LMT F(Prob.) BPGT F(5,56)	0.189 0.657 0.684 3.14*** 0.082 1.495 0.474 4.157** 0.021 0.552	-Model is mis-specified. -Incorrect sign for GDP; EXR; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified.
AUD Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnNS)$ $\Delta(LnSVR)$ Residuals (-1) QTY Constant $\Delta(LnGDP)$ $\Delta(LnEXR)$ $\Delta(LnMS)$ $\Delta(LnIR)$ LnSVR	Coefficient 0.016 1.575 0.252 -1.468 -0.229 -0.002 -0.567 DEPENDENT Coefficient -3.958 -1.915 0.491 1.773	t-ratio 0.652 3.077* 0.138 -0.860 -0.575 -0.557 -4.843* VARIABLE: Li t-ratio -7.086* -1.542** 0.093 0.344	LnX/M) R ² Adj, R ² F(6,56) F(Prob.) DW AIC SC LL X/M R ² Adj, R ² F(6,55) F(Prob.)	Diag 0.397 0.333 6.153* 0.000 2.145 -0.431 -0.193 20.580 Diag 0.676 0.640 19.09* 0.000	prostic Results LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) mostic Results LMT F(2,53) LMT F(Prob.) BPGT F(5,56) BPGT F(1,54) RESET F(1,54) RESET F(1,54)	0.189 0.657 0.684 3.14*** 0.082 1.495 0.474 4.157** 0.021 0.552 0.736 8.934* 0.004	-Model is mis-specified. -Incorrect sign for GDP; EXR; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified. -Incorrect sign for EXR;
AUD Constant A(LnGDP) A(LnEXR) A(LnIR) A(LnSVR) Residuals (-1) QTY Constant A(LnGDP) A(LnEXR) A(LnMS) A(LnIR)	Coefficient 0.016 1.575 0.252 -1.468 -0.229 -0.002 -0.567 DEPENDENT Coefficient -3.958 -1.915 0.491 1.773 -2.124	t-ratio 0.652 3.077* 0.138 -0.860 -0.575 -0.557 -4.843* VARIABLE: Lu t-ratio -7.086* -1.542*** 0.093 0.344 -1.417***	LnX/M) R ² Adj, R ² F(6,56) F(Prob.) DW AIC SC LL X/M R ² Adj, R ² F(6,55) F(Prob.) DW	Diag 0.397 0.333 6.153* 0.000 2.145 -0.431 -0.193 20.580 Diag 0.676 0.640 19.09* 0.000 2.503	postic Results LMT F(2,54) LMT F(Prob.) BPGT F(6,56) BPGT F(Prob.) RESET F(1,55) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) gnostic Results LMT F(2,53) LMT F(Prob.) BPGT F(5,56) BPGT F(Prob.) RESET F(1,54)	0.189 0.657 0.684 3.14*** 0.082 1.495 0.474 4.157** 0.021 0.552 0.736 8.934*	-Model is mis-specified. -Incorrect sign for GDP; EXR; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified.

Table 4 (Continued - Part C): NET EXPORT MODELS – CATEGORY 85* ((AUD	& QTY)	

*Electrical Machinery and Equipment and Parts Thereof; Sound Recorders and Producers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles

DW - Durbin-Watson Statistics; AIS - Akaike Info Criterion; SC - Schwartz Criterion; LL - Log Likelihood; LMT - Lagrange Multiplier (Breusch-Godfrey)Test for Serial Correlation; BPGT - Breusch-Pagan-Godfrey Test for Heteroskedasticity; RESET - Ramsey RESET Test for Model Specification; JBT -Jarques-Bera Test for normality of the residuals; * significant at the 1%, ** significance at 5%, ***significance at 10%

As shown in Table 4, out of the 16 NX models in Category 85, 13 models are significant and 3 NX models with Germany, Malaysia and Singapore all based on AUD, are not significant. Furthermore, in most of the models, the variable GDP is significant, while the variables EXR, MS, IR and SVR are not significant.

The variables EXR, MS, IR and SVR are significant in 3, 2, 6 and 5 out of the 16 models respectively, while the variable GDP is significant in 11 out of the 16 models. The correct coefficient signs for all the GDP, EXR, MS, IR and SVR are found in 2 out of the 16 models (1 based on AUD and 1 based on QTY), while for these 2 models, the coefficient range for the GDP, EXR, MS, IR and SVR is between (-0.240 and -1.811), (-1.442 and -4.963), (-2.854 and -4.025), (0.873 and 1.248) and (0.009 and 0.704) respectively. Finally, the Adj. R-Square in overall for all 16 models in this category ranges between 0.2 and 71.5 per cent.

Overall, out of the 16 estimated models in this category, only 2 models (the NX with China based on AUD; the NX with Singapore based on QTY) have the correct signs and have satisfactory passed all diagnostic tests. The NX model with China based on AUD shows that a 1 per cent increase in the GDP will decrease the NX growth rate by 0.240 per cent, a 1 per cent growth rate in the EXR and MS will decrease the NX growth rate by 1.442 and 4.025 per cent respectively, a 1 per cent growth rate in the IR will increase the NX growth rate by 0.873 per cent, on average, while a 1 per cent increase in SVR will increase the NX growth rate by 0.704 per cent. The NX model with Singapore shows that a 1 per cent growth rate in the GDP, EXR and MS will decrease the NX growth rate by 1.811, 4.963 and 2.854 per cent respectively, on average, while a 1 per cent growth rate in the IR and SVR will increase the NX growth rate by 1.248 and 0.009 per cent respectively. In these 2 models, the variables EXR and MS are elastic; the variables GDP and IR are mixed, while the variables SVR is inelastic. Finally, the Adj. R-Square for China based on AUD values is 29.9 per cent and for Singapore based on QTY, the value is 29.8 per cent.

			AUSTR	RALIA - CH	INA			
AUD	DEPENDENT	VARIABLE: A	(LnX/M)					
	Coefficient	Coefficient t-ratio Diagnostic Results						
Constant	-2.508	-0.566	\mathbb{R}^2	0.224	LMT F(2,19)	0.294		
LnGDP	0.085	0.179	Adj. R ²	0.039	LMT F(Prob.)	0.748		
Δ(LnEXR)	6.277	0.478	F(5,21)	1.210	BPGT F(5,21)	2.57***	-Residuals are	
Δ(LnMS)	10.684	0.814	F(Prob.)	0.339	BPGT F(Prob.)	0.058	Heteroscedastic.	
Δ(LnIR)	2.425	1.871***	DW	1.947	RESET F(1,20)	0.000	-Incorrect sign for GDP;	
LnSVR	0.552	0.716	AIC	2.638	RESET F(Prob.)	0.992	EXR; MS. -Model is not significant.	
			SC	2.926	JBT χ^2 (2)	1.857	-woder is not significant.	
			LL	-29.609	JBT χ ² (Prob.)	0.395		
QTY	DEPENDENT	VARIABLE: A	(LnX/M)					
	Coefficient	t-ratio		Dia	gnostic Results		Note:	
Constant	-35.649	-3.198*	\mathbf{R}^2	0.565	LMT F(2,17)	2.096		
LnGDP	-2.264	-1.613***	Adj. R ²	0.428	LMT F(Prob.)	0.154		
Δ(LnEXR)	-3.837	-0.098	F(6,19)	4.120*	BPGT F(5,20)	0.486		
A(LnMS)	-2.105	-0.054	F(Prob.)	0.008	BPGT F(Prob.)	0.783		
Δ(LnIR)	8.250	2.560**	DW	2.024	RESET F(1,18)	0.676		
LnSVR	6.292	3.377*	AIC	4.965	RESET F(Prob.)	0.422		
AR(1)	-0.701	-4.135*	SC	5.303	JBT $\chi^2(2)$	1.336		
			LL	-57.542	JBT χ^2 (Prob.)	0.513		

*Vehicles Other Than Railway or Tramway Rolling-Stock, and Parts and Accessories Thereof

DW – Durbin-Watson Statistics; AIS – Akaike Info Criterion; SC – Schwartz Criterion; LL – Log Likelihood; LMT – Lagrange Multiplier (Breusch-Godfrey) Test for Serial Correlation; BPGT – Breusch-Pagan-Godfrey Test for Heteroskedasticity; RESET – Ramsey RESET Test for Model Specification; JBT – Jarques-Bera Test for normality of the residuals; * significant at the 1%, ** significance at 5%, ***significance at 10%

$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	AUD	DEPENDENT	VARIABLE: L		ALIA - FRA			
					Diag	nostic Results		Note:
	Constant			\mathbb{R}^2			1.970	
ALLAEXB, LANS 1-1047 -0.022 F(6.34) 2027* IPCT F(5.35) 1.601 ALLAIR) 4.738 3.472* DW 2.257 RESET F(2.3.1) 5.065** AR(1) 0.847 10.285* SC 1.995 JBT χ^2 (2) 1.563 AR(1) 0.847 10.285* SC 1.995 JBT χ^2 (2) 0.458 QTV DEPENDENT VARLABLE: LAXM		0.787	0.940	Adj. R ²			0.157	
LAMS 1.284 0.006 F(Proh.) 0.000 BPCT F(Proh.) 0.163		-1.047	-0.422		20.27*		1.691	
		1.284	0.506		0.000		0.163	
LaSVR 0.545 2.552** AIC 1.700 RESET F(Prob.) 0.013 N(1) 0.847 10.285* SC 1.995 JBT χ² (2) 1.563 QTV DEPENDENT VARIABLE: LAXM Diagnostic Results 0.438 MLaCDP 3.978 0.902 Adj. R² 0.015 LMT (P(23)) 1.250 MLACDP 3.978 0.902 Adj. R² 0.015 LMT (P(23)) 0.507 LAMS -11.769 2.184** F(Feb.) 0.233 LPC (FG.55) 0.957 LAST 0.880 0.815 AIC 4.434 RESET F(Prob.) 0.307 LAST 0.880 0.815 AIC 4.434 RESET F(Prob.) 0.481 MLaIRN 0.880 0.815 AIC 4.434 RESET F(Prob.) 0.307 LaST AIG Barya 0.465 Barya 0.300 0.306 AILaRN 0.880 0.815 AIC 4.455 JBarya 0.306 AILaNN <td< td=""><td>Δ(LnIR)</td><td>4.738</td><td>3.472*</td><td></td><td>2.257</td><td>· · · ·</td><td>5.065**</td><td></td></td<>	Δ(LnIR)	4.738	3.472*		2.257	· · · ·	5.065**	
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$. /	0.545	2.552**	AIC	1.700		0.013	MS.
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$		0.847	10.285*					
QTY DEFENDENT VARIABLE: LaXM Disgonstic Results Note: Constant 27182 1.924*** R ² 0.035 LMT F(2,3) 1.250 ALIGDP) 3.978 0.802 Adj. R ² 0.034 LMT F(2,3) 1.250 ALIDEXR 0.152 0.048 F(6,24) 1.283 BPGT F(7.6b) 0.011 LAMS -1.1.769 -2.184** F(fr-ch) 0.293 BPGT F(7.6b) 0.011 LASW 0.880 0.815 AIC 4.434 RESET F(1.45) 0.301 LASW 0.880 0.815 AIC 4.434 RESET F(1.54) 0.301 LASW 0.880 0.815 AIC 4.434 RESET F(1.56) 0.305 LASW 0.800 0.815 AIC 4.434 RESET F(1.56) 0.306 MLaGDP 0.552 0.437 F(6.59) 16.47* BPGT F(5.60) 0.968 AILaRD 0.020 0.236 AIC 1.57* RESET F(1.58) 0.601						JBT y ² (Prob.)		
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	ΟΤΥ	DEPENDENT	VARIABLE: L			R ()		
	v				Diac	mostic Results		Note:
	Constant			\mathbf{R}^2			1 250	Hote.
MLAEXN 0.523 0.048 F(\overline{c}_{2}) 1.233 BFGT F(\overline{c}_{2}) 1.100 -1ncorrect sign for GDP MLAIR) 4.933 0.938 DW 2.130 RESET F(1.34) 0.937 -1ncorrect sign for GDP MLARN 0.880 0.815 ALC 4.434 RESET F(1.34) 0.937 <								
A(LaiR) 4.933 0.938 DW 2.130 RESET $F(1,4)$ 0.507	· · · ·							-Incorrect sign for GDP;
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$								
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$								-Model is not significant
ILL 84.898 JET χ^2 (Prob.) 0.306 AUSTRALIA - GERMANY AUSTRALIA - GERMANY Coefficient t-ratio Diagnostic Results Note: Coefficient t-ratio Diagnostic Results Note	LIISVK	0.880	0.815					
AUSTRALIA - GERMANY AUD DEPENT VARIABLE: LaX/M Constant -6.012 -1.180*** R ² 0.626 LMT F(2,57) 2.246 A(LaCDP) -0.873 -1.342*** Adj. R ² 0.558 LMT F(Prob.) 0.015 A(LaRD) -0.552 -0.347 F(6,59) 16.47* BPGT F(7,56) 0.435 A(LalR) 1.078 1.068*** DW 2.147 RESET F(1,59) 1.622 A(LaR) 0.002 0.236 AIC 1.57 RESET F(Prob.) 0.026 A(LaR) 0.002 0.236 AIC 1.57 RESET F(Prob.) 0.026 A(LaR) 0.002 0.236 AIC 1.57 RESET F(Prob.) 0.000 QTY DEPENDENT VARIABLE: LaX/M								
AUD DEPENDENT VARIABLE: LaXM Constant Coefficient t-ratio Disgnostic Results Note: Constant -6.012 -1.180 ⁸⁺⁸ R ² 0.626 LMT F(2,57) 2.246 A(LaCDP) -0.873 -1.342 ²⁺⁸⁺⁸ Adj. R ² 0.588 LMT F(Prob.) 0.0115 A(LaEXR) -0.812 -0.453 F(Prob.) 0.000 BPGT F(Prob.) 0.445 A(LaRW) 0.002 0.236 AIC 1.537 RESET F(Prob.) 0.026 A(LaSVR) 0.002 0.236 AIC 1.537 RESET F(Prob.) 0.000 QTV DEPENDENT VARIABLE: LnX/M - 1.1.1 -45.703 JBT χ^2 (Prob.) 0.000 QTV DEPENDENT VARIABLE: LnX/M - 0.406 LMT F(2,57) 0.489 A(LaCDP) -1.358 -0.561 Adj. R ² 0.466 LMT F(2,57) 0.489 A(LaSVR) -11.403 -1.897*** F(6,59) 8.568* BPGT F(Prob.) 0.016 A(LaSVR) 0.							0.306	
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$					LIA - GERN	MANY		
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	AUD	DEPENDENT	VARIABLE: L	nX/M				
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$					Diag	nostic Results		Note:
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	Constant	-6.012		\mathbf{R}^2	0.626	LMT F(2,57)	2.246	
		-0.873		Adj. R ²	0.588	LMT F(Prob.)	0.115	
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	Δ(LnEXR)	-0.552	-0.347	F(6,59)	16.47*	BPGT F(5,60)	0.968	
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	LnMS	-0.812		F(Prob.)	0.000	BPGT F(Prob.)	0.445	-Residuals are not
AR(1) 0.809 10.454* SC 1.829 JBT χ^2 (2) 18.010* QTY DEPENDENT VARIABLE: LNX/M -4.5.703 JBT χ^2 (Prob.) 0.000 Quart -10.718 -1.032*** R ² 0.466 LMT F(2.57) 0.489 A(LnGDP) -1.358 -0.561 Adj. R ² 0.411 LMT F(Prob.) 0.616 A(LnEXR) -11.403 -1.897*** F(6.59) 8.568* BPGT F(7.b) 0.399 A(LnIR) 1.050 0.279 DW 1.839 RESET F(1.58) 1.762 A(LnSVR) 0.002 0.096 AIC 4.118 RESET F(Prob.) 0.190 AR(1) 0.667 6.757* SC 4.350 JBT χ^2 (2) 0.538 AUSTRALIA - MALAYSIA AUD DEPENDENT VARIABLE: A(LnX/M) Inter Note: Coefficient t-ratio Diagnostic Results Note: Constant -0.026 -0.349 R ² 0.237 LMT F(2.61) 1.598	Δ(LnIR)	1.078	1.068***	DW	2.147	RESET F(1,58)	1.622	normally distributed.
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	Δ(LnSVR)	0.002	0.236	AIC	1.597	RESET F(Prob.)	0.208	
$\begin{tabular}{ c c c c c c c } \hline L c c c c c c c c c c c c c c c c c c $	AR(1)	0.809	10.454*	SC	1.829	JBT χ^2 (2)	18.010*	
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$				LL	-45.703	JBT χ ² (Prob.)	0.000	
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	QTY	DEPENDENT	VARIABLE: L	nX/M				
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		G 001 1		1				
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $		Coefficient	t-ratio		Diag	nostic Results		Note:
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	Constant			R ²			0.489	Note:
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$		-10.718	-1.032***		0.466	LMT F(2,57)		Note:
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	Δ(LnGDP)	-10.718 -1.358	-1.032*** -0.561	Adj. R ²	0.466 0.411	LMT F(2,57) LMT F(Prob.)	0.616	Note:
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	Δ(LnGDP) Δ(LnEXR)	-10.718 -1.358 -11.403	-1.032*** -0.561 -1.897***	Adj. R ² F(6,59)	0.466 0.411 8.568*	LMT F(2,57) LMT F(Prob.) BPGT F(5,60)	0.616	Note:
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	Δ(LnGDP) Δ(LnEXR) LnMS	-10.718 -1.358 -11.403 -2.361	-1.032*** -0.561 -1.897*** -0.640	Adj. R ² F(6,59) F(Prob.)	0.466 0.411 8.568* 0.000	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Prob.)	0.616 1.046 0.399	Note:
LL -128.88 JBT χ^2 (Prob.) 0.764 AUSTRALIA - MALAYSIA AUD DEPENDENT VARIABLE: $\Delta(LnX/M)$ Coefficient t-ratio Diagnostic Results Note: Constant -0.026 -0.349 R ² 0.237 LMT F(2,61) 1.598 Note: A(LnGDP) 0.810 0.512 Adj. R ² 0.201 LMT F(Prob.) 0.211 A(LnEXR) 1.618 0.688 F(3,63) 6.540* BPGT F(4,63) 0.479 Residuals (-1) -0.441 -4.322* F(Prob.) 0.001 BPGT F(1,62) 2.224 MUC 1.854 RESET F(1,62) 2.224 EXR. MIC 1.854 RESET F(Prob.) 0.141 MIC 1.854 RESET F(Prob.) 0.118 QTY DEPENDENT VARIABLE: LnX/M Sc 1.986 JBT χ^2 (Prob.) 0.118 QTY DEPENDENT VARIABLE: LnX/M Sc 1.031 Adj. R ² 0.253 LMT F(2,60) 0.640	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR)	-10.718 -1.358 -11.403 -2.361 1.050	-1.032*** -0.561 -1.897*** -0.640 0.279	Adj. R ² F(6,59) F(Prob.) DW	0.466 0.411 8.568* 0.000 1.839	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Prob.) RESET F(1,58)	0.616 1.046 0.399 1.762	Note:
AUD DEPENDENT VARIABLE: $\Delta(LnX/M)$ Note: Constant -0.026 -0.349 R ² 0.237 LMT F(2,61) 1.598 $\Delta(LnGDP)$ 0.810 0.512 Adj. R ² 0.201 LMT F(Prob.) 0.211 A(LnGDP) 0.810 0.512 Adj. R ² 0.201 LMT F(Prob.) 0.211 A(LnEXR) 1.618 0.688 F(3,63) 6.540* BPGT F(3,63) 0.479 Residuals (-1) -0.441 -4.322* F(Prob.) 0.001 BPGT F(7,62) 2.224 MUD DW 1.723 RESET F(1,62) 2.224 EXR. MUC 1.854 RESET F(2,0) 0.141 EXR. MUC 1.851 JBT $\chi^2(2)$ 4.272 MUD SC 1.986 JBT $\chi^2(2)$ 4.272 QTY DEPENDENT VARIABLE: LnX/M Diagnostic Results Note: Constant -1.287 -3.096* R ² 0.253 LMT F(Prob.) 0.531 A(LnEXR) -2.516 -0.	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnSVR)	-10.718 -1.358 -11.403 -2.361 1.050 0.002	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096	Adj. R ² F(6,59) F(Prob.) DW AIC	0.466 0.411 8.568* 0.000 1.839 4.118	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Prob.) RESET F(1,58) RESET F(Prob.)	0.616 1.046 0.399 1.762 0.190	Note:
AUD DEPENDENT VARIABLE: $\Delta(LnX/M)$ Note: Note: Coefficient t-ratio Diagnostic Results Note: Constant -0.026 -0.349 R ² 0.237 LMT F(2,61) 1.598 $\Delta(LnGDP)$ 0.810 0.512 Adj. R ² 0.201 LMT F(Prob.) 0.211 $\Delta(LnEXR)$ 1.618 0.688 F(3,63) 6.540* BPGT F(3,63) 0.479 Residuals (-1) -0.441 -4.322* F(Prob.) 0.001 BPGT F(7,62) 2.224 Exerce of the second	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnSVR)	-10.718 -1.358 -11.403 -2.361 1.050 0.002	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096	Adj. R ² F(6,59) F(Prob.) DW AIC SC	0.466 0.411 8.568* 0.000 1.839 4.118 4.350	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Prob.) RESET F(1,58) RESET F(Prob.) JBT χ ² (2)	0.616 1.046 0.399 1.762 0.190 0.538	Note:
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnSVR)	-10.718 -1.358 -11.403 -2.361 1.050 0.002	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Prob.) RESET F(1,58) RESET F(Prob.) JBT χ ² (2) JBT χ ² (Prob.)	0.616 1.046 0.399 1.762 0.190 0.538	Note:
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	$\frac{\Delta(\text{LnGDP})}{\Delta(\text{LnEXR})}$ LnMS $\frac{\Delta(\text{LnIR})}{\Delta(\text{LnSVR})}$ $\frac{\Delta(\text{LnSVR})}{\Delta(\text{R})}$	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757*	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Prob.) RESET F(1,58) RESET F(Prob.) JBT χ ² (2) JBT χ ² (Prob.)	0.616 1.046 0.399 1.762 0.190 0.538	Note:
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnSVR) AR(1)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: Δ	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Prob.) RESET F(1,58) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) AVSIA	0.616 1.046 0.399 1.762 0.190 0.538	
A(LnEXR) 1.618 0.688 F(3,63) 6.540* BPGT F(3,63) 0.479 Residuals (-1) -0.441 -4.322* F(Prob.) 0.001 BPGT F(1,62) 2.224 DW 1.723 RESET F(1,62) 2.224 EXR. AIC 1.854 RESET F(1,62) 2.224 EXR. SC 1.986 JBT $\chi^2(2)$ 4.272 EXR. QTY DEPENDENT VARIABLE: LnX/M Diagnostic Results Note: Constant -1.287 -3.096* R ² 0.253 LMT F(2,60) 0.641 A(LnGDP) -2.664 -0.813 Adj. R ² 0.217 LMT F(Prob.) 0.531 A(In C 3.823 RESET F(1,61) 2.87*** -Model is mis-specified Marcin 0.526 4.639* F(Prob.) 0.000 BPGT F(2,63) 1.871 AI(L 3.823 RESET F(Prob.) 0.096 Model is mis-specified Model is mis-specified OUW 2.109 RESET F(Prob.) 0.096	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnSVR) Δ(LnSVR) AR(1) AUD	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: Δ t-ratio	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M)	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/ Diag	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(7rob.) RESET F(1,58) RESET F(1,58) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) AYSIA gnostic Results	0.616 1.046 0.399 1.762 0.190 0.538 0.764	
Residuals (-1) -0.441 -4.322* F(Prob.) 0.001 BPGT F(Prob.) 0.698 -Incorrect sign for GDP DW 1.723 RESET F(1,62) 2.224 EXR. EXR. AIC 1.854 RESET F(Prob.) 0.141 EXR. EXR. DU SC 1.986 JBT χ^2 (2) 4.272 EXR. QTY DEPENDENT VARIABLE: LnX/M Diagnostic Results Note: Constant -1.287 -3.096* R ² 0.253 LMT F(2,60) 0.640 A(LnGDP) -2.664 -0.813 Adj. R ² 0.71 LMT F(Prob.) 0.531 A(LnEXR) -2.516 0.448 F(3,62) 7.018* BPGT F(Prob.) 0.162 MU 0.526 4.639* F(Prob.) 0.000 BPGT F(Prob.) 0.162 MU SC 3.823 RESET F(1,61) 2.87*** -Model is mis-specified SC 3.955 JBT χ^2 (2) 0.901 -Model is mis-specified	A(LnGDP) A(LnEXR) LnMS A(LnIR) A(LnSVR) AR(1)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: A t-ratio -0.349	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ²	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/ Diag 0.237	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Prob.) RESET F(1,58) RESET F(1,58) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) AVSIA mostic Results LMT F(2,61)	0.616 1.046 0.399 1.762 0.190 0.538 0.764	
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnIR) Δ(LnSVR) AR(1) Constant Δ(LnGDP)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: A t-ratio -0.349 0.512	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² Adj. R ²	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/ Diag 0.237 0.201	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(rob.) RESET F(1,58) RESET F(1,58) RESET F(0,00) JBT χ ² (2) LAT F(2,61) LMT F(Prob.)	0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211	
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnSVR) AR(1) ΔUD Constant Δ(LnGDP) Δ(LnEXR)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810 1.618	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: A t-ratio -0.349 0.512 0.688	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² Adj. R ² F(3,63)	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/ Diag 0.237 0.201 6.540*	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Prob.) RESET F(1,58) RESET F(Prob.) JBT χ ² (2) JBT ζ JBT ζ BT ζ BT ζ BT ζ BT ζ RESET F(1, 2, 61) LMT F(Prob.) BPGT F(3, 63)	0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211 0.479	Note:
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnSVR) AR(1) ΔUD Constant Δ(LnGDP) Δ(LnEXR)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810 1.618	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: A t-ratio -0.349 0.512 0.688	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² Adj. R ² F(3,63) F(Prob.)	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/ 0.237 0.201 6.540* 0.001		0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211 0.479 0.698	Note:
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnSVR) AR(1) ΔUD Constant Δ(LnGDP) Δ(LnEXR)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810 1.618	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: A t-ratio -0.349 0.512 0.688	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² Adj. R ² F(3,63) F(Prob.) DW	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MALA Diag 0.237 0.201 6.540* 0.001 1.723		0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211 0.479 0.698 2.224	Note:
$ \begin{array}{ c c c c c c c c c c c c c c c c c c c$	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnSVR) AR(1) ΔUD Constant Δ(LnGDP) Δ(LnEXR)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810 1.618	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: A t-ratio -0.349 0.512 0.688	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² F(3,63) F(Prob.) DW AIC	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MALA Diag 0.237 0.201 6.540* 0.001 1.723 1.854	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Prob.) RESET F(1,58) RESET F(1,58) RESET F(0,58) Image: the second	0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211 0.479 0.698 2.224 0.141	Note:
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnIR) Δ(LnSVR) AR(1) ΔUD Constant Δ(LnGDP) Δ(LnEXR)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810 1.618	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: A t-ratio -0.349 0.512 0.688	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² Adj. R ² F(3,63) F(Prob.) DW AIC SC	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/ Diag 0.237 0.201 6.540* 0.001 1.723 1.854 1.986	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(rob.) RESET F(1,58) RESET F(1,58) RESET F(2,20) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) WSIA mostic Results LMT F(2,61) LMT F(2,61) LMT F(2,61) LMT F(2,63) BPGT F(3,63) BPGT F(1,62) RESET F(1,62) RESET F(1,62) JBT χ^2 (2)	0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211 0.479 0.698 2.224 0.141 4.272	Note:
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnSVR) AR(1) ΔUD Constant Δ(LnGDP) Δ(LnEXR)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810 1.618	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: A t-ratio -0.349 0.512 0.688	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² Adj. R ² F(3,63) F(Prob.) DW AIC SC	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/ Diag 0.237 0.201 6.540* 0.001 1.723 1.854 1.986	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(rob.) RESET F(1,58) RESET F(1,58) RESET F(2,20) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) WSIA mostic Results LMT F(2,61) LMT F(2,61) LMT F(2,61) LMT F(2,63) BPGT F(3,63) BPGT F(1,62) RESET F(1,62) RESET F(1,62) JBT χ^2 (2)	0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211 0.479 0.698 2.224 0.141 4.272	Note:
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnIR) Δ(LnSVR) AR(1)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810 1.618 -0.441	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: Au t-ratio -0.349 0.512 0.688 -4.322*	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² Adj. R ² F(3,63) F(Prob.) DW AIC SC LL	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/ Diag 0.237 0.201 6.540* 0.001 1.723 1.854 1.986	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(rob.) RESET F(1,58) RESET F(1,58) RESET F(2,20) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) WSIA mostic Results LMT F(2,61) LMT F(2,61) LMT F(2,61) LMT F(2,63) BPGT F(3,63) BPGT F(1,62) RESET F(1,62) RESET F(1,62) JBT χ^2 (2)	0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211 0.479 0.698 2.224 0.141 4.272	Note:
Δ (LnEXR) -2.516 -0.448 F(3,62) 7.018* BPGT F(2,63) 1.871 AR(1) 0.526 4.639* F(Prob.) 0.000 BPGT F(1,61) 0.162 DW 2.109 RESET F(1,61) 2.87*** -Model is mis-specified AIC 3.823 RESET F(Prob.) 0.096 -Model is mis-specified	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnIR) Δ(LnSVR) AR(1)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810 1.618 -0.441 DEPENDENT	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: A UARIABLE: A 0.688 -4.322*	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² Adj. R ² Adj. R ² F(3,63) F(Prob.) DW AIC SC LL NX/M	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/ Diag 0.237 0.201 0.237 0.201 1.723 1.8540* 0.001 1.723 1.8540* -58.123	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(7,60) RESET F(1,58) RESET F(1,58) RESET F(1,58) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) AVSIA constic Results LMT F(2,61) LMT F(2,61) LMT F(Prob.) BPGT F(2,63) BPGT F(2,63) BPGT F(Prob.) RESET F(1,62) RESET F(1,62) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) constic Results	0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211 0.479 0.698 2.224 0.141 4.272	Note: -Incorrect sign for GDP EXR.
$\begin{tabular}{ c c c c c c c c c c c c c c c c c c c$	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnSVR) AR(1) AUD Constant Δ(LnGDP) Δ(LnEXR) Residuals (-1) QTY	-10.718 -1.358 -1.358 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810 1.618 -0.441 DEPENDENT Coefficient	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: Δ t-ratio -0.349 0.512 0.688 -4.322* VARIABLE: L t-ratio	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² Adj. R ² Adj. R ² F(3,63) F(Prob.) DW AIC SC LL NX/M	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/ Diag 0.237 0.201 6.540* 0.001 1.723 1.854 1.986 -58.123 Diag	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(7,60) RESET F(1,58) RESET F(1,58) RESET F(1,58) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) AVSIA constic Results LMT F(2,61) LMT F(2,61) LMT F(Prob.) BPGT F(2,63) BPGT F(2,63) BPGT F(Prob.) RESET F(1,62) RESET F(1,62) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) constic Results	0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211 0.479 0.698 2.224 0.141 4.272 0.118	Note: -Incorrect sign for GDP EXR.
AR(1) 0.526 4.639^* F(Prob.) 0.000 BPGT F(Prob.) 0.162 DW 2.109 RESET F(1.61) 2.87^{***} AIC 3.823 RESET F(Prob.) 0.096 SC 3.955 JBT χ^2 (2) 0.901	A(LnGDP) A(LnEXR) LnMS A(LnIR) A(LnIR) A(LnSVR) AR(1) Constant A(LnGDP) A(LnEXR) Residuals (-1) QTY Constant	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810 1.618 -0.441 DEPENDENT Coefficient -1.287	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: Δ t-ratio -0.349 0.512 0.688 -4.322* VARIABLE: L t-ratio -3.096*	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² F(3,63) F(Prob.) DW AIC SC LL N/M R ² R ² R ² R ² R ² R ³ R ³ R ³ R ⁴ R ² R ⁴ R ⁴	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/ Diag 0.237 0.201 6.540* 0.001 1.723 1.854 1.986 -58.123 Diag 0.253	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(7,60) RESET F(1,58) RESET F(1,58) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) AYSIA gnostic Results LMT F(2,61) LMT F(Prob.) BPGT F(2,63) BPGT F(Prob.) RESET F(1,62) RESET F(1,62) RESET F(1,62) JBT χ^2 (Prob.) JBT χ^2 (Prob.) gnostic Results LMT F(2,60)	0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211 0.479 0.698 2.224 0.141 4.272 0.118 0.640	Note: -Incorrect sign for GDP EXR.
$\begin{array}{c c c c c c c c c c c c c c c c c c c $	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnIR) A(LnSVR) AR(1) Constant Δ(LnGDP) Δ(LnEXR) Residuals (-1) QTY Constant Δ(LnGDP)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810 1.618 -0.441 DEPENDENT Coefficient -0.26 0.810 1.618 -0.441 DEPENDENT Coefficient -1.287 -2.664	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: A t-ratio -0.349 0.512 0.688 -4.322* VARIABLE: L t-ratio -3.096* -0.813	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² F(3,63) F(Prob.) DW AIC SC LL N/M R ² Adj. R ² Adj. R ²	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MALA Diag 0.237 0.201 6.540* 0.001 1.723 1.854 1.986 -58.123 Diag 0.253 0.217	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(7rob.) RESET F(1,58) RESET F(1,58) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) AVSIA 2005tic Results LMT F(2,61) LMT F(Prob.) BPGT F(3,63) BPGT F(7rob.) RESET F(1,62) RESET F(1,62) JBT χ^2 (2) JBT χ^2 (2) (3) (3) (3)	0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211 0.479 0.698 2.224 0.141 4.272 0.118 0.640 0.531	Note: -Incorrect sign for GDP EXR.
AIC 3.823 RESET F(Prob.) 0.096 SC 3.955 JBT χ² (2) 0.901	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnIR) Δ(LnSVR) AR(1) Constant Δ(LnGDP) Δ(LnEXR) Residuals (-1) QTY Constant Δ(LnGDP) Δ(LnEXR)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810 1.618 -0.441 DEPENDENT Coefficient -1.287 -2.664 -2.516	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: A t-ratio -0.349 0.512 0.688 -4.322* VARIABLE: L t-ratio -3.096* -0.813 -0.448	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² Adj. R ² F(3,63) F(Prob.) DW AIC SC LL NX/M R ² Adj. R ² F(3,62)	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/ Diag 0.237 0.201 6.540* 0.001 1.723 1.854 1.986 -58.123 Diag 0.253 0.217 7.018*	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(7rob.) RESET F(1,58) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) VSIA mostic Results LMT F(2,61) LMT F(Prob.) BPGT F(2,61) RESET F(1,62) RESET F(1,62) RESET F(1,62) JBT χ^2 (2) JBT \chi	0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211 0.479 0.698 2.224 0.141 4.272 0.118 0.640 0.531 1.871	Note: -Incorrect sign for GDP EXR.
SC 3.955 JBT χ^2 (2) 0.901	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnIR) Δ(LnSVR) AR(1) Constant Δ(LnGDP) Δ(LnEXR) Residuals (-1) QTY Constant Δ(LnGDP) Δ(LnEXR)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810 1.618 -0.441 DEPENDENT Coefficient -1.287 -2.664 -2.516	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: A t-ratio -0.349 0.512 0.688 -4.322* VARIABLE: L t-ratio -3.096* -0.813 -0.448	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² Adj. R ² F(3,63) F(Prob.) DW AIC SC LL nX/M R ² Adj. R ² F(3,63) F(Prob.) DW	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/ Diag 0.237 0.201 6.540* 0.201 1.723 1.854 1.986 -58.123 Diag 0.253 0.217 7.018* 0.000	$ \begin{array}{c} LMT \ F(2,57) \\ LMT \ F(2,57) \\ BPGT \ F(5,60) \\ BPGT \ F(2,60) \\ RESET \ F(1,58) \\ RESET \ F(1,58) \\ RESET \ F(2,58) \\ RESET \ F(2,58) \\ RESET \ F(2,51) \\ RESET \ F(2,51) \\ RESET \ F(2,51) \\ LMT \ F(2,51) \\ RESET \ F(3,53) \\ BPGT \ F(2,51) \\ RESET \ F(1,52) \\ RESET \ F(1,52) \\ RESET \ F(1,52) \\ RESET \ F(1,52) \\ RESET \ F(2,51) \\ RESET \ F(2,53) \\ RESET \ F(2,5$	0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211 0.479 0.698 2.224 0.141 4.272 0.118 0.531 1.871 0.162	Note: -Incorrect sign for GDP EXR. Note:
	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnIR) Δ(LnSVR) AR(1) Constant Δ(LnGDP) Δ(LnEXR) Residuals (-1) QTY Constant Δ(LnGDP) Δ(LnEXR)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810 1.618 -0.441 DEPENDENT Coefficient -1.287 -2.664 -2.516	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: A t-ratio -0.349 0.512 0.688 -4.322* VARIABLE: L t-ratio -3.096* -0.813 -0.448	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² Adj. R ² F(3,63) F(Prob.) DW AIC SC LL NX/M R ² Adj. R ² F(3,62) F(Prob.) DW	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/ Diag 0.237 0.201 6.540* 0.001 1.723 1.854 1.986 -58.123 0.253 0.217 7.018* 0.000 2.109	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(7,60) RESET F(1,58) RESET F(1,58) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) Orob.) AVSIA and the search of the s	0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211 0.479 0.698 2.224 0.141 4.272 0.118 0.118 0.640 0.531 1.871 1.871 0.162 2.87***	Note: -Incorrect sign for GDP EXR. Note:
LL 122.151 JBT y^2 (Prob.) 0.637	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnIR) Δ(LnIR) AR(1) Constant Δ(LnGDP) Δ(LnEXR) Residuals (-1) QTY Constant Δ(LnGDP) Δ(LnEXR)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810 1.618 -0.441 DEPENDENT Coefficient -1.287 -2.664 -2.516	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: A t-ratio -0.349 0.512 0.688 -4.322* VARIABLE: L t-ratio -3.096* -0.813 -0.448	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² F(3,63) F(Prob.) DW AIC SC LL nX/M R ² F(3,63) F(Prob.) DW AIC SC LL nX/M R ² F(3,62) F(Prob.) DW AIC	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/ Diag 0.237 0.201 6.540* 0.001 1.723 1.854 1.986 -58.123 Diag 0.253 0.217 7.018* 0.000 2.109 3.823	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(7,60) RESET F(1,58) RESET F(1,58) RESET F(1,58) RESET F(0,50) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) AVSIA mostic Results LMT F(2,61) LMT F(2,61) LMT F(2,61) BPGT F(3,63) BPGT F(7,63) BPGT F(1,62) RESET F(1,62) RESET F(1,61) RESET F(1,61) RESET F(1,61) RESET F(1,61) RESET F(1,61)	0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211 0.479 0.698 2.224 0.141 4.272 0.118 0.640 0.531 1.871 1.871 0.162 2.87**** 0.096	Note: -Incorrect sign for GDP EXR. Note:
	Δ(LnGDP) Δ(LnEXR) LnMS Δ(LnIR) Δ(LnIR) Δ(LnIR) AR(1) Constant Δ(LnGDP) Δ(LnEXR) Residuals (-1) QTY Constant Δ(LnGDP) Δ(LnEXR)	-10.718 -1.358 -11.403 -2.361 1.050 0.002 0.667 DEPENDENT Coefficient -0.026 0.810 1.618 -0.441 DEPENDENT Coefficient -1.287 -2.664 -2.516	-1.032*** -0.561 -1.897*** -0.640 0.279 0.096 6.757* VARIABLE: A t-ratio -0.349 0.512 0.688 -4.322* VARIABLE: L t-ratio -3.096* -0.813 -0.448	Adj. R ² F(6,59) F(Prob.) DW AIC SC LL AUSTRA (LnX/M) R ² F(3,63) F(Prob.) DW AIC SC LL nX/M R ² F(3,63) F(Prob.) DW AIC SC LL nX/M R ² F(3,62) F(Prob.) DW AIC	0.466 0.411 8.568* 0.000 1.839 4.118 4.350 -128.88 LIA - MAL/ Diag 0.237 0.201 6.540* 0.001 1.723 1.854 1.986 -58.123 Diag 0.253 0.217 7.018* 0.000 2.109 3.823	LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(7,60) RESET F(1,58) RESET F(1,58) RESET F(1,58) RESET F(0,50) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) AVSIA mostic Results LMT F(2,61) LMT F(2,61) LMT F(2,61) BPGT F(3,63) BPGT F(7,63) BPGT F(1,62) RESET F(1,62) RESET F(1,61) RESET F(1,61) RESET F(1,61) RESET F(1,61) RESET F(1,61)	0.616 1.046 0.399 1.762 0.190 0.538 0.764 1.598 0.211 0.479 0.698 2.224 0.141 4.272 0.118 0.640 0.531 1.871 1.871 0.162 2.87**** 0.096	Note: -Incorrect sign for GDP EXR. Note:

Table 5 (Continued - Part B): NET EXPORT MODELS - CATEGORY 87* (AUD & QTY)

*Vehicles Other Than Railway or Tramway Rolling-Stock, and Parts and Accessories Thereof DW – Durbin-Watson Statistics; AIS – Akaike Info Criterion; SC – Schwartz Criterion; LL – Log Likelihood; LMT – Lagrange Multiplier (Breusch-Godfrey) Test for Serial Correlation; BPGT – Breusch-Pagan-Godfrey Test for Heteroskedasticity; RESET – Ramsey RESET Test for Model Specification; JBT – Jarques-Bera Test for normality of the residuals; * significant at the 1%, ** significance at 5%, ***significance at 10%

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			AUSTRAI	JIA - SINGA	PORE		
AUD	DEPENDENT	VARIABLE: A	(LnX/M)				
	Coefficient	t-ratio		Diag	gnostic Results		Note:
Constant	-0.031	-0.669	R ²	0.463	LMT F(2,52)	2.330	
Δ(LnGDP)	-0.038	-0.032	Adj. R ²	0.394	LMT F(Prob.)	0.107	D 11 1
Δ(LnEXR)	-2.329	-1.209***	F(7,54)	6.656*	BPGT F(6,55)	0.243	-Residuals are not
A(LnMS)	-1.817	-1.349***	F(Prob.)	0.000	BPGT F(Prob.)	0.960	normally distributed. -Incorrect sign for IR;
Δ(LnIR)	-1.713	-1.543***	DW	2.139	RESET F(1,53)	0.631	SVR.
Δ(LnSVR)	-0.002	-0.223	AIC	1.486	RESET F(Prob.)	0.430	
Residuals (-1)	-0.554	-4.356*	SC	1.760	JBT χ^2 (2)	59.248*	
AR(1)	-0.332	-2.017**	LL	-38.058	JBT χ ² (Prob.)	0.000	
QTY	DEPENDENT	VARIABLE: L	nX/M				
	Coefficient	t-ratio		Diag	gnostic Results		Note:
Constant	2.873	3.835*	\mathbf{R}^2	0.614	LMT F(2,53)	1.064	
Δ(LnGDP)	-2.073	-1.068***	Adj. R ²	0.572	LMT F(Prob.)	0.352	
A(LnEXR)	-5.232	-1.208***	F(6,55)	14.61*	BPGT F(5,56)	0.682	-Model is mis-specified.
A(LnMS)	-0.740	-0.210	F(Prob.)	0.000	BPGT F(Prob.)	0.639	-Incorrect sign for IR;
Δ(LnIR)	-2.794	-0.908	DW	2.273	RESET F(2,53)	2.77***	SVR.
LnSVR	-0.033	-1.262***	AIC	3.405	RESET F(Prob.)	0.072	
AR(1)	0.784	8.656*	SC	3.646	$\frac{\text{JBT} \chi^2(2)}{\text{JBT} \chi^2(2)}$	1.614	
(*)	0.701	0.020	LL	-98.568	JBT χ^2 (Prob.)	0.446	
				LIA - THAI			
AUD	DEPENDENT	VARIABLE: A					
1100	Coefficient	t-ratio		Diac	gnostic Results		Note:
Constant	-0.053	-0.536	\mathbf{R}^2	0.176	LMT F(2,46)	1.914	11012.
Δ(LnGDP)	-1.555	-0.752	Adj. R ²	0.073	LMT F(Prob.)	0.159	
Δ(LnEXR)	1.611	0.336	F(6,48)	1.712	BPGT F(6,48)	0.512	
Δ(LnMS)	-2.296	-0.511	F(Prob.)	0.139	BPGT F(Prob.)	0.796	-Incorrect sign for EXR;
Δ(LnIR)	-1.811	-1.530***	DW	1.881	RESET F(1,47)	0.896	IR; SVR.
Δ(LnSVR)	0.039	0.174	AIC	2.264	RESET F(Prob.)	0.349	 Model is not significant.
Residuals (-1)	-0.171	-1.779***	SC	2.204		2.404	
Residuals (-1)	-0.171	-1.//9***		-55.247	$\frac{\text{JBT }\chi^2 (2)}{\text{JBT }\chi^2 (\text{Prob.})}$	0.301	
ΟΤΥ	DEPENDENT	VARIARI F. I.					
QTY		VARIABLE: L					Noto:
	Coefficient	t-ratio	nX/M	Diag	gnostic Results		Note:
Constant	Coefficient -1.609	t-ratio -1.205***	nX/M R ²	Diag 0.764	nostic Results LMT F(2,45)	1.559	Note:
Constant Δ(LnGDP)	Coefficient -1.609 0.360	t-ratio -1.205*** 0.186	nX/M R ² Adj. R ²	Diag 0.764 0.734	gnostic Results LMT F(2,45) LMT F(Prob.)	1.559 0.222	Note:
Constant Δ(LnGDP) Δ(LnEXR)	Coefficient -1.609 0.360 -4.354	t-ratio -1.205*** 0.186 -0.688	nX/M R ² Adj. R ² F(6,47)	Diag 0.764 0.734 25.42*	nostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48)	1.559 0.222 0.283	Note:
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS)	Coefficient -1.609 0.360 -4.354 -5.852	t-ratio -1.205*** 0.186 -0.688 -0.969	nX/M R ² Adj. R ² F(6,47) F(Prob.)	Diag 0.764 0.734 25.42* 0.000	nostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.)	1.559 0.222 0.283 0.920	
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR)	Coefficient -1.609 0.360 -4.354 -5.852 -1.611	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW	Diag 0.764 0.734 25.42* 0.000 2.305	nostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46	1.559 0.222 0.283 0.920 2.732	-Incorrect sign for GDP;
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnIX) Δ(LnIR) LnSVR	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135**	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC	Diag 0.764 0.734 25.42* 0.000 2.305 3.343	nostic Results LMT F(2,45) BPGT F(5,48) BPGT F(5,48) RESET F(1,46 RESET F(1,46	1.559 0.222 0.283 0.920 2.732 0.105	-Incorrect sign for GDP;
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR)	Coefficient -1.609 0.360 -4.354 -5.852 -1.611	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601	nostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ ² (2)	1.559 0.222 0.283 0.920 2.732 0.105 0.237	-Incorrect sign for GDP;
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR) LnSVR	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423*	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269	2005tic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ ² (2) JBT χ ² (Prob.)	1.559 0.222 0.283 0.920 2.732 0.105	-Incorrect sign for GDP;
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnMS) Δ(LnIR) LnSVR AR(1)	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423*	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269	2005tic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ ² (2) JBT χ ² (Prob.)	1.559 0.222 0.283 0.920 2.732 0.105 0.237	-Incorrect sign for GDP;
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnIX) Δ(LnIR) LnSVR	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED F	nostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(1,46) RESET F(1,46) RESET F(1,46) JBT χ² (2) JBT χ² (Prob.) (INGDOM)	1.559 0.222 0.283 0.920 2.732 0.105 0.237	-Incorrect sign for GDP; IR; SVR.
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnIR) LnSVR AR(1)	Coefficient -1.609 0.360 -4.354 - -5.852 - -1.611 - -0.765 0.863 DEPENDENT Coefficient	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L t-ratio	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED H Diag	Product nostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2)rob.) XINGDOM gnostic Results	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888	-Incorrect sign for GDP;
Constant A(LnGDP) A(LnEXR) A(LnMS) A(LnIR) LnSVR AR(1) AUD Constant	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L t-ratio -13.987*	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ²	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED F Diag 0.553	costic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) CINGDOM constic Results LMT F(2,57)	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888	-Incorrect sign for GDP; IR; SVR. Note:
Constant Δ(LnGDP) Δ(LnEXR) Δ(LnIR) LnSVR AR(1) AUD Constant Δ(LnGDP)	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463 -0.982	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L t-ratio -13.987* -1.415***	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ²	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED F Diag 0.553 0.508	anostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(1,46) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (100) (INGDOM) mostic Results LMT F(2,57) LMT F(Prob.)	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024	-Incorrect sign for GDP; IR; SVR. <u>Note:</u> -Residuals are serially
Constant Δ(LnGDP) Δ(LnKR) Δ(LnIR) LnSVR AR(1)	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463 -0.982 -0.321	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L VARIABLE: L t-ratio -13.987* -1.415*** -0.129	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59)	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED H Diag 0.553 0.508 12.18*	mostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(1,46 RESET F(1,46 RESET F(1,46 JBT χ ² (2) JBT χ ² (Prob.) IST χ ² (Prob.) CINGDOM mostic Results LMT F(2,57) LMT F(2,57) LMT F(7,560)	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199	-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlated.
Constant <u>A(LnGDP)</u> <u>A(LnEXR)</u> <u>A(LnIR)</u> <u>LnSVR</u> <u>AR(1)</u> <u>AUD</u> <u>Constant</u> <u>A(LnGDP)</u> <u>A(LnEXR)</u> <u>A(LnMS)</u>	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463 -0.982 -0.321 -0.971	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L t-ratio -13.987* -1.415*** -0.129 -0.385	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59) F(Prob.)	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED F Diag 0.553 0.553 0.508 12.18* 0.000	Image: construct Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ ² (2) JBT χ ² (2) JBT χ ² (2) JGT F(Prob.) CINGDOM mostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(Prob.)	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321	-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified.
Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(I) AUD Constant A(LnGDP) A(LnEXR) A(LnIR)	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463 -0.982 -0.321 -0.971 0.313	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L t-ratio -13.987* -1.415*** -0.129 -0.385 0.399	nX/M R ² Adj. R ² F(6705) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6759) F(Prob.) DW	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED H Diag 0.553 0.553 0.508 12.18* 0.000 2.400	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) BGT F(5,60) BPGT F(Prob.) RESET F(1,58)	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321 10.496*	-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified. -Residuals are not
Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1) Constant A(LnGDP) A(LnGDP) A(LnCGDP) A(LnEXR) A(LnSVR) A(LnRMS) A(LnNS)	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463 -0.982 -0.321 -0.971 0.313 0.016	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L t-ratio -13.987* -1.415*** -0.129 -0.385 0.399 2.258**	nX/M R ² Adj. R ² F(6,647) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED F Diag 0.553 0.553 0.508 12.18* 0.000 2.400 1.130	nostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) CINGDOM nostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(5,60) RESET F(1,58) RESET F(1,58) RESET F(0rob.)	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321 10.496* 0.002	-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified.
Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(I) AUD Constant A(LnGDP) A(LnEXR) A(LnIR)	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463 -0.982 -0.321 -0.971 0.313	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L t-ratio -13.987* -1.415*** -0.129 -0.385 0.399	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC SC	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED I Diag 0.553 0.508 12.18* 0.000 2.400 1.130 1.362	mostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ ² (2) JBT χ ² (2) JBT χ ² (Prob.) CINGDOM mostic Results LMT F(2,57) LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(5,80) RESET F(1,58) RESET F(Prob.) JBT χ ² (2)	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321 10.496* 0.002 6.666**	-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified. -Residuals are not
Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1) AUD Constant A(LnEXR) A(LnGDP) A(LnEXR) A(LnGDP) A(LnRS) A(LnIR) LnSVR A(L1R) AR(1)	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463 -0.982 -0.321 -0.971 0.313 0.016 0.710	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L t-ratio -13.987* -1.415*** -0.129 -0.385 0.399 2.258** 7.620*	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC SC LL	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED F Diag 0.553 0.553 0.508 12.18* 0.000 2.400 1.130	prostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) CINGDOM prostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(5,60) BPGT F(1,58) RESET F(1,58) RESET F(1,58)	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321 10.496* 0.002	-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified. -Residuals are not
Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1) AUD Constant A(LnGDP) A(LnEXR) A(LNGDP) A(LnEXR) A(LnBS) A(LnBXR) A(LnIR) LnSVR	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463 -0.982 -0.321 -0.971 0.313 0.016 0.710 DEPENDENT	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L t-ratio -13.987* -1.415*** -0.129 -0.385 0.399 2.258** 7.620* VARIABLE: L	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC SC LL	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED H Diag 0.553 0.508 12.18* 0.000 2.400 1.1362 -30.291	nostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(1,46 RESET F(Prob.) JBT χ ² (Prob.) IJT χ ² (Prob.) CINGDOM nostic Results LMT F(Prob.) BPGT F(5,60) BPGT F(5,60) BPGT F(5,60) BPGT F(1,58) RESET F(Prob.) JBT χ ² (2) JBT χ ² (2) JBT χ ² (Prob.)	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321 10.496* 0.002 6.666**	-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified. -Residuals are not normally distributed.
Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1) AUD Constant A(LnGDP) A(LnEXR) A(LnRXR) A(LnIR) LnSVR AR(1) QTY	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463 -0.982 -0.321 -0.971 0.313 0.016 0.710 DEPENDENT Coefficient	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L t-ratio -13.987* -1.415*** -0.129 -0.385 0.399 2.258** 7.620* VARIABLE: L t-ratio	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² F(6,59) F(Prob.) DW AIC SC LL N/M	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED H Diag 0.553 0.508 12.18* 0.000 2.400 1.130 1.362 -30.291 Diag	postic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(7rob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) CINGDOM postic Results LMT F(2,57) LMT F(Prob.) BPGT F(Prob.) BPGT F(Prob.) RESET F(1,58) RESET F(1,58) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (Prob.) postic Results	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321 10.496* 0.002 6.666** 0.036	-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified. -Residuals are not
Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1) AUD Constant A(LnGDP) A(LnEXR) A(LnFXR) A(LnIR) LnSVR A(LnIR) LnSVR AR(1) QTY Constant	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463 -0.982 -0.321 -0.971 0.313 0.016 0.710 DEPENDENT Coefficient -3.170	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L t-ratio -13.987* -1.415*** -0.129 -0.385 0.399 2.258** 7.620* VARIABLE: L t-ratio -4.058*	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA NX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC SC LL DW AIC SC LL N/M R ² R ² R ² R ² SC R ² R ² R ³ R ³ R ⁴ R ² R ² R ⁴ R ² R ² R ⁴ R ² R ⁴ R	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED H Diag 0.553 0.508 12.18* 0.000 2.400 1.130 1.362 -30.291 Diag 0.596	prostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(7rob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2)rob.) KINGDOM prostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(5,60) BPGT F(F(rob.)) RESET F(1,58) RESET F(1,58) RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) mostic Results LMT F(2,57)	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321 10.496* 0.002 6.666** 0.036	-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified. -Residuals are not normally distributed.
Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1) AUD Constant A(LnGDP) A(LnEXR) A(LGOP) A(LnEXR) A(LnIR) LnSVR A(LnIR) Constant A(LnGDP) A(LnGDP) A(LnGDP) Constant A(LnGDP) Constant A(LnGDP)	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463 -0.982 -0.321 -0.971 0.313 0.016 0.710 DEPENDENT Coefficient -3.170 1.586	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L t-ratio -13.987* -1.415*** -0.129 -0.385 0.399 2.258** 7.620* VARIABLE: L t-ratio -4.058* 0.650	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC SC LL nX/M R ² Adj. R ² Adj. R ²	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED I Diag 0.553 0.508 12.18* 0.000 2.400 1.130 1.362 -30.291 Diag 0.555	mostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(5,48) BPGT F(Prob.) RESET F(Prob.) JBT χ ² (2) BPGT F(2,57) LMT F(2,57) LMT F(7rob.) RESET F(1,58) RESET F(Prob.) JBT χ ² (2) JBT χ ² (Prob.)	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321 10.496* 0.002 6.666** 0.036	-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified. -Residuals are not normally distributed.
Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1) AUD Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1) QTY Constant A(LnGDP) A(LnEXR) A(LnGDP) A(LnEXR) A(LnGDP) A(LnEXR)	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463 -0.982 -0.321 -0.971 0.313 0.016 0.710 DEPENDENT Coefficient -3.170 DEPENDENT -3.170 1.586 -12.349	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L t-ratio -1.3.987* -1.415*** -0.129 -0.385 0.399 2.258** 7.620* VARIABLE: L t-ratio -4.058* 0.650 -1.402***	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC SC LL NX/M R ² Adj. R ² F(6,59) F(6,59)	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED H Diag 0.553 0.508 12.18* 0.000 2.400 1.130 1.362 -30.291 Diag 0.555 14.51*	mostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ ² (2) JBT χ ² (Prob.) Constic Results LMT F(2,57) LMT F(2,57) LMT F(7cob.) BPGT F(5,60) BPGT F(1,58) RESET F(Prob.) JBT χ ² (2) JBT χ ² (2) JBT χ ² (2) JBT χ ² (2) JBT χ ² (Prob.) Resset F(Prob.) IMT F(2,57) LMT F(2,57) LMT F(2,57) LMT F(Prob.) BPGT F(5,60)	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321 10.496* 0.002 6.666** 0.029 0.418	-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified. -Residuals are not normally distributed. Note:
Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1) AUD Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1) OTY Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1)	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463 -0.982 -0.321 -0.971 0.313 0.016 0.710 DEPENDENT Coefficient -3.170 1.586 -12.349 7.167	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* 10.423* VARIABLE: L t-ratio -13.987* -1.415*** -0.129 -0.385 0.399 2.258** 7.620* VARIABLE: L t-ratio -4.058* 0.650 -1.402*** 0.804	nX/M R ² Adj. R ² F(6,47) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² F(6,59) F(Prob.) DW AIC SC LL nX/M R ² F(6,59) F(Prob.) DW	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED H Diag 0.553 0.508 12.18* 0.000 2.400 1.1362 -30.291 Diag 0.555 14.51*	Image: construct results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(Prob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (2) JBT χ^2 (Prob.) CINGDOM Rostic Results LMT F(2,57) LMT F(Prob.) BPGT F(5,60) BPGT F(1,58) RESET F(1,58) RESET F(Prob.) JBT χ^2 (Prob.) JBT χ^2 (Prob.) JBT χ^2 (Prob.) BPGT F(5,60) BPGT F(5,60) BPGT F(5,60) BPGT F(5,60) BPGT F(5,60) BPGT F(7,60,)	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321 10.496* 0.002 6.666** 0.036 3.787** 0.418 0.834	-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlated. -Model is mis-specified. -Residuals are not normally distributed. Note: -Residuals are serially
Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1) AUD Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1) QTY Constant A(LnGDP) A(LnGDP) A(LnEXR) A(LnGDP) A(LnEXR) A(LnGDP) A(LnEXR) A(LnGDP) A(LnEXR) A(LnIR) A(LnIR)	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463 -0.982 -0.321 -0.971 0.313 0.016 0.710 DEPENDENT Coefficient -3.170 1.586 -12.349 7.167 -3.625	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L t-ratio -13.987* -1.415*** -0.129 -0.385 0.399 2.258** 7.620* VARIABLE: L t-ratio -4.058* 0.650 -1.402*** 0.804 -1.303***	nX/M R ² Adj. R ² F(670) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² F(659) F(Prob.) DW AIC SC LL nX/M R ² F(6,59) F(Prob.) DW	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED H Diag 0.553 0.508 12.18* 0.000 2.400 1.130 1.362 -30.291 Diag 0.596 0.555 14.51* 0.000 2.482	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(7rob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT f(Prob.) BPGT F(5,60) BPGT F(7rob.) BPGT F(1,58) RESET F(1,58) RESET F(1,58) RESET F(Prob.) JBT χ^2 (2) BGT F(5,60) BPGT F(5,60) BPGT F(Prob.) BPGT F(Prob.) RESET F(Prob.) RESET F(Prob.) <td>1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321 10.496* 0.002 6.666** 0.036 3.787** 0.029 0.418 0.834 0.150</td> <td>-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlated. -Residuals are not normally distributed. Note: -Residuals are serially correlated.</td>	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321 10.496* 0.002 6.666** 0.036 3.787** 0.029 0.418 0.834 0.150	-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlated. -Residuals are not normally distributed. Note: -Residuals are serially correlated.
Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1) AUD Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1) QTY Constant A(LnGDP) A(LnEXR) A(LnGDP) A(LnEXR) A(LnSVR) A(LnSVR) A(LnIR) LnSVR	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463 -0.982 -0.321 -0.971 0.313 0.016 0.710 DEPENDENT Coefficient -3.170 1.586 -12.349 7.167 -3.625 0.008	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L t-ratio -13.987* -1.415*** -0.129 -0.385 0.399 2.258** 7.620* VARIABLE: L t-ratio -4.058* 0.650 -1.402*** 0.804 -1.303*** 0.330	nX/M R ² Adj. R ² F(6rob.) DW AIC SC LL AUSTRALIA nX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC SC LL nX/M R ² Adj. R ² F(6,59) F(Prob.) DW AIC SC LL N/M	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED I Diag 0.553 0.508 12.18* 0.000 2.400 1.130 1.362 -30.291 Diag 0.596 0.555 14.51* 0.000 2.482 3.707	mostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(5,48) BPGT F(Prob.) RESET F(Prob.) JBT χ^2 (Prob.) JBT χ^2 (2) BPGT F(2,57) LMT F(2,57) LMT F(2,57) JBT χ^2 (2) JBT χ^2 (Prob.) RESET F(Prob.) BCGT F(5,60) BPGT F(7,05.) RESET F(Prob.) RESET F(1,58) RESET F(1,58) RESET F(1,58) RESET F(1,58) <td>1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321 10.496* 0.002 6.666** 0.036</td> <td>-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlatedResiduals are normally distributed. Note: -Residuals are serially correlatedIncorrect sign for GDP;</td>	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321 10.496* 0.002 6.666** 0.036	-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlatedResiduals are normally distributed. Note: -Residuals are serially correlatedIncorrect sign for GDP;
Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1) AUD Constant A(LnGDP) A(LnEXR) A(LnIR) LnSVR AR(1) QTY Constant A(LnGDP) A(LnGDP) A(LnEXR) A(LnGDP) A(LnEXR) A(LnGDP) A(LnEXR) A(LnGDP) A(LnEXR) A(LnIR) A(LnIR)	Coefficient -1.609 0.360 -4.354 -5.852 -1.611 -0.765 0.863 DEPENDENT Coefficient -2.463 -0.982 -0.321 -0.971 0.313 0.016 0.710 DEPENDENT Coefficient -3.170 1.586 -12.349 7.167 -3.625	t-ratio -1.205*** 0.186 -0.688 -0.969 -0.814 -2.135** 10.423* VARIABLE: L t-ratio -13.987* -1.415*** -0.129 -0.385 0.399 2.258** 7.620* VARIABLE: L t-ratio -4.058* 0.650 -1.402*** 0.804 -1.303***	nX/M R ² Adj. R ² F(670) F(Prob.) DW AIC SC LL AUSTRALIA nX/M R ² F(659) F(Prob.) DW AIC SC LL nX/M R ² F(6,59) F(Prob.) DW	Diag 0.764 0.734 25.42* 0.000 2.305 3.343 3.601 -83.269 - UNITED H Diag 0.553 0.508 12.18* 0.000 2.400 1.130 1.362 -30.291 Diag 0.596 0.555 14.51* 0.000 2.482	gnostic Results LMT F(2,45) LMT F(Prob.) BPGT F(5,48) BPGT F(7rob.) RESET F(1,46 RESET F(Prob.) JBT χ^2 (2) JBT f(Prob.) BPGT F(5,60) BPGT F(7rob.) BPGT F(1,58) RESET F(1,58) RESET F(1,58) RESET F(Prob.) JBT χ^2 (2) BGT F(5,60) BPGT F(5,60) BPGT F(Prob.) BPGT F(Prob.) RESET F(Prob.) RESET F(Prob.) <td>1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321 10.496* 0.002 6.666** 0.036 3.787** 0.029 0.418 0.834 0.150</td> <td>-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlatedResiduals are nor normally distributed. Note: -Residuals are serially correlatedIncorrect sign for GDP;</td>	1.559 0.222 0.283 0.920 2.732 0.105 0.237 0.888 3.972** 0.024 1.199 0.321 10.496* 0.002 6.666** 0.036 3.787** 0.029 0.418 0.834 0.150	-Incorrect sign for GDP; IR; SVR. Note: -Residuals are serially correlatedResiduals are nor normally distributed. Note: -Residuals are serially correlatedIncorrect sign for GDP;

Table 5 (Continued - Part C): NET EXPORT MODELS - CATEGORY 87* (AUD & QTY)

 LL
 -115.7
 JBT 2* (Prob.)
 0.817

 *Vehicles Other Than Railway or Tramway Rolling-Stock, and Parts and Accessories Thereof
 0.817

 DW – Durbin-Watson Statistics; AIS – Akaike Info Criterion; SC – Schwartz Criterion; LL – Log Likelihood; LMT – Lagrange Multiplier (Breusch-Godfrey)

 Test for Serial Correlation; BPGT – Breusch-Pagan-Godfrey Test for Heteroskedasticity; RESET – Ramsey RESET Test for Model Specification; JBT – Jarques-Bera Test for normality of the residuals; * significant at the 1%, ** significance at 5%, ***significance at 10%

			AUSTRALIA	A - UNITED	STATES		
AUD	DEPENDENT	VARIABLE: L	nX/M				
	Coefficient	t-ratio		Diag	gnostic Results		Note:
Constant	-0.858	-4.239*	\mathbf{R}^2	0.633	LMT F(2,53)	0.148	
Δ(LnGDP)	-2.784	-4.065*	Adj. R ²	0.593	LMT F(Prob.)	0.863	1
Δ(LnEXR)	-0.947	-0.326	F(6,55)	15.84*	BPGT F(5,56)	0.966	
Δ(LnMS)	-3.556	-1.252***	F(Prob.)	0.000	BPGT F(Prob.)	0.446	-Model is mis-specified
A(LnIR)	1.093	1.339***	DW	1.932	RESET F(1,54)	5.446**	-would is mis-specified
LnSVR	0.013	1.852**	AIC	1.032	RESET F(Prob.)	0.023	
AR(1)	0.749	8.365*	SC	1.272 JBT χ^2 (2)	0.514		
			LL	-24.995	JBT χ ² (Prob.)	0.773	
QTY	DEPENDENT	VARIABLE: L	nX/M				
	Coefficient	t-ratio		Diag	gnostic Results		Note:
Constant	0.079	0.234	\mathbb{R}^2	0.482	LMT F(2,53)	2.81***	
Δ(LnGDP)	1.014	0.742	Adj. R ²	0.425	LMT F(Prob.)	0.069	-Residuals are serially
A(LnEXR)	3.220	0.557	F(6,55)	8.517*	BPGT F(5,56)	1.566	correlated.
Δ(LnMS)	0.310	0.055	F(Prob.)	0.000	BPGT F(Prob.)	0.185	-Residuals are not
A(LnIR)	-0.713	-0.444	DW	2.009	RESET F(1,54)	1.223	normally distributed.
LnSVR	-0.005	-0.397	AIC	2.353	RESET F(Prob.)	0.274	 -Incorrect sign for GDP EXR; MS; IR; SVR.
AR(1)	0.703	7.268*	SC	2.593	JBT $\chi^2(2)$	6.819**	LAR, MO, IR, SVR.
			LL	-65.952	JBT χ^2 (Prob.)	0.033	

Table 5 (Continued - Part D): NET EXPORT MODELS - CATEGORY 87* (AUD & QTY)

Vehicles Other Than Railway or Tramway Rolling-Stock, and Parts and Accessories Thereof DW – Durbin-Watson Statistics; AIS – Akaike Info Criterion; SC – Schwartz Criterion; LL – Log Likelihood; LMT – Lagrange Multiplier (Breusch-Godfrey) Test for Serial Correlation; BPGT – Breusch-Pagan-Godfrey Test for Heteroskedasticity; RESET – Ramsey RESET Test for Model Specification; JBT – Jarques-Bera Test for normality of the residuals; * significant at the 1%, ** significance at 5%, ***significance at 10%

As indicated in Table 5, out of the 16 NX models in Category 87, 13 models are significant and 3 NX models with China and Thailand based on AUD; and France based on QTY, are not significant, while in most of the models, the majority of the variables are not significant.

The variables GDP, EXR, MS, and SVR are significant in 5, 4, 3 and 3 out of the 16 models respectively, while the variable IR is significant in 8 out of the 16 models. The correct coefficient signs for all the GDP, EXR, MS, IR and SVR are found in 6 out of the 16 models (3 based on AUD and 3 based on QTY), while for these 6 models, the coefficient range for the GDP, EXR, MS, IR and SVR is between (-0.873 and -2.784), (-0.321 and -11.403), (-0.812 and -3.556), (0.313 and 8.250) and (0.002 and 6.292) respectively. Finally, the Adj. R-Square in overall for all 16 models in this category ranges between 3.4 and 74.8 per cent respectively.

In overall, out of the 16 estimated models in this category, only 2 models (the NX with China and Germany both based on OTY) have the correct signs and have satisfactory passed all diagnostic tests. The NX model with China shows that a 1 per cent increase in the GDP will decrease the NX growth rate by 2.264 per cent, a 1 per cent growth rate in the EXR and MS will decrease the NX growth rate by 3.837 and 2.105 per cent respectively, a 1 per cent growth rate in the IR will increase the NX growth rate by 8.25 per cent, on average, while a 1 per cent increase in SVR will increase the NX growth rate by 6.292 per cent. The NX model with Germany shows that a 1 per cent growth rate in the GDP and EXR will decrease the NX by 1.358 and 11.403 per cent respectively, a 1 per cent increase in the MS will decrease the NX by 2.361 per cent, on average, while a 1 per cent growth rate in the IR and SVR will increase the NX by 1.05 and 0.002 per cent respectively The variables GDP, EXR, MS and IR in these 2 models are all elastic and the variables SVR is mixed. Finally, the Adj. R-Square for China and Germany in these 2 models is 42.8 and 41.1 respectively.

VI. Empirical Summary and Policy Implications

Overall, 49 out of the 58 models are significant, while the remaining 9 models³⁵ are not significant. The correct coefficient signs for all the variables GDP, EXR, MS, IR and SVR are found in 17 out of the 58 models (8 based on AUD and 9 based on QTY). Furthermore, for these 17 models, the coefficient range for the GDP, EXR, MS, IR and SVR is between (-0.017 and -4.138), (-0.321 and -46.873), (-0.017 and -44.979), (0.151 and 8.250) and (0.002 and 6.292) respectively. Finally, the Adj. R-Square in overall for all of the 58 models ranges between 0.2 and 74.8 per cent.

Overall, out of the 58 estimated models, 12 models (the NX with Germany for Category 30 - based on AUD values; China and the United States of America for Category 30 - based on QTY values; China, Thailand and the United Kingdom for Category 84 - based on AUD values; China and The United Kingdom for Category 84 - based on QTY values; China for Category 85 - based on AUD values; Singapore for Category 85 - based on QTY values; China and Germany for Category 87 - based on QTY values) have the correct signs and have satisfactory passed all diagnostic tests. Furthermore, for these 12 models, the coefficients range for the variables GDP, EXR, MS, IR and SVR are between (-0.017 and -4.138), (-1.098 and -46.873), (-0.017 and -44.979), (0.151 and 8.250) and (0.002 and 6.292) respectively. Additionally, the variables GDP, EXR, MS, IR and SVR in these 12 models are also significant finally, the Adj. R-Square for these 12 models ranges between 9.3 and 44.9 per cent respectively.

Almost all NX models estimated are significant, and the estimated models produced similar results based on both AUD and QTY values. Further, overall results suggest that the relative GDP, EXR and the relative MS are elastic variables, which show that relative changes in income, EXR and the MS are very responsive to the level of the NX (trade balance) in these selected TD categories. The most responsive (elastic) variables to the level of the NX is the EXR, followed by relative income, MS and IR. The elasticity for the relative IR is mixed, while the relative SVR is the least responsive variable, as it is mostly inelastic.

On the other hand, the most significant variables in the determination of the NX for all TD categories are a relative SVR; followed by a relative IR, MS and income, while the EXR variable proved to be the least significant. However, the significance and the responsiveness of the individual variables to the NX levels differ when estimated coefficients are observed on a category-by-category basis.

For Category 30, the most significant variables in the determination of the NX level is the relative SVR, followed by the relative income and the EXR, while the variables relative MS and IR are the least significant. In addition, relative MS and the EXR are the most responsive (elastic) variables to the NX levels in this category, followed by the relative income, interest and the SVR.

For Category 84, the most significant variables in the determination of the NX level is the relative SVR, followed by relative income, EXR and the IR, while the variable relative MS is the least significant. In addition, the EXR is the most responsive (elastic) variable to the NX level in this category, followed by the relative MS, income, IR and the SVR.

For Category 85, the most significant variables in the determination of the NX level is the relative income, followed by the relative IR, the SVR and the EXR, while the variable relative MS is the least significant. In addition, the EXR is the most responsive (elastic)

³⁵ Germany for the Category 30 - based on AUD, Malaysia and Thailand for the Category 30 - based on QTY, Germany, Malaysia and Singapore for the Category 85 - based on AUD, China and Thailand for the Category 87 - based on AUD and France for the Category 87 - based on QTY.

variable to the NX levels in this category, followed by the relative MS, income, interest and the SVR.

For Category 87, the most significant variables in the determination of the NX level is the relative IR, followed by the relative savings, the income rates and the EXR, while the variable relative MS is the least significant. In addition, the relative IR and the EXR are the most responsive (elastic) variables to the NX levels in this category, followed by the relative income, MS and the SVR.

In summary, the overall results in the estimated NX models that did not satisfactory pass all diagnostic tests should be viewed with caution; as these NX models require further improvements. These improvements include and are not limited to further corrections, adjustments and/or even considerable modification of most of the models in order to obtain more reliable models which will in turn, make it possible to get a clearer understanding of the determinants of the NX with the selected TD countries in the selected TD categories. Despite, these limitations the estimated NX models which did not satisfactory pass all diagnostic tests are revealing valuable information that can be utilized by trade policy makers and various parties involved in international trade in these selected TD categories.

Finally, by observing only 12 models (5 based on AUD and 7 based on QTY values) that have the correct a-priory signs and have satisfactory passed all diagnostic tests, the main findings are rather different to the remaining 46 models. The most significant variables in the determination of the NX for all TD categories in these 12 models is a relative income and the EXR; followed by a relative MS and IR, while the relative SVR variable proved to be the least significant. Additionally, the most responsive (elastic) variables to the level of the NX in these 12 models is the EXR, followed by a relative MS, income and IR, while the relative SVR is the least responsive variable.

The most important findings of this study for the models which have satisfactorily passed all diagnostic tests that relationship between the NX (trade balance) and the GDP, EXR and MS is positive, while the relationship between the NX and the IR and SVR is negative. This finding for the independent variables GDP, EXR and MS is consistent with earlier studies conducted by Kyereme (2002) and Duasa (2007) and also with the theoretical expectations. However, the independent variable EXR in this study found to be the second most significant variable (after the GDP, which found to be the most significant variable) in determining the NX in these TD categories, while the studies by Kyereme (2002) and Duasa (2007) found a rather weak or non-existent relationship between the NX and the EXR. This inconsistent finding could be due to numerous reasons; one of the reasons could be that unlike the existing studies which analyse aggregated X and M volumes, this study analyses the specific TD categories. This suggests that the relationship between the NX and the EXR is important in determination of the NX volumes and hence supports for the 'elasticity approach' or as 'imperfect substitute' model when the NX models are estimated. Furthermore, this finding also suggests that the relationship between the NX and the EXR is likely to require further research before definite conclusions are being made. Finally, another important finding in this study is that, the SVR is the least significant and the least responsive variable to the NX levels in these selected TD categories.

Overall the major findings in this study suggests that changes in the relative income and the EXR can have a significant effect on the trade volume in the selected TD categories, while the relative SVR does not have significant effect on the NX levels in these categories.

VII. Conclusions

Overall, the NX models in this study is examined from absorption, elasticity and a monetary perspective, in order to divulge the determinants of the trade balance between Australia and the selected TD countries in the selected TD categories.

The three major differences between this study and the existing ones that estimate the NX models could be summarised as follows: Firstly, unlike the existing NX models in the literature which uses the dependent variable of the overall aggregated X, and M volumes, the dependent variable in this study refers to the specific TD categories. This approach reveals that the specific information as to which variable(s) are significant in the determination of the X and M levels on a category-by-category basis. Secondly, unlike existing studies which only estimate the NX on monetary values, this study estimates the NX based on both the monetary and QTY values for each selected TD category. This allows for a comparison of the disparities (comparative analysis) and an evaluation of the corresponding results from 2 different perspectives. Thirdly, unlike existing NX models, this study incorporates the SVR as an additional independent variable. According to IS-LM framework, the inclusion of such as variable is justifiable. This approach to the best of our knowledge, has not been used in any previous studies, which at the same time, is one of the significant contributions of this study.

Overall, 49 out of 58 NX models are significant, while 12 out of 58 models (5 based on AUD and 7 based on QTY) have the correct signs and have satisfactory passed all diagnostic tests. The most significant explanatory variables in the determination of the NX in these models are the relative income and the EXR; closely followed by relative MS and IR, while the relative SVR variable is the least significant. Furthermore, in respect to the most responsiveness to the NX levels, the most responsive variable in these models is the EXR, followed by relative MS, income and IR, while the relative SVR is the least responsive variable.

In summary, the overall findings suggest that, most of the estimated NX models require further improvements. These improvements include and are not limited to further corrections, adjustments and/or even considerable modification of most of the models, in order to obtain more reliable models. This in turn will make it possible to get an overall understanding of the determinants of the NX with all selected TD countries and in all selected TD categories.

Despite these shortcomings, the overall results in this study provide valuable information that can be utilized for trade policy makers when assessing the growing TD deficit in these categories between Australia and the selected TD countries and relevant industries involved in the international trade in these categories. The findings in this study ascertain what the macroeconomic variables and the extent to which these are influencing the NX levels in the selected categories. Findings in this study suggest that macroeconomic variables such as money supply, interest rates and savings rates are having an insignificant effect in the determination of the NX levels in the selected categories. This highlights that domestic monetary policy cannot influence the NX levels in the selected TD categories in Australia. Hence, fiscal policy is more powerful in influencing the NX levels in Australia. It is advisable that governments pay particular attention to the effectiveness of fiscal policy in influencing the NX levels in Australia.

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