<Advanced Guide to Trade Policy Analysis>
<readme.pdf>

The Advanced Guide to Trade Policy Analysis' website contains the material needed to perform the applications and exercises of chapters 1 and 2 of the Advanced Guide to Trade Policy Analysis (TPA). It also contains solutions.

This readme file is divided into three parts. Part I concerns the installation of the material necessary for running the applications and exercises. Part II describes the organization of the material. Part III discusses some technical issues.

PART I. INSTALLATION

The Advanced Guide to Trade Policy Analysis' website contains the present readme.pdf file (link at "How to use the application and exercise files"), which should be carefully read before extracting the material and starting to work with Stata. On the right side, under "Table of contents" you will find the pdf version of the Advanced Guide to Trade Policy Analysis and links to each chapter. Under "Additional resources" you will find several STATA ado files that have to be installed for most do-files to work (see point 7 below).

The first thing to do is to extract the files needed to perform the applications and exercises of chapters 1 and 2 in Stata. If you use a Windows-based computer, read point 1.a and skip point 1.b. If you use a Macintosh-based computer, read point 1.b and skip point 1.a.

1.a   [Windows users] There are two options:

  i.   Bulk download. On the home page, click "Install application files" and then click on the "Run" option. You will be able to extract the whole folder "Advanced Guide to TPA" to a computer drive of your choice (it could be a USB key or an external hard drive, on the condition that there are at least 2 GB available). You may also click on "Download application files", then click on the "Save as" option and save the folder to a computer drive of your choice. In this case, the folder will be zipped. To keep the correct file paths, you must choose the "extract" function of the unzip software.

  ii.   Chapter-by-chapter download. On each chapter's page, click "Install application files" and then click on the "Run" option. You will be able to extract the chapter's subfolder "Advanced Guide to TPA/ChapterX", where X is the chapter of your choice, to a computer drive of your choice. You may also click on "Download application files", then click on the "Save as" option and save the folder to a computer drive of your choice. In this case, the folder will be zipped (as above, the "extract" function must be used to keep the correct file paths).

1.b   [Macintosh users] There are two options:

  i.   Bulk download. On the home page, click on "Download application files". The download of the whole folder "Advanced Guide to TPA" will start automatically. Upon completion of the download, copy the folder to your home directory (the one indicated with a stylized house in the finder). If your name is Tom Smith, your home directory is most likely called "tomsmith". Do not attempt to click on "Install all application files", because this extraction only works on Windows-based computers.

  ii.   Chapter-by-chapter download. On each chapter's page, click "Download application files". The download of the chapter's subfolder "Advanced Guide to TPA/ChapterX", where X is the chapter of your choice, will start automatically. Upon completion of the download, copy the folder to your home directory. Do not attempt to click on "Install application files, because this extraction only works on Windows-based computers.

PART II: DESCRIPTION OF THE MATERIAL

2 After completing Part I above, the general folder "Advanced Guide to TPA" will contain subfolders for each chapter:

- "Advanced Guide to TPA/Chapter1"
- "Advanced Guide to TPA/Chapter2"

In the Advanced Guide to Trade Policy Analysis, there are Stata applications and exercises concerning both chapters. The folder for each chapter contains three subfolders ("Applications", "Datasets", and "Exercises") and a Stata do-file. For instance, in the folder "Advanced Guide to TPA/Chapter1" you will find:

- "Advanced Guide to TPA/Chapter1/Applications"
- "Advanced Guide to TPA/Chapter1/Datasets"
- "Advanced Guide to TPA/Chapter1/Exercises"
- "directory_definition.do"

The subfolder "Datasets" contains all the datasets needed for all applications and exercises in the respective chapter. The subfolders "Applications" and "Exercises" contain sub-subfolders corresponding to the respective application or exercise. For instance, in the chapter 1 applications folder "Advanced Guide to TPA/Chapter1/Applications" you will find:

- "Advanced Guide to TPA/Chapter1/Applications/1_TraditionalGravity"
- "Advanced Guide to TPA/Chapter1/Applications/2_DistancePuzzle "
- "Advanced Guide to TPA/Chapter1/Applications/3_RTAsEffects"

and in the chapter 1 exercises folder "Advanced Guide to TPA/Chapter1/Exercises" you will find:

- "Advanced Guide to TPA/Chapter1/Exercises/1_WTOimpact"
- "Advanced Guide to TPA/Chapter1/Exercises/2_UnilateralPolicyImpact "

The Stata do-files needed to perform each application or exercises are contained in the respective subfolders. Before running any of these do-files, you need to follow the instructions in point point 3 below.

PART III. PRACTICALITIES

3 The general folder "Advanced Guide to TPA", as well as each chapter's folder, contains the following STATA do-file:

- "directory_definition.do"

If you use a Windows-based computer, read point 3.a and skip point 3.b. If you use a Macintosh-based computer, read point 3.b and skip point 3.a.

3.a [Windows users] Line 14 of "directory_definition.do" reads as follows:

```
*      global input  "driveletter:\Advanced Guide to TPA"
```

(notice the asterisk at the beginning). Modify line 14 (and only line 14) by eliminating the asterisk and replacing "driveletter" with the letter of the drive where you extracted the files under point 1.a. If, for example, you extracted to the "E:\" drive, line 14 should read as follows:

```
       global input  "E:\Advanced Guide to TPA"
```

(notice the removal of the asterisk at the beginning). Run "directory_definition.do". The "global" directory called "input" will be set to "E:\Advanced Guide to TPA". After completing this step, you can run all the other do files.

3.b [Macintosh users] Line 18 of "directory_definition.do" reads as follows:

```
*    global input = "/Users/home directory/Advanced Guide to TPA"
```

(notice the asterisk at the beginning). Modify line 5 (and only line 5) by eliminating the asterisk and replacing "home directory" with the name of your home directory. In the Tom Smith example of point 1.b, your home directory is "tomsmith" and the modified line 5 should read as follows:

```
global input = "/Users/tomsmith/Advanced Guide to TPA"
```

(notice the removal of the asterisk at the beginning). Run "directory_definition.do". The "global" directory called "input" will be set to "/Users/tomsmith/Advanced Guide to TPA". After completing this step, you can run all the other do files.

4 The folder "Advanced Guide to TPA" that you have extracted (or copied) on your computer must be readable and writeable. If you are working on a Windows-based computer, you can check your disk properties by right-clicking on the folder, then click on "Properties". If you are working on a Macintosh-based computer, select the folder, press Command+I. Under "Ownership and Permissions" change it to Read & Write (if necessary). Click on the arrow beside "Details". Click on the "Apply to enclosed items" button at the bottom of the window. Click OK.

5 Some applications and exercises require a relatively large computational capacity. In such cases, the Stata do-file contains in one of the first lines the command: "`set memory 500m`". This amount of memory should normally be allocated if you are working on a computer with a modern processor and 2 or more GB RAM.

If your operating system refuses to provide memory (error message "`op. sys. refuses to provide memory`"), however, try reducing the amount of memory, for instance typing "`set memory 400m`". If you are working with Stata 12 or a more recent version, the "`set memory`" command is redundant and you should not get any error message.

6 All applications and exercises have been run by the authors of the Advanced Guide to Trade Policy Analysis with Stata 12, Stata 13 and Stata 14 for Windows and on Stata 13 and Stata 14 for Macintosh. Applications and exercises may also be run with STATA 11 without any change in the do files.

7 In most applications and exercises, some additional packages are used. To install an additional package, open Stata and type "`findit 'package'`" – where `'package'` is the name of the package needed (for instance, `ppml`) – then click on the linked package name and follow the instructions.

Note that all ado files needed for some of the applications and exercises can also be downloaded from the TPA home page. In this case, the files need to be installed in your "ado/plus" directory, under the subdirectory corresponding to the first letter of the command. For instance, if your "ado/plus" directory is "C:/ado/plus", both ppml.ado and ppml_panel_sg.ado commands need to be installed under "C:/ado/plus/p" . To check the location of your "ado/plus" directory, open Stata and type "`sysdir`".

Installation directly from Stata with the "`findit`" command, or "`. ssc install`" should be preferred, and you should opt for the manual installation just described only if Stata cannot connect to the Internet.