Readme on data and replication files for   
Xu, “Reshaping Global Trade”   
in the *Quarterly Journal of Economics*

This readme explains the datasets, variables, and replication files. I used Stata 16. The contents of each subfolder of the zipped replication file are explained below.

**“code”:**

1. “main.do”:
   * This runs all of the code to construct the data and run the analysis
   * users need to set their directory at the top using the global macro “filepath”
2. “xu\_make\_data.do”:
   * This code contains 2 sections: the first creates the datasets for the long-run (country-level) analysis; the second creates the datasets for the short-run (port-level) analysis
3. “xu\_tables.do”:
   * This code contains the analysis code to reproduce the tables in the main body and the online appendix. The code for each table is self-contained
4. “xu\_figures.do”:
   * This code contains the analysis code to reproduce the figures in the main body and the online appendix. The code for each figure is self-contained

**“data”:**

1. Exposure to bank failure (*Faill)*

* This is the main treatment variable, and it is constructed from the loan-level records at the Bank of England.
* “**map\_locations\_shock.dta**”: most disaggregated and geo-coded. This version of the data allows users to re-aggregate the shock to the geographic level suitable for their purposes
  + “location”: city of financing
  + “country\_api”: modern-day country associated with the “location”
  + “longitude”: longitude in degrees
  + “latitude”: latitude in degrees
  + “location\_amt”: total lending in location
  + “shock\_location”: exposure measure by location
* “**shock\_country.dta**”: country-level shock using historical country boundaries
  + “country\_o”: country
  + “country\_fail\_amt”: share of financing from failed banks
  + “country\_amt”: total financing
  + “bank\_num”: number of banks
  + “shock\_country”: exposure measure by country

1. Trade volumes

* “**sr\_ports.dta**”: short-run ports
  + “near\_id”: unique ID for the port
  + “location”: city of financing
  + “country\_o”: country based on historical boundaries
  + “ships”: # ships departing in the time period
  + “ships\_news\_lag”: # ships departing in the time period defined by date of news arrival about the London shock
  + “ships\_uk”: # ships departing for UK
  + “ships\_nonuk”: # ships departing to non-UK destinations
  + “event\_og”: indicator variable for the post-crisis period
  + “london”: indicator variable for the port being within 500 km of the city of financing it’s linked to
  + “port\_size”: overall size of the port in the pre-crisis period using both arrivals and departures
  + “avg\_age”: weighted average of age of banks in a location
  + “capital”: indicator for the port being a capital city
  + “frac\_uk”: share of exports to the UK pre-crisis
  + “lndest”: log number of destinations the port exports to
  + “count\_dest”: number of destinations the port exports to
  + “post\_fail\_c\_other”: average exposure of other ports in the rest of the country, interacted with the post-crisis indicator
  + “for\_bank”: number of non-British banks
  + “avg\_og”: weighted average of Overend Gurney shareholder link for banks in a location
  + “asia\_exposure”: banks in locations’ average exposure to Asia through lending (analogous for “africa” (Africa), “namer” (North America), “samer” (South Africa), “austr” (Oceania), “europe” (Europe))
  + “empire\_uk”: indicator variable for being in the British empire (analogous for “fr” (French empire), “ott” (Ottoman), “por” (Portuguese), “den” (Danish), “dut” (Dutch), “sp” (Spain))
  + “island”: indicator for island
  + “entrepot”: indicator for entrepot
  + “avg\_dist”: average distance to trade partners
  + “bank\_count”: number of British banks
  + “lat\_BANK”/ “long\_BANK”: coordinates of location of financing
  + “lat\_PORT”/ “long\_PORT”: coordinates of the port
  + “lat\_lon”/ “long\_lon”: coordinates of London
  + “dist\_lon”: distance to London
* “**lr\_trade.dta**”: long-run bilateral by country
  + “year”: year
  + “country\_o”: origin country
  + “country\_d”: destination country
  + “expr\_ff”: value of exports in millions of pounds sterling
  + “geo\_dist”: distance between origin and destination
  + “longi” & “lati”: coordinates for origin and destination
  + “SeaDist\_SHRTnew”: travel distance by sail from Pascali (2017)
  + “SeaDist\_2CSTnew”: travel distance by steam from Pascali (2017)
  + “steam\_suez\_p”: travel distance by steam with Suez from Pascali (2017)
  + “steam\_nosuez\_p”: travel distance by steam without Suez from Pascali (2017)
  + “Comlang”, “Contig”, “Curcol”, “Evercol”: indicator variables for bilateral connections between countries: common language, contiguity, current colonial relationship, ever colonial relationship
  + “emp\_o”/ “emp\_d”: the empire of the origin/destination country
  + “emp\_o2”/ “emp\_d2”: secondary empire of the origin/destination country
  + “REGIO\_o”: geographic region of the country

1. Bank characteristics:

* **“bank\_char\_final.dta”**: characteristics of the international banks
  + “bank”: bank name
  + “bank\_lending”: total lending by bank
  + “jsbank”: indicator for joint stock bank
  + “failure”: indicator variable for failing during the crisis
  + “age”: age of bank in 1866
  + “any\_shareholder”: indicator variable for direct shareholder link to Overend and Gurney
  + “bank\_locations”: number of cities of lending
  + “bank\_locations\_nonuk”: number of cities outside the UK
  + “bank\_countries”: number of countries of lending
  + “bank\_region\_count”: number of regions of lending
  + “bank\_Africa”: amount of lending in Africa (analogous for “Asia”, “Europe”, Oceania”, “NAmer”, “Samer”, “UK”, “BritEmp”
  + “bank\_Africa\_th”: amount of lending in Africa in thousands (analogous for other regions)
  + “bank\_Africa\_expos”: share of lending in Africa (analogous for other regions)
  + “bank\_capital”: total equity/capital
  + “bank\_paidupcapital”: capital paid into the bank in 1866
  + “bank\_reserve”: reserve
  + “bank\_size”: total assets or liabilities
  + “bank\_deposits”: deposits
  + “bank\_cash”: cash and gold
  + “bank\_acceptance\_65”: acceptance lending in 1865
  + “bank\_acceptance\_66”: acceptance lending in 1866
  + “Founded”: year bank was founded
  + “source”: source of balance sheet information
  + “leverage”: leverage ratio
  + “reserve”: reserve ratio
  + “liquidity”: liquidity ratio