

Wrap up and conclusions

**ARTNeT Capacity Building Workshop on
“the Use of Gravity Modelling”**

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Using gravity models for policy research

1. Make explicit reference to the theory and recent literature as much as possible
 - At least, appropriate dimensions of FE must be included in the gravity models.
2. OLS may not give an efficient estimates if
 - existence of zero trade flow
 - endogeneity problems
 - multi-dimension data
3. Make all possible attempts to correct the endogeneity problems.

Using gravity models for policy research

4. Asking questions that gravity can answer well

- Gravity model should be used for describing sensitivity of trade flows to particular factors, not for discussing economic welfare

5. Being modest when using the gravity results in your analysis

- Should not to be a primary tool for forecast / counterfactuals
- Can give ideas about the relationships, but do not expect precise number
- If an analysis really need number, do it for a range rather than a single number (\pm SD)
- Treat the results as association, not causal links

https://www.yunbaogao.cn/report/index/report?reportId=5_7099

预览已结束，完整报告链接和二维码如下：



gravity model for policy research

ply gravity analysis in conjunction
approaches such as CGE if
the general equilibrium implications
, resource allocations,...).

that does not use the latest models
ques does not represent a sound
rawing policy conclusions.

ness check to ensure results are robust to
n using different techniques