

READ ME FILE

Title: Do Monetary Policy and Economic Conditions Impact Innovation? Evidence from Australian Administrative Data

Authors: Omer Majeed, Jonathan Hambur and Robert Breunig

Description

This 'read me' file details the replication files for RDP 2024-01. Firm-level data cannot be provided as they are confidential unit record data contained in the ABS Business Longitudinal Analysis Data Environment (BLADE). All data for figures appearing in the RDP can be found in the spreadsheet 'rdp-2024-01-graph-data'. Aggregate data are provided in the 'Data' folder, alongside EViews 13 work files for the VAR analysis in Figures 2 and B1. The 'Codes' folder contains Stata's do files that are used to produce the results presented in the paper and the appendices. The Stata codes were run on Stata MP 16 (64 bit).

If you make use of any of these files you should clearly attribute the authors in any derivative work.

Data

- TFP VAR.wf1
 - l_tfp: log of total factor productivity – Bergaud, Cetté and Lecat (2016)
 - l_rd: log real gross fixed capital formation, intellectual property products, research and development – ABS Australian System of National Accounts
 - l_gdp: log real gross domestic product – ABS Australian System of National Accounts
- VAR MP effects R&D.wf1
 - lgdp: log real gross domestic product, seasonally adjusted – ABS Australian National Accounts: National Income, Expenditure and Product
 - lcpil: log of headline CPI – RBA statistical table G1 Consumer Price Inflation
 - lrd: log real gross fixed capital formation, seasonally adjusted, intellectual property products, research and development – ABS Australian National Accounts: National Income, Expenditure and Product
 - ltwi: log trade-weighted exchange rate index, quarterly average – RBA statistical table F11 Exchange Rates – Monthly
 - cr: cash rate, quarterly average – RBA statistical table F1.1 Interest Rates and Yields – Money Market – Monthly
 - Beckers_aug: Beckers (2020) shock measure, accounting for cash rate expectations
- Macro data for local projections.xlsx
 - cpi: year-ended change in CPI – ABS Consumer Price Index, Australia
 - gdp: annual growth in real gross domestic product – ABS Australian National Accounts: National Income, Expenditure and Product
 - cr_targ: change in cash rate, quarterly average – RBA statistical table F1.1 Interest Rates and Yields – Money Market – Monthly
 - cr_lvl: cash rate level, quarterly average – RBA statistical table F1.1 Interest Rates and Yields – Money Market – Monthly
 - BT: Bishop and Tulip (2017) monetary policy shock
 - level: Hambur and Haque (2023) action shock
 - beckers: Beckers (2020) shock measure, not accounting for cash rate expectations
 - beckers_aug: Beckers (2020) shock measure, accounting for cash rate expectations; preferred shock measure

- rd_l_lvl: log real gross fixed capital formation, seasonally adjusted, intellectual property products, research and development – ABS Australian National Accounts: National Income, Expenditure and Product
- rd_q: quarterly growth in real gross fixed capital formation, seasonally adjusted, intellectual property products, research and development – ABS Australian National Accounts: National Income, Expenditure and Product
- rd_ann: annual growth in real gross fixed capital formation, seasonally adjusted, intellectual property products, research and development – ABS Australian National Accounts: National Income, Expenditure and Product
- twi: trade-weighted exchange rate index, monthly average – RBA statistical table F11 Exchange Rates – Monthly
- Intellectual Property Government Open Data (IPGOD) 2022: available at <<https://data.gov.au/dataset/ds-dga-49017fd0-e7be-4fc0-88c8-046fc366d980/details?q=>>>
 - patent-application
 - patent-party-activity
 - trade-mark-application
 - trade-mark-party-activity

Code

- Local projections.do: local projections for aggregate metrics – Figure 1
- Overarching code run.do: runs below code for firm-level results (data not provided due to confidentiality)
 - 00 Data Construct.do: pull together data for analysis
 - 01 Summary stats.do: construct summary stats in Tables A1 and A2
 - 02 Baseline regs.do: baseline regressions and robustness
 - 03 demand channel.do: regressions by exporter and foreign ownership status
 - 04 Hamper innovation finance.do: regressions of effect on hampered
 - 05 Foreign shocks.do: regressions using US shocks

References

- Beckers B (2020)**, '[Credit Spreads, Monetary Policy and the Price Puzzle](#)', RBA Research Discussion Paper No 2020-01.
- Bergeaud A, G Clette and R Lecat (2016)**, 'Productivity Trends in Advanced Countries between 1890 and 2012', *The Review of Income and Wealth*, 62(3), pp 420–444.
- Bishop J and P Tulip (2017)**, '[Anticipatory Monetary Policy and the “Price Puzzle”](#)', RBA Research Discussion Paper No 2017-02.
- Hambur J and Q Haque (2023)**, '[Can We Use High-frequency Yield Data to Better Understand the Effects of Monetary Policy and Its Communication? Yes and No!](#)', RBA Research Discussion Paper No 2023-04.

15 February 2024