

Afonso, António; Alves, José; Menescal, Lucas; Monteiro, Sofia

**Working Paper**

## The Role of Global Uncertainty in Shaping Trade Flow Relations: A Cross-Country Analysis for Europe

CESifo Working Paper, No. 11401

**Provided in Cooperation with:**

Ifo Institute – Leibniz Institute for Economic Research at the University of Munich

*Suggested Citation:* Afonso, António; Alves, José; Menescal, Lucas; Monteiro, Sofia (2024) : The Role of Global Uncertainty in Shaping Trade Flow Relations: A Cross-Country Analysis for Europe, CESifo Working Paper, No. 11401, CESifo GmbH, Munich

This Version is available at:

<https://hdl.handle.net/10419/307331>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*

# The Role of Global Uncertainty in Shaping Trade Flow Relations: A Cross-Country Analysis for Europe

*António Afonso, José Alves, Lucas Menescal, Sofia Monteiro*

## **Impressum:**

CESifo Working Papers

ISSN 2364-1428 (electronic version)

Publisher and distributor: Munich Society for the Promotion of Economic Research - CESifo GmbH

The international platform of Ludwigs-Maximilians University's Center for Economic Studies and the ifo Institute

Poschingerstr. 5, 81679 Munich, Germany

Telephone +49 (0)89 2180-2740, Telefax +49 (0)89 2180-17845, email [office@cesifo.de](mailto:office@cesifo.de)

Editor: Clemens Fuest

<https://www.cesifo.org/en/wp>

An electronic version of the paper may be downloaded

- from the SSRN website: [www.SSRN.com](http://www.SSRN.com)
- from the RePEc website: [www.RePEc.org](http://www.RePEc.org)
- from the CESifo website: <https://www.cesifo.org/en/wp>

# The Role of Global Uncertainty in Shaping Trade Flow Relations: A Cross-Country Analysis for Europe

## Abstract

We examine the effects of World Uncertainty and Geopolitical Risk on Trade flows for 31 European economies between 1995 and 2023. To do so, we resort to Panel estimation techniques, including OLS and Poisson Pseudo Maximum Likelihood (PPML). Our findings reveal that European nations primarily respond to global uncertainty by concentrating their exports and imports among top trading partners particularly their top 5 highest trading partners. This result is more pronounced when uncertainty is driven by low-income countries. Moreover, there is a stronger relationship between imports and global uncertainty compared to exports. Our study underscores the importance of European economies strategically adapting their export and import approaches in response to these challenges.

JEL-Codes: C230, E440, F140, F410, F620.

Keywords: geopolitical risk, world uncertainty, trade flows, international trade, European economies.

*António Afonso*

*ISEG – School of Economics and Management  
University of Lisbon / Portugal  
aafonso@iseg.ulisboa.pt*

*José Alves*

*ISEG – School of Economics and Management  
University of Lisbon / Portugal  
jalves@iseg.ulisboa.pt*

*Lucas Menescal*

*ISEG – School of Economics and Management  
University of Lisbon / Portugal  
lucasmenescal@iseg.ulisboa.pt*

*Sofia Monteiro*

*ISEG – School of Economics and Management  
University of Lisbon / Portugal  
asmonteiro@iseg.ulisboa.pt*

October 2024

This work was supported by the FCT (Fundação para a Ciência e a Tecnologia) [grant numbers UIDB/05069/2020 and UI/BD/152307/2021]. The opinions expressed herein are those of the authors and do not necessarily reflect those of the authors' employers. Any remaining errors are the authors' sole responsibility.

## **1. Introduction**

International trade plays a pivotal role in shaping the global economy, driving economic growth, fostering innovation, and promoting interdependence among nations. Trade flows – the exchange of goods and services across borders – account for a significant portion of global economic activity, influencing national revenues, employment levels, and the availability of goods in domestic markets. In 2021, global merchandise trade reached an estimated \$28 trillion, according to the United Nations, reflecting the extensive network of trade relationships that connect countries around the world (Bobasu et al. 2023). However, the dynamics of trade flows are increasingly shaped by external shocks, particularly geopolitical tensions and global uncertainties. Events such as Russia's invasion of Ukraine, the U.S.-China trade tensions, and the COVID-19 pandemic have underscored the vulnerability of global trade to sudden political and economic disruptions (Bouri et al., 2023; Mokdadi et al., 2023).

Geopolitical tensions, arising from power struggles, territorial disputes, and ideological conflicts, significantly alter trade patterns. These tensions can raise trade costs, disrupt supply chains, and lead to shifts in trade routes as countries realign their economic alliances. The interconnected nature of today's global economy means that instability in one region can rapidly affect trade flows worldwide, leading to fluctuations in commodity prices, increased transportation costs, and reduced market access for exporters and importers alike (Bilgin et al., 2020, Gutmann et al., 2023; Monteiro et al., 2023). For instance, the disruption of grain exports from Ukraine during the 2022 conflict highlighted the profound impact such tensions can have on global food security and trade flows dynamics.

Additionally, global uncertainties – encompassing economic volatility, political instability, and changes in consumer behaviour – exacerbate the challenges faced by international trade. Heightened uncertainty can lead to reductions in trade volumes as businesses and governments hesitate to engage in cross-border transactions, fearing unpredictable outcomes. The decline in trade during periods of uncertainty not only affects exporters but also leads to higher prices and reduced availability of goods for consumers. Certain industries, such as energy and agriculture, are particularly vulnerable to supply chain disruptions, while others may experience shifts in trade demand due to evolving political alliances and trade agreements (Glick and Taylor, 2010; Balcilar et al., 2018; Borojo et al., 2022).

This study aims to examine the complex relationship between international trade flows and rising geopolitical tensions and global uncertainties. By analysing exports and imports across a broad range of countries and using recent indices that measure global risks, we seek to provide insights into how these forces shape trade dynamics in Europe. In doing so, we contribute to a deeper understanding of how uncertainty and instability influence trade relationships in a rapidly changing world and how economies should adapt to account for these challenges.

Specifically, we analyse the impact of World Uncertainty index (WUI) and Geopolitical Risk (GPR) on trade flows across 31 European economies from 1995 to 2023. Utilizing panel estimation techniques, including Ordinary Least Squares (OLS) and Poisson Pseudo Maximum Likelihood (PPML), we examine the impact of changes in the total GPR, total WUI as a simple average, the WUI for the home and Counterpart country, the World Trade Uncertainty index (WTI) of the home and the counterpart have on both exports and imports over GDP. Further, we investigate how uncertainty coming from different regions and groups (Advance Economies, Africa, Asia, Emerging Markets, Europe, Low Income Countries, Middle East Countries, and Western Countries) may affect trade flow dynamics.

Our findings indicate that European nations predominantly respond to global uncertainty by concentrating their exports and imports among their top trading partners, particularly their top 5 highest trading partners. This concentration effect is particularly pronounced when uncertainty originates from low-income countries. Further, the analysis of economic-specific uncertainties of the home country reveals significant negative impacts on export performance, particularly with the top trading partners. The results suggest that trade tensions adversely affect exports, leading to shifts away from larger counterparts during uncertain times. Additionally, our estimations indicate a stronger relationship between imports and global uncertainty compared to exports. This highlights that European economies may prioritize importing goods to maintain stability in domestic production and supply chains when faced with rising uncertainty. Consequently, reliance on foreign goods can lead to a more pronounced relationship between uncertainty and imports. Lastly, our study highlights the necessity for European economies to adapt strategically their export and import strategies in response to these challenges.

To the best of our knowledge, this research is the first to analyse comprehensively the impact of uncertainty shocks on both exports and imports using a diverse array of robust methodologies. Moreover, we extend the scope of analysis by covering a longer time

horizon and a broader set of countries, providing a more in-depth and nuanced understanding of global trade dynamics in the context of geopolitical risks. This comprehensive approach sets our work apart, offering valuable insights that enrich the existing literature.

The remainder of this paper is organized as follows: Section 2 provides a comprehensive review of the relevant literature on trade flows and uncertainty shocks. Section 3 outlines the data sources, and the methodology used for the empirical analysis in detail. Section 4 presents the empirical results, discussing the differential impacts of uncertainty shocks on trade flows under various specifications. Section 5 concludes the paper and elaborates on the policy implications.

## **2. Literature Review**

### ***2.1. International Trade Flows***

International trade flows have been extensively assessed mostly through gravity model regressions. This approach makes an analogy with Newton's universal gravitation law by describing trade across countries as a proportion of their aggregate income and proximity. It was first formally introduced by Tinbergen (1962) to evaluate bilateral trade between two countries as an increasing function of their respective GDP's and decreasing for geographic distances (see also Linneman, 1966, and Leamer and Stern, 1970). Although initially thought as a simple representation of an empirical relationship between trade and economic activity without theoretical foundations, its power to explain and predict trade flows of different commodities and countries in time has made it widely adopted (Kabir et al., 2017).<sup>6</sup>

The model essentially describes bilateral trade as being determined by the economic supply conditions at the origin country, the demand conditions at the destination country and the driving forces of bilateral trade, which reflect overall trade costs, such as absolute distances, integration agreements and currency unions, as well as non-economic and cultural issues such as language and institution similarities. Some of the first arguments for a theoretical basis of gravity models were made by Anderson (1979) and Bergstrand (1985), which showed that the predictions of gravity models could also be derived from

---

<sup>6</sup> Besides its adoption in studies for trade flows, gravity models have also been used in several other areas. For instance, see Frankel and Rose (2005) for an assessment on the trade-environment nexus, Ramos and Surinach (2016) for applications to migration flows and Flavin et al. (2002) for stock market linkages.

other approaches such as the Ricardian and the Hecksher-Ohlin (H-O) type of models (see Leamer, 1991; Deardorff, 1995).

Along with the robust empirical evidence, constant improvements in theoretical arrangements brought additional validation to gravity models, as these became a common methodology to empirically assess the reciprocal effects not only of economic activity and trade costs on international trade, but also of trade liberalization agreements and monetary unions (Frankel and Rose, 2002; Harris et al., 2012).<sup>7</sup> Francois and Manchin (2013) also addressed the roles of infrastructures and institutions, while Anderson and van Wincoop (2003) highlighted the importance of controlling for relative trade costs between countries for well-specified models. These were referred as “multilateral trade-resistance (MTR)” terms and suggest that import and export propensities are determined by differences in trade costs relative to the overall “resistance” of importers and exporters, represented as the weighted average of trade costs in each country (Bacchetta et al., 2012).

Thus, Kabir et al. (2017) suggests that the evolution of trade models can be classified according to four major themes. The first theme refers to the generalized gravity models explained above, which evaluate bilateral flows as a function of trading partners’ economic size and distance. The second theme is given by intra-industry trade models in which bilateral flows are considered in markets with imperfect competition and according to the specialization and intensity of intra-industry trade (Helpman, 1987; Bergstrand, 1990). The third theme relates to the fact that models can be developed using either homogeneous or heterogeneous goods to emphasize product differentiation by factor endowments and preferences, as well as for heterogeneous firms and market entry costs to account for differences in productivity levels (Feenstra et al., 2001; Melitz, 2003; Helpman et al., 2008). At last, the fourth theme refers to structural gravity models based on monopolistic competition and increasing returns to scale (MC-IR) to assess the elasticity of substitution and general equilibrium statistics (Bergstrand et al., 2013).

More recently, however, the literature started to focus on the search for better econometric methodologies and improvements on model specifications through changes in theoretical arrangements and the introduction of new variables. For instance, Head and Mayer (2014) reviewed the theoretical foundations of gravity models, discussed different estimation methods and performed extensive comparisons of estimates through a systematic type of approach. Furthermore, Eaton et al. (2016) and Anderson et al. (2019)

---

<sup>7</sup> See De Benedictis and Taglioni (2011) for a review on the development of gravity equation models.



emphasized the importance of dynamic estimation frameworks, while several studies extended the analysis of structural models (Baltagi and Egger, 2016; Heid and Stähler, 2024).

Other methods include the use of network flow models, such as the Open Flow Networks (OFN) which consider both commodity and money flows to evaluate countries' roles in global chains, empirical analysis also uses Global Vector Auto-Regression (GVAR) and predictive models to assess trade imbalances and the effects of economic shocks, as well as to present forecasts on bilateral trade and interregional flows (Bussière et al., 2009; Bröcker et al., 2011; Shen et al., 2015). Gourdon (2009), for instance, discussed the predictions of factor abundance theories and analyzed the importance of traditional and new determinants for trade patterns.

Using a different approach, Beck and Jackson (2024) compared the relative roles of global, regional and country factors to explain fluctuations in international trade flows. They found that international factors in regional and global levels are the most important determinants of trade fluctuations, and that regional integration is positively associated with the share attributed to regional factors but negatively associated with the importance of global factors. Hence, the analysis of trade flows may employ various methodologies to trade dynamics. Each approach has its advantages and limitations, such that the methodology choice depends on the research goals and data characteristics.

## ***2.2. Geopolitical Tensions and World Uncertainty***

In today's deeply interconnected world, geopolitical tensions—rooted in territorial disputes, power struggles, and ideological clashes—resonate far beyond national borders, shaping global dynamics in profound ways (Bilgin et al., 2020, Gutmann et al., 2023).

The growing interdependence of global economies implies that events in one nation can have far-reaching effects on others. For instance, increased uncertainty among the Eurozone's partners can substantially influence the euro area economy, as highlighted by Bobasu et al. (2023). This interconnectedness is further intensified by advancements in information technology, enabling the rapid dissemination of news and events worldwide. As a result, developments in one region can swiftly affect other nations, regardless of geographic proximity (De Groot, 2010; Balli et al., 2022; Monteiro et al., 2023; Afonso et al., 2024). A prominent example of this phenomenon is the 9/11 terrorist attacks of 2001.

Despite its contemporary relevance, the concept of geopolitics has been a subject of analysis since the early 20th century when Rudolf Kjellén introduced the term to highlight the role of geography as a determinant of state behavior (Björk, 2021). Brill (1998) defined geopolitics as the study of how geographic space influences a state's political conduct, while Flint (2016) described it as the practice of nations vying for control and dominance over new territories. Historically, geopolitics has been both captivating and contentious, garnering significant attention during key periods such as the World Wars, the Cold War, and more recently, amid escalating trade tensions between China and the United States, the global pandemic, and ongoing conflicts in the Middle East and Ukraine (Bouri et al., 2023; Mokdadi et al., 2023).

Geopolitical tensions have significant and complex economic consequences, as demonstrated in the literature. These range from the destruction of labour markets (Bloom, 2009; Pham et al., 2023) and the deterioration of capital stocks to increased military and defence spending, and rising commodity prices, especially oil (Ivanovski and Hailemariam, 2022). Additionally, such tensions discourage foreign direct investment (Murdoch and Sandler, 2004; De Groot, 2010; Thakkar and Ayub, 2022; Bussy and Zheng, 2023), reduce bilateral trade transactions, and limit trade openness (Pham and Doucouliagos, 2017; Gupta et al., 2019; Caldara and Iacoviello, 2022; Campos et al., 2023), among other factors.

Given these wide-ranging effects, this study focuses on examining the interconnections between trade flows and geopolitical and world uncertainty, which have become increasingly critical in today's global economy. Russia's invasion of Ukraine in 2022 serves as a clear example of how geopolitical tensions can disrupt global markets and trade flows. Bouri et al. (2023) showed that the conflict led to global inflationary pressures, significantly affecting the trade of commodities. The sharp rise in food and energy prices has been one of the major consequences (Cunado et al., 2022; Tian et al., 2022). The disruption of Ukraine's grain exports, a key global supplier, demonstrates how such events can trigger widespread trade disruptions and exacerbate global inequality concerns (European Central Bank, 2023).

However, not all studies agree on the extent of the impact of geopolitical tensions on trade. Barbieri and Levy (1999) argue that war has a negligible effect on trade flows, with any disruptions being temporary. Anderton and Carter (2001) offer a contrasting view, suggesting that wars decrease trade during conflicts, but trade may recover or even increase in the post-war period. Nevertheless, both studies focus solely on bilateral trade

relationships and conflicts for a limited number of countries, primarily before the 1990s. Nitsch and Schumacher (2004), Blomberg and Hess (2006), extend this analysis to terrorism, they have found that terrorist activities act as significant barriers to trade, often more so than traditional trade barriers like tariffs. However, these studies only focus on a short, limited horizon period and use the average value of real bilateral trade as a proxy for trade. Martin et al. (2008) further contributes to this discourse by examining the interplay between military conflicts and trade openness. By focusing only on the 1950-2000 period, they found that conflicts reduce trade openness, and that multilateral trade (imports) can paradoxically increase the likelihood of bilateral conflicts by reducing mutual dependence. For a similar period, Qureshi (2013) and, Pham and Doucouliagos (2017) highlighted that terrorism in neighbouring countries decreases bilateral trade (measured as function of their respective economic sizes and the obstacles to trade between them) and that this effect can last for several years after the event.

Nevertheless, these earlier studies primarily focus on historical periods, using real bilateral trade figures as a proxy for trade, and limit their analysis to the direct impacts of specific conflicts on a narrow set of countries. More recently, Gupta et al. (2019) and Caldara and Iacoviello (2022) expanded the scope to examine the effects of geopolitical risks on international trade. Their findings indicate that rising geopolitical risk negatively influences global trade flows. While these studies employ a more comprehensive risk proxy—capturing factors such as power struggles between governments, corporations, and civil organizations, and considering a wide range of events, from terrorist attacks and wars to global warming and trade collapses like the 2009 Global Financial Crisis (Glick and Taylor, 2010; Balcilar et al., 2018; Borojo et al., 2022) — they still have limitations. The first study is confined to a short analysis period (1985-2013) and uses the sum of exports and imports as a trade flow proxy, while the second focuses solely on the trade openness ratio.

In contrast, our study takes a more extensive approach by analysing the effects of geopolitical tensions and global uncertainties on both exports and imports. We also examine a longer period and a broader range of countries, offering a more comprehensive understanding of trade dynamics in the face of geopolitical risks.

Geopolitical risk is commonly assessed using the Geopolitical Risk Index (GPR), developed by Caldara and Iacoviello (2022). This index is noted for its comprehensive scope, addressing a wide range of events such as wars, economic crises, and climate change, and is publicly accessible, transparent, and based on a robust historical dataset.

Unlike many other indices, which can be opaque, privately managed, and difficult to reproduce, the GPR offers clarity and extensive historical data.

In addition, the World Uncertainty Index by Ahir et al. (2022) serves as a complementary measure of global economic instability and uncertainty. It focuses specifically on political and economic developments and is distinguished by its standardized framework, which enhances its comparability across different contexts and periods.

### 3. Methodology and data

#### 3.1. Methodology

In order to assess the impact of geopolitical risk/uncertainty measures on exports and on imports we resort to panel data techniques, with the following baseline specifications:

$$Exp_{home,i,t} = \alpha_0 + \alpha_1 \cdot Risk_{i,t} + \gamma X_{CP,i,t} + \lambda_t + \epsilon_{it} \quad (1)$$

$$Imp_{home,i,t} = \beta_0 + \beta_1 \cdot Risk_{i,t} + \psi X_{home,i,t} + \mu_t + \varepsilon_{it} \quad (2)$$

where  $Exp_{home,i,t}$  is the trade flow variable, i.e., the home country total exports over GDP, in country  $i$  at time  $t$ ;  $Imp_{home,i,t}$  is the trade flow variable, i.e., the home country total imports over GDP, in country  $i$  at time  $t$ .  $Risk_{i,t}$  is a measure of uncertainty risk, which can include (i) the total geopolitical risk (GPR), (ii) total World Uncertainty Index (WUI), (iii) the home country WUI, (iv) the counterpart country WUI, (v) the home country World Trade Uncertainty (WTU) index, and (vi) the counterpart country WTI.  $X_{i,t}$  represents a set of home (*home*) or counterpart (*CP*) control variables (respectively for imports and exports) such as the current account balance, the GDP growth, the unemployment rate, the investment rate, the savings rate, the inflation rate, and the Real Effective Exchange Rate (REER), which account for other macroeconomic factors that influence exports and imports.  $\lambda_t$  and  $\mu_t$  are the time fixed effects, capturing global shocks or trends common across all countries in a given year, such as global financial crises or major geopolitical events, which could simultaneously affect all countries in the sample, and  $\epsilon_{it}$  and  $\varepsilon_{it}$  are the i.i.d. error terms.

The model specifications in Equations 1 and 2 allows us to analyse the direct effects of uncertainty shocks ( $\alpha_1$  and  $\beta_1$ ) on the share of Exports and Imports. We employed a

Panel OLS Fixed effects model using robust standard errors to account for heteroscedasticity and potential autocorrelation over time.

Furthermore, we have included in the Panel OLS estimation a variable that accounts for the distance between countries and counterparts, as follows:

$$Exp_{home,i,t} = \delta_0 + \delta_1 \cdot Risk_{i,t} + \delta_1 \cdot Distance_{i,t} + \xi X_{CP,i,t} + \zeta_t + v_{it} \quad (3)$$

$$Imp_{home,i,t} = \phi_0 + \phi_1 \cdot Risk_{i,t} + \phi_1 \cdot Distance_{i,t} + \varrho X_{home,i,t} + \pi_t + \tau_{it} \quad (4)$$

Where  $Exp_{home,i,t}$  is the trade flow variable, i.e., the home country total exports over GDP,  $Imp_{home,i,t}$  is the home country total imports over GDP,  $Risk_{i,t}$  is a measure of uncertainty risk,  $Distance_{i,t}$  is the logarithm of the distance between countries calculated as the distance between the respective capitals,  $X_{i,t}$  represents a set of counterpart control variables,  $\zeta_t$  and  $\pi_t$  are the time fixed effects, and  $v_{it}$  and  $\tau_{it}$  are the i.i.d. error terms.

Lastly, we have employed an OLS estimation technique with fixed effect of the counterpart country group and have estimated equations (3) and (4) employing a Poisson Pseudo Maximum Likelihood (PPML), following Silva and Tenreyro (2006). The PPML estimator accounts for zero trade flows in the estimation process and is robust to heteroskedasticity, making it particularly well suited for analysing trade data, which frequently exhibits substantial variation in trade volumes across country pairs (Jackson and Shepotylo, 2024). However, for this model specification, instead of using the home country total exports and imports over GDP as a proxy of trade flow, we used the Total exports and imports value in US Million Dollars.

### 3.2. Data and stylised facts

Our analysis rely on the influence of geopolitical and uncertainty indexes on trade flows between 31 European economies, namely Austria (AUT), Belgium (BEL), Bulgaria (BGR), Croatia (HRV), Cyprus (CYP), Czech Republic (CZE), Denmark (DNK), Estonia (EST), Finland (FIN), France (FRA), Germany (DEU), Greece (GRC), Hungary (HUN), Iceland (ISL), Ireland (IRL), Italy (ITA), Latvia (LVA), Lithuania (LTU), Luxembourg (LUX), Malta (MLT), Netherlands (NLD), Norway (NOR), Poland (POL), Portugal (PRT), Romania (ROU), Slovak Republic (SVK), Slovenia (SVN), Spain (ESP), Sweden (SWE), Switzerland (CHE), United Kingdom (GBR), and the top 20 worldwide counterpart economies, between 1995 and 2023, based on IMF's Direction of Trade

Statistics database<sup>8</sup> of total exports and imports (update of 08/30/2024). As these top 20 counterpart economies change through time, we identify a set of 105 counterpart economies for exports and 100 counterpart economies regarding imports. In tables A1 and A2 we highlight the set of the exports and imports counterpart countries, respectively.<sup>9</sup>

We analyse the exports and imports by categorizing the 20 most relevant trading partners of both exports and imports in five groups, namely, the top 1, the top 3, top 5, top 10 and top 20. Hence, we use, i.e., the highest one, three, five, ten and twenty counterpart trading partners, respectively, based on their share of total exports and total imports for each year under review. According to the data presented in Tables A3 and A4 in the Appendix A, the top 1, top 3, top 5, top 10 and top 20 represent, on average, 20.0%, 40.9%, 54.0%, 71.6%, and 85.7%, respectively, of total exports of European economies. For imports, these groups represent a slightly higher share (the only exception is the top 5 group), namely, 20.8% (top 1), 41.8% (top 3), 54.4% (top 5), 72.4% (top 10), and 87.4% (top 20).

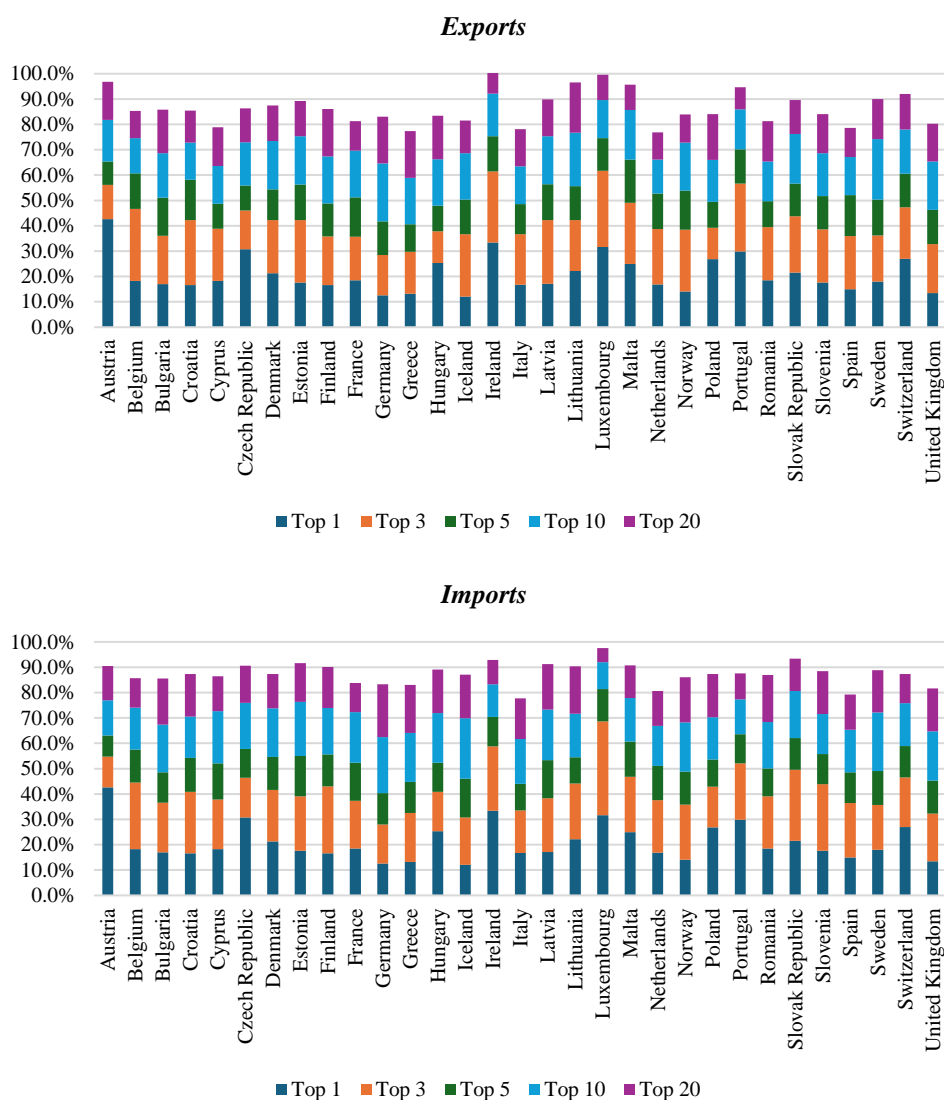
However, these trends are not consistent across all European countries. For example, the top 1 group represents a significant portion of total exports for Austria and Ireland (over 30% on average during the analysed period), while it accounts for only 12.6% for Germany. As illustrated in Figure 1, the German economy concentrates less over their trading partners while other economies like Austria, Ireland, Luxembourg, Malta, and Portugal, among others, show greater dependence on their top 20 trading partners. This pattern holds for imports as well, though Italy, on average, demonstrates lower dependence on its top 20 trading partners. These patterns indicate varying levels of external trade resilience among European countries. Economies with higher reliance on a few key trading partners may be more vulnerable to global economic, financial, or geopolitical shocks.

---

<sup>8</sup> We retrieved data from the IMF's Website: <https://data.imf.org/?sk=9d6028d4-f14a-464c-a2f2-59b2cd424b85>

<sup>9</sup> It is important to mention that we include both European and non-European countries as counterpart economies. European economies also are included in this set of counterpart economies since there is intense trade-flows between European economies.

**Figure 1. Average exports and imports by country and by groups, 1995-2023.**

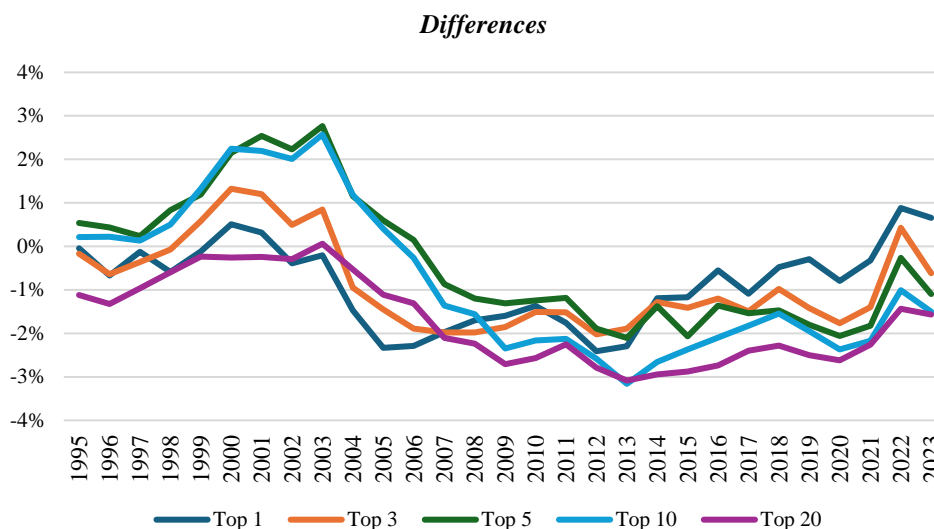


Notes: This figure identifies the average share of exports (first graphical representation) and imports (second graphical representation) by country. Each colour represents a group, top 1, 3, 5, 10, and 20. Source: Authors' calculations based on data from the IMF's Direction of Trade Statistics database, update of 08/30/2024.

When analysing the net export dynamics across the most representative groups during the period depicted in Figure 2, we observe distinct trends. European economies consistently registered a trade deficit throughout the entire period with their top 20 trading partners. However, the top 5 and top 10 groups experienced a trade surplus from 1995 to 2006. Additionally, the top 1 and top 3 groups reported positive net exports at the end of the 20th century and during the COVID-19 pandemic.

Therefore, while European economies faced ongoing trade deficits with their broader trading partners, they achieved notable trade surpluses with their key trading groups during specific periods, particularly in times of economic turbulence.

**Figure 2. Difference between exports and imports for the European economies and by groups, 1995-2023.**



Source: Authors' calculations based on IMF's Direction of Trade Statistics database, update of 08/30/2024.

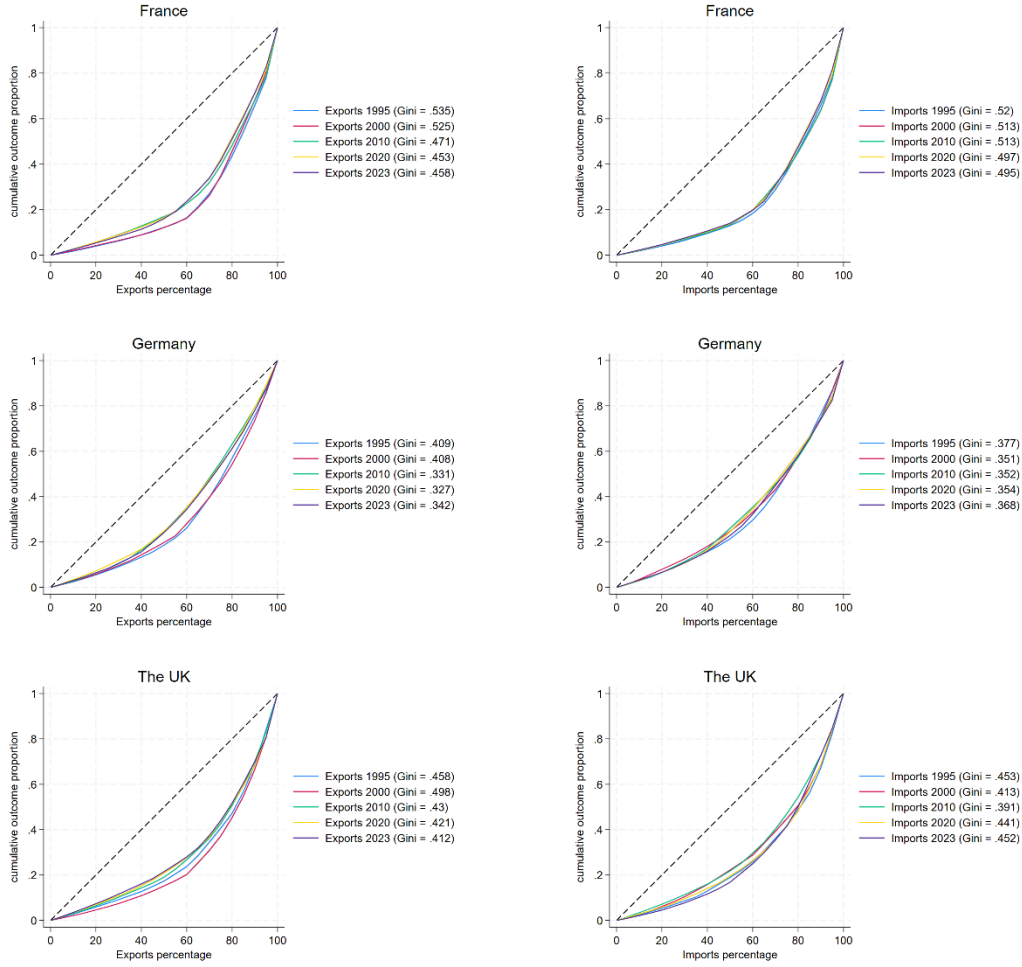
Additionally, Figure 3 presents a graphical representation of the Lorenz curve for export (left) and imports (right) of France, Germany and the UK for 1995, 2000, 2010, 2020, and 2023. The further the Lorenz curve deviates from the 45-degree line, the more unequal the distribution.

From Panel A, it is evident that the distribution of exports becomes more equal over time. The Lorenz curves for 1995 and 2000 are positioned further to the right, away from the 45-degree line, indicating greater concentration of exports in those years (more unequal distribution across trading partners). By contrast, later years show a more equal distribution of exports among countries.

In Panel B, we observe a similar trend for France, where the export distribution in 1995 was less equal compared to 2023, although the difference between the two years is relatively small. For Germany and the UK, the data show that both in 1995 and 2023, imports were more unequally distributed, while 2000 and 2010 had more equal distributions. This suggests fluctuations in import concentration over time.



**Figure 3. Lorenz Curves and Gini Coefficients for exports and imports, 1995-2023.**  
**Panel A: Exports Lorenz Curve** **Panel B: Imports Lorenz Curve**



Notes: These graphs present the Lorenz curves for export (left) and imports (right) of France, Germany and the UK for 1995, 2000, 2010, 2020, and 2023. The line of perfect equality is the 45 degrees line and for each year, we have drawn a Lorenz curve as reported in the legend of each graph. The Gini coefficient for each curve is presented in brackets. Source: Authors' own calculations.

**Table 1. Summary GINI Coefficients for exports and imports, 1995-2023.**

	Exports			Imports		
	France	Germany	UK	France	Germany	UK
<b>1995</b>	0.535	0.409	0.458	0.520	0.377	0.453
<b>2000</b>	0.525	0.408	0.498	0.513	0.351	0.413
<b>2010</b>	0.471	0.331	0.430	0.513	0.352	0.391
<b>2020</b>	0.453	0.327	0.421	0.497	0.354	0.441
<b>2023</b>	0.458	0.342	0.412	0.495	0.368	0.452

Notes: This table reports the Gini Coefficient for exports and imports of France, Germany, and the UK, between 1995 and 2023. Source: Author's own calculations.

These findings are further supported by the GINI coefficients presented in Table 1, which quantify the inequality in the distribution of exports and imports for the years 1995, 2000, 2010, 2020, and 2023. Comparing these results with the Lorenz curves highlights

the dynamic nature of trade distribution across different periods and countries. Such variations in export and import concentration could reflect changes in global trade patterns, market dynamics, and geopolitical factors.

In what concerns our main explanatory variables we use a set of geopolitical and world uncertainty risk measures, namely, (i) the natural logarithm of the Geopolitical Risk (Total *GPR*) from Caldara and Iacoviello (2022); (ii) the World Uncertainty Index WUI of Global, simple average (Total *WUI*); (iii) advanced economies WUI (*WUI AE*); (iv) WUI of Emerging economies (*WUI EME*); (v) WUI of Low-income economies (*WUI LIC*); (vi) the WUI of African countries (*WUI Afr*); (vii) WUI of Asian and the Pacific countries (*WUI Asia*); (viii) WUI of European countries (*WUI Eur*); (ix) WUI of Middle East and Central Asia (*WUI MENA*); (x) WUI of Western Hemisphere (*WUI West*); (xi) WUI of home country (*WUI Home*); (xii) WUI of counterpart country (*WUI Counter*); (xiii) the difference between home and counterpart country's WUI (*WUI Diff*); (xiv) the natural logarithm of World Trade Uncertainty (WTU) index, equally weighted average (*WTU All WA*); (xv) the natural logarithm of WTU index, GDP weighted average; (*WTU GDP WA*) the home country's WTI; (xvii) the counterpart country's WTU (*WTU Counter*); and, lastly (xviii) the difference between home and counterpart country's WTU (*WTU Diff*), all of this data from Ahir et al. (2022).<sup>10</sup>

In this study, we included as control variables the current account balance, the GDP growth, the unemployment rate, the investment rate, the savings rate, the inflation rate, and the Real Effective Exchange Rate (REER). The current account balance is the sum of net exports of goods and services, net primary income, and net secondary income in percentage of GDP. The GDP growth is the gross domestic product growth rate in constant prices. The Total investment, Total Savings, and Gross national savings are in percentage of the GDP. The inflation rate, average consumer prices. The Unemployment rate is the Percent of total labour force. The REER variable generally captures credit risk arising from general macroeconomic disequilibrium. A rise (decrease) in the REER indicates real exchange rate appreciation (depreciation), which is generally indicates that home goods have become more (less) expensive relative to foreign goods from the perspective of international buyers. All variables were retrieved from the World

---

<sup>10</sup> Despite having constructed all of these variables, we only report results for total GPR, total WUI as a simple average, the WUI for the home and Counterpart country, the WTI of the home and the counterpart since they provide similar results. We also present a summary of the results for the following groups: Advance Economies, Africa, Asia, Emerging Markets, Europe, Low Income Countries, Middle East Countries, West Countries. However, results are available upon request.

Economic outlook database of IMF<sup>11</sup>.

Tables 2 and 3 provide a summary of the key statistics for all variables used in this study. Notably, the average values for exports as a percentage of GDP, both for home and counterpart countries, are slightly higher than those for imports, with exports also displaying a smaller standard deviation. This suggests more consistent export levels compared to imports across the sample.

**Table 2. Summary statistics for exports between European Economies and their trading partners, 1995-2023.**

<i>Variables</i>	<i>Mean</i>	<i>Std. Dev.</i>	<i>Min.</i>	<i>Max.</i>	<i>p1</i>	<i>p99</i>	<i>Skew.</i>	<i>Kurt.</i>	<i>Obs.</i>
<b>Total Exports</b>	6663.674	14875.392	3.347	253000	12.779	76240.713	4.947	37.748	17900
<b>Exports % total</b>	4.284	4.997	0.2	42.073	0.544	26.213	2.773	12.659	17900
<b>Exports/GDP <i>h</i></b>	1.632	2.431	0.04	27.266	0.089	13.174	4.242	27.72	17900
<b>Exports/GDP <i>cp</i></b>	1.166	3.52	0	166.478	0.001	13.117	20.258	705.567	17792
<b>Total WUI</b>	9.781	0.403	9.074	10.613	9.074	10.613	-0.119	2.221	17900
<b>WUI <i>h</i></b>	6.096	5.195	0.847	27.118	0.908	22.998	1.694	5.903	2280
<b>WUI <i>cp</i></b>	5.529	4.763	0.043	34.317	0.386	22.998	1.925	7.846	3326
<b>WTI <i>h</i></b>	3.945	4.846	0.356	23.291	0.413	22.855	2.33	7.867	2480
<b>WTI <i>cp</i></b>	4.268	5.907	0.29	36.404	0.356	36.404	2.945	13.405	2794
<b>Total GPR</b>	4.557	0.292	3.93	5.172	3.93	5.172	0.342	3.005	17900
<b>GDP growth <i>h</i></b>	2.565	3.664	-14.839	24.475	-8.974	10.832	-0.572	7.19	17740
<b>GDP growth <i>cp</i></b>	2.606	3.7	-50.339	86.827	-8.974	11.2	0.539	44.297	17766
<b>Investment <i>h</i></b>	23.164	4.524	1.157	54.774	12.657	36.106	0.785	7.15	17900
<b>Investment <i>cp</i></b>	23.868	5.52	1.157	61.523	14.814	45.469	1.709	7.89	17624
<b>Savings <i>h</i></b>	22.882	6.188	3.853	51.859	9.366	39.033	0.245	3.738	17900
<b>Savings <i>cp</i></b>	24.668	7.932	-76.451	75.766	7.811	48.91	0.153	10.386	17796
<b>Inflation <i>h</i></b>	4.496	0.366	0.441	5.509	3.465	5.178	-4.521	43.532	17900
<b>Inflation <i>cp</i></b>	4.924	2.639	-6.908	31.413	2.271	17.977	7.663	68.47	17794
<b>Unemployment <i>h</i></b>	8.141	4.378	1.703	27.475	2.306	22.9	1.393	5.163	17820
<b>Unemployment <i>cp</i></b>	7.807	4.56	0.7	70	2.067	24.9	2.428	14.345	16895
<b>Current Account <i>h</i></b>	-0.289	6.054	-23.892	30.165	-15.329	13.715	-0.065	4.285	17880
<b>Current Account <i>cp</i></b>	0.963	5.86	-49.471	46.748	-12.792	17.725	0.351	7.145	17756
<b>REER <i>h</i></b>	4.571	0.135	3.834	5.056	4.039	4.894	-1.383	9.392	16120
<b>REER <i>cp</i></b>	4.59	0.129	3.834	5.736	4.111	4.861	-1.049	8.614	15593

Notes: This table displays the summary statistics Mean, Standard Deviation, Minimum, Maximum, first percentile, 99 percentile, the Skewness, Kurtosis, and Number of Observations. We report data for home country variables (*h*), and for the counterpart country (*cp*). Source: Authors' calculations.

The uncertainty variables, represented by Total World Uncertainty Index, World Uncertainty Index of the home and counterpart country, the World Trade Uncertainty of the home and counterpart country, and the Total GPR, only show positive and small values. Meanwhile, the Current Account balance variables show negative average values, accompanied by a high standard deviation, indicating significant variability in current account balances across the sample.

<sup>11</sup> The database website is the following: <https://www.imf.org/en/Publications/WEO>.

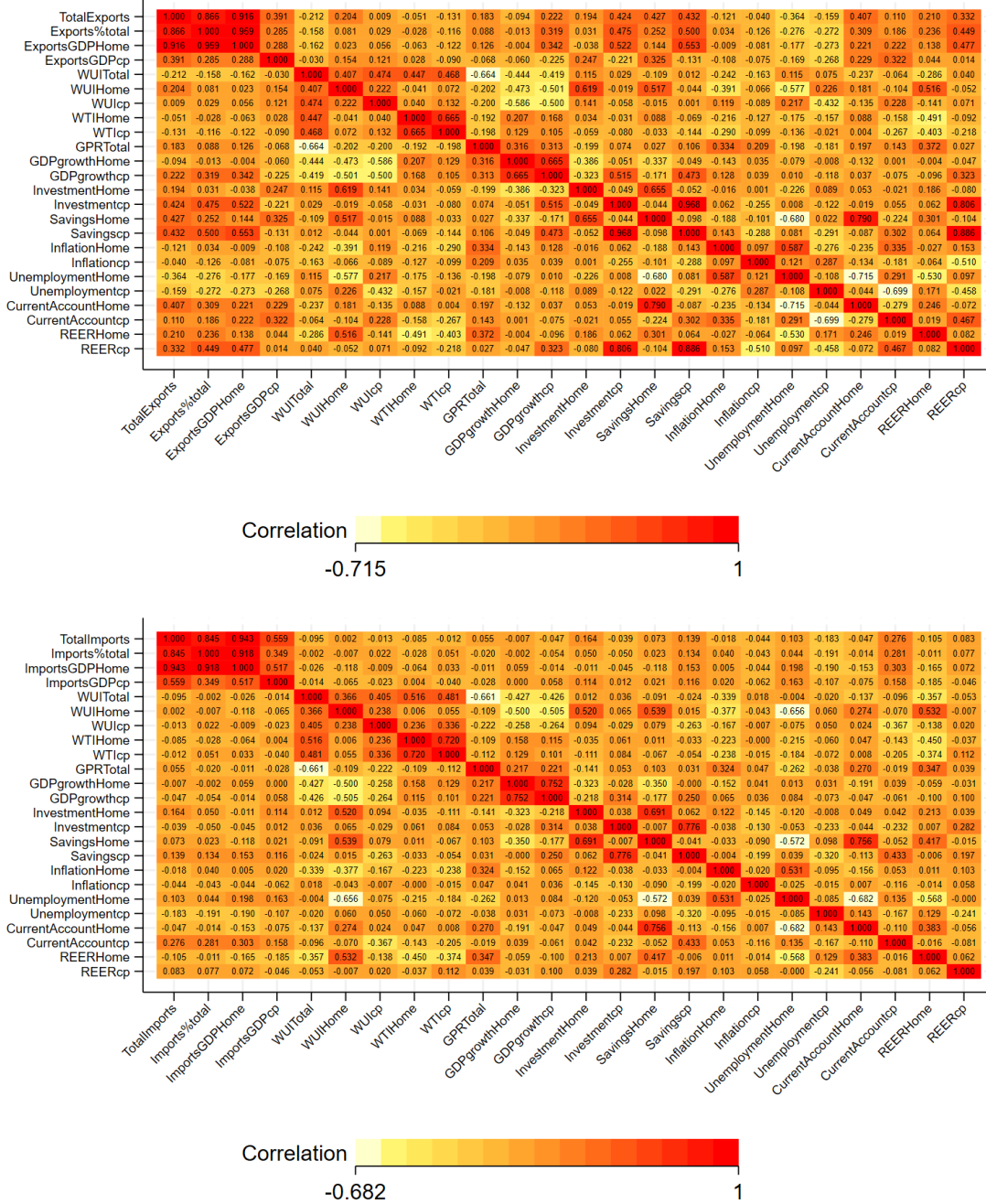
Figure 4 presents the correlation map for the variables analysed in this study. In the map, warmer colours (red) represent stronger positive correlations, while lighter colours (yellow) indicate more negative correlations. A clear gradient of colour shades is visible, with some blocks, displaying deeper reds and others lighter yellows. The correlation matrix reveals both positive and negative correlations between Exports, Imports, and measures of geopolitical uncertainty, though overall, these variables exhibit relatively low correlation values. As expected, the strongest correlation is observed between Counterpart Investments and Savings, with a coefficient of 0.968 in the first graph and 0.776 in the second.

**Table 3. Summary statistics for imports between European Economies and their trading partners, 1995-2023.**

<i>Variables</i>	<i>Mean</i>	<i>Std. Dev.</i>	<i>Min</i>	<i>Max</i>	<i>p1</i>	<i>p99</i>	<i>Skew.</i>	<i>Kurt.</i>	<i>Obs.</i>
<b>Total Imports</b>	6754.545	14328.52	13.821	226000	35.741	74180	4.718	34.853	17900
<b>Imports % total</b>	0.044	0.052	0.001	0.464	0.005	0.277	3.13	16.035	17900
<b>Imports/GDP <i>h</i></b>	1.842	2.575	0.076	26.865	0.164	14.298	3.669	19.946	17900
<b>Imports/GDP <i>cp</i></b>	1.132	4.882	0	565.69	0.002	12.684	87.249	10004	17889
<b>Total WUI</b>	9.736	0.298	9.238	10.235	9.238	10.235	0.143	1.716	17900
<b>WUI <i>h</i></b>	6.096	5.195	0.847	27.118	0.908	22.998	1.694	5.903	2280
<b>WUI <i>cp</i></b>	6.439	4.705	0.043	41.796	0.391	21.997	1.82	9.376	17590
<b>WTI <i>h</i></b>	3.945	4.846	0.356	23.291	0.413	22.855	2.33	7.867	2480
<b>WTI <i>cp</i></b>	4.243	5.857	0.29	36.404	0.29	32.275	2.81	12.412	2874
<b>Total GPR</b>	4.557	0.292	3.93	5.172	3.93	5.172	0.342	3.005	17900
<b>GDP growth <i>h</i></b>	2.565	3.664	-14.839	24.475	-8.974	10.832	-0.572	7.19	17740
<b>GDP growth <i>cp</i></b>	2.721	3.762	-29.079	86.827	-7.821	11.389	1.563	49.718	17875
<b>Investment <i>h</i></b>	23.164	4.524	1.157	54.774	12.657	36.106	0.785	7.15	17900
<b>Investment <i>cp</i></b>	24.309	6.026	1.157	61.523	14.814	45.612	1.583	6.654	17835
<b>Savings <i>h</i></b>	22.882	6.188	3.853	51.859	9.366	39.033	0.245	3.738	17900
<b>Savings <i>cp</i></b>	25.757	7.712	1.746	58.293	11.626	50.249	0.957	4.413	17796
<b>Inflation <i>h</i></b>	4.496	0.366	0.441	5.509	3.465	5.178	-4.521	43.532	17900
<b>Inflation <i>cp</i></b>	4.961	2.897	-0.566	31.413	2.822	18.712	7.527	63.068	17885
<b>Unemployment <i>h</i></b>	8.141	4.378	1.703	27.475	2.306	22.9	1.393	5.163	17820
<b>Unemployment <i>cp</i></b>	7.542	4.198	0.7	34.925	2.058	24.443	1.945	8.597	16836
<b>Current Account <i>h</i></b>	-0.289	6.054	-23.892	30.165	-15.329	13.715	-0.065	4.285	17880
<b>Current Account <i>cp</i></b>	1.523	5.6	-34.308	46.748	-9.699	17.811	0.961	8.754	17841
<b>REER <i>h</i></b>	4.571	0.135	3.834	5.056	4.039	4.894	-1.383	9.392	16120
<b>REER <i>cp</i></b>	99.263	14.019	46.245	741.702	60.255	129.13	7.048	298.7	15688

Notes: This table displays the summary statistics Mean, Standard Deviation, Minimum, Maximum, first percentile, 99 percentile, the Skewness, Kurtosis, and Number of Observations. We report data for home country variables (*h*), and for the counterpart country (*cp*). Source: Authors' calculations.

Figure 4. Heatmap of correlations for exports and imports, 1995-2023.



for imports, we only consider the control variables related to the home countries (European economies). Moreover, and considering the interconnection between global risks and global value chains, and for reasons of parsimony, we highlight only the main risk variables' coefficients.<sup>12</sup> With this, and taking into account the pull effects, that is, the demand effect to purchase the other economies' goods, we analyse both international trade sides and their interconnection with global risks.

#### ***4.1. Exports***

Table X1 presents the results for the global geopolitical risk (GPR) and uncertainty (WUI) indexes on home countries' export-to-GDP ratios of the top 20, top 5 and top 3 trading partners. In this case, we consider the control variables of the counterpart countries, as these could be more relevant to explain changes in the demand for national products. The significant positive effects of the REER and current account balances and the negative coefficients of unemployment and inflation reflect this.

For the GPR index, higher risks are associated to increases in the top 20 and top 5 export-to-GDP ratios, with coefficients being around twice larger in the latter and suggesting a concentration process of exports towards the top 5 biggest partners. Similar coefficients are also obtained for the top 3 partners, although not statistically significant. Results for the uncertainty index (WUI) reinforce this evidence and point to a concentration of exports towards the top 3 partners as well. These are also associated to higher investment and savings ratios, which potentially represent improved demand conditions and consumption patterns in these economies.

This suggests that besides the common determinants of trade flows, European countries tend to narrow their exports to the major trading partners during periods with increased geopolitical risks and economic uncertainty, possibly as a precautionary or responsive action to trade tensions and threats. This is aligned with Bosone and Stamato (2024), which highlight the role of geopolitical forces in reshaping cross-country trade patterns, also reflecting the role of trade restrictions and friend-shoring strategies.<sup>13</sup>

In contrast, Table X2 displays the results for the impacts of general uncertainty and trade uncertainty of the exporting or home country. In this case, broad economic uncertainty presents significant negative effects for all three groups (top 20, top 5 and top

---

<sup>12</sup> For reasons of parsimony, we opt for not showing the complete tables. However, they are available upon request.

<sup>13</sup> This refers to the process of strengthening trade relations with geopolitical allies (Cerdeiro et al., 2024).

3), which suggest that trade tensions are harmful to exports for most trading partners (see Gupta et al., 2019). However, coefficients are significantly larger for the top 3 and top 5 countries, which point to a diversification of exports away from the largest counterparts.

On the other hand, economic uncertainty related to trade (WTI) does not seem to cause any significant shift in the concentration of exports. In fact, it seems to be more affected by unemployment rates and the current account of counterpart countries, while investment rates, savings, inflation and the REER tend to be more related to the overall (top 20) exports-to-GDP shares.

Moreover, Table X3 shows the results for the impacts of changes in uncertainty on the counterpart countries. In the case of generalized economic uncertainty (WUI), although a significantly higher role for the REER in top 5 and top 3 trading partners is observed, negative coefficients are obtained for the top 20 countries, but positive coefficients are obtained for the top 3 countries. This indicates that during periods of increased uncertainty in counterpart countries, a concentration process of exports in the top 3 partners is observed, as the one obtained in Table X1 for generalized global uncertainty.

Nevertheless, specific factors associated to uncertainty seem to significantly matter. In this sense, uncertainty particularly related to trade tensions (WTI) seems to cause an opposite behavior pointing to an increase in the top 20 exports share and suggesting a diversification process. This happens in the case of trade tensions and may be capturing an overall increase in exports or a diversifying response to increasing tensions in counterpart countries, which reinforce the role of risks and uncertainty in shaping cross-country trade flows and export shares of total output.

To provide a comprehensive understanding of how uncertainty influences trade flow relationships, we present additional analyses in (online) Appendix B. We report results using OLS with the inclusion of the distance variable (Tables B1-B3) and OLS with fixed effects for counterpart countries (Tables B4-B6). These results are aligned and reinforce the findings previously discussed.

Additionally, we employed a PPML approach (Tables B7-B9), where the dependent variable is the value of exports in millions of U.S. dollars. The results indicate that higher global uncertainty, as measured by the Total WUI, leads to a reduction in export values, particularly for the top 20 and top 5 exporting countries indicating less concentration. Furthermore, the WTI of both the home and counterpart countries appears to affect positively the total export values, while the WUI of the counterpart countries has a negative impact on export values. This discrepancy can be justified by the fact that the

scale of trade relative to GDP introduces additional dynamics, such as structural differences in the economies of countries. Larger economies may be better equipped to absorb shocks from global uncertainty without it severely affecting their trade-to-GDP ratios, while smaller economies could be more vulnerable. Additionally, in the case of exports relative to GDP, we observe a concentration of trade among top exporters, whereas this pattern is less pronounced when analysing exports in absolute dollar terms. This could be attributed to the fact that, relative to GDP, top exporters often represent a larger share of national economic activity. As a result, global uncertainty has a greater impact on these countries, which dominate trade relative to GDP. In contrast, when measured in absolute dollar terms, trade flows are more dispersed across a wider range of countries, diluting the concentration effect and making the impact of uncertainty more evenly distributed across the board.

Finally, Table X4 summarizes the results for changes in general uncertainty for different countries according to development levels and geographical regions. It is confirmed that European countries respond to uncertainty mainly by concentrating exports in the top 5 trading partners and more strongly for tensions coming from low-income countries. These are followed by shifts in WUI of other European and developing countries, whereas economic uncertainty originating in advanced western economies or in the Middle East and Central Asian countries do not seem to have such significant impacts on the distribution of European exports.



**Table X1 – The impact of global geopolitical risk and global world uncertainty index on home country’s exports-to-GDP ratio, by counterpart group, 1995-2023, counterpart control variables.**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<i>Total GPR</i>	1.666*** (0.248)	1.693*** (0.277)	1.649*** (0.247)	1.678*** (0.276)	2.770*** (0.748)	2.667*** (0.775)	2.744*** (0.748)	2.636*** (0.775)	3.264*** (1.118)	2.826** (1.129)	3.251*** (1.117)	2.795** (1.128)
<i>Current Account</i>	-0.002 (0.003)	0.009** (0.004)	0.060*** (0.005)	0.071*** (0.006)	0.123*** (0.013)	0.130*** (0.013)	0.081*** (0.018)	0.079*** (0.020)	0.173*** (0.018)	0.184*** (0.019)	0.080*** (0.025)	0.080*** (0.027)
<i>GDP growth</i>	-0.065*** (0.006)	-0.057*** (0.008)	-0.071*** (0.007)	-0.064*** (0.008)	-0.094*** (0.023)	-0.108*** (0.027)	-0.095*** (0.023)	-0.109*** (0.027)	-0.083** (0.036)	-0.107*** (0.041)	-0.085** (0.036)	-0.109*** (0.041)
<i>Unemployment</i>	-0.032*** (0.004)	-0.024*** (0.004)	-0.032*** (0.003)	-0.026*** (0.004)	-0.033*** (0.012)	-0.031* (0.017)	-0.033*** (0.012)	-0.031* (0.017)	-0.079*** (0.018)	-0.091*** (0.026)	-0.078*** (0.018)	-0.090*** (0.026)
<i>Investment</i>	-0.074*** (0.003)	-0.073*** (0.004)			0.041*** (0.013)	0.051*** (0.015)			0.093*** (0.022)	0.104*** (0.023)		
<i>Inflation</i>	-0.071*** (0.002)		-0.069*** (0.002)		-0.105* (0.054)		-0.108** (0.054)		-0.292* (0.154)		-0.298* (0.153)	
<i>REER</i>		2.229*** (0.144)		2.193*** (0.142)		0.449 (0.479)		0.436 (0.477)		0.329 (0.682)		0.318 (0.679)
<i>Savings</i>			-0.061*** (0.005)	-0.061*** (0.005)			0.043*** (0.013)	0.052*** (0.014)			0.095*** (0.021)	0.105*** (0.023)
Obs.	16,767	14,522	16,262	14,603	4,256	4,054	4,257	4,054	2,580	2,481	2,580	2,481
R <sup>2</sup>	0.037	0.038	0.035	0.036	0.043	0.042	0.043	0.044	0.064	0.064	0.064	0.065
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<i>Total WUI</i>	1.221*** (0.182)	1.241*** (0.203)	1.209*** (0.181)	1.230*** (0.203)	2.031*** (0.548)	1.956*** (0.568)	2.012*** (0.548)	1.933*** (0.568)	2.393*** (0.819)	2.072** (0.828)	2.383*** (0.819)	2.049** (0.827)
<i>Current Account</i>	-0.002 (0.003)	0.009** (0.004)	0.060*** (0.005)	0.071*** (0.006)	0.123*** (0.013)	0.130*** (0.013)	0.081*** (0.018)	0.079*** (0.020)	0.173*** (0.018)	0.184*** (0.019)	0.080*** (0.025)	0.080*** (0.027)
<i>GDP growth</i>	-0.065*** (0.006)	-0.057*** (0.008)	-0.071*** (0.007)	-0.064*** (0.008)	-0.094*** (0.023)	-0.108*** (0.027)	-0.095*** (0.023)	-0.109*** (0.027)	-0.083** (0.036)	-0.107*** (0.041)	-0.085** (0.036)	-0.109*** (0.041)
<i>Unemployment</i>	-0.032*** (0.004)	-0.024*** (0.004)	-0.032*** (0.003)	-0.026*** (0.004)	-0.033*** (0.012)	-0.031* (0.017)	-0.033*** (0.012)	-0.031* (0.017)	-0.079*** (0.018)	-0.091*** (0.026)	-0.078*** (0.018)	-0.090*** (0.026)
<i>Investment</i>	-0.074*** (0.003)	-0.073*** (0.004)			0.041*** (0.013)	0.051*** (0.015)			0.093*** (0.022)	0.104*** (0.023)		
<i>Inflation</i>	-0.071*** (0.002)		-0.069*** (0.002)		-0.105* (0.054)		-0.108** (0.054)		-0.292* (0.154)		-0.298* (0.153)	
<i>REER</i>		2.229*** (0.144)		2.193*** (0.142)		0.449 (0.479)		0.436 (0.477)		0.329 (0.682)		0.318 (0.679)
<i>Savings</i>			-0.061*** (0.005)	-0.061*** (0.005)			0.043*** (0.013)	0.052*** (0.014)			0.095*** (0.021)	0.105*** (0.023)
Obs.	16,767	14,522	16,262	14,603	4,256	4,054	4,256	4,054	2,580	2,481	2,580	2,481
R <sup>2</sup>	0.037	0.038	0.035	0.036	0.043	0.042	0.043	0.042	0.064	0.064	0.064	0.065

Notes: This table reports the estimated results for the impact of Total Geopolitical Risk Index (GPR) and Total World Uncertainty Index (WUI) and World Trade Index (WTI) on the exports-to-GDP ratio for three groups, the top 20, 5, and 3 counterpart countries, applying an OLS Fixed Effects regression between 1995 and 2023. \* Indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets, we report the robust standard errors. Obs. are the observations for each regression.

**Table X2 – The impact of home country world uncertainty and home country world trade uncertainty indexes on home country’s exports-to-GDP ratio, by counterpart group, 1995-2023, counterpart control variables.**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<i>WUI Home</i>	-0.073*** (0.018)	-0.070*** (0.019)	-0.074*** (0.018)	-0.071*** (0.019)	-0.179*** (0.042)	-0.191*** (0.044)	-0.179*** (0.042)	-0.191*** (0.044)	-0.198*** (0.057)	-0.219*** (0.058)	-0.197*** (0.057)	-0.219*** (0.058)
<i>Current Account</i>	0.008 (0.011)	0.026** (0.012)	0.066*** (0.017)	0.084*** (0.018)	0.308*** (0.042)	0.331*** (0.041)	0.369*** (0.053)	0.381*** (0.055)	0.335*** (0.058)	0.385*** (0.053)	0.350*** (0.077)	0.397*** (0.088)
<i>GDP growth</i>	-0.123*** (0.023)	-0.134*** (0.032)	-0.157*** (0.024)	-0.170*** (0.033)	0.031 (0.072)	-0.027 (0.092)	0.032 (0.071)	-0.027 (0.091)	0.074 (0.144)	0.080 (0.181)	0.078 (0.144)	0.081 (0.181)
<i>Unemployment</i>	-0.048*** (0.011)	-0.029** (0.013)	-0.036*** (0.008)	-0.026*** (0.009)	-0.011 (0.043)	0.020 (0.053)	-0.012 (0.043)	0.019 (0.053)	0.113 (0.102)	0.175 (0.115)	0.112 (0.102)	0.174 (0.115)
<i>Investment</i>	-0.104*** (0.011)	-0.106*** (0.012)			-0.061 (0.039)	-0.050 (0.042)			-0.011 (0.071)	-0.011 (0.079)		
<i>Inflation</i>	-0.084*** (0.008)		-0.073*** (0.008)		-0.296 (0.224)		-0.287 (0.225)		-0.979* (0.529)		-0.983* (0.531)	
<i>REER</i>		3.404*** (0.383)		3.410*** (0.366)		2.251 (1.380)		2.248 (1.381)		3.187 (2.991)		3.202 (3.000)
<i>Savings</i>			-0.044*** (0.013)	-0.047*** (0.013)			-0.062 (0.038)	-0.050 (0.042)			-0.016 (0.069)	-0.013 (0.078)
Observations	2,022	1,794	2,049	1,821	538	506	538	506	329	313	329	313
R <sup>2</sup>	0.070	0.081	0.059	0.071	0.191	0.190	0.191	0.190	0.219	0.209	0.219	0.209
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<i>WTI Home</i>	-0.015 (0.016)	-0.010 (0.018)	-0.015 (0.016)	-0.009 (0.018)	-0.019 (0.049)	-0.019 (0.052)	-0.019 (0.049)	-0.019 (0.052)	-0.004 (0.074)	-0.015 (0.077)	-0.004 (0.074)	-0.016 (0.077)
<i>Current Account</i>	0.003 (0.012)	0.024* (0.014)	0.055*** (0.014)	0.075*** (0.017)	0.119*** (0.037)	0.113*** (0.039)	0.116*** (0.045)	0.097* (0.051)	0.173*** (0.059)	0.184*** (0.057)	0.149** (0.067)	0.140** (0.071)
<i>GDP growth</i>	-0.046** (0.020)	-0.060** (0.026)	-0.046** (0.020)	-0.061** (0.026)	-0.133** (0.068)	-0.175** (0.074)	-0.135** (0.068)	-0.176** (0.074)	-0.124 (0.107)	-0.147 (0.115)	-0.125 (0.108)	-0.149 (0.116)
<i>Unemployment</i>	-0.060*** (0.013)	-0.058*** (0.016)	-0.058*** (0.011)	-0.057*** (0.014)	-0.152*** (0.048)	-0.169*** (0.057)	-0.151*** (0.048)	-0.169*** (0.057)	-0.215** (0.092)	-0.222** (0.090)	-0.215** (0.092)	-0.222** (0.090)
<i>Investment</i>	-0.053*** (0.007)	-0.052*** (0.009)			0.001 (0.026)	0.015 (0.029)			0.024 (0.046)	0.045 (0.048)		
<i>Inflation</i>	-0.078*** (0.007)		-0.079*** (0.007)		-0.029 (0.365)		-0.027 (0.364)		-0.569 (0.776)		-0.560 (0.784)	
<i>REER</i>		2.124*** (0.457)		2.111*** (0.453)		-1.383 (1.342)		-1.374 (1.340)		-1.384 (1.850)		-1.346 (1.860)
<i>Savings</i>			-0.053*** (0.007)	-0.052*** (0.008)			0.002 (0.026)	0.016 (0.028)			0.024 (0.046)	0.045 (0.047)
Obs.	2,046	1,802	2,054	1,810	522	489	522	489	315	298	315	298
R <sup>2</sup>	0.039	0.039	0.039	0.040	0.086	0.086	0.086	0.086	0.123	0.125	0.123	0.125

Notes: This table reports the estimated results for the impact of World Uncertainty Index (WUI) and World Trade Index (WTI) of the home countries (home) on the exports-to-GDP ratio for three groups, the top 20, 5, and 3 counterpart countries, applying an OLS Fixed Effects regression between 1995 and 2023. \* Indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets, we report the robust standard errors. Obs. are the observations for each regression.

**Table X3 – The impact of counterpart country world uncertainty and home country world trade uncertainty indexes on home country’s exports-to-GDP ratio, by counterpart group, 1995-2023, counterpart control variables.**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<i>WUI cp</i>	-0.011 (0.008)	-0.021*** (0.008)	-0.011 (0.008)	-0.021*** (0.008)	-0.049 (0.049)	-0.042 (0.056)	-0.048 (0.049)	-0.041 (0.056)	0.101 (0.095)	0.228** (0.103)	0.104 (0.095)	0.227** (0.103)
<i>Current Account</i>	0.012** (0.006)	0.009 (0.006)	0.007 (0.009)	0.038*** (0.010)	-0.004 (0.036)	-0.005 (0.035)	0.045 (0.046)	0.112* (0.062)	-0.004 (0.063)	-0.002 (0.066)	0.149* (0.081)	0.259** (0.126)
<i>GDP growth</i>	-0.048*** (0.015)	-0.049*** (0.017)	-0.048*** (0.015)	-0.050*** (0.017)	-0.117 (0.085)	-0.132 (0.110)	-0.116 (0.087)	-0.120 (0.115)	0.060 (0.128)	0.100 (0.119)	0.079 (0.127)	0.141 (0.119)
<i>Unemployment</i>	0.049*** (0.006)	0.050*** (0.013)	0.049*** (0.006)	0.047*** (0.013)	-0.025 (0.023)	0.153* (0.081)	-0.026 (0.024)	0.142* (0.081)	-0.093** (0.039)	0.482*** (0.111)	-0.100** (0.040)	0.433*** (0.123)
<i>Investment</i>	0.005 (0.006)	-0.031*** (0.008)			-0.052* (0.029)	-0.119*** (0.045)			-0.154** (0.059)	-0.256*** (0.078)		
<i>Inflation</i>	-0.032*** (0.003)		-0.032*** (0.003)		0.061 (0.166)		0.076 (0.172)		-0.148 (0.319)		-0.115 (0.333)	
<i>REER</i>		3.044*** (0.245)		3.012*** (0.243)		6.325*** (1.610)		6.501*** (1.765)		10.666*** (2.488)		10.728*** (2.210)
<i>Savings</i>			0.005 (0.006)	-0.031*** (0.008)			-0.051* (0.030)	-0.122** (0.048)			-0.162*** (0.055)	-0.268*** (0.086)
Obs.	2,669	2,523	2,669	2,523	348	318	348	318	169	150	169	150
R <sup>2</sup>	0.050	0.062	0.050	0.061	0.069	0.107	0.068	0.106	0.250	0.383	0.254	0.382
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<i>WTI cp</i>	0.042*** (0.012)	0.038*** (0.013)	0.041*** (0.012)	0.037*** (0.013)	0.015 (0.028)	0.032 (0.031)	0.016 (0.028)	0.033 (0.031)	0.006 (0.039)	-0.002 (0.040)	0.006 (0.039)	-0.001 (0.040)
<i>Current Account</i>	0.024* (0.014)	0.039** (0.016)	0.053*** (0.015)	0.063*** (0.017)	0.124*** (0.040)	0.118*** (0.041)	0.101** (0.048)	0.077 (0.053)	0.185*** (0.053)	0.194*** (0.055)	0.139** (0.063)	0.129* (0.070)
<i>GDP growth</i>	-0.071*** (0.023)	-0.098*** (0.029)	-0.072*** (0.023)	-0.099*** (0.029)	-0.097 (0.078)	-0.136* (0.081)	-0.099 (0.077)	-0.138* (0.080)	-0.054 (0.110)	-0.095 (0.116)	-0.055 (0.109)	-0.097 (0.115)
<i>Unemployment</i>	-0.072*** (0.013)	-0.088*** (0.018)	-0.070*** (0.013)	-0.086*** (0.017)	-0.151*** (0.046)	-0.216*** (0.056)	-0.151*** (0.046)	-0.217*** (0.056)	-0.232*** (0.069)	-0.282*** (0.075)	-0.231*** (0.069)	-0.283*** (0.075)
<i>Investment</i>	-0.029*** (0.007)	-0.026*** (0.009)			0.021 (0.027)	0.038 (0.029)			0.044 (0.044)	0.063 (0.043)		
<i>Inflation</i>	-0.043*** (0.008)		-0.043*** (0.008)		0.057 (0.387)		0.061 (0.386)		-0.540 (0.720)		-0.529 (0.715)	
<i>REER</i>		1.023** (0.414)		1.018** (0.413)		-2.087 (1.754)		-2.175 (1.769)		-1.351 (2.180)		-1.438 (2.180)
<i>Savings</i>			-0.028*** (0.007)	-0.024*** (0.009)			0.023 (0.026)	0.041 (0.029)			0.047 (0.043)	0.066 (0.043)
Obs.	2,270	2,012	2,274	2,016	585	558	585	558	351	335	351	335
R <sup>2</sup>	0.070	0.063	0.070	0.063	0.080	0.090	0.080	0.090	0.118	0.128	0.118	0.128

Notes: This table reports the estimated results for the impact of World Uncertainty Index (WUI) and World Trade Index (WTI) of the counterpart countries (cp) on the exports-to-GDP ratio for three groups, the top 20, 5, and 3 counterpart countries, applying an OLS Fixed Effects regression between 1995 and 2023. \* Indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets, we report the robust standard errors. Obs. are the observations for each regression.

**Table X4 – The impact of regional country world uncertainty indexes on home country's exports-to-GDP ratio, by counterpart group, 1995-2023.**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
<i>WUI AE</i>	0.581*** (0.150)	0.527*** (0.166)	0.581*** (0.150)	0.518*** (0.166)	0.831* (0.452)	0.681 (0.464)	0.824* (0.452)	0.672 (0.463)	0.990 (0.690)	0.553 (0.686)	0.997 (0.689)	0.554 (0.685)
<i>WUI Africa</i>	0.922*** (0.239)	0.836*** (0.263)	0.922*** (0.238)	0.822*** (0.263)	1.319* (0.717)	1.081 (0.736)	1.307* (0.717)	1.066 (0.735)	1.571 (1.095)	0.878 (1.089)	1.581 (1.094)	0.879 (1.087)
<i>WUI Asia</i>	0.759*** (0.196)	0.688*** (0.217)	0.759*** (0.196)	0.677*** (0.216)	1.085* (0.590)	0.890 (0.606)	1.075* (0.590)	0.877 (0.605)	1.292 (0.901)	0.722 (0.896)	1.301 (0.900)	0.724 (0.894)
<i>WUI EME</i>	0.996*** (0.257)	0.903*** (0.284)	0.995*** (0.257)	0.888*** (0.284)	1.424* (0.774)	1.167 (0.794)	1.410* (0.774)	1.151 (0.794)	1.695 (1.182)	0.947 (1.175)	1.707 (1.180)	0.949 (1.173)
<i>WUI Eur</i>	1.123*** (0.290)	1.018*** (0.321)	1.122*** (0.290)	1.001*** (0.320)	1.606* (0.873)	1.316 (0.896)	1.590* (0.873)	1.297 (0.895)	1.912 (1.333)	1.068 (1.325)	1.925 (1.331)	1.070 (1.323)
<i>WUI LIC</i>	2.999*** (0.776)	2.719*** (0.856)	2.997*** (0.775)	2.674*** (0.855)	4.288* (2.332)	3.515 (2.393)	4.248* (2.330)	3.465 (2.390)	5.106 (3.559)	2.853 (3.539)	5.140 (3.555)	2.859 (3.534)
<i>WUI MENA</i>	0.555*** (0.143)	0.503*** (0.158)	0.555*** (0.143)	0.495*** (0.158)	0.793* (0.432)	0.650 (0.443)	0.786* (0.431)	0.641 (0.442)	0.945 (0.659)	0.528 (0.655)	0.951 (0.658)	0.529 (0.654)
<i>WUI West</i>	0.427*** (0.110)	0.387*** (0.122)	0.427*** (0.110)	0.381*** (0.122)	0.611* (0.332)	0.500 (0.341)	0.605* (0.332)	0.493 (0.340)	0.727 (0.507)	0.406 (0.504)	0.732 (0.506)	0.407 (0.503)

Notes: This table reports the estimated results for the impact of World Uncertainty Index of different regions on the exports-to-GDP ratio for three groups, the top 20, 5, and 3 counterpart countries, applying an OLS regression between 1995-2023. The regions are: advanced economies WUI (WUI AE); the WUI of African countries (WUI Afr); WUI of Asian and the Pacific countries (WUI Asia); WUI of Emerging economies (WUI EME); WUI of European countries (WUI Eur); WUI of Low-income economies (WUI LIC); WUI of Middle East and Central Asia (WUI MENA); WUI of Western Hemisphere (WUI West); \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets, we report the robust standard errors.

## 4.2. Imports

In this subsection, we replicate the analysis conducted on exports, but instead, focus on imports as a percentage of the home country's GDP. Additionally, the control variables used in the analysis pertain to the home country.

Table X5 presents the results of the impact of Total Geopolitical Risk (GPR) and Total World Uncertainty Index (WUI) on imports as a percentage of GDP for the top 20, 5, and 3 counterpart groups. The results indicate that an increase in global uncertainty leads to higher imports-to-GDP ratios in the European countries under consideration, with coefficients being larger for top 3 and top 5 groups. This observation suggests, as for the case of exports-to-GDP ratios, a concentration towards the top 3 and 5 counterpart economies. This phenomenon can be explained by the fact that during periods of heightened global uncertainty, countries tend to consolidate trade relationships with their most reliable and strategic partners.

The top trading counterparts often represent economies with stronger political, economic, or geographical ties, making them more attractive as stable sources of imports during volatile periods. Finally, the similar pattern observed for exports-to-GDP ratios indicates that both imports and exports are concentrated in a relatively small set of key

trading partners, suggesting a broader economic strategy aimed at minimizing exposure to uncertainty by relying on established and stable international relationships.

Regarding the magnitude of the coefficients, we can observe that generally, there is higher positive coefficients for the impact of global uncertainty on the imports-to-GDP ratio, compared to exports-to-GDP (comparing tables X1 and X5). Any economy, especially in Europe, is highly dependent on imports for key sectors of their economy. We argue that when uncertainty rises, these countries may continue importing goods to avoid disruptions in domestic production, supply chains, and consumer markets. This dependency on foreign goods can drive a stronger relationship between uncertainty and imports. Further, global uncertainty often leads to disruptions in domestic production, rising risk aversion, and changes in consumer behaviour, prompting countries to rely more heavily on imports to meet their demand.

Similar to the analysis of the exports-to-GDP ratio, Table X6 presents the results for the impact of the home country's World Uncertainty Index (WUI) and World Trade Uncertainty Index (WTI) on the imports-to-GDP ratio. The findings indicate that higher economic uncertainty (WUI) and trade-related uncertainty (WTI) lead to a reduction in the imports-to-GDP ratio across all three groups (Top 20, 5, and 3). Notably, the coefficients are significantly larger for the top 3 and top 5 groups, suggesting a diversification of imports away from the largest trading partners. This phenomenon may reflect a strategic shift in trade patterns, where countries facing increased uncertainty seek to reduce reliance on their largest trade partners. By diversifying their import sources, countries aim to mitigate risks associated with economic and trade instability, ensuring greater resilience in their supply chains. This reduction in imports from the largest partners underscores a move toward a more balanced and diversified trade network in response to uncertainty.

Furthermore, in Table X7, we examine the impact of economic and trade uncertainty in counterpart countries on the imports-to-GDP ratios. While the results for the World Uncertainty Index (WUI) in counterpart countries were not statistically significant, the World Trade Uncertainty Index (WTI) showed some degree of significance for the top 20 counterpart group. As observed in the case of exports, uncertainty specifically related to trade tensions (WTI) appears to increase the share of imports from the top 20 counterparts, suggesting a diversification process. This reinforces once again the role of risk and uncertainty in shaping cross-country trade flows.

**Table X5 – The impact of global geopolitical risk and global world uncertainty index on home country’s imports-to-GDP ratio, by counterpart group, 1995-2023, home country control variables.**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<i>Total GPR</i>	2.119*** (0.254)	1.495*** (0.234)	2.125*** (0.254)	1.483*** (0.234)	4.746*** (0.747)	3.284*** (0.694)	4.768*** (0.747)	3.270*** (0.694)	5.620*** (1.085)	3.886*** (1.024)	5.648*** (1.086)	3.865*** (1.026)
<i>Current Account</i>	-0.010*** (0.003)	-0.011*** (0.003)	-0.051*** (0.006)	-0.033*** (0.006)	-0.005 (0.010)	-0.009 (0.010)	-0.109*** (0.017)	-0.059*** (0.017)	0.001 (0.015)	-0.004 (0.015)	-0.134*** (0.024)	-0.072*** (0.025)
<i>GDP growth</i>	0.039*** (0.008)	0.030*** (0.008)	0.039*** (0.008)	0.031*** (0.008)	0.113*** (0.024)	0.093*** (0.024)	0.115*** (0.024)	0.097*** (0.024)	0.158*** (0.034)	0.128*** (0.034)	0.161*** (0.034)	0.133*** (0.034)
<i>Unemployment</i>	-0.000 (0.004)	-0.018*** (0.005)	-0.002 (0.004)	-0.020*** (0.004)	-0.003 (0.013)	-0.055*** (0.013)	-0.009 (0.013)	-0.061*** (0.013)	-0.007 (0.019)	-0.084*** (0.019)	-0.014 (0.019)	-0.091*** (0.018)
<i>Investment</i>	0.044*** (0.005)	0.025*** (0.005)			0.116*** (0.016)	0.063*** (0.017)			0.151*** (0.023)	0.084*** (0.024)		
<i>Inflation</i>	-0.405*** (0.060)		-0.423*** (0.060)		-1.136*** (0.215)		-1.182*** (0.212)		-1.538*** (0.320)		-1.597*** (0.314)	
<i>REER</i>		-1.391*** (0.158)		-1.438*** (0.157)		-4.222*** (0.455)		-4.367*** (0.450)		-6.487*** (0.618)		-6.676*** (0.610)
<i>Savings</i>			0.040*** (0.005)	0.021*** (0.005)			0.101*** (0.016)	0.048*** (0.016)			0.131*** (0.023)	0.064*** (0.023)
Obs.	17,040	15,400	17,040	15,400	4,260	3,850	4,260	3,850	2,556	2,310	2,556	2,310
R <sup>2</sup>	0.020 (13)	0.019 (14)	0.019 (15)	0.018 (16)	0.049 (17)	0.054 (18)	0.047 (19)	0.052 (20)	0.064 (21)	0.080 (22)	0.061 (23)	0.079 (24)
<i>Total WUI</i>	1.554*** (0.186)	1.096*** (0.172)	1.558*** (0.186)	1.087*** (0.172)	3.480*** (0.548)	2.407*** (0.508)	3.495*** (0.548)	2.397*** (0.509)	4.120*** (0.796)	2.849*** (0.751)	4.141*** (0.796)	2.834*** (0.752)
<i>Current Account</i>	-0.010*** (0.003)	-0.011*** (0.003)	-0.051*** (0.006)	-0.033*** (0.006)	-0.005 (0.010)	-0.009 (0.010)	-0.109*** (0.017)	-0.059*** (0.017)	0.001 (0.015)	-0.004 (0.015)	-0.134*** (0.024)	-0.072*** (0.025)
<i>GDP growth</i>	0.039*** (0.008)	0.030*** (0.008)	0.039*** (0.008)	0.031*** (0.008)	0.113*** (0.024)	0.093*** (0.024)	0.115*** (0.024)	0.097*** (0.024)	0.158*** (0.034)	0.128*** (0.034)	0.161*** (0.034)	0.133*** (0.034)
<i>Unemployment</i>	-0.000 (0.004)	-0.018*** (0.005)	-0.002 (0.004)	-0.020*** (0.004)	-0.003 (0.013)	-0.055*** (0.013)	-0.009 (0.013)	-0.061*** (0.013)	-0.007 (0.019)	-0.084*** (0.019)	-0.014 (0.019)	-0.091*** (0.018)
<i>Investment</i>	0.044*** (0.005)	0.025*** (0.005)			0.116*** (0.016)	0.063*** (0.017)			0.151*** (0.023)	0.084*** (0.024)		
<i>Inflation</i>	-0.405*** (0.060)		-0.423*** (0.060)		-1.136*** (0.215)		-1.182*** (0.212)		-1.538*** (0.320)		-1.597*** (0.314)	
<i>REER</i>		-1.391*** (0.158)		-1.438*** (0.157)		-4.222*** (0.455)		-4.367*** (0.450)		-6.487*** (0.618)		-6.676*** (0.610)
<i>Savings</i>			0.040*** (0.005)	0.021*** (0.005)			0.101*** (0.016)	0.048*** (0.016)			0.131*** (0.023)	0.064*** (0.023)
Obs.	17,040	15,400	17,040	15,400	4,260	3,850	4,260	3,850	2,556	2,310	2,556	2,310
R <sup>2</sup>	0.020	0.019	0.019	0.018	0.049	0.054	0.047	0.052	0.064	0.080	0.061	0.079

Notes: This table reports the estimated results for the impact of Total Geopolitical Risk Index (GPR) and Total World Uncertainty Index (WUI) and World Trade Index (WTI) on the imports-to-GDP ratio for three groups, the top 20, 5, and 3 counterpart countries, applying an OLS Fixed Effects regression between 1995 and 2023. \* Indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets, we report the robust standard errors. Obs. are the observations for each regression.

**Table X6 – The impact of home country world uncertainty and home country world trade uncertainty indexes on home country’s imports-to-GDP ratio, by counterpart group, 1995-2023, home country control variables.**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<i>WUI Home</i>	-0.053*** (0.017)	-0.047*** (0.016)	-0.052*** (0.017)	-0.045*** (0.016)	-0.156*** (0.045)	-0.138*** (0.044)	-0.155*** (0.046)	-0.134*** (0.045)	-0.216*** (0.063)	-0.197*** (0.063)	-0.216*** (0.065)	-0.193*** (0.063)
<i>Current Account</i>	-0.025* (0.015)	-0.028* (0.015)	-0.004 (0.025)	0.034 (0.025)	-0.019 (0.045)	-0.026 (0.043)	0.026 (0.073)	0.134* (0.069)	-0.025 (0.065)	-0.032 (0.062)	0.052 (0.106)	0.177* (0.097)
<i>GDP growth</i>	0.004 (0.029)	-0.008 (0.029)	0.006 (0.029)	-0.003 (0.029)	-0.001 (0.085)	-0.036 (0.081)	0.003 (0.087)	-0.020 (0.082)	-0.052 (0.122)	-0.097 (0.113)	-0.047 (0.124)	-0.079 (0.114)
<i>Unemployment</i>	0.071** (0.029)	0.111*** (0.032)	0.070** (0.030)	0.107*** (0.032)	0.166* (0.090)	0.280*** (0.095)	0.166* (0.093)	0.270*** (0.094)	0.173 (0.129)	0.315** (0.135)	0.178 (0.133)	0.309** (0.133)
<i>Investment</i>	-0.021 (0.028)	-0.059** (0.027)			-0.046 (0.087)	-0.152* (0.084)			-0.085 (0.128)	-0.207* (0.124)		
<i>Inflation</i>	0.103 (0.154)		0.116 (0.173)		0.285 (0.481)		0.309 (0.539)		0.483 (0.689)		0.487 (0.781)	
<i>REER</i>		2.875*** (0.734)		3.029*** (0.774)		8.177*** (2.087)		8.587*** (2.197)		10.199*** (2.887)		10.597*** (3.059)
<i>Savings</i>			-0.021 (0.029)	-0.063** (0.027)			-0.045 (0.090)	-0.165** (0.081)			-0.074 (0.133)	-0.212* (0.119)
Obs.	2,180	2,180	2,180	2,180	545	545	545	545	327	327	327	327
R <sup>2</sup>	0.030 (13)	0.035 (14)	0.030 (15)	0.036 (16)	0.067 (17)	0.089 (18)	0.067 (19)	0.090 (20)	0.091 (21)	0.120 (22)	0.091 (23)	0.120 (24)
<i>WTI Home</i>	-0.034** (0.016)	-0.049*** (0.016)	-0.034** (0.016)	-0.048*** (0.016)	-0.064 (0.045)	-0.098** (0.048)	-0.064 (0.045)	-0.096** (0.048)	-0.068 (0.065)	-0.118* (0.071)	-0.068 (0.065)	-0.115 (0.071)
<i>Current Account</i>	-0.011 (0.013)	-0.013 (0.012)	0.025* (0.013)	-0.016 (0.014)	-0.012 (0.039)	-0.018 (0.037)	0.034 (0.036)	-0.052 (0.040)	0.001 (0.059)	-0.011 (0.055)	0.034 (0.049)	-0.067 (0.057)
<i>GDP growth</i>	0.019 (0.021)	-0.018 (0.021)	0.020 (0.021)	-0.018 (0.021)	0.021 (0.060)	-0.059 (0.064)	0.022 (0.061)	-0.057 (0.064)	-0.000 (0.088)	-0.102 (0.094)	0.001 (0.088)	-0.098 (0.095)
<i>Unemployment</i>	-0.089*** (0.015)	-0.060*** (0.015)	-0.088*** (0.015)	-0.061*** (0.015)	-0.202*** (0.046)	-0.142*** (0.047)	-0.201*** (0.046)	-0.145*** (0.047)	-0.257*** (0.069)	-0.202*** (0.071)	-0.257*** (0.069)	-0.207*** (0.071)
<i>Investment</i>	-0.036*** (0.013)	0.004 (0.013)			-0.046 (0.038)	0.037 (0.040)			-0.032 (0.056)	0.061 (0.060)		
<i>Inflation</i>	-0.731 (0.598)		-0.752 (0.601)		-1.149 (1.858)		-1.184 (1.868)		-0.054 (2.759)		-0.089 (2.777)	
<i>REER</i>		1.704** (0.866)		1.675* (0.857)		3.248 (2.665)		3.101 (2.633)		2.743 (3.797)		2.515 (3.750)
<i>Savings</i>			-0.036*** (0.013)	0.003 (0.013)			-0.047 (0.039)	0.033 (0.040)			-0.034 (0.057)	0.055 (0.060)
Obs.	2,100	1,800	2,100	1,800	525	450	525	450	315	270	315	270
R <sup>2</sup>	0.026	0.026	0.026	0.026	0.062	0.060	0.062	0.060	0.092	0.082	0.093	0.081

Notes: This table reports the estimated results for the impact of World Uncertainty Index (WUI) and World Trade Index (WTI) of the home countries (home) on the imports-to-GDP ratio for three groups, the top 20, 5, and 3 counterpart countries, applying an OLS Fixed Effects regression between 1995 and 2023. \* Indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets, we report the robust standard errors. Obs. are the observations for each regression.

**Table X7 – The impact of counterpart country world uncertainty and home country world trade uncertainty indexes on home country’s imports-to-GDP ratio, by counterpart group, 1995-2023, home country control variables.**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<i>WUI cp</i>	0.006 (0.004)	0.006 (0.004)	0.006 (0.004)	0.006 (0.004)	0.016 (0.015)	0.010 (0.015)	0.017 (0.015)	0.011 (0.015)	-0.008 (0.024)	-0.013 (0.024)	-0.006 (0.024)	-0.012 (0.024)
<i>Current Account</i>	-0.010*** (0.003)	-0.011*** (0.003)	-0.050*** (0.006)	-0.032*** (0.006)	-0.005 (0.010)	-0.010 (0.010)	-0.111*** (0.017)	-0.061*** (0.018)	-0.000 (0.015)	-0.005 (0.015)	-0.135*** (0.025)	-0.073*** (0.025)
<i>GDP growth</i>	0.040*** (0.008)	0.031*** (0.008)	0.040*** (0.008)	0.032*** (0.008)	0.114*** (0.024)	0.094*** (0.024)	0.116*** (0.024)	0.098*** (0.024)	0.158*** (0.034)	0.129*** (0.034)	0.162*** (0.034)	0.134*** (0.034)
<i>Unemployment</i>	-0.001 (0.005)	-0.019*** (0.005)	-0.003 (0.005)	-0.021*** (0.005)	-0.003 (0.013)	-0.056*** (0.013)	-0.009 (0.013)	-0.062*** (0.013)	-0.008 (0.019)	-0.085*** (0.019)	-0.016 (0.019)	-0.093*** (0.019)
<i>Investment</i>	0.043*** (0.005)	0.024*** (0.006)			0.118*** (0.016)	0.064*** (0.017)			0.151*** (0.023)	0.084*** (0.024)		
<i>Inflation</i>	-0.413*** (0.062)		-0.432*** (0.061)		-1.141*** (0.216)		-1.187*** (0.213)		-1.537*** (0.320)		-1.596*** (0.314)	
<i>REER</i>		-1.408*** (0.160)		-1.455*** (0.159)		-4.246*** (0.457)		-4.392*** (0.452)		-6.527*** (0.620)		-6.717*** (0.612)
<i>Savings</i>			0.039*** (0.005)	0.020*** (0.005)			0.103*** (0.016)	0.048*** (0.016)			0.132*** (0.023)	0.064*** (0.023)
Obs.	16,746	15,154	16,746	15,154	4,222	3,812	4,222	3,812	2,547	2,301	2,547	2,301
<i>R</i> <sup>2</sup>	0.020 (13)	0.019 (14)	0.019 (15)	0.019 (16)	0.050 (17)	0.054 (18)	0.047 (19)	0.053 (20)	0.064 (21)	0.081 (22)	0.061 (23)	0.079 (24)
<i>WTI cp</i>	0.019* (0.010)	0.023** (0.010)	0.019* (0.010)	0.023** (0.010)	-0.011 (0.028)	-0.009 (0.029)	-0.010 (0.028)	-0.009 (0.029)	-0.053 (0.052)	-0.054 (0.056)	-0.052 (0.052)	-0.052 (0.056)
<i>Current Account</i>	-0.021** (0.009)	-0.022** (0.009)	-0.024* (0.013)	-0.030** (0.013)	-0.039 (0.026)	-0.038 (0.025)	-0.042 (0.033)	-0.070* (0.037)	-0.050 (0.041)	-0.047 (0.039)	-0.067 (0.045)	-0.101** (0.051)
<i>GDP growth</i>	0.042** (0.021)	0.006 (0.019)	0.041** (0.021)	0.005 (0.019)	0.041 (0.054)	-0.021 (0.051)	0.042 (0.054)	-0.020 (0.051)	0.040 (0.079)	-0.038 (0.073)	0.042 (0.079)	-0.036 (0.073)
<i>Unemployment</i>	-0.044*** (0.012)	-0.044*** (0.012)	-0.043*** (0.012)	-0.044*** (0.012)	-0.163*** (0.038)	-0.132*** (0.037)	-0.165*** (0.038)	-0.135*** (0.036)	-0.234*** (0.065)	-0.195*** (0.064)	-0.239*** (0.066)	-0.201*** (0.064)
<i>Investment</i>	0.002 (0.011)	0.008 (0.011)			0.005 (0.029)	0.034 (0.031)			0.022 (0.043)	0.059 (0.045)		
<i>Inflation</i>	-0.705*** (0.219)		-0.701*** (0.218)		-1.462 (1.010)		-1.475 (1.010)		-1.025 (1.582)		-1.054 (1.581)	
<i>REER</i>		-0.489 (0.462)		-0.480 (0.464)		1.115 (1.521)		1.027 (1.501)		1.288 (2.261)		1.083 (2.210)
<i>Savings</i>			0.004 (0.011)	0.009 (0.011)			0.002 (0.029)	0.031 (0.031)			0.014 (0.042)	0.052 (0.044)
Obs.	2,384	2,146	2,384	2,146	608	546	608	546	356	324	356	324
<i>R</i> <sup>2</sup>	0.042	0.041	0.042	0.041	0.075	0.065	0.075	0.064	0.087	0.086	0.087	0.085

Notes: This table reports the estimated results for the impact of World Uncertainty Index (WUI) and World Trade Index (WTI) of the counterpart countries (cp) on the imports-to-GDP ratio for three groups, the top 20, 5, and 3 counterpart countries, applying an OLS Fixed Effects regression between 1995 and 2023. \* Indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets, we report the robust standard errors. Obs. are the observations for each regression.



**Table X8 – The impact of regional country world uncertainty indexes on home country’s imports-to-GDP ratio, by counterpart group, 1995-2023.**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
<i>WUI AE</i>	1.333***	0.895***	1.330***	0.884***	3.099***	2.036***	3.094***	2.015***	3.838***	2.546***	3.831***	2.516***
	(0.162)	(0.143)	(0.162)	(0.143)	(0.482)	(0.424)	(0.482)	(0.425)	(0.699)	(0.623)	(0.699)	(0.624)
<i>WUI Africa</i>	2.115***	1.421***	2.111***	1.402***	4.916***	3.231***	4.908***	3.198***	6.089***	4.039***	6.079***	3.992***
	(0.257)	(0.227)	(0.257)	(0.227)	(0.764)	(0.673)	(0.765)	(0.674)	(1.109)	(0.989)	(1.109)	(0.990)
<i>WUI Asia</i>	1.740***	1.169***	1.737***	1.154***	4.045***	2.658***	4.038***	2.631***	5.010***	3.323***	5.001***	3.285***
	(0.212)	(0.186)	(0.212)	(0.187)	(0.629)	(0.553)	(0.629)	(0.554)	(0.912)	(0.813)	(0.913)	(0.815)
<i>WUI EME</i>	2.283***	1.533***	2.278***	1.513***	5.306***	3.487***	5.298***	3.451***	6.572***	4.359***	6.561***	4.309***
	(0.278)	(0.245)	(0.278)	(0.245)	(0.825)	(0.726)	(0.825)	(0.727)	(1.197)	(1.067)	(1.197)	(1.069)
<i>WUI Eur</i>	2.574***	1.729***	2.569***	1.707***	5.984***	3.932***	5.974***	3.892***	7.411***	4.916***	7.399***	4.860***
	(0.313)	(0.276)	(0.313)	(0.276)	(0.930)	(0.819)	(0.931)	(0.820)	(1.350)	(1.203)	(1.350)	(1.205)
<i>WUI LIC</i>	6.875***	4.618***	6.862***	4.558***	15.982***	10.502***	15.956***	10.395***	19.794***	13.129***	19.761***	12.979***
	(0.836)	(0.737)	(0.836)	(0.737)	(2.484)	(2.187)	(2.486)	(2.190)	(3.605)	(3.214)	(3.606)	(3.219)
<i>WUI MENA</i>	1.272***	0.855***	1.270***	0.843***	2.957***	1.943***	2.952***	1.923***	3.663***	2.429***	3.657***	2.402***
	(0.155)	(0.136)	(0.155)	(0.136)	(0.460)	(0.405)	(0.460)	(0.405)	(0.667)	(0.595)	(0.667)	(0.596)
<i>WUI West</i>	0.979***	0.658***	0.977***	0.649***	2.276***	1.495***	2.272***	1.480***	2.818***	1.869***	2.814***	1.848***
	(0.119)	(0.105)	(0.119)	(0.105)	(0.354)	(0.311)	(0.354)	(0.312)	(0.513)	(0.458)	(0.513)	(0.458)

Notes: This table reports the estimated results for the impact of World Uncertainty Index of different regions on the imports-to-GDP ratio for three groups, the top 20, 5, and 3 counterpart countries, applying an OLS regression between 1995 and 2023. The regions are: advanced economies WUI (WUI AE); the WUI of African countries (WUI Africa); WUI of Asian and the Pacific countries (WUI Asia); WUI of Emerging economies (WUI EME); WUI of European countries (WUI Eur); WUI of Low-income economies (WUI LIC); WUI of Middle East and Central Asia (WUI MENA); WUI of Western Hemisphere (WUI West); \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets, we report the robust standard errors.

Lastly, Table X8 provides a summary of the results regarding the impact of general uncertainty across countries, categorized by development levels and geographic regions.

The findings confirm the results of exports-to-GDP that European countries primarily respond to uncertainty by concentrating their imports among their top 5 trading partners, with a particularly strong reaction to tensions arising from low-income countries. Further, shifts in WUI of other European and developing countries seem to have also a significant impact on the distribution of European imports.

## **5. Conclusions**

In this study, we analyse the relationship between global risk measures and the exports and imports of 31 European economies, expressed as a percentage of their GDP, between 1995 and 2023. Utilizing Panel regression approaches, we examine how world uncertainty (WUI) and geopolitical risk (GPR) affects trade flows, with a particular attention to different economic and development groups.

Our findings reveal a significant relationship between Global Geopolitical Risk (GPR) and the export-to-GDP ratios of European countries. As increasing GPR is linked to higher export ratios, especially towards the top 5 trading partners, suggesting a concentration of exports among the largest markets. This concentration implies that during periods of heightened geopolitical risks, European nations tend to prioritize exports to their major trading partners. In addition, the World Uncertainty Index (WUI) also shows a similar pattern, reinforcing the notion that heightened uncertainty prompts a focus on top trading partners.

The analysis of economic-specific uncertainties of the home country reveals significant negative impacts on export performance, particularly with the top trading partners. The results suggest that trade tensions adversely affect exports, leading to shifts away from larger counterparts during uncertain times. In contrast, trade-related uncertainty does not appear to significantly influence export concentrations, as it is more affected by broader economic factors.

Further analysis indicates that increased uncertainty in counterpart countries often leads to a concentration of exports among top trading partners. However, trade-specific uncertainty tends to promote diversification in exports, reflecting a complex interplay where countries respond to heightened risks by adjusting their trading relationships.

Additionally, the examination of how uncertainty influences export values show that rising global uncertainty leads to a decline in export values, particularly among top

exporters. Interestingly, larger economies seem more resilient to these uncertainties, as their trade-to-GDP ratios are less severely impacted compared to smaller economies, which may experience greater vulnerability during such times.

Overall, European countries tend to concentrate their exports among major trading partners, particularly during periods of increased geopolitical risks and uncertainties. This behaviour aligns with broader trends in international trade, where established relationships become more crucial in mitigating risks.

In the analysis of imports, our findings reveal a notable relationship between global uncertainty and imports-to-GDP ratios. As global uncertainty rises, European countries exhibit higher imports-to-GDP ratios, particularly towards the top 3 and top 5 partners. This suggests a consolidation of trade relationships with key partners during uncertain periods, emphasizing the strategic importance of established trading ties. Additionally, the estimated coefficients indicate a stronger relationship between imports and global uncertainty compared to exports. This highlights that European economies may prioritize importing goods to maintain stability in domestic production and supply chains when faced with rising uncertainty. Consequently, reliance on foreign goods can lead to a more pronounced relationship between uncertainty and imports.

Further analysis demonstrates that increases in economic and trade uncertainty negatively affect the imports-to-GDP ratio across all partner groups. This trend is particularly evident among the top 3 and top 5 trading partners, suggesting a diversification of import sources to mitigate risks associated with economic instability. Countries appear to adjust their import strategies to reduce dependence on major partners, thereby enhancing resilience in their supply chains.

Additionally, the examination of uncertainty in counterpart countries reveals that while general economic uncertainty does not have a statistically significant impact, trade-related uncertainty indicates a diversification process. Countries tend to increase imports from a wider range of partners in response to trade tensions, underscoring the influence of risks and uncertainties on cross-country trade flows.

Furthermore, our findings indicate that European nations primarily respond to uncertainty by concentrating their exports and imports among top trading partners, particularly in response to tensions from low-income countries. The analysis confirms that shifts in uncertainty from both European and developing countries significantly influence the distribution of imports, highlighting the complex dynamics of international trade amid global uncertainties. Overall, this comprehensive analysis illustrates the

intricate relationship between global risks, uncertainty, and international trade flows, emphasizing how European economies adapt their export and import strategies in response to these challenges.

## References

1. Afonso, A., Alves, J., & Monteiro, S. (2024). Beyond borders: Assessing the influence of Geopolitical tensions on sovereign risk dynamics. *European Journal of Political Economy*, 83, 102550. <https://doi.org/10.1016/j.ejpoleco.2024.102550>
2. Ahir, H., Bloom, N., & Furceri, D. (2022). *The World Uncertainty Index* (National bureau of Economic Research Working Paper, 29763). <http://www.nber.org/papers/w29763>
3. Anderton, C. H., & Carter, J. R. (2001). The impact of war on trade: An interrupted time-series study. *Journal of Peace Research*, 38(4), 445–457. <https://doi.org/10.1177/0022343301038004003>
4. Anderson, J. E. (1979). A theoretical foundation for the gravity equation. *American Economic Review*, 69(1), 106–116.
5. Anderson, J. E., & van Wincoop, E. (2003). Gravity with Gravitas: A Solution to the Border Puzzle. *American Economic Review*, 93(1), 170–192. <https://doi.org/10.1257/000282803321455214>
6. Anderson, J. E., Larch, M., & Yotov, Y. V. (2019). Trade and investment in the global economy: A multi-country dynamic analysis. *European Economic Review*, 120, 103311. <https://doi.org/10.1016/j.euroecorev.2019.103311>
7. Bacchetta, M., Beverelli, C., Cadot, O., Fugazza, M., Grether, J. M., Helble, M., Nicita, A., & Piermartini, R. (2012). Chapter 3: Analyzing bilateral trade using the gravity equation. In *A Practical Guide to Trade Policy Analysis*. World Trade Organization (WTO), United Nations Conference on Trade and Development (UNCTAD).
8. Balcilar, M., Bonato, M., Demirer, R., & Gupta, R. (2018). Geopolitical risks and stock market dynamics of the BRICS. *Economic Systems*, 42(2), 295–306. <https://doi.org/10.1016/j.ecosys.2017.05.008>
9. Balli, F., Balli, H. O., Hasan, M., & Gregory-Allen, R. (2022). Geopolitical risk spillovers and its determinants. *The Annals of Regional Science*, 68(2), 463–500. <https://doi.org/10.1007/s00168-021-01081-y>

10. Baltagi, B. H., & Egger, P. (2016). Estimation of structural gravity quantile regression models. *Empirical Economics*, 50(1), 5–15. <https://doi.org/10.1007/s00181-015-0956-5>
11. Barbieri, K., & Levy, J. S. (1999). Sleeping with the enemy: The impact of war on trade. *Journal of Peace Research*, 36(4), 463–479. <https://doi.org/10.1177/0022343399036004005>
12. Beck, K., & Jackson, K. (2024). International trade fluctuations: Global versus regional factors. *Canadian Journal of Economics/Revue canadienne d'économie*, 57, 331-358. <https://doi.org/10.1111/caje.12702>
13. Bergstrand, J. H. (1985). The gravity equation in international trade: some microeconomic foundations and empirical evidence. *Review of Economics and Statistics*, 67(3), 474–481. <https://doi.org/10.2307/1925976>
14. Bergstrand, J. H. (1990). The Heckscher-Ohlin–Samuelson model, the Linder Hypothesis and the determinants of bilateral intra-industry trade. *The Economic Journal*, 100(403), 1216–1229. <https://doi.org/10.2307/2233969>
15. Bergstrand, J. H., Egger, P., & Larch, M. (2013). Gravity redux: estimation of gravity-equation coefficients, elasticities of substitution, and general equilibrium comparative statics under asymmetric bilateral trade costs. *Journal of International Economics*, 89(1), 110–121. <https://doi.org/10.1016/j.jinteco.2012.05.005>
16. Bilgin, M. H., Gozgor, G., & Karabulut, G. (2020). How Do Geopolitical Risks Affect Government Investment? An Empirical Investigation. *Defence and Peace Economics*, 31(5), 550-564. <https://doi.org/10.1080/10242694.2018.1513620>
17. Björk, R. (2021). *Territory, State and Nation: The Geopolitics of Rudolf Kjellén*. Berghahn Books. <https://doi.org/10.2307/j.ctv31xf4px>
18. Bloom, N. (2009). The Impact of Uncertainty Shocks. *Econometrica*, 77(3), 623-685. <https://doi.org/10.3982/ECTA6248>
19. Blomberg, S. B., & Hess, G. (2006). How much does violence tax trade? *The Review of Economics and Statistics*, 88(4), 599–612. <https://doi.org/10.1162/rest.88.4.599>
20. Bobasu, A., Quaglietti, L., & Ricci, M. (2023). *Tracking global economic uncertainty: implications for the euro area*. ECB Working Paper Series, 2541. <https://doi.org/10.2139/ssrn.3834416>
21. Bouri, E., Gabauer, D., Gupta, R., & Kinatader, H. (2023). Global geopolitical risk and Inflation spillovers across European and North American economies. *Research*

in *International Business and Finance*, 66, 102048.  
<https://doi.org/10.1016/j.ribaf.2023.102048>

22. Bröcker, J., Korzhenevych, A., Riekhof, M. C. (2011). Predicting freight flows in a globalising world. *Research in transportation economics*, 31(1), 37-44.  
<https://doi.org/10.1016/j.retrec.2010.11.006>

23. Bussière, M., Chudik, A., Sestieri, G. (2009). *Modelling global trade flows: results from a GVAR model*. European Central Bank, *Working Paper Series*, No. 1087.

24. Borojo, D. G., Yushi, J., & Miao, M. (2021). The Impacts of Economic Policy Uncertainty on Trade Flow. *Emerging Markets Finance and Trade*, 58(8), 2258–2272.  
<https://doi.org/10.1080/1540496X.2021.1971075>

25. Bosone, C. & Stamato, G. (2024). *Beyond Borders: How Geopolitics is Reshaping Trade*. ECB Working Paper, No. 2960. <https://ssrn.com/abstract=4909978>

26. Brill, H. (1998). Geopolitik in der Diskussion. *Z. für Polit. (Neue Folge)Zeitschrift für Politik*, 45, 205–219.

27. Bussy, A., & Zheng, H. (2023). Responses of FDI to geopolitical risks: The role of governance, information, and technology. *International Business Review*, 32(4), 102136. <https://doi.org/10.1016/j.ibusrev.2023.102136>

28. Caldara, D., & Iacoviello, M. (2022). Measuring geopolitical risk. *American Economic Review*, 112(4), 1194-1225. <https://doi.org/10.1257/aer.20191823>

29. Campos, R. G., Estefanía-Flores, J., Furceri, D., & Timini, J. (2023). Geopolitical fragmentation and trade. *Journal of Comparative Economics*, 51(4), 1289-1315.  
<https://doi.org/10.1016/j.jce.2023.06.008>

30. Cerdeiro, D. A., Kamali, P., Kothari, S., & Muir, D. IMF Working Papers, No. 24/122, International Monetary Fund.

31. Cunado, J., Gupta, R., Lau, C. K. M., & Sheng, X. (2020). Time-varying impact of geopolitical risks on oil prices. *Defence and Peace Economics*, 31(6), 692-706.  
<https://doi.org/10.1080/10242694.2018.1563854>

32. De Benedictis, L., & Taglioni, D. (2011). The Gravity Model in International Trade. In: De Benedictis, L., & Salvatici, L. (eds) *The Trade Impact of European Union Preferential Policies*. Springer, Berlin, Heidelberg. [https://doi.org/10.1007/978-3-642-16564-1\\_4](https://doi.org/10.1007/978-3-642-16564-1_4)

33. De Groot, O. J. (2010). The spillover effects of conflict on economic growth in neighbouring countries in Africa. *Defence and Peace Economics*, 21(2), 149-164.  
<https://doi.org/10.1080/10242690903570575>

34. Deardorff, A. (1995). *Determinants of Bilateral Trade: Does Gravity Work in a Neoclassical World?* National Bureau of Economic Research (NBER) Working Paper, No. 5377.
35. Eaton, J., Kortum, S., Neiman, B., & Romalis, J. (2016). Trade and the Global Recession. *American Economic Review*, 106(11), 3401–38. <http://doi.org/10.1257/aer.20101557>
36. European Central Bank (2023). ECB Europe Website. Accessed on 1 of September 2024
37. Feenstra, R. C., Markusen, J. A., & Rose, A. (2001). Using the gravity equation to differentiate among alternative theories of trade. *Canadian Journal of Economics*, 34(2), 430–447. <https://doi.org/10.1111/0008-4085.00082>
38. Flavin, T. J., Hurley, M. J., & Rousseau, F. (2002) Explaining Stock Market Correlation: A Gravity Model Approach. *The Manchester School*, 70, 87-106. <https://doi.org/10.1111/1467-9957.70.s1.5>
39. Flint, C. (2016). *Introduction to Geopolitics*. Routledge.
40. Francois, J., & Manchin, M. (2013). Institutions, Infrastructure and Trade. *World Development*, 46, 165-175. <https://doi.org/10.1016/j.worlddev.2013.02.009>
41. Frankel, J., & Rose, A. (2002). An Estimate of the Effect of Common Currencies on Trade and Income. *The Quarterly Journal of Economics*, 117(2), 437–466. <https://doi.org/10.1162/003355302753650292>
42. Frankel, J., & Rose, A. (2005). Is Trade Good or Bad for the Environment? Sorting Out the Causality. *Review of Economics and Statistics*. 87(1), 85–91. <https://doi.org/10.1162/0034653053327577>
43. Glick, R., & Taylor, A. M. (2010). Collateral damage: Trade disruption and the economic impact of war. *The Review of Economics and Statistics*, 92(1), 102–127. <https://doi.org/10.1162/rest.2009.12023>
44. Gourdon, J. (2009). Explaining Trade Flows: Traditional and New Determinants of Trade Patterns. *Journal of Economic Integration*, 24(1), 53–86. <http://www.jstor.org/stable/23000943>
45. Gupta, R., Gozgor, G., Kaya, H., & Demir, E. (2019). Effects of geopolitical risks on trade flows: evidence from the gravity model. *Eurasian Economic Review*, 9, 515–530. <https://doi.org/10.1007/s40822-018-0118-0>

46. Gutmann, J., Neuenkirch, M., & Neumeier, F. (2023). The economic effects of international sanctions: An event study. *Journal of Comparative Economics*, 51(4), 1214-1231. <https://doi.org/10.1016/j.jce.2023.05.005>
47. Harris, M. N., Kónya, L., & Mátyás, L. (2012). Some stylized facts about international trade flows. *Review of International Economics*, 20(4), 781–792. <https://doi.org/10.1111/j.1467-9396.2012.01054.x>
48. Head, K., & Mayer, T. (2014). Gravity equations: Workhorse, toolkit, and cookbook. In G. Gopinath, E. Helpman, & K. Rogoff (Eds.). *Handbook of international economics*, 131-195. Amsterdam: Elsevier. <https://doi.org/10.1016/B978-0-444-54314-1.00003-3>
49. Heid, B., Stähler, F. (2024). Structural gravity and the gains from trade under imperfect competition: Quantifying the effects of the European Single Market. *Economic Modelling*, 131, 106604. <https://doi.org/10.1016/j.econmod.2023.106604>
50. Helpman, E. (1987). Imperfect competition and international trade: evidence from fourteen industrialized countries. *Journal of Japanese and International Economics*, 1(1), 62–81. [https://doi.org/10.1016/0889-1583\(87\)90027-X](https://doi.org/10.1016/0889-1583(87)90027-X)
51. Helpman, E., Melitz, M., & Rubinstein, Y. (2008). Estimating trade flows: trading partners and trading volumes. *The Quarterly Journal of Economics*, 123(2), 441–487. <https://doi.org/10.1162/qjec.2008.123.2.441>
52. Ivanovski, K., & Hailemariam, A. (2022). Time-varying geopolitical risk and oil prices. *International Review of Economics & Finance*, 77, 206-221. <https://doi.org/10.1016/j.iref.2021.10.001>
53. Jackson, K., & Shepotylo, O. (2024). Political alliances and trade: Europe in a polarized world. *European Journal of Political Economy*, 85, 102612. <https://doi.org/10.1016/j.ejpoleco.2024.102612>
54. Kabir, M., Salim, R., & Al-Mawali, N. (2017). The gravity model and trade flows: Recent developments in econometric modeling and empirical evidence. *Economic Analysis and Policy*, 56, 60-71. <https://doi.org/10.1016/j.eap.2017.08.005>
55. Leamer, E. E., & Stern, R. (1970). *Quantitative International Economics*. Aldine Publishing Co, Chicago.
56. Leamer, E. E. (1991). The Interplay of Theory and Data in the Study of International Trade. In: Nerlove, M. (eds). *Issues in Contemporary Economics*. International Economic Association Series. Palgrave Macmillan, London. [https://doi.org/10.1007/978-1-349-11576-1\\_9](https://doi.org/10.1007/978-1-349-11576-1_9)



57. Linnemann, H. (1967). *An Econometric Study of International Trade Flows*. Amsterdam: North-Holland.
58. Martin, P., Mayer, T., & Thoenig, M. (2008). Make trade not war? *The Review of Economic Studies*, 75(3), 865–900. <https://doi.org/10.1111/j.1467-937X.2008.00492.x>
59. Melitz, M. J. (2003). The Impact of Trade on Intra-Industry Reallocations and Aggregate Industry Productivity. *Econometrica*, 71(6), 1695–1725. <https://doi.org/10.1111/1468-0262.00467>
60. Mokdadi, S., & Saadaoui, Z. (2023). Geopolitical uncertainty and the cost of debt financing: the moderating role of information asymmetry. *The Journal of Risk Finance*, 24(5), 684-720. <https://doi.org/10.1108/JRF-12-2022-0308>
61. Monteiro, A., Silva, N., & Sebastião, H. (2023). Industry return lead-lag relationships between the US and other major countries. *Financial Innovation*, 9(1), 40. <https://doi.org/10.1186/s40854-022-00439-1>
62. Murdoch, J. C., & Sandler, T. (2004). Civil wars and economic growth: Spatial dispersion. *American Journal of Political Science*, 48(1), 138-151. <https://doi.org/10.1111/j.0092-5853.2004.00061.x>
63. Nitsch, V., & Schumacher, D. (2004). Terrorism and international trade: An empirical investigation. *European Journal of Political Economy*, 20(2), 423–433. <https://doi.org/10.1016/j.ejpoleco.2003.12.009>
64. Pham, C. S., & Doucouliagos, C. (2017). *An injury to one is an injury to all: Terrorism's spillover effects on bilateral trade*. IZA Discussion Paper, No. 10859.
65. Pham, T., Talavera, O., & Wu, Z. (2023). Labor markets during war time: Evidence from online job advertisements. *Journal of Comparative Economics*, 51(4), 1316-1333. <https://doi.org/10.1016/j.jce.2023.06.002>
66. Qureshi, M. S. (2013). Trade and thy neighbor's war. *Journal of Development Economics*, 105, 178–195. <https://doi.org/10.1016/j.jdeveco.2013.07.009>
67. Ramos, R., & Surinach, J. (2016). A Gravity Model of Migration between the ENC and the EU. *Journal of Economic and Human Geography*, 108(1), 21–35. <https://doi.org/10.1111/tesg.12195>
68. Silva, J. S., & Tenreiro, S. (2006). The log of gravity. *The Review of Economics and Statistics*, 88 (4), 641-658.
69. Shen, B., Zhang, J., Li, Y., Zheng, Q., Li, X. (2015). International trade modelling using open flow networks: A flow-distance based analysis. *PLoS ONE*, 10(11), e0142936. <https://doi.org/10.1371/journal.pone.0142936>.

70. Tian, H., Long, S., & Li, Z. (2022). Asymmetric effects of climate policy uncertainty, infectious diseases-related uncertainty, crude oil volatility, and geopolitical risks on green bond prices. *Finance Research Letters*, 48, 103008. <https://doi.org/10.1016/j.frl.2022.103008>
71. Tinbergen, J. (1962). *Shaping the World Economy: Suggestions for an International Economic Policy*. New York: The Twentieth Century Fund.
72. Thakkar, N., & Ayub, K. A. (2022). Geopolitical Risk and Globalization. *Journal of Applied Business and Economics*, 24(3). <https://doi.org/10.33423/jabe.v24i3.5194>

## Appendix A

**Table A1. Set of the top 20 counterpart economies for European economies exports, 1995-2023.**

Afghanistan	Cyprus	Iraq	Montenegro	Slovakia
Albania	Czechia	Ireland	Morocco	Slovenia
Algeria	Denmark	Israel	Mozambique	South Africa
Angola	Egypt	Italy	Netherlands	South Korea
Argentina	El Salvador	Japan	New Zealand	Spain
Australia	Estonia	Jordan	Nigeria	Sudan
Austria	Faroe Islands	Kazakhstan	North Macedonia	Sweden
Azerbaijan	Finland	Kenya	Norway	Switzerland
Bahamas	France	Kuwait	Pakistan	Syria
Barbados	Georgia	Latvia	Panama	Taiwan
Belarus	Germany	Lebanon	Peru	Thailand
Belgium	Ghana	Liberia	Philippines	Togo
Belize	Gibraltar	Libya	Poland	Tunisia
Bermuda	Greece	Lithuania	Portugal	Türkiye
Bosnia and Herzegovina	Greenland	Luxembourg	Qatar	Ukraine
Brazil	Hong Kong	Macao	Romania	United Arab Emirates
Bulgaria	Hungary	Malaysia	Russia	United Kingdom
Cabo Verde	Iceland	Malta	Saudi Arabia	United States of America
Canada	India	Marshall Islands	Serbia	Uzbekistan
China	Indonesia	Mexico	Seychelles	Venezuela
Croatia	Iran	Moldova	Singapore	Vietnam

Source: IMF's Direction of Trade Statistics database, update of 08/30/2024.

**Table A2. Set of the top 20 counterpart economies for European economies imports, 1995-2023.**

Algeria	Equatorial Guinea	Libya	Serbia and Montenegro
Angola	Estonia	Lithuania	Singapore
Argentina	Finland	Luxembourg	Slovakia
Australia	France	Malaysia	Slovenia
Austria	Georgia	Malta	South Africa
Azerbaijan	Germany	Marshall Islands	South Korea
Bangladesh	Ghana	Mexico	Spain
Belarus	Gibraltar	Moldova	Sri Lanka
Belgium	Greece	Montenegro	Suriname
Bermuda	Greenland	Morocco	Sweden
Bosnia and Herzegovina	Hong Kong	Netherlands	Switzerland
Brazil	Hungary	Nigeria	Syria
Bulgaria	India	North Macedonia	Taiwan
Burkina Faso	Indonesia	Norway	Thailand
Cameroon	Iran	Oman	Trinidad and Tobago
Canada	Iraq	Panama	Tunisia
Chile	Ireland	Peru	Türkiye
China	Israel	Philippines	Turkmenistan
Côte d'Ivoire	Italy	Poland	Ukraine
Croatia	Jamaica	Portugal	United Arab Emirates
Cuba	Japan	Qatar	United Kingdom
Cyprus	Kazakhstan	Romania	United States of America
Czechia	Kuwait	Russian Federation	Uzbekistan
Denmark	Latvia	Saudi Arabia	Venezuela
Egypt	Liberia	Serbia	Vietnam

Source: IMF's Direction of Trade Statistics database, update of 08/30/2024.

**Table A3. The average share of exports of each European economy by group, 1995-2023.**

<b>Exports</b>	<b>Top 1</b>	<b>Top 3</b>	<b>Top 5</b>	<b>Top 10</b>	<b>Top 20</b>
Austria	31.4%	44.9%	54.1%	70.6%	85.5%
Belgium	18.5%	47.0%	61.0%	74.9%	85.6%
Bulgaria	13.3%	32.4%	47.4%	64.9%	82.1%
Croatia	18.0%	43.6%	59.6%	74.2%	86.8%
Cyprus	18.3%	38.8%	48.7%	63.6%	78.8%
Czech Republic	34.0%	49.2%	59.1%	76.1%	89.5%
Denmark	17.7%	38.7%	50.9%	69.9%	84.0%
Estonia	19.8%	44.5%	58.5%	77.5%	91.5%
Finland	12.3%	31.5%	44.5%	63.0%	81.7%
France	15.7%	32.9%	48.4%	66.9%	78.5%
Germany	9.9%	25.8%	39.0%	61.9%	80.3%
Greece	12.9%	29.5%	40.3%	58.7%	77.1%
Hungary	29.6%	42.2%	52.3%	70.6%	87.8%
Iceland	24.8%	49.4%	63.0%	81.3%	94.2%
Ireland	23.9%	51.9%	65.8%	82.7%	91.2%
Italy	13.9%	33.8%	45.6%	60.5%	75.2%
Latvia	16.9%	41.9%	56.0%	75.0%	89.5%
Lithuania	15.4%	35.4%	48.8%	69.9%	89.7%
Luxembourg	23.7%	53.8%	66.6%	81.7%	91.6%
Malta	17.9%	42.1%	59.1%	78.6%	88.6%
Netherlands	25.6%	47.6%	61.5%	74.9%	85.6%
Norway	22.4%	46.8%	62.2%	81.2%	92.3%
Poland	29.5%	42.0%	52.2%	68.7%	86.8%
Portugal	24.6%	51.4%	64.9%	80.6%	89.3%
Romania	20.6%	41.6%	51.9%	67.5%	83.4%
Slovak Republic	24.0%	46.2%	59.1%	78.6%	92.1%
Slovenia	21.8%	42.7%	55.8%	72.8%	88.2%
Spain	18.2%	39.1%	55.4%	70.3%	81.8%
Sweden	10.9%	29.1%	43.2%	67.1%	82.9%
Switzerland	18.8%	39.2%	52.5%	69.8%	83.8%
United Kingdom	14.2%	33.6%	47.1%	66.1%	81.0%
<b>Average</b>	<b>20.0%</b>	<b>40.9%</b>	<b>54.0%</b>	<b>71.6%</b>	<b>85.7%</b>

Source: Authors' calculations based on IMF's Direction of Trade Statistics database, update of 08/30/2024.

**Table A4. The average share of imports of each European economy by group, 1995-2023.**

<b>Imports</b>	<b>Top 1</b>	<b>Top 3</b>	<b>Top 5</b>	<b>Top 10</b>	<b>Top 20</b>
Austria	42.7%	54.8%	63.1%	77.0%	90.5%
Belgium	18.2%	44.5%	57.5%	74.0%	85.7%
Bulgaria	17.0%	36.6%	48.6%	67.4%	85.6%
Croatia	16.6%	40.8%	54.2%	70.5%	87.3%
Cyprus	18.3%	37.8%	52.2%	72.7%	86.5%
Czech Republic	30.8%	46.4%	57.8%	76.0%	90.6%
Denmark	21.2%	41.6%	54.7%	73.8%	87.4%
Estonia	17.6%	39.1%	55.1%	76.3%	91.7%
Finland	16.6%	43.0%	55.7%	74.0%	90.1%
France	18.5%	37.4%	52.3%	72.3%	83.8%
Germany	12.6%	28.0%	40.4%	62.5%	83.3%
Greece	13.2%	32.6%	44.8%	64.1%	83.0%
Hungary	25.3%	40.8%	52.3%	71.9%	89.1%
Iceland	12.1%	30.8%	46.1%	70.0%	87.0%
Ireland	33.5%	58.8%	70.4%	83.3%	93.0%
Italy	16.8%	33.5%	44.0%	61.8%	77.8%
Latvia	17.2%	38.3%	53.4%	73.3%	91.2%
Lithuania	22.2%	44.2%	54.5%	71.6%	90.4%
Luxembourg	31.7%	68.7%	81.4%	92.1%	97.6%
Malta	25.0%	46.9%	60.7%	77.9%	90.7%
Netherlands	16.8%	37.6%	51.1%	66.8%	80.6%
Norway	14.0%	35.8%	48.8%	68.3%	86.0%
Poland	26.8%	42.9%	53.6%	70.3%	87.3%
Portugal	29.9%	52.1%	63.6%	77.4%	87.6%
Romania	18.5%	39.1%	50.1%	68.3%	87.0%
Slovak Republic	21.5%	49.5%	62.1%	80.7%	93.4%
Slovenia	17.6%	43.8%	55.7%	71.6%	88.5%
Spain	15.0%	36.4%	48.6%	65.4%	79.2%
Sweden	18.0%	35.6%	49.0%	72.1%	88.8%
Switzerland	27.0%	46.5%	58.9%	75.9%	87.4%
United Kingdom	13.5%	32.2%	45.3%	64.8%	81.6%
<b>Average</b>	<b>20.8%</b>	<b>41.8%</b>	<b>54.4%</b>	<b>72.4%</b>	<b>87.4%</b>

Source: Authors' calculations based on IMF's Direction of Trade Statistics database, update of 08/30/2024.

## Appendix B - online

**Table B1 – The impact of global geopolitical risk and global world uncertainty index on home country's exports-to-GDP ratio, by counterpart group, 1995-2023, counterpart control variables. (OLS, with distance)**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total GPR	1.202*** (0.237)	1.211*** (0.262)	1.186*** (0.237)	1.187*** (0.262)	1.758** (0.746)	2.290*** (0.747)	1.768** (0.746)	2.289*** (0.748)	1.009 (1.086)	2.652** (1.072)	1.011 (1.086)	2.654** (1.073)
<i>Distance</i>	-1.757*** (0.050)	-1.979*** (0.056)	-1.756*** (0.050)	-1.970*** (0.056)	-2.601*** (0.137)	-2.734*** (0.135)	-2.592*** (0.137)	-2.732*** (0.135)	-3.934*** (0.206)	-3.819*** (0.202)	-3.936*** (0.206)	-3.816*** (0.202)
<i>Current Account</i>	0.001 (0.003)	0.006* (0.003)	0.065*** (0.005)	0.079*** (0.006)	0.103*** (0.012)	0.104*** (0.012)	0.131*** (0.018)	0.110*** (0.019)	0.140*** (0.017)	0.132*** (0.017)	0.184*** (0.024)	0.154*** (0.025)
<i>GDP growth</i>	-0.058*** (0.006)	-0.052*** (0.007)	-0.064*** (0.006)	-0.058*** (0.008)	-0.075*** (0.023)	-0.088*** (0.025)	-0.076*** (0.023)	-0.089*** (0.025)	-0.095*** (0.032)	-0.068* (0.035)	-0.095*** (0.032)	-0.069** (0.035)
<i>Unemployment</i>	-0.061*** (0.004)	-0.053*** (0.004)	-0.062*** (0.003)	-0.058*** (0.004)	-0.106*** (0.013)	-0.097*** (0.016)	-0.105*** (0.013)	-0.097*** (0.016)	-0.184*** (0.019)	-0.207*** (0.026)	-0.184*** (0.019)	-0.207*** (0.026)
<i>Investment</i>	-0.074*** (0.003)	-0.083*** (0.004)			-0.030** (0.012)	-0.007 (0.013)			-0.044** (0.020)	-0.023 (0.021)		
<i>Inflation</i>	-0.030*** (0.003)		-0.028*** (0.003)		0.377*** (0.133)		0.375*** (0.133)		1.187*** (0.189)		1.191*** (0.189)	
<i>REER</i>		2.570*** (0.135)		2.515*** (0.133)		2.263*** (0.449)		2.271*** (0.450)		2.375*** (0.621)		2.387*** (0.622)
<i>Savings</i>			-0.063*** (0.005)	-0.072*** (0.005)			-0.028** (0.012)	-0.005 (0.013)			-0.044** (0.020)	-0.021 (0.021)
Obs.	16,177	14,522	16,262	14,603	4,256	4,054	4,257	4,054	2,580	2,481	2,580	2,481
R <sup>2</sup>	0.128	0.143	0.126	0.141	0.118	0.124	0.118	0.124	0.175	0.176	0.175	0.176
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total WUI	0.882*** (0.174)	0.887*** (0.192)	0.869*** (0.174)	0.870*** (0.192)	1.289** (0.547)	1.679*** (0.548)	1.297** (0.547)	1.678*** (0.548)	0.740 (0.796)	1.944** (0.786)	0.741 (0.796)	1.945** (0.787)
<i>Distance</i>	-1.757*** (0.050)	-1.979*** (0.056)	-1.756*** (0.050)	-1.970*** (0.056)	-2.601*** (0.137)	-2.734*** (0.135)	-2.592*** (0.137)	-2.732*** (0.135)	-3.934*** (0.206)	-3.819*** (0.202)	-3.936*** (0.206)	-3.816*** (0.202)
<i>Current Account</i>	0.001 (0.003)	0.006* (0.003)	0.065*** (0.005)	0.079*** (0.006)	0.103*** (0.012)	0.104*** (0.012)	0.131*** (0.018)	0.110*** (0.019)	0.140*** (0.017)	0.132*** (0.017)	0.184*** (0.024)	0.154*** (0.025)
<i>GDP growth</i>	-0.058*** (0.006)	-0.052*** (0.007)	-0.064*** (0.006)	-0.058*** (0.008)	-0.075*** (0.023)	-0.088*** (0.025)	-0.076*** (0.023)	-0.089*** (0.025)	-0.095*** (0.032)	-0.068* (0.035)	-0.095*** (0.032)	-0.069** (0.035)
<i>Unemployment</i>	-0.061*** (0.004)	-0.053*** (0.004)	-0.062*** (0.003)	-0.058*** (0.004)	-0.106*** (0.013)	-0.097*** (0.016)	-0.105*** (0.013)	-0.097*** (0.016)	-0.184*** (0.019)	-0.207*** (0.026)	-0.184*** (0.019)	-0.207*** (0.026)
<i>Investment</i>	-0.074*** (0.003)	-0.083*** (0.004)			-0.030** (0.012)	-0.007 (0.013)			-0.044** (0.020)	-0.023 (0.021)		
<i>Inflation</i>	-0.030*** (0.003)		-0.028*** (0.003)		0.377*** (0.133)		0.375*** (0.133)		1.187*** (0.189)		1.191*** (0.189)	
<i>REER</i>		2.570*** (0.135)		2.515*** (0.133)		2.263*** (0.449)		2.271*** (0.450)		2.375*** (0.621)		2.387*** (0.622)
<i>Savings</i>			-0.063*** (0.005)	-0.072*** (0.005)			-0.028** (0.012)	-0.005 (0.013)			-0.044** (0.020)	-0.021 (0.021)
Obs.	16,177	14,522	16,262	14,603	4,256	4,054	4,257	4,054	2,580	2,481	2,580	2,481
R <sup>2</sup>	0.128	0.143	0.126	0.141	0.118	0.124	0.118	0.124	0.175	0.176	0.175	0.176

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.

**Table B2– The impact of home country world uncertainty and home country world trade uncertainty indexes on home country’s exports-to-GDP ratio, by counterpart group, 1995-2023, counterpart control variables. (OLS, with distance)**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WUI Home	-0.049*** (0.017)	-0.043** (0.019)	-0.049*** (0.017)	-0.045** (0.019)	-0.125*** (0.043)	-0.153*** (0.045)	-0.125*** (0.043)	-0.154*** (0.045)	-0.093 (0.058)	-0.122** (0.057)	-0.094 (0.058)	-0.122** (0.057)
<i>Distance</i>	-1.627*** (0.140)	-1.878*** (0.146)	-1.648*** (0.140)	-1.862*** (0.146)	-3.340*** (0.369)	-2.861*** (0.317)	-3.352*** (0.368)	-2.858*** (0.317)	-5.324*** (0.566)	-5.433*** (0.556)	-5.332*** (0.568)	-5.445*** (0.557)
<i>Current Account</i>	0.021* (0.011)	0.038*** (0.012)	0.076*** (0.016)	0.102*** (0.018)	0.251*** (0.041)	0.256*** (0.041)	0.379*** (0.052)	0.350*** (0.054)	0.162** (0.064)	0.146** (0.063)	0.336*** (0.072)	0.387*** (0.080)
<i>GDP growth</i>	-0.118*** (0.023)	-0.136*** (0.031)	-0.147*** (0.023)	-0.171*** (0.031)	0.002 (0.073)	-0.029 (0.090)	0.002 (0.072)	-0.031 (0.089)	-0.007 (0.132)	0.083 (0.175)	-0.002 (0.131)	0.081 (0.174)
<i>Unemployment</i>	-0.075*** (0.011)	-0.059*** (0.013)	-0.074*** (0.009)	-0.069*** (0.009)	-0.126*** (0.042)	-0.070 (0.049)	-0.127*** (0.042)	-0.070 (0.050)	-0.153 (0.095)	-0.182* (0.102)	-0.155 (0.095)	-0.187* (0.102)
<i>Investment</i>	-0.092*** (0.011)	-0.106*** (0.011)			-0.128*** (0.039)	-0.096** (0.041)			-0.174*** (0.059)	-0.240*** (0.063)		
<i>Inflation</i>	-0.025*** (0.008)		-0.014* (0.008)		1.254*** (0.356)		1.278*** (0.353)		1.424** (0.616)		1.429** (0.615)	
<i>REER</i>		3.776*** (0.351)		3.706*** (0.342)		4.749*** (1.411)		4.749*** (1.411)		11.279*** (3.622)		11.416*** (3.666)
<i>Savings</i>			-0.044*** (0.012)	-0.054*** (0.013)			-0.129*** (0.038)	-0.094** (0.040)			-0.176*** (0.058)	-0.242*** (0.063)
Obs.	2,022	1,794	2,049	1,821	538	506	538	506	329	313	329	313
R <sup>2</sup>	0.134	0.164	0.126	0.154	0.272	0.266	0.273	0.266	0.347	0.361	0.347	0.362
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WTI Home	0.001 (0.016)	0.006 (0.018)	0.001 (0.016)	0.006 (0.017)	0.004 (0.050)	-0.005 (0.053)	0.004 (0.050)	-0.004 (0.053)	0.010 (0.075)	-0.000 (0.077)	0.010 (0.075)	0.000 (0.077)
<i>Distance</i>	-1.818*** (0.131)	-1.949*** (0.149)	-1.810*** (0.130)	-1.941*** (0.149)	-2.431*** (0.383)	-2.139*** (0.422)	-2.440*** (0.384)	-2.148*** (0.423)	-3.876*** (0.716)	-3.102*** (0.627)	-3.879*** (0.716)	-3.122*** (0.631)
<i>Current Account</i>	0.009 (0.012)	0.018 (0.013)	0.061*** (0.013)	0.082*** (0.016)	0.123*** (0.036)	0.099*** (0.038)	0.160*** (0.043)	0.126** (0.052)	0.209*** (0.058)	0.137** (0.055)	0.209*** (0.063)	0.165** (0.071)
<i>GDP growth</i>	-0.062*** (0.019)	-0.074*** (0.025)	-0.060*** (0.019)	-0.073*** (0.024)	-0.143** (0.064)	-0.155** (0.072)	-0.142** (0.064)	-0.154** (0.072)	-0.227** (0.102)	-0.160 (0.113)	-0.225** (0.102)	-0.155 (0.114)
<i>Unemployment</i>	-0.071*** (0.012)	-0.074*** (0.015)	-0.074*** (0.011)	-0.078*** (0.013)	-0.176*** (0.048)	-0.169*** (0.055)	-0.177*** (0.048)	-0.169*** (0.055)	-0.191** (0.086)	-0.245*** (0.088)	-0.192** (0.086)	-0.246*** (0.088)
<i>Investment</i>	-0.051*** (0.007)	-0.062*** (0.008)			-0.036 (0.023)	-0.026 (0.028)			0.003 (0.036)	-0.023 (0.044)		
<i>Inflation</i>	-0.050*** (0.011)		-0.050*** (0.011)		1.458*** (0.441)		1.457*** (0.440)		3.475*** (1.079)		3.464*** (1.079)	
<i>REER</i>		2.043*** (0.430)		2.023*** (0.427)		2.376 (1.625)		2.376 (1.621)		4.022* (2.406)		3.982* (2.404)
<i>Savings</i>			-0.053*** (0.007)	-0.064*** (0.008)			-0.037* (0.023)	-0.027 (0.027)			-0.001 (0.035)	-0.029 (0.043)
Obs.	2,046	1,802	2,054	1,810	522	489	522	489	315	298	315	298
R <sup>2</sup>	0.132	0.132	0.133	0.133	0.133	0.121	0.133	0.121	0.189	0.179	0.189	0.179

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.

**Table B3– The impact of counterpart country world uncertainty and counterpart country world trade uncertainty indexes on home country's exports-to-GDP ratio, by counterpart group, 1995-2023, counterpart control variables. (OLS, with distance)**

	TOP 20				TOP 5				TOP 3			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WUI cp	-0.009 (0.007)	-0.001 (0.007)	-0.009 (0.007)	-0.001 (0.007)	-0.026 (0.049)	0.002 (0.058)	-0.026 (0.049)	0.002 (0.058)	0.110 (0.096)	0.245** (0.103)	0.113 (0.096)	0.244** (0.103)
Distance	-1.363*** (0.066)	-1.508*** (0.084)	-1.368*** (0.066)	-1.509*** (0.084)	-1.589*** (0.358)	-1.866*** (0.370)	-1.585*** (0.356)	-1.871*** (0.368)	-0.702 (0.649)	-0.728 (0.576)	-0.708 (0.639)	-0.752 (0.588)
Current Account	-0.007 (0.006)	-0.017*** (0.007)	0.012 (0.008)	0.002 (0.011)	0.070* (0.036)	0.088** (0.038)	0.083* (0.043)	0.150*** (0.057)	0.031 (0.070)	0.036 (0.075)	0.170** (0.079)	0.269** (0.122)
GDP growth	0.004 (0.015)	0.048*** (0.018)	0.007 (0.015)	0.050*** (0.018)	-0.077 (0.075)	-0.054 (0.106)	-0.073 (0.076)	-0.043 (0.109)	0.068 (0.120)	0.121 (0.117)	0.087 (0.119)	0.159 (0.117)
Unemployment	0.023*** (0.006)	0.081*** (0.015)	0.022*** (0.006)	0.078*** (0.016)	0.016 (0.021)	0.278*** (0.088)	0.015 (0.021)	0.273*** (0.089)	-0.073 (0.044)	0.522*** (0.119)	-0.079* (0.046)	0.481*** (0.135)
Investment	-0.018*** (0.006)	-0.018** (0.008)			-0.012 (0.027)	-0.059 (0.042)			-0.138** (0.061)	-0.227*** (0.083)		
Inflation	0.007*** (0.002)		0.006*** (0.002)		-0.013 (0.141)		-0.006 (0.144)		-0.179 (0.295)		-0.149 (0.308)	
REER		0.250 (0.245)		0.266 (0.241)		5.632*** (1.596)		5.810*** (1.693)		10.002*** (2.569)		10.046*** (2.329)
Savings			-0.020*** (0.006)	-0.020*** (0.008)			-0.015 (0.027)	-0.064 (0.044)			-0.146** (0.057)	-0.238** (0.093)
Obs.	2,669	2,523	2,669	2,523	348	318	348	318	169	150	169	150
R <sup>2</sup>	0.251	0.265	0.251	0.266	0.116	0.164	0.116	0.164	0.256	0.389	0.260	0.389
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WTI cp	0.078*** (0.012)	0.079*** (0.012)	0.078*** (0.012)	0.078*** (0.012)	0.094*** (0.030)	0.110*** (0.032)	0.094*** (0.030)	0.110*** (0.032)	0.093** (0.041)	0.117*** (0.042)	0.094** (0.041)	0.117*** (0.042)
Distance	-1.957*** (0.139)	-2.098*** (0.156)	-1.954*** (0.139)	-2.097*** (0.156)	-3.383*** (0.385)	-3.015*** (0.376)	-3.382*** (0.385)	-3.022*** (0.377)	-4.714*** (0.602)	-4.374*** (0.570)	-4.710*** (0.602)	-4.397*** (0.572)
Current Account	0.005 (0.012)	0.019 (0.014)	0.037*** (0.013)	0.058*** (0.015)	0.123*** (0.037)	0.106*** (0.037)	0.115*** (0.043)	0.120** (0.047)	0.226*** (0.050)	0.184*** (0.049)	0.196*** (0.056)	0.234*** (0.064)
GDP growth	-0.097*** (0.022)	-0.116*** (0.028)	-0.097*** (0.022)	-0.116*** (0.028)	-0.151** (0.072)	-0.123 (0.076)	-0.149** (0.071)	-0.121 (0.075)	-0.173* (0.098)	-0.084 (0.106)	-0.168* (0.097)	-0.081 (0.105)
Unemployment	-0.089*** (0.013)	-0.110*** (0.017)	-0.090*** (0.012)	-0.111*** (0.017)	-0.207*** (0.045)	-0.255*** (0.054)	-0.207*** (0.045)	-0.255*** (0.054)	-0.239*** (0.062)	-0.348*** (0.075)	-0.241*** (0.062)	-0.349*** (0.075)
Investment	-0.032*** (0.007)	-0.039*** (0.008)			0.010 (0.022)	-0.013 (0.025)			0.035 (0.030)	-0.046 (0.035)		
Inflation	-0.008 (0.008)		-0.008 (0.008)		2.003*** (0.407)		1.999*** (0.406)		3.584*** (0.733)		3.559*** (0.732)	
REER		1.063*** (0.363)		1.064*** (0.363)		2.217* (1.292)		2.268* (1.314)		5.546*** (2.029)		5.653*** (2.054)
Savings			-0.032*** (0.007)	-0.039*** (0.008)			0.008 (0.021)	-0.015 (0.025)			0.029 (0.030)	-0.051 (0.035)
Obs.	2,270	2,012	2,274	2,016	585	558	585	558	351	335	351	335
R <sup>2</sup>	0.173	0.172	0.173	0.172	0.177	0.173	0.177	0.173	0.245	0.252	0.244	0.253

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.



**Table B4 – The impact of global geopolitical risk and global world uncertainty index on home country's exports-to-GDP ratio, by counterpart group, 1995-2023, counterpart control variables. (OLS – Country Fixed Effects)**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>Total GPR</b>	<b>1.237***</b> (0.226)	<b>1.239***</b> (0.232)	<b>1.241***</b> (0.225)	<b>1.247***</b> (0.231)	<b>2.229***</b> (0.727)	<b>2.435***</b> (0.698)	<b>2.218***</b> (0.727)	<b>2.418***</b> (0.699)	<b>3.150***</b> (1.130)	<b>3.093***</b> (1.069)	<b>3.148***</b> (1.130)	<b>3.079***</b> (1.070)
<i>Current Account</i>	0.011* (0.007)	0.011 (0.007)	0.005 (0.007)	0.006 (0.008)	0.075*** (0.025)	0.075*** (0.026)	0.031 (0.027)	0.023 (0.029)	0.112*** (0.039)	0.110*** (0.042)	0.037 (0.042)	0.036 (0.044)
<i>GDP growth</i>	-0.016** (0.008)	-0.018** (0.009)	-0.015** (0.008)	-0.017* (0.009)	-0.014 (0.031)	-0.015 (0.035)	-0.013 (0.031)	-0.013 (0.035)	-0.016 (0.050)	-0.019 (0.055)	-0.016 (0.050)	-0.019 (0.055)
<i>Unemployment</i>	-0.031*** (0.008)	-0.029*** (0.009)	-0.031*** (0.008)	-0.028*** (0.009)	-0.054* (0.028)	-0.048 (0.031)	-0.055* (0.028)	-0.050* (0.031)	-0.076* (0.045)	-0.077 (0.049)	-0.073 (0.046)	-0.075 (0.049)
<i>Investment</i>	0.008 (0.009)	0.006 (0.010)			0.047 (0.037)	0.057 (0.039)			0.074 (0.058)	0.075 (0.062)		
<i>Inflation</i>	-0.046 (0.051)		-0.046 (0.051)		0.092 (0.214)		0.090 (0.215)		-0.093 (0.408)		-0.100 (0.409)	
<i>REER</i>		0.576*** (0.189)		0.583*** (0.189)		0.687 (0.665)		0.660 (0.665)		0.279 (1.032)		0.267 (1.030)
<i>Savings</i>			0.005 (0.008)	0.003 (0.008)			0.043 (0.036)	0.049 (0.037)			0.077 (0.058)	0.076 (0.061)
Observations	16,165	14,519	16,250	14,600	4,255	4,054	4,255	4,054	2,578	2,479	2,578	2,479
R <sup>2</sup>	0.310	0.303	0.311	0.304	0.201	0.196	0.201	0.196	0.172	0.166	0.172	0.166
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>Total WUI</b>	<b>0.439***</b> (0.070)	<b>0.909***</b> (0.170)	<b>0.910***</b> (0.165)	<b>0.914***</b> (0.169)	<b>0.544**</b> (0.228)	<b>1.785***</b> (0.512)	<b>1.626***</b> (0.533)	<b>1.773***</b> (0.513)	<b>0.686*</b> (0.364)	<b>2.267***</b> (0.784)	<b>2.308***</b> (0.828)	<b>2.257***</b> (0.784)
<i>Current Account</i>	0.008 (0.006)	0.011 (0.007)	0.005 (0.007)	0.006 (0.008)	0.063*** (0.024)	0.075*** (0.026)	0.031 (0.027)	0.023 (0.029)	0.093** (0.038)	0.110*** (0.042)	0.037 (0.042)	0.036 (0.044)
<i>GDP growth</i>	-0.001 (0.006)	-0.018** (0.009)	-0.015** (0.008)	-0.017* (0.009)	0.019 (0.020)	-0.015 (0.035)	-0.013 (0.031)	-0.013 (0.035)	0.031 (0.032)	-0.019 (0.055)	-0.016 (0.050)	-0.019 (0.055)
<i>Unemployment</i>	-0.031*** (0.007)	-0.029*** (0.009)	-0.031*** (0.008)	-0.028*** (0.009)	-0.053** (0.027)	-0.048 (0.031)	-0.055* (0.028)	-0.050* (0.031)	-0.075* (0.043)	-0.077 (0.049)	-0.073 (0.046)	-0.075 (0.049)
<i>Investment</i>	0.005 (0.008)	0.006 (0.010)			0.035 (0.034)	0.057 (0.039)			0.060 (0.053)	0.075 (0.062)		
<i>Inflation</i>	0.025 (0.048)		-0.046 (0.051)		0.249 (0.195)		0.090 (0.215)		0.143 (0.367)		-0.100 (0.409)	
<i>REER</i>		0.576*** (0.189)		0.583*** (0.189)		0.687 (0.665)		0.660 (0.665)		0.279 (1.032)		0.267 (1.030)
<i>Savings</i>			0.005 (0.008)	0.003 (0.008)			0.043 (0.036)	0.049 (0.037)			0.077 (0.058)	0.076 (0.061)
Obs.	16,165	14,519	16,250	14,600	4,255	4,054	4,255	4,054	2,578	2,479	2,578	2,479
R <sup>2</sup>	0.308	0.303	0.311	0.304	0.197	0.196	0.201	0.196	0.167	0.166	0.172	0.166

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.

**Table B5 – The impact of home country world uncertainty and home country world trade uncertainty indexes on home country's exports-to-GDP ratio, by counterpart group, 1995-2023, counterpart control variables. (OLS – Country Fixed Effects)**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>WUI Home</b>	<b>-0.068***</b>	<b>-0.077***</b>	<b>-0.067***</b>	<b>-0.076***</b>	<b>-0.178***</b>	<b>-0.189***</b>	<b>-0.178***</b>	<b>-0.189***</b>	<b>-0.150***</b>	<b>-0.153***</b>	<b>-0.149***</b>	<b>-0.153***</b>
	(0.014)	(0.016)	(0.014)	(0.015)	(0.041)	(0.044)	(0.041)	(0.044)	(0.055)	(0.058)	(0.055)	(0.058)
<i>Current Account</i>	-0.003	0.010	-0.005	0.008	0.085	0.112	0.010	0.011	0.101	0.113	-0.140	-0.142
	(0.021)	(0.023)	(0.019)	(0.021)	(0.072)	(0.079)	(0.093)	(0.102)	(0.108)	(0.119)	(0.142)	(0.155)
<i>GDP growth</i>	-0.014	-0.024	-0.011	-0.020	-0.004	-0.033	0.002	-0.029	0.029	0.017	0.038	0.025
	(0.023)	(0.027)	(0.023)	(0.026)	(0.089)	(0.107)	(0.087)	(0.106)	(0.158)	(0.174)	(0.157)	(0.174)
<i>Unemployment</i>	-0.031	-0.034	-0.026	-0.028	-0.015	0.005	-0.019	-0.001	0.051	0.056	0.043	0.048
	(0.022)	(0.025)	(0.020)	(0.022)	(0.086)	(0.095)	(0.087)	(0.095)	(0.126)	(0.133)	(0.128)	(0.134)
<i>Investment</i>	0.005	0.005			0.084	0.112			0.266	0.285		
	(0.026)	(0.030)			(0.112)	(0.130)			(0.189)	(0.214)		
<i>Inflation</i>	-0.199		-0.185		-0.411		-0.406		-0.715		-0.688	
	(0.152)		(0.144)		(0.534)		(0.552)		(1.171)		(1.188)	
<i>REER</i>		0.115		0.161		-0.037		-0.127		0.276		-0.128
		(0.529)		(0.525)		(2.447)		(2.439)		(4.310)		(4.296)
<i>Savings</i>			-0.002	-0.002			0.071	0.096			0.225	0.238
			(0.015)	(0.016)			(0.111)	(0.125)			(0.183)	(0.201)
Observations	2,018	1,791	2,045	1,818	536	504	536	504	329	313	329	313
R <sup>2</sup>	0.531	0.530	0.532	0.531	0.491	0.487	0.491	0.487	0.580	0.574	0.579	0.573
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>WTI Home</b>	<b>0.000</b>	<b>0.001</b>	<b>-0.002</b>	<b>0.001</b>	<b>-0.012</b>	<b>-0.029</b>	<b>-0.032</b>	<b>-0.030</b>	<b>0.000</b>	<b>-0.018</b>	<b>-0.016</b>	<b>-0.020</b>
	(0.009)	(0.016)	(0.015)	(0.016)	(0.031)	(0.053)	(0.051)	(0.053)	(0.049)	(0.080)	(0.078)	(0.081)
<i>Current Account</i>	0.001	-0.010	-0.024	-0.034	0.039	0.046	-0.048	-0.162*	-0.000	0.045	-0.051	-0.193
	(0.024)	(0.029)	(0.023)	(0.027)	(0.097)	(0.114)	(0.086)	(0.098)	(0.152)	(0.202)	(0.148)	(0.202)
<i>GDP growth</i>	0.005	-0.004	-0.007	-0.000	0.011	-0.042	-0.005	-0.035	0.031	-0.088	-0.033	-0.057
	(0.013)	(0.028)	(0.025)	(0.028)	(0.043)	(0.102)	(0.096)	(0.102)	(0.075)	(0.186)	(0.176)	(0.187)
<i>Unemployment</i>	-0.025	0.014	-0.005	0.014	-0.036	0.022	-0.049	0.008	-0.023	-0.024	-0.063	-0.059
	(0.028)	(0.034)	(0.028)	(0.032)	(0.096)	(0.124)	(0.108)	(0.125)	(0.172)	(0.213)	(0.193)	(0.215)
<i>Investment</i>	0.025	0.034			0.087	0.244			0.061	0.331		
	(0.030)	(0.036)			(0.131)	(0.158)			(0.221)	(0.341)		
<i>Inflation</i>	0.305*		-0.025		1.583*		1.361		1.939		0.164	
	(0.171)		(0.222)		(0.865)		(1.160)		(2.009)		(3.850)	
<i>REER</i>		0.410		0.378		2.936		2.667		3.898		2.366
		(0.855)		(0.852)		(2.767)		(2.776)		(5.241)		(5.187)
<i>Savings</i>			0.009	0.013			0.071	0.181			0.023	0.170
			(0.030)	(0.035)			(0.138)	(0.152)			(0.247)	(0.323)
Obs.	2,043	1,800	2,051	1,808	520	489	520	489	312	296	312	296
R <sup>2</sup>	0.341	0.338	0.350	0.339	0.222	0.243	0.242	0.241	0.183	0.235	0.232	0.233

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.

**Table AB6 – The impact of counterpart country world uncertainty and counterpart country world trade uncertainty indexes on home country's exports-to-GDP ratio, by counterpart group, 1995-2023, counterpart control variables. (OLS – Country Fixed Effects)**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WUI cp	0.012 (0.008)	0.008 (0.010)	0.012 (0.009)	0.009 (0.010)	0.053 (0.041)	0.047 (0.052)	0.055 (0.041)	0.045 (0.053)	0.201*** (0.072)	0.180* (0.099)	0.194*** (0.072)	0.129 (0.100)
<i>Current Account</i>	0.005 (0.013)	-0.008 (0.016)	0.004 (0.014)	0.019 (0.018)	-0.030 (0.055)	-0.099 (0.084)	0.009 (0.059)	0.068 (0.076)	-0.055 (0.093)	-0.254 (0.156)	0.144 (0.094)	0.299* (0.156)
<i>GDP growth</i>	-0.006 (0.017)	0.006 (0.022)	-0.007 (0.017)	0.005 (0.022)	-0.017 (0.076)	-0.025 (0.099)	-0.017 (0.078)	-0.005 (0.099)	0.075 (0.111)	0.068 (0.156)	0.116 (0.121)	0.110 (0.151)
<i>Unemployment</i>	0.006 (0.021)	0.017 (0.032)	0.008 (0.022)	0.018 (0.032)	0.016 (0.070)	0.037 (0.129)	0.016 (0.070)	0.035 (0.129)	0.374* (0.193)	0.848* (0.438)	0.385** (0.193)	0.706* (0.425)
<i>Investment</i>	-0.003 (0.019)	-0.035 (0.027)			-0.048 (0.082)	-0.169 (0.125)			-0.177 (0.123)	-0.400* (0.209)		
<i>Inflation</i>	-0.049 (0.072)		-0.057 (0.073)		-0.432 (0.343)		-0.447 (0.363)		-0.506 (0.787)		-0.250 (0.848)	
<i>REER</i>		0.024 (0.461)		-0.040 (0.462)		-0.851 (2.518)		-0.477 (2.770)		3.993 (5.122)		7.897 (5.315)
<i>Savings</i>			0.004 (0.020)	-0.024 (0.027)			-0.034 (0.088)	-0.178 (0.139)			-0.237 (0.146)	-0.772*** (0.279)
Obs.	2,668	2,523	2,668	2,523	348	318	348	318	169	150	169	150
R <sup>2</sup>	0.126	0.109	0.126	0.109	0.284	0.284	0.284	0.284	0.472	0.464	0.475	0.482
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WTI cp	-0.000 (0.007)	0.000 (0.014)	0.001 (0.013)	0.000 (0.014)	-0.004 (0.019)	-0.001 (0.044)	0.004 (0.042)	-0.001 (0.044)	-0.002 (0.029)	0.003 (0.073)	0.006 (0.069)	0.005 (0.072)
<i>Current Account</i>	0.003 (0.029)	-0.011 (0.041)	-0.002 (0.025)	-0.009 (0.027)	0.053 (0.116)	0.085 (0.196)	-0.037 (0.100)	-0.068 (0.101)	0.076 (0.194)	0.103 (0.359)	-0.025 (0.156)	-0.084 (0.159)
<i>GDP growth</i>	0.007 (0.012)	-0.002 (0.032)	-0.001 (0.028)	-0.001 (0.032)	0.015 (0.039)	-0.028 (0.096)	-0.008 (0.091)	-0.020 (0.094)	0.018 (0.065)	-0.038 (0.157)	0.021 (0.153)	-0.026 (0.153)
<i>Unemployment</i>	-0.017 (0.034)	0.000 (0.057)	-0.019 (0.045)	-0.002 (0.056)	0.063 (0.121)	0.106 (0.188)	0.074 (0.172)	0.095 (0.187)	0.084 (0.184)	0.030 (0.284)	-0.022 (0.267)	0.018 (0.282)
<i>Investment</i>	-0.008 (0.030)	-0.001 (0.042)			0.058 (0.131)	0.170 (0.228)			0.116 (0.216)	0.209 (0.414)		
<i>Inflation</i>	0.305 (0.190)		0.115 (0.310)		1.779* (0.980)		1.537 (1.873)		2.393 (1.530)		3.494 (3.229)	
<i>REER</i>		0.984 (0.916)		0.968 (0.910)		5.869 (5.090)		4.770 (4.645)		6.038 (7.615)		4.829 (6.979)
<i>Savings</i>			-0.008 (0.036)	-0.005 (0.042)			0.041 (0.185)	0.124 (0.211)			0.080 (0.345)	0.144 (0.391)
Obs.	2,265	2,009	2,269	2,013	583	558	583	558	344	329	344	329
R <sup>2</sup>	0.310	0.304	0.311	0.304	0.229	0.227	0.233	0.227	0.202	0.200	0.211	0.200

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.

**Table B7 – The impact of global geopolitical risk and global world uncertainty index on home country's exports (Millions of USD), by counterpart group, 1995-2023, counterpart control variables. (PPML, standard errors clustered at country-pair)**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total GPR	-0.001 (0.057)	-0.026 (0.059)	0.007 (0.057)	-0.021 (0.059)	0.007 (0.076)	-0.029 (0.076)	0.008 (0.077)	-0.029 (0.076)	-0.023 (0.091)	-0.032 (0.090)	-0.023 (0.091)	-0.032 (0.090)
<i>Distance</i>	-0.698*** (0.040)	-0.864*** (0.042)	-0.692*** (0.040)	-0.854*** (0.042)	-0.089 (0.055)	-0.207*** (0.054)	-0.089 (0.055)	-0.207*** (0.054)	-0.189*** (0.071)	-0.084 (0.066)	-0.191*** (0.071)	-0.085 (0.066)
<i>Current Account</i>	-0.005 (0.003)	0.002 (0.003)	0.030*** (0.004)	0.037*** (0.004)	0.011** (0.004)	0.015*** (0.005)	0.032*** (0.009)	0.023*** (0.008)	0.023*** (0.006)	0.017*** (0.005)	0.028** (0.012)	0.011 (0.008)
<i>GDP growth</i>	-0.015*** (0.004)	-0.004 (0.004)	-0.020*** (0.004)	-0.008* (0.004)	-0.008 (0.006)	-0.004 (0.007)	-0.008 (0.006)	-0.004 (0.007)	-0.015* (0.009)	-0.003 (0.008)	-0.014* (0.009)	-0.003 (0.008)
<i>Unemployment</i>	-0.049*** (0.004)	-0.026*** (0.004)	-0.048*** (0.004)	-0.030*** (0.004)	-0.041*** (0.007)	-0.014** (0.007)	-0.041*** (0.007)	-0.014** (0.007)	-0.043*** (0.009)	-0.027*** (0.009)	-0.043*** (0.009)	-0.027*** (0.009)
<i>Investment</i>	-0.047*** (0.005)	-0.044*** (0.004)			-0.022** (0.008)	-0.008 (0.007)			-0.004 (0.012)	0.006 (0.007)		
<i>Inflation</i>	-0.047*** (0.005)		-0.045*** (0.005)		0.130*** (0.034)		0.130*** (0.034)		0.805*** (0.101)		0.806*** (0.102)	
<i>REER</i>		2.513*** (0.156)		2.487*** (0.153)				2.046*** (0.226)		2.359*** (0.279)		2.359*** (0.279)
<i>Savings</i>			-0.033*** (0.003)	-0.035*** (0.003)			-0.022*** (0.008)	-0.008 (0.007)			-0.005 (0.012)	0.006 (0.007)
Obs.	16,177	14,522	16,262	14,603	4,256	4,054	4,257	4,054	2,580	2,481	2,580	2,481
R <sup>2</sup>	0.060	0.070	0.055	0.068	0.056	0.066	0.056	0.066	0.084	0.089	0.084	0.089
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total WUI	-0.632*** (0.131)	-0.433*** (0.135)	-0.611*** (0.132)	-0.415*** (0.135)	-0.606*** (0.179)	-0.454** (0.179)	-0.603*** (0.179)	-0.453** (0.179)	-0.598*** (0.211)	-0.329 (0.212)	-0.599*** (0.211)	-0.330 (0.212)
<i>Distance</i>	-0.697*** (0.040)	-0.861*** (0.042)	-0.691*** (0.040)	-0.850*** (0.042)	-0.089 (0.056)	-0.201*** (0.054)	-0.089 (0.056)	-0.201*** (0.054)	-0.197*** (0.072)	-0.080 (0.066)	-0.199*** (0.072)	-0.080 (0.066)
<i>Current Account</i>	-0.004 (0.003)	0.002 (0.003)	0.031*** (0.004)	0.038*** (0.005)	0.012*** (0.004)	0.016*** (0.005)	0.035*** (0.009)	0.025*** (0.008)	0.024*** (0.006)	0.017*** (0.005)	0.031** (0.012)	0.012 (0.009)
<i>GDP growth</i>	-0.018*** (0.004)	-0.006 (0.004)	-0.023*** (0.004)	-0.011** (0.004)	-0.010 (0.006)	-0.007 (0.007)	-0.010 (0.006)	-0.007 (0.007)	-0.017** (0.008)	-0.005 (0.008)	-0.017** (0.008)	-0.005 (0.008)
<i>Unemployment</i>	-0.048*** (0.004)	-0.025*** (0.004)	-0.047*** (0.004)	-0.030*** (0.004)	-0.041*** (0.007)	-0.014** (0.007)	-0.041*** (0.007)	-0.014** (0.007)	-0.043*** (0.009)	-0.027*** (0.009)	-0.043*** (0.009)	-0.027*** (0.009)
<i>Investment</i>	-0.049*** (0.005)	-0.044*** (0.004)			-0.024*** (0.009)	-0.009 (0.007)			-0.007 (0.012)	0.005 (0.007)		
<i>Inflation</i>	-0.048*** (0.005)		-0.045*** (0.005)		0.131*** (0.034)		0.130*** (0.034)		0.823*** (0.102)		0.823*** (0.102)	
<i>REER</i>		2.467*** (0.155)		2.444*** (0.151)		1.982*** (0.227)		1.983*** (0.226)		2.292*** (0.279)		2.292*** (0.280)
<i>Savings</i>			-0.033*** (0.004)	-0.035*** (0.003)			-0.024*** (0.008)	-0.009 (0.007)			-0.008 (0.012)	0.005 (0.007)
Obs.	16,177	14,522	16,262	14,603	4,256	4,054	4,257	4,054	2,580	2,481	2,580	2,481
R <sup>2</sup>	0.062	0.072	0.056	0.069	0.058	0.068	0.058	0.068	0.087	0.090	0.087	0.090

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.

**Table B8– The impact of home country world uncertainty and home country world trade uncertainty indexes on home country's exports (Millions of USD), by counterpart group, 1995-2023, counterpart control variables. (PPML, standard errors clustered at country-pair)**

	TOP 20				TOP 5				TOP 3			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WUI Home	-0.012 (0.008)	-0.006 (0.009)	-0.012 (0.008)	-0.007 (0.009)	-0.005 (0.009)	-0.010 (0.009)	-0.005 (0.009)	-0.010 (0.009)	-0.002 (0.010)	0.000 (0.009)	-0.002 (0.010)	0.000 (0.009)
<i>Distance</i>	-0.852*** (0.080)	-0.929*** (0.081)	-0.870*** (0.078)	-0.933*** (0.080)	-0.869*** (0.110)	-0.601*** (0.095)	-0.872*** (0.110)	-0.601*** (0.095)	-1.086*** (0.141)	-1.026*** (0.132)	-1.089*** (0.141)	-1.027*** (0.132)
<i>Current Account</i>	0.022*** (0.007)	0.031*** (0.006)	0.054*** (0.008)	0.065*** (0.008)	0.053*** (0.008)	0.053*** (0.009)	0.101*** (0.017)	0.078*** (0.013)	0.045*** (0.014)	0.029** (0.013)	0.066*** (0.017)	0.068*** (0.017)
<i>GDP growth</i>	-0.025*** (0.008)	-0.017* (0.009)	-0.036*** (0.008)	-0.030*** (0.009)	-0.012 (0.013)	-0.002 (0.013)	-0.012 (0.013)	-0.002 (0.014)	-0.008 (0.017)	0.016 (0.018)	-0.007 (0.017)	0.017 (0.018)
<i>Unemployment</i>	-0.057*** (0.008)	-0.034*** (0.008)	-0.056*** (0.007)	-0.042*** (0.007)	-0.078*** (0.013)	-0.037*** (0.014)	-0.078*** (0.013)	-0.038*** (0.014)	-0.033 (0.022)	-0.038* (0.021)	-0.034 (0.022)	-0.038* (0.021)
<i>Investment</i>	-0.058*** (0.009)	-0.056*** (0.008)			-0.047*** (0.015)	-0.024*** (0.008)			-0.021 (0.015)	-0.038*** (0.012)		
<i>Inflation</i>	-0.019** (0.008)		-0.012 (0.008)		0.739*** (0.162)		0.746*** (0.162)		0.857*** (0.236)		0.858*** (0.236)	
<i>REER</i>		2.878*** (0.315)		2.851*** (0.303)		2.130*** (0.431)		2.128*** (0.431)		3.849*** (0.819)		3.857*** (0.821)
<i>Savings</i>			-0.025*** (0.005)	-0.030*** (0.005)			-0.048*** (0.014)	-0.024*** (0.008)			-0.022 (0.016)	-0.038*** (0.012)
Obs.	2,022	1,794	2,049	1,821	538	506	538	506	329	313	329	313
R <sup>2</sup>	0.160	0.174	0.152	0.166	0.317	0.291	0.318	0.291	0.333	0.324	0.333	0.324
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WTI Home	0.023*** (0.007)	0.029*** (0.007)	0.023*** (0.007)	0.029*** (0.008)	0.020** (0.010)	0.023** (0.009)	0.020** (0.010)	0.023** (0.009)	0.020* (0.011)	0.021** (0.010)	0.020* (0.011)	0.021** (0.010)
<i>Distance</i>	-0.494*** (0.101)	-0.656*** (0.099)	-0.487*** (0.101)	-0.647*** (0.099)	0.283* (0.156)	-0.235* (0.136)	0.283* (0.157)	-0.237* (0.136)	0.209 (0.201)	-0.142 (0.163)	0.212 (0.201)	-0.142 (0.163)
<i>Current Account</i>	0.012 (0.010)	0.023** (0.009)	0.033*** (0.012)	0.062*** (0.013)	0.024* (0.013)	0.038*** (0.013)	0.017 (0.019)	0.051*** (0.018)	0.053*** (0.017)	0.051*** (0.014)	0.001 (0.017)	0.032* (0.019)
<i>GDP growth</i>	-0.012 (0.009)	-0.010 (0.009)	-0.012 (0.009)	-0.010 (0.009)	-0.012 (0.012)	-0.007 (0.012)	-0.012 (0.012)	-0.007 (0.012)	-0.021 (0.018)	-0.011 (0.017)	-0.021 (0.018)	-0.011 (0.017)
<i>Unemployment</i>	-0.037*** (0.011)	-0.019 (0.012)	-0.040*** (0.011)	-0.022* (0.012)	-0.026 (0.018)	0.004 (0.017)	-0.026 (0.018)	0.004 (0.017)	-0.003 (0.023)	-0.001 (0.022)	-0.003 (0.023)	-0.001 (0.022)
<i>Investment</i>	-0.020** (0.010)	-0.037*** (0.009)			0.007 (0.014)	-0.012 (0.012)			0.053*** (0.011)	0.019* (0.010)		
<i>Inflation</i>	-0.088*** (0.017)		-0.088*** (0.017)		0.014 (0.186)		0.013 (0.186)		0.528* (0.304)		0.534* (0.304)	
<i>REER</i>		3.584*** (0.463)		3.587*** (0.462)		3.668*** (0.701)		3.670*** (0.700)		3.819*** (0.762)		3.833*** (0.761)
<i>Savings</i>			-0.021** (0.010)	-0.039*** (0.009)			0.007 (0.014)	-0.013 (0.012)			0.052*** (0.011)	0.019* (0.010)
Obs.	2,046	1,802	2,054	1,810	522	489	522	489	315	298	315	298
R <sup>2</sup>	0.084	0.110	0.085	0.111	0.118	0.145	0.117	0.145	0.174	0.209	0.174	0.209

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.

**Table B9 – The impact of counterpart country world uncertainty and counterpart country world trade uncertainty indexes on home country's exports (Millions of USD), by counterpart group, 1995-2023, counterpart control variables. (PPML, standard errors clustered at country-pair)**

	TOP 20				TOP 5				TOP 3			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WUI cp	-0.018** (0.009)	-0.009 (0.010)	-0.018** (0.009)	-0.009 (0.010)	-0.059*** (0.017)	-0.041** (0.019)	-0.060*** (0.017)	-0.041** (0.019)	-0.064*** (0.024)	-0.031 (0.031)	-0.064*** (0.024)	-0.030 (0.031)
Distance	-1.075*** (0.084)	-1.140*** (0.086)	-1.074*** (0.084)	-1.140*** (0.086)	-0.155 (0.247)	-0.386* (0.198)	-0.133 (0.250)	-0.375* (0.197)	-0.358 (0.360)	-0.322 (0.242)	-0.341 (0.366)	-0.316 (0.242)
Current Account	0.038*** (0.009)	0.026** (0.011)	0.027** (0.011)	0.029** (0.015)	0.063*** (0.019)	0.077*** (0.026)	0.016 (0.021)	0.061* (0.032)	0.055** (0.026)	0.052 (0.036)	0.007 (0.028)	0.018 (0.048)
GDP growth	-0.006 (0.016)	0.007 (0.018)	-0.006 (0.016)	0.007 (0.017)	-0.021 (0.029)	-0.004 (0.032)	-0.021 (0.029)	-0.003 (0.032)	-0.024 (0.039)	-0.012 (0.046)	-0.023 (0.039)	-0.011 (0.046)
Unemployment	-0.013 (0.011)	0.070*** (0.021)	-0.013 (0.011)	0.070*** (0.021)	0.011 (0.015)	0.235*** (0.040)	0.010 (0.015)	0.236*** (0.040)	-0.002 (0.019)	0.295*** (0.062)	-0.002 (0.019)	0.297*** (0.063)
Investment	0.012 (0.010)	-0.003 (0.011)			0.048*** (0.014)	0.019 (0.019)			0.051*** (0.019)	0.034 (0.025)		
Inflation	0.022*** (0.006)		0.022*** (0.006)		-0.216** (0.108)		-0.234** (0.109)		-0.080 (0.136)		-0.096 (0.136)	
REER		1.769*** (0.510)		1.783*** (0.512)		4.380*** (1.363)		4.528*** (1.373)		3.732* (1.907)		3.652* (1.950)
Savings			0.011 (0.010)	-0.003 (0.011)			0.047*** (0.014)	0.016 (0.019)			0.049** (0.019)	0.035 (0.026)
Obs.	2,669	2,523	2,669	2,523	348	318	348	318	169	150	169	150
R <sup>2</sup>	0.079	0.098	0.079	0.098	0.168	0.195	0.167	0.195	0.294	0.321	0.294	0.321
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WTI cp	0.016** (0.007)	0.013* (0.007)	0.016** (0.007)	0.012* (0.007)	0.004 (0.007)	0.003 (0.007)	0.004 (0.007)	0.003 (0.007)	0.004 (0.007)	0.004 (0.007)	0.003 (0.007)	0.004 (0.007)
Distance	-0.610*** (0.097)	-0.764*** (0.095)	-0.608*** (0.097)	-0.762*** (0.094)	0.073 (0.132)	-0.169 (0.124)	0.075 (0.132)	-0.171 (0.124)	0.029 (0.172)	-0.006 (0.152)	0.034 (0.172)	-0.006 (0.153)
Current Account	-0.006 (0.009)	0.002 (0.009)	0.007 (0.010)	0.037*** (0.012)	0.015 (0.013)	0.023* (0.013)	-0.005 (0.017)	0.023 (0.017)	0.043*** (0.016)	0.031** (0.014)	-0.017 (0.016)	0.006 (0.017)
GDP growth	-0.008 (0.009)	-0.003 (0.009)	-0.007 (0.009)	-0.003 (0.009)	-0.002 (0.012)	0.002 (0.012)	-0.002 (0.012)	0.002 (0.012)	-0.013 (0.017)	-0.002 (0.017)	-0.013 (0.017)	-0.002 (0.017)
Unemployment	-0.060*** (0.013)	-0.035** (0.014)	-0.062*** (0.013)	-0.037*** (0.014)	-0.068*** (0.020)	-0.037* (0.020)	-0.068*** (0.020)	-0.037* (0.020)	-0.052** (0.025)	-0.050** (0.024)	-0.053** (0.025)	-0.050** (0.024)
Investment	-0.012 (0.008)	-0.034*** (0.008)			0.021* (0.011)	0.000 (0.011)			0.060*** (0.010)	0.025** (0.010)		
Inflation	-0.048*** (0.011)		-0.047*** (0.011)		0.239 (0.166)		0.240 (0.166)		0.927*** (0.263)		0.935*** (0.264)	
REER		3.025*** (0.436)		3.027*** (0.436)		2.974*** (0.677)		2.994*** (0.678)		3.166*** (0.778)		3.189*** (0.780)
Savings			-0.013* (0.008)	-0.035*** (0.008)			0.020* (0.011)	-0.000 (0.011)			0.060*** (0.010)	0.024** (0.010)
Obs.	2,669	2,523	2,669	2,523	585	558	585	558	351	335	351	335
R <sup>2</sup>	0.079	0.098	0.079	0.098	0.054	0.063	0.054	0.063	0.135	0.126	0.134	0.126

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.

**Table B10 – The impact of global geopolitical risk and global world uncertainty index on home country's imports-to-GDP ratio, by counterpart group, 1995-2023, counterpart control variables. (OLS, with distance)**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total GPR	1.802*** (0.248)	1.265*** (0.228)	1.810*** (0.248)	1.280*** (0.228)	3.742*** (0.714)	2.588*** (0.670)	3.758*** (0.714)	2.626*** (0.670)	4.542*** (1.004)	3.236*** (0.952)	4.564*** (1.004)	3.306*** (0.953)
<i>Distance</i>	-1.871*** (0.051)	-1.722*** (0.052)	-1.876*** (0.051)	-1.726*** (0.052)	-2.913*** (0.142)	-2.758*** (0.151)	-2.943*** (0.143)	-2.783*** (0.151)	-4.564*** (0.232)	-4.361*** (0.254)	-4.627*** (0.233)	-4.408*** (0.254)
<i>Current Account</i>	-0.022*** (0.003)	-0.022*** (0.003)	-0.036*** (0.005)	-0.022*** (0.006)	-0.036*** (0.009)	-0.038*** (0.009)	-0.074*** (0.016)	-0.039*** (0.016)	-0.079*** (0.014)	-0.083*** (0.014)	-0.098*** (0.021)	-0.063*** (0.023)
<i>GDP growth</i>	0.047*** (0.007)	0.042*** (0.008)	0.049*** (0.007)	0.044*** (0.008)	0.135*** (0.022)	0.120*** (0.023)	0.140*** (0.022)	0.126*** (0.023)	0.195*** (0.032)	0.179*** (0.032)	0.203*** (0.032)	0.187*** (0.033)
<i>Unemployment</i>	-0.018*** (0.004)	-0.031*** (0.004)	-0.020*** (0.004)	-0.033*** (0.004)	-0.032*** (0.013)	-0.074*** (0.013)	-0.037*** (0.013)	-0.079*** (0.013)	-0.052*** (0.018)	-0.109*** (0.018)	-0.059*** (0.018)	-0.115*** (0.018)
<i>Investment</i>	0.019*** (0.005)	0.004 (0.005)			0.050*** (0.015)	0.014 (0.016)			0.035* (0.021)	-0.005 (0.022)		
<i>Inflation</i>	-0.329*** (0.062)		-0.334*** (0.062)		-0.808*** (0.186)		-0.816*** (0.185)		-1.122*** (0.270)		-1.114*** (0.268)	
<i>REER</i>		-1.074*** (0.157)		-1.113*** (0.155)		-3.355*** (0.463)		-3.465*** (0.460)		-5.246*** (0.618)		-5.358*** (0.614)
<i>Savings</i>			0.013*** (0.005)	-0.001 (0.005)			0.034** (0.015)	-0.002 (0.016)			0.012 (0.021)	-0.026 (0.022)
Obs.	16,952	15,318	16,952	15,318	4,249	3,839	4,249	3,839	2,553	2,307	2,553	2,307
R <sup>2</sup>	0.121	0.110	0.120	0.110	0.136	0.132	0.135	0.132	0.194	0.196	0.193	0.196
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total WUI	1.321*** (0.182)	0.928*** (0.167)	1.327*** (0.181)	0.938*** (0.167)	2.743*** (0.523)	1.898*** (0.491)	2.755*** (0.524)	1.926*** (0.492)	3.330*** (0.736)	2.373*** (0.698)	3.346*** (0.736)	2.424*** (0.699)
<i>Distance</i>	-1.871*** (0.051)	-1.722*** (0.052)	-1.876*** (0.051)	-1.726*** (0.052)	-2.913*** (0.142)	-2.758*** (0.151)	-2.943*** (0.143)	-2.783*** (0.151)	-4.564*** (0.232)	-4.361*** (0.254)	-4.627*** (0.233)	-4.408*** (0.254)
<i>Current Account</i>	-0.022*** (0.003)	-0.022*** (0.003)	-0.036*** (0.005)	-0.022*** (0.006)	-0.036*** (0.009)	-0.038*** (0.009)	-0.074*** (0.016)	-0.039*** (0.016)	-0.079*** (0.014)	-0.083*** (0.014)	-0.098*** (0.021)	-0.063*** (0.023)
<i>GDP growth</i>	0.047*** (0.007)	0.042*** (0.008)	0.049*** (0.007)	0.044*** (0.008)	0.135*** (0.022)	0.120*** (0.023)	0.140*** (0.022)	0.126*** (0.023)	0.195*** (0.032)	0.179*** (0.032)	0.203*** (0.032)	0.187*** (0.033)
<i>Unemployment</i>	-0.018*** (0.004)	-0.031*** (0.004)	-0.020*** (0.004)	-0.033*** (0.004)	-0.032*** (0.013)	-0.074*** (0.013)	-0.037*** (0.013)	-0.079*** (0.013)	-0.052*** (0.018)	-0.109*** (0.018)	-0.059*** (0.018)	-0.115*** (0.018)
<i>Investment</i>	0.019*** (0.005)	0.004 (0.005)			0.050*** (0.015)	0.014 (0.016)			0.035* (0.021)	-0.005 (0.022)		
<i>Inflation</i>	-0.329*** (0.062)		-0.334*** (0.062)		-0.808*** (0.186)		-0.816*** (0.185)		-1.122*** (0.270)		-1.114*** (0.268)	
<i>REER</i>		-1.074*** (0.157)		-1.113*** (0.155)		-3.355*** (0.463)		-3.465*** (0.460)		-5.246*** (0.618)		-5.358*** (0.614)
<i>Savings</i>			0.013*** (0.005)	-0.001 (0.005)			0.034** (0.015)	-0.002 (0.016)			0.012 (0.021)	-0.026 (0.022)
Obs.	16,952	15,318	16,952	15,318	4,249	3,839	4,249	3,839	2,553	2,307	2,553	2,307
R <sup>2</sup>	0.121	0.110	0.120	0.110	0.136	0.132	0.135	0.132	0.194	0.196	0.193	0.196

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.

**Table B11– The impact of home country world uncertainty and home country world trade uncertainty indexes on home country’s imports-to-GDP ratio, by counterpart group, 1995-2023, counterpart control variables. (OLS, with distance)**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WUI Home	-0.043*** (0.016)	-0.035** (0.016)	-0.044*** (0.016)	-0.034** (0.016)	-0.122*** (0.045)	-0.107** (0.043)	-0.123*** (0.046)	-0.105** (0.044)	-0.050 (0.065)	-0.045 (0.063)	-0.049 (0.066)	-0.043 (0.064)
<i>Distance</i>	-1.793*** (0.155)	-1.759*** (0.153)	-1.794*** (0.155)	-1.757*** (0.153)	-2.949*** (0.382)	-2.770*** (0.373)	-2.952*** (0.382)	-2.760*** (0.374)	-6.375*** (0.670)	-6.035*** (0.692)	-6.364*** (0.668)	-6.017*** (0.691)
<i>Current Account</i>	-0.007 (0.015)	-0.012 (0.015)	-0.023 (0.025)	0.022 (0.024)	-0.005 (0.044)	-0.013 (0.043)	0.001 (0.073)	0.100 (0.068)	-0.094 (0.065)	-0.096 (0.063)	0.028 (0.101)	0.113 (0.093)
<i>GDP growth</i>	0.011 (0.029)	0.005 (0.029)	0.009 (0.029)	0.008 (0.029)	0.021 (0.082)	-0.006 (0.081)	0.020 (0.084)	0.005 (0.081)	-0.002 (0.111)	-0.031 (0.110)	0.007 (0.112)	-0.014 (0.112)
<i>Unemployment</i>	0.098*** (0.030)	0.128*** (0.032)	0.099*** (0.031)	0.125*** (0.032)	0.186** (0.090)	0.276*** (0.095)	0.190** (0.092)	0.269*** (0.094)	0.184 (0.124)	0.272** (0.131)	0.189 (0.126)	0.270** (0.130)
<i>Investment</i>	0.015 (0.028)	-0.029 (0.027)			-0.011 (0.087)	-0.108 (0.083)			-0.132 (0.125)	-0.213* (0.118)		
<i>Inflation</i>	-0.132 (0.165)		-0.149 (0.182)		0.094 (0.498)	-0.107** (0.551)	0.072 (0.551)		0.200 (0.711)		0.227 (0.787)	
<i>REER</i>		2.168*** (0.717)		2.295*** (0.753)		6.481*** (2.040)		6.769*** (2.143)		6.361** (2.891)		6.676** (3.036)
<i>Savings</i>			0.017 (0.029)	-0.036 (0.027)			-0.004 (0.089)	-0.116 (0.080)			-0.119 (0.126)	-0.210* (0.112)
Obs.	2,167	2,167	2,167	2,167	545	545	545	545	327	327	327	327
R <sup>2</sup>	0.098	0.101	0.098	0.102	0.131	0.145	0.131	0.145	0.225	0.236	0.225	0.236
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WTI Home	-0.020 (0.015)	-0.031** (0.016)	-0.020 (0.015)	-0.030* (0.016)	-0.048 (0.045)	-0.079* (0.047)	-0.048 (0.045)	-0.077 (0.048)	-0.045 (0.066)	-0.088 (0.072)	-0.046 (0.066)	-0.086 (0.072)
<i>Distance</i>	-1.874*** (0.125)	-1.793*** (0.140)	-1.876*** (0.125)	-1.793*** (0.140)	-2.138*** (0.366)	-2.125*** (0.385)	-2.139*** (0.366)	-2.127*** (0.386)	-3.419*** (0.609)	-3.445*** (0.628)	-3.417*** (0.609)	-3.453*** (0.629)
<i>Current Account</i>	-0.013 (0.012)	-0.013 (0.012)	0.018 (0.013)	-0.013 (0.013)	-0.007 (0.038)	-0.014 (0.036)	0.034 (0.036)	-0.040 (0.039)	-0.047 (0.057)	-0.062 (0.055)	0.013 (0.049)	-0.070 (0.055)
<i>GDP growth</i>	0.020 (0.020)	-0.008 (0.020)	0.021 (0.020)	-0.007 (0.020)	0.027 (0.058)	-0.042 (0.061)	0.028 (0.059)	-0.039 (0.062)	0.022 (0.084)	-0.061 (0.090)	0.023 (0.085)	-0.058 (0.090)
<i>Unemployment</i>	-0.063*** (0.014)	-0.040*** (0.015)	-0.062*** (0.014)	-0.041*** (0.015)	-0.161*** (0.044)	-0.112** (0.044)	-0.161*** (0.044)	-0.115*** (0.044)	-0.229*** (0.061)	-0.190*** (0.062)	-0.228*** (0.062)	-0.192*** (0.063)
<i>Investment</i>	-0.031*** (0.012)	0.001 (0.012)			-0.041 (0.037)	0.029 (0.039)			-0.060 (0.052)	0.010 (0.056)		
<i>Inflation</i>	-0.783 (0.582)		-0.809 (0.585)		-0.426 (1.816)		-0.459 (1.826)		0.300 (2.595)		0.255 (2.610)	
<i>REER</i>		1.475* (0.822)		1.440* (0.813)		2.831 (2.565)		2.694 (2.537)		1.245 (3.420)		1.163 (3.398)
<i>Savings</i>			-0.032*** (0.012)	-0.001 (0.012)			-0.042 (0.038)	0.024 (0.039)			-0.061 (0.052)	0.006 (0.056)
Obs.	2,099	1,799	2,099	1,799	525	450	525	450	315	270	315	270
R <sup>2</sup>	0.123	0.124	0.123	0.124	0.105	0.107	0.105	0.107	0.164	0.161	0.164	0.161

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.



**Table B12– The impact of home country world uncertainty and home country world trade uncertainty indexes on home country’s imports-to-GDP ratio, by counterpart group, 1995-2023, counterpart control variables. (OLS, with distance)**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WUI cp	0.007* (0.004)	0.006 (0.004)	0.007* (0.004)	0.006 (0.004)	0.037** (0.015)	0.026* (0.015)	0.038*** (0.015)	0.027* (0.015)	0.041* (0.022)	0.025 (0.023)	0.043* (0.022)	0.026 (0.023)
<i>Distance</i>	-1.942*** (0.052)	-1.786*** (0.054)	-1.946*** (0.053)	-1.790*** (0.054)	-2.963*** (0.144)	-2.798*** (0.153)	-2.993*** (0.145)	-2.823*** (0.153)	-4.606*** (0.233)	-4.380*** (0.255)	-4.671*** (0.234)	-4.429*** (0.255)
<i>Current Account</i>	-0.022*** (0.003)	-0.023*** (0.003)	-0.036*** (0.005)	-0.022*** (0.006)	-0.038*** (0.009)	-0.040*** (0.009)	-0.077*** (0.016)	-0.043** (0.017)	-0.080*** (0.014)	-0.084*** (0.014)	-0.096*** (0.022)	-0.062*** (0.023)
<i>GDP growth</i>	0.049*** (0.008)	0.043*** (0.008)	0.050*** (0.008)	0.045*** (0.008)	0.136*** (0.023)	0.122*** (0.023)	0.141*** (0.023)	0.128*** (0.023)	0.194*** (0.032)	0.179*** (0.033)	0.202*** (0.032)	0.186*** (0.033)
<i>Unemployment</i>	-0.019*** (0.004)	-0.031*** (0.004)	-0.020*** (0.004)	-0.033*** (0.004)	-0.031** (0.013)	-0.073*** (0.013)	-0.037*** (0.013)	-0.079*** (0.013)	-0.054*** (0.018)	-0.111*** (0.018)	-0.061*** (0.018)	-0.117*** (0.018)
<i>Investment</i>	0.018*** (0.005)	0.004 (0.005)			0.052*** (0.015)	0.016 (0.016)			0.033 (0.021)	-0.007 (0.022)		
<i>Inflation</i>	-0.328*** (0.064)		-0.333*** (0.064)		-0.806*** (0.186)		-0.813*** (0.185)		-1.108*** (0.269)		-1.099*** (0.268)	
<i>REER</i>		-1.032*** (0.159)		-1.072*** (0.157)		-3.320*** (0.465)		-3.434*** (0.462)		-5.224*** (0.620)		-5.333*** (0.616)
<i>Savings</i>			0.012** (0.005)	-0.002 (0.005)			0.034** (0.015)	-0.001 (0.016)			0.010 (0.021)	-0.027 (0.022)
Obs.	16,659	15,073	16,659	15,073	4,211	3,801	4,211	3,801	2,544	2,298	2,544	2,298
R <sup>2</sup>	0.125	0.114	0.125	0.114	0.139	0.134	0.138	0.134	0.195	0.196	0.194	0.197
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WTI cp	0.059*** (0.010)	0.059*** (0.010)	0.059*** (0.010)	0.059*** (0.010)	0.083*** (0.029)	0.092*** (0.031)	0.084*** (0.029)	0.092*** (0.031)	0.046 (0.046)	0.059 (0.050)	0.048 (0.046)	0.060 (0.050)
<i>Distance</i>	-2.167*** (0.145)	-1.985*** (0.152)	-2.168*** (0.145)	-1.986*** (0.152)	-3.054*** (0.358)	-3.041*** (0.398)	-3.063*** (0.359)	-3.047*** (0.399)	-3.732*** (0.530)	-3.646*** (0.559)	-3.755*** (0.531)	-3.664*** (0.562)
<i>Current Account</i>	-0.028*** (0.009)	-0.029*** (0.009)	-0.018 (0.011)	-0.027** (0.012)	-0.045* (0.025)	-0.051** (0.025)	-0.024 (0.030)	-0.056 (0.034)	-0.096** (0.038)	-0.094** (0.039)	-0.061 (0.042)	-0.096** (0.048)
<i>GDP growth</i>	0.040** (0.019)	0.017 (0.017)	0.040** (0.019)	0.018 (0.017)	0.035 (0.050)	-0.006 (0.048)	0.037 (0.050)	-0.004 (0.048)	0.050 (0.072)	-0.013 (0.068)	0.054 (0.072)	-0.010 (0.068)
<i>Unemployment</i>	-0.039*** (0.011)	-0.035*** (0.011)	-0.039*** (0.011)	-0.036*** (0.011)	-0.163*** (0.035)	-0.140*** (0.035)	-0.166*** (0.035)	-0.143*** (0.035)	-0.280*** (0.061)	-0.252*** (0.063)	-0.285*** (0.061)	-0.258*** (0.062)
<i>Investment</i>	-0.010 (0.009)	-0.001 (0.010)			-0.018 (0.027)	0.008 (0.030)			-0.029 (0.037)	0.008 (0.041)		
<i>Inflation</i>	-0.412* (0.214)		-0.411* (0.213)		-0.329 (0.908)		-0.338 (0.909)		0.112 (1.379)		0.116 (1.382)	
<i>REER</i>		0.125 (0.453)		0.114 (0.454)		1.247 (1.362)		1.178 (1.345)		1.026 (1.969)		0.913 (1.930)
<i>Savings</i>			-0.009 (0.009)	-0.002 (0.010)			-0.024 (0.027)	0.003 (0.029)			-0.039 (0.037)	-0.001 (0.040)
Obs.	2,384	2,146	2,384	2,146	4,211	3,801	4,211	3,801	356	324	356	324
R <sup>2</sup>	0.169	0.152	0.169	0.152	0.139	0.134	0.138	0.134	0.198	0.194	0.199	0.194

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.

**Table B13 – The impact of global geopolitical risk and global world uncertainty index on home country's imports-to-GDP ratio, by counterpart group, 1995-2023, counterpart control variables. (OLS – Country Fixed Effects)**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total GPR	2.058*** (0.229)	1.448*** (0.209)	2.065*** (0.229)	1.445*** (0.210)	4.087*** (0.722)	3.178*** (0.679)	4.110*** (0.723)	3.180*** (0.680)	5.027*** (1.060)	3.844*** (0.992)	5.056*** (1.062)	3.839*** (0.994)
Current Account	-0.009*** (0.003)	-0.010*** (0.003)	-0.038*** (0.004)	-0.025*** (0.005)	0.010 (0.010)	0.001 (0.011)	-0.057*** (0.014)	-0.041*** (0.015)	0.024 (0.016)	0.012 (0.016)	-0.072*** (0.021)	-0.050*** (0.022)
GDP growth	0.037*** (0.006)	0.029*** (0.006)	0.037*** (0.006)	0.030*** (0.006)	0.106*** (0.020)	0.087*** (0.021)	0.109*** (0.020)	0.092*** (0.021)	0.164*** (0.029)	0.130*** (0.031)	0.169*** (0.030)	0.136*** (0.031)
Unemployment	-0.005 (0.004)	-0.020*** (0.005)	-0.007 (0.004)	-0.022*** (0.004)	-0.053*** (0.014)	-0.077*** (0.015)	-0.058*** (0.014)	-0.082*** (0.015)	-0.080*** (0.021)	-0.120*** (0.022)	-0.087*** (0.021)	-0.128*** (0.022)
Investment	0.033*** (0.004)	0.019*** (0.005)			0.080*** (0.014)	0.055*** (0.015)			0.112*** (0.021)	0.079*** (0.023)		
Inflation	-0.368*** (0.060)		-0.381*** (0.060)		-0.771*** (0.191)		-0.794*** (0.191)		-1.026*** (0.276)		-1.060*** (0.278)	
REER		-1.244*** (0.138)		-1.289*** (0.137)		-3.376*** (0.460)		-3.526*** (0.458)		-5.741*** (0.676)		-5.923*** (0.672)
Savings			0.028*** (0.004)	0.014*** (0.005)			0.064*** (0.014)	0.039** (0.015)			0.091*** (0.021)	0.058*** (0.022)
Observations	17,021	15,380	17,021	15,380	4,255	3,844	4,255	3,844	2,551	2,305	2,551	2,305
R <sup>2</sup>	0.329	0.341	0.329	0.341	0.262	0.259	0.260	0.258	0.262	0.284	0.259	0.282
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total WUI	0.718*** (0.067)	1.062*** (0.154)	1.514*** (0.168)	1.060*** (0.154)	1.210*** (0.216)	2.330*** (0.498)	3.013*** (0.530)	2.332*** (0.499)	1.423*** (0.314)	2.818*** (0.727)	3.706*** (0.778)	2.815*** (0.729)
Current Account	-0.012*** (0.003)	-0.010*** (0.003)	-0.038*** (0.004)	-0.025*** (0.005)	0.005 (0.010)	0.001 (0.011)	-0.057*** (0.014)	-0.041*** (0.015)	0.013 (0.015)	0.012 (0.016)	-0.072*** (0.021)	-0.050*** (0.022)
GDP growth	0.023*** (0.005)	0.029*** (0.006)	0.037*** (0.006)	0.030*** (0.006)	0.063*** (0.015)	0.087*** (0.021)	0.109*** (0.020)	0.092*** (0.021)	0.092*** (0.022)	0.130*** (0.031)	0.169*** (0.030)	0.136*** (0.031)
Unemployment	-0.005 (0.004)	-0.020*** (0.005)	-0.007 (0.004)	-0.022*** (0.004)	-0.048*** (0.014)	-0.077*** (0.015)	-0.058*** (0.014)	-0.082*** (0.015)	-0.070*** (0.020)	-0.120*** (0.022)	-0.087*** (0.021)	-0.128*** (0.022)
Investment	0.033*** (0.004)	0.019*** (0.005)			0.081*** (0.014)	0.055*** (0.015)			0.115*** (0.021)	0.079*** (0.023)		
Inflation	-0.146*** (0.055)		-0.381*** (0.060)		-0.280 (0.173)		-0.794*** (0.191)		-0.374 (0.252)		-1.060*** (0.278)	
REER		-1.244*** (0.138)		-1.289*** (0.137)		-3.376*** (0.460)		-3.526*** (0.458)		-5.741*** (0.676)		-5.923*** (0.672)
Savings			0.028*** (0.004)	0.014*** (0.005)			0.064*** (0.014)	0.039** (0.015)			0.091*** (0.021)	0.058*** (0.022)
Obs.	17,021	15,380	17,021	15,380	4,255	3,844	4,255	3,844	2,551	2,305	2,551	2,305
R <sup>2</sup>	0.325	0.341	0.329	0.341	0.251	0.259	0.260	0.258	0.243	0.284	0.259	0.282

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.

**Table B14 – The impact of home country world uncertainty and home country world trade uncertainty indexes on home country's imports-to-GDP ratio, by counterpart group, 1995-2023, counterpart control variables. (OLS – Country Fixed Effects)**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>WUI Home</b>	-0.055*** (0.014)	-0.051*** (0.013)	-0.054*** (0.014)	-0.049*** (0.013)	-0.139*** (0.042)	-0.131*** (0.041)	-0.137*** (0.043)	-0.127*** (0.041)	-0.112** (0.052)	-0.118** (0.050)	-0.110** (0.053)	-0.117** (0.051)
<i>Current Account</i>	-0.031** (0.012)	-0.034*** (0.012)	-0.001 (0.019)	0.039** (0.018)	-0.069* (0.039)	-0.070* (0.038)	0.011 (0.062)	0.107* (0.055)	-0.101** (0.046)	-0.094** (0.044)	0.063 (0.073)	0.094 (0.066)
<i>GDP growth</i>	0.000 (0.023)	-0.016 (0.023)	0.003 (0.024)	-0.009 (0.023)	-0.011 (0.073)	-0.050 (0.071)	-0.003 (0.075)	-0.034 (0.072)	-0.105 (0.087)	-0.144* (0.086)	-0.092 (0.089)	-0.129 (0.087)
<i>Unemployment</i>	0.060*** (0.022)	0.106*** (0.023)	0.059*** (0.022)	0.102*** (0.023)	0.109 (0.070)	0.213*** (0.072)	0.107 (0.072)	0.206*** (0.072)	-0.074 (0.084)	0.016 (0.087)	-0.066 (0.086)	0.023 (0.088)
<i>Investment</i>	-0.029 (0.022)	-0.070*** (0.020)			-0.081 (0.071)	-0.174*** (0.063)			-0.179** (0.083)	-0.203*** (0.075)		
<i>Inflation</i>	0.153 (0.144)		0.175 (0.155)		0.495 (0.458)		0.540 (0.491)		0.902* (0.526)		0.933 (0.567)	
<i>REER</i>		3.348*** (0.540)		3.528*** (0.555)		8.389*** (1.701)		8.732*** (1.742)		6.512*** (1.994)		6.597*** (2.056)
<i>Savings</i>			-0.030 (0.023)	-0.075*** (0.020)			-0.081 (0.074)	-0.181*** (0.063)			-0.160* (0.087)	-0.184** (0.076)
Observations	2,174	2,174	2,174	2,174	544	544	544	544	325	325	325	325
R <sup>2</sup>	0.588	0.595	0.588	0.595	0.539	0.559	0.539	0.560	0.682	0.691	0.681	0.689
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>WTI Home</b>	-0.016* (0.009)	-0.040*** (0.015)	-0.028* (0.015)	-0.039*** (0.015)	-0.030 (0.027)	-0.089* (0.048)	-0.051 (0.046)	-0.087* (0.048)	-0.052 (0.040)	-0.126* (0.071)	-0.049 (0.067)	-0.122* (0.071)
<i>Current Account</i>	-0.022** (0.010)	-0.012 (0.011)	0.023** (0.012)	-0.012 (0.013)	0.008 (0.032)	0.020 (0.038)	0.063* (0.036)	-0.020 (0.041)	0.025 (0.048)	0.046 (0.056)	0.032 (0.054)	-0.084 (0.060)
<i>GDP growth</i>	0.026** (0.010)	-0.024 (0.020)	0.009 (0.020)	-0.023 (0.020)	0.056* (0.032)	-0.089 (0.066)	-0.001 (0.062)	-0.087 (0.066)	0.064 (0.047)	-0.109 (0.098)	-0.009 (0.094)	-0.108 (0.099)
<i>Unemployment</i>	-0.086*** (0.017)	-0.069*** (0.018)	-0.094*** (0.018)	-0.070*** (0.018)	-0.193*** (0.050)	-0.157*** (0.056)	-0.215*** (0.055)	-0.161*** (0.056)	-0.233*** (0.073)	-0.193** (0.085)	-0.256*** (0.082)	-0.200** (0.085)
<i>Investment</i>	-0.034*** (0.010)	0.002 (0.013)			-0.034 (0.033)	0.043 (0.040)			0.037 (0.050)	0.134** (0.060)		
<i>Inflation</i>	-0.596** (0.253)		-0.821* (0.453)		-1.322* (0.799)		-1.559 (1.429)		-1.055 (1.147)		0.805 (2.075)	
<i>REER</i>		1.654** (0.656)		1.625** (0.647)		1.618 (2.162)		1.460 (2.138)		3.532 (3.129)		3.209 (3.101)
<i>Savings</i>			-0.033*** (0.012)	-0.000 (0.012)			-0.029 (0.037)	0.038 (0.040)			0.042 (0.056)	0.128** (0.060)
Obs.	2,091	1,791	2,091	1,791	522	447	522	447	313	268	313	268
R <sup>2</sup>	0.380	0.397	0.389	0.397	0.309	0.342	0.330	0.342	0.313	0.395	0.347	0.393

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.

**Table B15 – The impact of counterpart country world uncertainty and counterpart country world trade uncertainty indexes on home country's imports-to-GDP ratio, by counterpart group, 1995-2023, counterpart control variables. (OLS – Country Fixed Effects)**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WUI cp	-0.003 (0.005)	-0.005 (0.005)	-0.003 (0.005)	-0.005 (0.005)	0.015 (0.016)	0.003 (0.017)	0.016 (0.016)	0.004 (0.017)	0.002 (0.025)	-0.017 (0.026)	0.004 (0.025)	-0.016 (0.026)
<i>Current Account</i>	-0.009*** (0.003)	-0.010*** (0.003)	-0.039*** (0.004)	-0.025*** (0.005)	0.010 (0.011)	0.000 (0.011)	-0.058*** (0.015)	-0.043*** (0.015)	0.023 (0.016)	0.010 (0.016)	-0.074*** (0.022)	-0.053** (0.023)
<i>GDP growth</i>	0.037*** (0.006)	0.030*** (0.007)	0.038*** (0.006)	0.031*** (0.007)	0.106*** (0.020)	0.089*** (0.021)	0.110*** (0.020)	0.093*** (0.021)	0.164*** (0.029)	0.130*** (0.031)	0.169*** (0.030)	0.135*** (0.031)
<i>Unemployment</i>	-0.006 (0.004)	-0.020*** (0.005)	-0.008* (0.004)	-0.022*** (0.005)	-0.053*** (0.014)	-0.077*** (0.015)	-0.059*** (0.014)	-0.083*** (0.015)	-0.081*** (0.021)	-0.120*** (0.022)	-0.088*** (0.021)	-0.128*** (0.022)
<i>Investment</i>	0.033*** (0.005)	0.019*** (0.005)			0.081*** (0.015)	0.057*** (0.016)			0.113*** (0.021)	0.081*** (0.023)		
<i>Inflation</i>	-0.365*** (0.061)		-0.379*** (0.061)		-0.770*** (0.192)		-0.793*** (0.192)		-1.024*** (0.277)		-1.058*** (0.278)	
<i>REER</i>		-1.241*** (0.139)		-1.288*** (0.138)		-3.403*** (0.464)		-3.555*** (0.461)		-5.764*** (0.678)		-5.947*** (0.675)
<i>Savings</i>			0.029*** (0.004)	0.014*** (0.005)			0.065*** (0.014)	0.040*** (0.015)			0.092*** (0.021)	0.060*** (0.022)
Observations	16,739	15,146	16,739	15,146	4,218	3,807	4,218	3,807	2,543	2,297	2,543	2,297
R <sup>2</sup>	0.329	0.341	0.329	0.341	0.262	0.259	0.260	0.258	0.262	0.284	0.259	0.283
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WTI cp	-0.002 (0.007)	-0.004 (0.013)	-0.008 (0.013)	-0.004 (0.013)	-0.013 (0.019)	-0.008 (0.045)	-0.020 (0.043)	-0.008 (0.045)	-0.024 (0.028)	-0.035 (0.076)	-0.046 (0.074)	-0.036 (0.076)
<i>Current Account</i>	-0.018* (0.009)	-0.019** (0.009)	-0.021** (0.010)	-0.028*** (0.011)	-0.008 (0.028)	-0.017 (0.030)	-0.029 (0.031)	-0.065* (0.033)	-0.028 (0.042)	-0.033 (0.044)	-0.091* (0.047)	-0.132*** (0.049)
<i>GDP growth</i>	0.018* (0.010)	0.000 (0.017)	0.028* (0.017)	0.000 (0.017)	0.023 (0.027)	-0.054 (0.054)	-0.010 (0.052)	-0.054 (0.054)	0.034 (0.039)	-0.002 (0.081)	0.054 (0.079)	-0.004 (0.082)
<i>Unemployment</i>	-0.049*** (0.014)	-0.046*** (0.014)	-0.046*** (0.014)	-0.046*** (0.014)	-0.162*** (0.044)	-0.157*** (0.047)	-0.182*** (0.046)	-0.159*** (0.047)	-0.224*** (0.068)	-0.238*** (0.078)	-0.264*** (0.074)	-0.244*** (0.077)
<i>Investment</i>	0.002 (0.010)	0.008 (0.010)			0.016 (0.029)	0.050 (0.032)			0.067 (0.043)	0.102** (0.047)		
<i>Inflation</i>	-0.101 (0.194)		-0.713*** (0.239)		-0.405 (0.645)		-0.981 (0.927)		-0.841 (1.048)		-0.789 (1.359)	
<i>REER</i>		-0.410 (0.455)		-0.401 (0.455)		0.877 (1.556)		0.782 (1.545)		0.958 (2.331)		0.741 (2.311)
<i>Savings</i>			0.002 (0.010)	0.009 (0.010)			0.012 (0.030)	0.048 (0.032)			0.055 (0.045)	0.098** (0.047)
Obs.	2,375	2,135	2,375	2,135	603	540	603	540	351	319	351	319
R <sup>2</sup>	0.305	0.326	0.317	0.326	0.255	0.279	0.273	0.279	0.275	0.321	0.295	0.320

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.

**Table B16 – The impact of global geopolitical risk and global world uncertainty index on home country's imports (Millions of USD), by counterpart group, 1995-2023, counterpart control variables. (PPML, standard errors clustered at country-pair)**

	TOP 20				TOP 5				TOP 3			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total GPR	0.061 (0.053)	0.044 (0.054)	0.059 (0.053)	0.043 (0.054)	0.025 (0.074)	0.010 (0.074)	0.023 (0.074)	0.010 (0.074)	0.021 (0.087)	0.016 (0.087)	0.020 (0.087)	0.016 (0.087)
<i>Distance</i>	-0.833*** (0.032)	-0.934*** (0.032)	-0.833*** (0.032)	-0.935*** (0.032)	-0.235*** (0.047)	-0.380*** (0.046)	-0.234*** (0.047)	-0.380*** (0.046)	-0.189*** (0.065)	-0.359*** (0.064)	-0.187*** (0.065)	-0.358*** (0.064)
<i>Current Account</i>	0.028*** (0.003)	0.032*** (0.002)	0.077*** (0.004)	0.066*** (0.004)	0.029*** (0.004)	0.032*** (0.003)	0.061*** (0.005)	0.050*** (0.006)	0.028*** (0.005)	0.029*** (0.004)	0.055*** (0.006)	0.042*** (0.007)
<i>GDP growth</i>	-0.032*** (0.003)	-0.028*** (0.004)	-0.032*** (0.003)	-0.028*** (0.004)	-0.033*** (0.005)	-0.029*** (0.005)	-0.033*** (0.005)	-0.029*** (0.005)	-0.033*** (0.006)	-0.029*** (0.006)	-0.033*** (0.006)	-0.029*** (0.006)
<i>Unemployment</i>	-0.044*** (0.004)	-0.023*** (0.004)	-0.043*** (0.004)	-0.022*** (0.004)	-0.035*** (0.005)	-0.016*** (0.005)	-0.035*** (0.005)	-0.015*** (0.005)	-0.034*** (0.006)	-0.015*** (0.006)	-0.034*** (0.006)	-0.015*** (0.006)
<i>Investment</i>	-0.051*** (0.004)	-0.036*** (0.004)			-0.034*** (0.006)	-0.018*** (0.006)			-0.028*** (0.007)	-0.013*** (0.007)		
<i>Inflation</i>	0.350*** (0.049)		0.367*** (0.049)		0.396*** (0.078)		0.408*** (0.078)		0.457*** (0.098)		0.467*** (0.098)	
<i>REER</i>		2.180*** (0.115)		2.201*** (0.114)		1.997*** (0.175)		2.009*** (0.174)		1.963*** (0.215)		1.973*** (0.214)
<i>Savings</i>			-0.049*** (0.004)	-0.035*** (0.004)			-0.032*** (0.005)	-0.017*** (0.006)			-0.027*** (0.007)	-0.013*** (0.007)
Obs.	16,952	15,318	16,952	15,318	4,249	3,839	4,249	3,839	2,553	2,307	2,553	2,307
R <sup>2</sup>	0.079	0.095	0.078	0.095	0.085	0.100	0.084	0.100	0.092	0.109	0.092	0.109
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Total WUI	-0.868*** (0.122)	-0.697*** (0.120)	-0.861*** (0.122)	-0.691*** (0.120)	-0.825*** (0.171)	-0.662*** (0.168)	-0.821*** (0.171)	-0.659*** (0.168)	-0.815*** (0.204)	-0.655*** (0.200)	-0.811*** (0.204)	-0.652*** (0.200)
<i>Distance</i>	-0.833*** (0.032)	-0.932*** (0.032)	-0.833*** (0.032)	-0.932*** (0.032)	-0.236*** (0.047)	-0.376*** (0.046)	-0.235*** (0.047)	-0.376*** (0.046)	-0.190*** (0.066)	-0.355*** (0.064)	-0.188*** (0.066)	-0.354*** (0.064)
<i>Current Account</i>	0.029*** (0.003)	0.033*** (0.002)	0.081*** (0.004)	0.071*** (0.004)	0.031*** (0.004)	0.033*** (0.003)	0.066*** (0.006)	0.054*** (0.006)	0.030*** (0.005)	0.030*** (0.004)	0.059*** (0.007)	0.046*** (0.007)
<i>GDP growth</i>	-0.032*** (0.003)	-0.029*** (0.003)	-0.031*** (0.003)	-0.029*** (0.003)	-0.032*** (0.005)	-0.030*** (0.005)	-0.032*** (0.005)	-0.030*** (0.005)	-0.033*** (0.006)	-0.030*** (0.006)	-0.033*** (0.006)	-0.030*** (0.006)
<i>Unemployment</i>	-0.042*** (0.004)	-0.022*** (0.004)	-0.041*** (0.004)	-0.021*** (0.004)	-0.033*** (0.005)	-0.015*** (0.005)	-0.032*** (0.005)	-0.014*** (0.005)	-0.032*** (0.006)	-0.014*** (0.006)	-0.031*** (0.006)	-0.014*** (0.006)
<i>Investment</i>	-0.054*** (0.004)	-0.040*** (0.004)			-0.037*** (0.006)	-0.021*** (0.006)			-0.031*** (0.007)	-0.017*** (0.007)		
<i>Inflation</i>	0.346*** (0.048)		0.364*** (0.048)		0.386*** (0.076)		0.400*** (0.077)		0.445*** (0.096)		0.457*** (0.096)	
<i>REER</i>		2.077*** (0.112)		2.102*** (0.112)		1.902*** (0.173)		1.917*** (0.172)		1.864*** (0.212)		1.876*** (0.211)
<i>Savings</i>			-0.052*** (0.004)	-0.038*** (0.004)			-0.035*** (0.005)	-0.020*** (0.006)			-0.029*** (0.007)	-0.016*** (0.007)
Obs.	16,952	15,318	16,952	15,318	4,249	4,249	4,249	3,839	2,553	2,307	2,553	2,307
R <sup>2</sup>	0.079	0.095	0.078	0.095	0.088	0.088	0.087	0.105	0.097	0.115	0.096	0.114

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.

**Table B17– The impact of home country world uncertainty and home country world trade uncertainty indexes on home country’s imports (Millions of USD), by counterpart group, 1995-2023, counterpart control variables. (PPML, standard errors clustered at country-pair)**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WUI Home	-0.026*** (0.008)	-0.027*** (0.007)	-0.027*** (0.008)	-0.027*** (0.007)	-0.027*** (0.009)	-0.030*** (0.009)	-0.027*** (0.009)	-0.029*** (0.009)	-0.009 (0.010)	-0.015 (0.010)	-0.009 (0.010)	-0.015 (0.010)
<i>Distance</i>	-0.992*** (0.085)	-0.957*** (0.083)	-0.996*** (0.085)	-0.955*** (0.083)	-0.930*** (0.123)	-0.866*** (0.119)	-0.934*** (0.123)	-0.872*** (0.120)	-1.648*** (0.139)	-1.578*** (0.135)	-1.652*** (0.138)	-1.589*** (0.135)
<i>Current Account</i>	0.061*** (0.007)	0.068*** (0.007)	-0.033*** (0.011)	-0.020 (0.012)	0.056*** (0.010)	0.064*** (0.010)	-0.022 (0.016)	-0.013 (0.017)	0.040*** (0.011)	0.050*** (0.012)	-0.012 (0.018)	-0.012 (0.019)
<i>GDP growth</i>	-0.016 (0.012)	-0.012 (0.013)	-0.018 (0.012)	-0.011 (0.013)	-0.015 (0.015)	-0.012 (0.016)	-0.016 (0.015)	-0.011 (0.016)	-0.005 (0.016)	-0.003 (0.016)	-0.006 (0.016)	-0.002 (0.016)
<i>Unemployment</i>	0.044*** (0.015)	0.096*** (0.018)	0.045*** (0.014)	0.090*** (0.018)	0.025 (0.021)	0.075*** (0.025)	0.025 (0.020)	0.071*** (0.025)	0.001 (0.024)	0.045 (0.029)	0.004 (0.024)	0.046 (0.029)
<i>Investment</i>	0.096*** (0.014)	0.096*** (0.015)			0.080*** (0.020)	0.084*** (0.022)			0.052** (0.024)	0.065*** (0.025)		
<i>Inflation</i>	-0.131 (0.081)		-0.239*** (0.092)		0.028 (0.129)		-0.051 (0.140)		0.264 (0.219)		0.211 (0.229)	
<i>REER</i>		3.676*** (0.541)		3.541*** (0.550)		3.828*** (0.660)		-0.029*** (0.009)		4.006*** (0.794)		3.936*** (0.798)
<i>Savings</i>			0.095*** (0.014)	0.087*** (0.015)			0.079*** (0.020)	-0.872*** (0.120)			0.054** (0.023)	0.062*** (0.023)
Obs.	2,167	2,167	2,167	2,167	545	545	545	545	327	327	327	327
R <sup>2</sup>	0.119	0.120	0.121	0.120	0.232	0.243	0.234	0.243	0.399	0.428	0.401	0.429
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WTI Home	0.022*** (0.007)	0.022*** (0.007)	0.022*** (0.007)	0.022*** (0.007)	0.019** (0.010)	0.019** (0.009)	0.019** (0.010)	0.019** (0.009)	0.019* (0.011)	0.018* (0.010)	0.019* (0.011)	0.018* (0.011)
<i>Distance</i>	-0.548*** (0.080)	-0.682*** (0.079)	-0.549*** (0.079)	-0.683*** (0.079)	0.180 (0.111)	0.057 (0.101)	0.180 (0.111)	0.056 (0.101)	0.312** (0.149)	0.169 (0.134)	0.311** (0.149)	0.168 (0.134)
<i>Current Account</i>	0.033*** (0.010)	0.045*** (0.009)	0.058*** (0.010)	0.103*** (0.013)	0.035*** (0.012)	0.042*** (0.011)	0.049*** (0.012)	0.082*** (0.015)	0.043*** (0.014)	0.046*** (0.012)	0.049*** (0.013)	0.078*** (0.017)
<i>GDP growth</i>	-0.040*** (0.008)	-0.028*** (0.008)	-0.040*** (0.008)	-0.028*** (0.008)	-0.037*** (0.010)	-0.027*** (0.009)	-0.037*** (0.010)	-0.027*** (0.009)	-0.037*** (0.012)	-0.027** (0.011)	-0.037*** (0.011)	-0.027** (0.011)
<i>Unemployment</i>	-0.066*** (0.017)	-0.074*** (0.015)	-0.067*** (0.017)	-0.074*** (0.015)	-0.061*** (0.019)	-0.066*** (0.018)	-0.061*** (0.019)	-0.066*** (0.018)	-0.055** (0.022)	-0.063*** (0.020)	-0.056*** (0.022)	-0.063*** (0.020)
<i>Investment</i>	-0.024** (0.010)	-0.059*** (0.011)			-0.014 (0.011)	-0.040*** (0.012)			-0.006 (0.012)	-0.033** (0.014)		
<i>Inflation</i>	-0.628* (0.367)		-0.635* (0.367)		-0.343 (0.476)		-0.348 (0.476)		-0.042 (0.530)		-0.047 (0.530)	
<i>REER</i>		-1.032** (0.470)		-1.026** (0.469)		-0.366 (0.643)		-0.363 (0.641)		-0.169 (0.778)		-0.167 (0.777)
<i>Savings</i>			-0.025*** (0.010)	-0.059*** (0.011)			-0.015 (0.011)	-0.040*** (0.012)			-0.007 (0.012)	-0.032** (0.014)
Obs.	2,099	1,799	2,099	1,799	525	450	525	450	315	270	315	270
R <sup>2</sup>	0.123	0.165	0.123	0.165	0.188	0.234	0.189	0.234	0.218	0.270	0.218	0.270

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.

**Table B18 – The impact of counterpart country world uncertainty and counterpart country world trade uncertainty indexes on home country's imports (Millions of USD), by counterpart group, 1995-2023, counterpart control variables. (PPML, standard errors clustered at country-pair)**

	<i>TOP 20</i>				<i>TOP 5</i>				<i>TOP 3</i>			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WUI cp	-0.008*** (0.003)	-0.008*** (0.003)	-0.008*** (0.003)	-0.008*** (0.003)	-0.023*** (0.006)	-0.019*** (0.005)	-0.023*** (0.006)	-0.019*** (0.005)	-0.034*** (0.007)	-0.028*** (0.007)	-0.034*** (0.007)	-0.029*** (0.007)
<i>Distance</i>	-0.874*** (0.033)	-0.986*** (0.033)	-0.874*** (0.033)	-0.987*** (0.033)	-0.231*** (0.046)	-0.385*** (0.046)	-0.230*** (0.046)	-0.385*** (0.046)	-0.159** (0.064)	-0.334*** (0.063)	-0.156** (0.064)	-0.333*** (0.063)
<i>Current Account</i>	0.027*** (0.003)	0.031*** (0.002)	0.076*** (0.004)	0.066*** (0.004)	0.029*** (0.004)	0.032*** (0.003)	0.059*** (0.005)	0.047*** (0.006)	0.027*** (0.004)	0.028*** (0.004)	0.053*** (0.007)	0.040*** (0.007)
<i>GDP growth</i>	-0.033*** (0.003)	-0.029*** (0.004)	-0.033*** (0.003)	-0.029*** (0.004)	-0.037*** (0.005)	-0.034*** (0.005)	-0.037*** (0.005)	-0.034*** (0.005)	-0.039*** (0.006)	-0.034*** (0.006)	-0.039*** (0.006)	-0.035*** (0.006)
<i>Unemployment</i>	-0.044*** (0.004)	-0.022*** (0.004)	-0.042*** (0.004)	-0.021*** (0.004)	-0.035*** (0.005)	-0.014*** (0.005)	-0.034*** (0.005)	-0.014*** (0.005)	-0.035*** (0.006)	-0.016** (0.006)	-0.034*** (0.006)	-0.015** (0.006)
<i>Investment</i>	-0.051*** (0.004)	-0.035*** (0.004)			-0.032*** (0.006)	-0.016*** (0.006)			-0.027*** (0.007)	-0.012* (0.007)		
<i>Inflation</i>	0.337*** (0.048)		0.354*** (0.048)		0.372*** (0.077)		0.384*** (0.078)		0.430*** (0.098)		0.439*** (0.098)	
<i>REER</i>		2.217*** (0.115)		2.237*** (0.114)		1.980*** (0.175)		1.991*** (0.174)		1.902*** (0.216)		1.911*** (0.215)
<i>Savings</i>			-0.049*** (0.004)	-0.034*** (0.004)			-0.030*** (0.006)	-0.015*** (0.006)			-0.026*** (0.007)	-0.011* (0.007)
Obs.	16,659	15,073	16,659	15,073	4,211	3,801	4,211	3,801	2,544	2,298	2,544	2,298
R <sup>2</sup>	0.083	0.101	0.082	0.100	0.089	0.105	0.088	0.105	0.101	0.117	0.101	0.116
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
WTI cp	0.013* (0.007)	0.013* (0.007)	0.013* (0.007)	0.013* (0.007)	0.006 (0.008)	0.006 (0.008)	0.006 (0.008)	0.006 (0.008)	0.001 (0.009)	0.002 (0.009)	0.000 (0.009)	0.002 (0.009)
<i>Distance</i>	-0.784*** (0.086)	-0.869*** (0.087)	-0.785*** (0.086)	-0.870*** (0.087)	-0.108 (0.119)	-0.293** (0.118)	-0.109 (0.119)	-0.294** (0.118)	0.055 (0.154)	-0.128 (0.149)	0.053 (0.154)	-0.129 (0.149)
<i>Current Account</i>	0.038*** (0.009)	0.042*** (0.008)	0.055*** (0.010)	0.061*** (0.011)	0.030*** (0.011)	0.034*** (0.011)	0.044*** (0.012)	0.048*** (0.014)	0.028** (0.013)	0.033*** (0.013)	0.042*** (0.014)	0.048*** (0.015)
<i>GDP growth</i>	-0.033*** (0.008)	-0.027*** (0.008)	-0.033*** (0.008)	-0.027*** (0.008)	-0.024** (0.010)	-0.019** (0.010)	-0.024** (0.010)	-0.019** (0.010)	-0.023** (0.011)	-0.021* (0.011)	-0.023** (0.011)	-0.020* (0.011)
<i>Unemployment</i>	-0.045*** (0.016)	-0.037** (0.015)	-0.046*** (0.016)	-0.037** (0.015)	-0.053** (0.021)	-0.041** (0.020)	-0.053** (0.021)	-0.041** (0.020)	-0.072*** (0.027)	-0.057** (0.026)	-0.072*** (0.027)	-0.058** (0.026)
<i>Investment</i>	-0.016* (0.009)	-0.019* (0.010)			-0.014 (0.011)	-0.014 (0.012)			-0.014 (0.012)	-0.015 (0.014)		
<i>Inflation</i>	-0.655*** (0.171)		-0.656*** (0.170)		-0.705*** (0.273)		-0.702*** (0.272)		-0.836* (0.440)		-0.836* (0.439)	
<i>REER</i>		0.094 (0.334)		0.088 (0.335)		0.493 (0.517)		0.490 (0.516)		0.461 (0.629)		0.453 (0.628)
<i>Savings</i>			-0.017* (0.009)	-0.019* (0.010)			-0.014 (0.011)	-0.014 (0.012)			-0.015 (0.012)	-0.015 (0.014)
Obs.	2,384	2,146	2,384	2,146	608	546	608	546	356	324	356	324
R <sup>2</sup>	0.091	0.099	0.091	0.099	0.087	0.090	0.087	0.090	0.104	0.105	0.105	0.105

Notes: \* indicates the level of significance of 10%, \*\* a level of 5% and \*\*\* a level of 1%. In brackets we report the robust standard errors. Obs. are the observations for each regression.