Replication Instructions
The Impact of Brexit on Foreign Investment and Production

Ellen McGrattan and Andrea Waddle

Our codes and data are available at both the AEJ Macro depository and McGrattan's University of Minnesota webpage. There are three directories:

- ./data which has the original data and a Matlab file setup.m to generate the inputs for computing the steady states. See the Readme file in this directory for more details.

- ./steady which has codes to generate the steady state and a main Matlab driver compsteady.m to generate different cases. There are stored results in the subdirectory cases. For users that want to change parameters, add a line in compsteady.m to change an element of vector iparam after the initial guesses have been loaded in. The list of parameters are given in steady.m. To save input files for the transition codes, call one of the following subroutines after running compsteady:

  1. if adjustment costs are zero, type the following after running compsteady (with a user-defined filename filled in):

     [r,m,Xtran,partran] = steady(xnew,[pnew;0])

     save <filename> Xtran partran

  2. if adjustment costs are positive, type the following after running compsteady (with a user-defined filename filled in):

     [r,m,Xtran,partran] = steady(xnew,[pnew;adjpar]);

     save <filename> Xtran partran

  See the Readme files in the ./steady and ./cases directories for more details.

- ./transition which has codes to generate the equilibrium transition paths starting from the steady state computed in compsteady.m. The main code for generating results in the paper is simmw.m. If users run their own cases, they need to update runmw.m and

load in the new files they created when calculating the steady state. The runmw.m calls mwtran.m or mwtranadj.m depending on whether there are adjustment costs to changing investment.