

Amendment to Estimating Trade Flow Parameters

Price Elasticity of Demand (Sigmas)

02/03/2011

Upon further evaluation of the v1.2 model's response to specific policy variable shocks based on the industry sigmas presented in the May 2010 research paper, a revised set of parameters have been estimated and incorporated into models beginning in v1.2.6. The response difference is particularly noticeable when using the cost of production policy variable. The amended set of sigmas presented here are more in line with the v1.1 model responses.

| INDUSTRIES | AMENDED SIGMAS |
|----------------------------------|---------------------------|
| Forestry et al. | 3.39066 |
| Agriculture | 1.02943 |
| Oil, gas extraction | 1.43157 |
| Mining (except oil, gas) | 1.52664 |
| Support activities for mining | 3.65313 |
| Utilities | 2.93667 |
| Construction | 1.68309 |
| Wood product mfg | 2.10599 |
| Nonmetallic mineral prod mfg | 1.67781 |
| Primary metal mfg | 2.69647 |
| Fabricated metal prod mfg | 1.56200 |
| Machinery mfg | 1.53591 |
| Computer, electronic prod mfg | 2.96924 |
| Electrical equip, appliance mfg | 2.80269 |
| Motor vehicle mfg | 1.52879 |
| Transp equip mfg. exc. motor veh | 2.02781 |
| Furniture, related prod mfg | 2.86593 |
| Miscellaneous mfg | 1.47625 |
| Food mfg | 2.08089 |
| Beverage, tobacco prod mfg | 1.92271 |
| Textile mills | 1.73583 |
| Textile prod mills | 2.54415 |
| Apparel mfg | 1.52763 |
| Leather, allied prod mfg | 1.61753 |
| Paper mfg | 1.30406 |
| Printing, rel supp act | 1.40570 |
| Petroleum, coal prod mfg | 2.21288 |
| Chemical mfg | 2.75107 |
| Plastics, rubber prod mfg | 2.16394 |
| Wholesale trade | 2.04227 |
| Retail trade | 3.61392 |

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| Air transportation | 3.25572 |
| Rail transportation | 1.50541 |
| Water transportation | 1.21112 |
| Truck transp; Couriers, msngrs | 1.46324 |
| Transit, ground pass transp | 3.16148 |
| Pipeline transportation | 1.78940 |
| Scenic, sightseeing transp; supp | 2.65929 |
| Warehousing, storage | 2.91038 |
| Publishing, exc Internet | 2.22092 |
| Motion picture, sound rec | 1.20938 |
| Internet serv, data proc, other | 2.69420 |
| Broadcasting, exc Int; Telecomm | 2.40960 |
| Monetary authorities, et al. | 1.72376 |
| Sec, comm contracts, inv | 3.68790 |
| Ins carriers, rel act | 1.25772 |
| Real estate | 6.22500 |
| Rental, leasing services | 3.02730 |
| Prof, tech services | 3.86182 |
| Mgmt of companies, enterprises | 2.98002 |
| Administrative, support services | 3.43080 |
| Waste mgmnt, remed services | 2.35674 |
| Educational services | 1.55277 |
| Ambulatory health care services | 2.86602 |
| Hospitals | 4.40878 |
| Nursing, residential care facilities | 2.90148 |
| Social assistance | 1.02648 |
| Performing arts, spectator sports | 1.21099 |
| Museums et al. | 2.63919 |
| Amusement, gambling, recreation | 2.01572 |
| Accommodation | 4.31839 |
| Food services, drinking places | 4.92963 |
| Repair, maintenance | 3.87010 |
| Personal, laundry services | 3.16046 |
| Membership assoc, organ | 3.17893 |
| Private households | 1.64433 |