

**Data and Replication Code**  
**April 27, 2020**

Zheng Liu, Pengfei Wang, and Zhiwei Xu, “Interest-Rate Liberalization and Capital Misallocations.” *American Economic Journal: Macroeconomics*

All files have been uploaded in the AEA Data and Code Repository (openicpsr-117430)

**This folder includes the following contents:**

1. **Excel file “China\_interest\_rates.xlsx”** contains the source data and the figure for Figure 1 in the paper.
2. **Subfolder “/matlab/”** contains the data and Matlab code for calibrating and solving the model. See “README for Matlab Codes” in that subfolder for detailed descriptions.
  - Running the Matlab replication code requires installation of Dynare. The version of Dynare that we used is v.4.5.7 (<https://www.dynare.org/>). The version of Matlab that we used is Matlab 2019a.
  - To replicate Figure 2, run the Matlab file “RunOptimalPhi.m” in the subfolder “/StaticModel/”
  - To replicate Figures 3 and 4, run the Matlab files “RunTransition\_Bench.m” and “RunComputeWelfare.m”, respectively, both in the subfolder “/Benchmark/”
  - To replicate Table 1, run the Matlab file “RunCalibration.m” in the subfolder “/Benchmark/”
  - To replicate the left column of Figures 5, run the Matlab “RunTransition\_Tau.m” in the subfolder “/ChangeTau/”.
  - To replicate the right column of Figure 5, run the Matlab file “RunTransition\_FD.m” in the subfolder “/ChangeTheta/”
  - To replicate the left column of Figures 6, run the Matlab “RunComputeWelfare.m” in the subfolder “/ChangeTau/”.
  - To replicate the right column of Figures 6, run the Matlab “RunComputeWelfare.m” in the subfolder “/ChangeTheta/”.
  - To replicate Figure B1 in the online appendix, run the Matlab file “RunTransition\_Bench.m” in the subfolder “/App\_OneSector/”
  - To replicate Figure B2 in the online appendix, run the Matlab file “RunComputeWelfare.m” in the subfolder “/App\_OneSector/”

3. **Subfolder “/stata/”** contains the data and STATA code for calibration and the empirical regressions. See “README for STATA files” in that subfolder for detailed descriptions.

- The version of STATA that we used is STATA/MP 14.2
- STATA do files:
  - RunGenDataSet.do: generates the analysis data IntLibData.dta, CaliData.dta and SumStat.dta from RawData.dta
  - Run\_MainText\_Table2Col1.do: replicates Column 1 in Table 2 in the article
  - Run\_MainText\_Table2Col2.do: replicates Column 2 in Table 2 in the article
  - Run\_MainText\_Table2Col3.do: replicates Column 3 in Table 2 in the article
  - Run\_OnlineApp\_TableBx.do: replicates Table Bx in the online appendix (for Tables B1-B4)
  - Run\_OnlineApp\_TableBxColy.do: replicates Column y in Table Bx in the online appendix (for Tables B5-B7).
- Data files (separated into 3 folders because of sizes):
  - **Data\_part1:** RawData.dta, which is the raw data (see Appendix A for more detailed descriptions).
  - **Data\_part2:** IntLibData.dta: data file for estimations, used to replicate the empirical regression results reported in the article (Table 2) and the appendix (Tables B4-B7).
  - **Data\_part3:** (1) SumStat.dta: data file for generating the summary statistics shown in Table B.1; (2) CaliData.dta: data file for calibration, used to replicate Tables B.2 and B.3, which are inputs for the calibrating some of the parameters in Table 1 of the article