**Identifying price reviews by firms: an econometric approach**

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The sequence of programs below aims at building the econometric database used in the paper. These programs should be run in the same order as their number indicates :

1\_Acemo\_file\_JMCB.sas

This program computes firm specific quarterly wage changes (isalmtot2) using data from stacked ACEMO quarterly surveys.

2\_Business\_Survey\_file\_JMCB.sas

This program stacks Banque de France business surveys from 1996 to 2010 and redefines homogeneous qualitative variations of product prices, input prices, production, etc. obtained from different survey waves.

3\_Merge\_BS\_ACEMO\_PPI\_JMCB.sas

This program :

* Creates a monthly dataset of wage changes from the initial quarterly ACEMO data
* Merges the resulting wage change data with the Banque de France business (EC) data and with INSEE’s producer price indices (IPP)

4\_Creation\_price\_spells\_JMCB.sas

This program aims at:

* Redefining all variations into three outcomes: decrease, no change, increase
* Identifying price trajectories and price spells
* Computing cumulative sums and lagged values of input price changes, production changes, etc. over price spells
* Defining observed increases and decreases as permanent or transitory

5\_Creation\_shocks\_JMCB.sas

This program aims at :

* Creating industry dummies, month dummies, year dummies, dummies for spells duration as well as some supplementary variables for shocks
* Computing indicators regarding firms’ environment variability
* Merging the data with the IPN specific survey about pricing behaviors to get the market competition measure
* Exporting data to STATA to cimpute generalized residuals for the instrumentation of endogeneous regressors.

6\_Generalized\_residuals\_computation\_JMCB.do

This program computes the IV residuals (resp. the generalized residuals) stemming from the first step regression of continuous regressors (resp. the three outcome regressors) on instruments.

7\_Econometric\_sample\_creation\_JMCB.sas

This program aims at building the econometric dataset by merging the main data with the IV and generalized residuals obtained from first-stage regressions of endogenous regressors on instruments.

8\_Descriptive\_stats\_JMCB.sas

This program aims at computing the descriptive statistics provided in Tables 4 and 5 in the paper.

NB : .sas programs are to be run with SAS while the .do program has to be run using STATA.