

APPENDIX 9 Optimal Lag Length

VAR Lag Order Selection Criteria

Endogenous variables: GDP INFLATION OIL_PRICE BOP

Exogenous variables: C

Date: 01/03/19 Time: 22:44

Sample: 1 44

Included observations: 41

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-453.2639	NA	57187.37	22.30556	22.47274	22.36643
1	-396.4540	99.76387*	7849.451*	20.31483*	21.15072*	20.61921*
2	-386.4869	15.55838	10793.06	20.60912	22.11372	21.15701
3	-369.7226	22.89751	11057.45	20.57184	22.74515	21.36324

* indicates lag order selected by the criterion

LR: sequential modified LR test statistic (each test at 5% level)

FPE: Final prediction error

AIC: Akaike information criterion

SC: Schwarz information criterion

HQ: Hannan-Quinn information criterion