

# ONLINE APPENDIX

The three tables of this online appendix reproduce Tables 3, 4, and 6 from the main text but *without* observations using the Rest-of-World (*ROW*) aggregate region and *without* observations using interpolated output values. The estimates from this document confirm the robustness of our main results.

Table 1: Estimates for Manufactures Trade Flows

	(1)	(2)	(3)	(4)
	PQML	PQML	PQML	PQML Trend
$EIA_{ij,t}$	0.237 (0.037)**	0.114 (0.045)*	0.119 (0.046)*	0.120 (0.047)*
$EIA_{ij,t-4}$	0.292 (0.053)**	0.222 (0.044)**	0.252 (0.048)**	0.253 (0.048)**
$EIA_{ij,t-8}$	0.258 (0.032)**	0.178 (0.032)**	0.246 (0.036)**	0.247 (0.036)**
$EIA_{ij,t-12}$	0.066 (0.045)	-0.023 (0.026)	0.033 (0.037)	0.034 (0.038)
$EIA_{ij,t-16}$	0.094 (0.031)**	0.057 (0.031)+	0.028 (0.039)	0.029 (0.039)
$INTER_{ij,1994}$		0.061 (0.021)**	0.068 (0.076)	0.073 (0.076)
$INTER_{ij,1998}$		0.259 (0.033)**	0.194 (0.113)+	0.204 (0.114)+
$INTER_{ij,2002}$		0.250 (0.055)**	0.222 (0.186)	0.237 (0.188)
$DIST_{ij,1994}$			0.003 (0.029)	0.004 (0.029)
$DIST_{ij,1998}$			0.039 (0.042)	0.042 (0.043)
$DIST_{ij,2002}$			0.037 (0.066)	0.042 (0.066)
$LANG_{ij,1994}$			0.038 (0.048)	0.037 (0.048)
$LANG_{ij,1998}$			-0.001 (0.073)	-0.001 (0.073)
$LANG_{ij,2002}$			0.004 (0.075)	0.003 (0.075)
$CNTG_{ij,1994}$			-0.077 (0.063)	-0.078 (0.063)
$CNTG_{ij,1998}$			-0.058 (0.099)	-0.060 (0.100)
$CNTG_{ij,2002}$			-0.198 (0.127)	-0.201 (0.127)
$CLNY_{ij,1994}$			-0.008 (0.042)	-0.008 (0.042)
$CLNY_{ij,1998}$			-0.009 (0.071)	-0.009 (0.071)
$CLNY_{ij,2002}$			-0.026 (0.077)	-0.026 (0.078)
<i>Total EIA</i>	0.948 (0.084)**	0.550 (0.114)**	0.678 (0.135)**	0.682 (0.136)**
<i>N</i>	6116	6116	6116	6116

**Notes:** This table reproduces the results from Table 3 of the main text but without observations using the *ROW* aggregate region and without observations using interpolated output values. It reports panel gravity estimates with data on total manufacturing, 1990-2002. All specifications include exporter-time, importer-time and country-pair fixed effects. Fixed effects estimates are not reported for brevity. Robust standard errors, clustered by country pair, are in parentheses. +  $p < 0.10$ , \*  $p < .05$ , \*\*  $p < .01$ . See text for further details.

Table 2: Estimates for Sectoral Manufactures Trade Flows

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Food	Textile	Wood	Paper	Chemicals	Minerals	Metals	Machinery
<b>2A. EIAs</b>								
$EIA_{ij,t}$	0.370 (0.104)**	0.600 (0.101)**	-0.156 (0.070)*	-0.119 (0.048)*	0.098 (0.038)*	-0.034 (0.070)	0.387 (0.046)**	0.298 (0.068)**
$EIA_{ij,t-4}$	0.275 (0.046)**	0.490 (0.094)**	0.187 (0.042)**	0.120 (0.041)**	0.224 (0.053)**	0.384 (0.096)**	0.169 (0.054)**	0.340 (0.064)**
$EIA_{ij,t-8}$	0.198 (0.033)**	0.316 (0.072)**	0.011 (0.081)	0.336 (0.068)**	0.190 (0.037)**	0.151 (0.027)**	0.317 (0.059)**	0.317 (0.050)**
$EIA_{ij,t-12}$	0.267 (0.028)**	0.181 (0.049)**	-0.141 (0.051)**	-0.091 (0.048)+	0.047 (0.064)	-0.017 (0.054)	0.058 (0.041)	0.090 (0.040)*
$EIA_{ij,t-16}$	0.155 (0.045)**	0.140 (0.039)**	0.266 (0.056)**	0.091 (0.050)+	0.096 (0.056)+	-0.026 (0.040)	0.135 (0.064)*	0.078 (0.050)
<i>Total EIA</i>	1.264 (0.126)**	1.727 (0.198)**	0.167 (0.114)	0.337 (0.097)**	0.655 (0.067)**	0.457 (0.092)**	1.066 (0.113)**	1.124 (0.166)**
<i>N</i>	6120	6160	6000	6120	6200	6200	5640	6080
<b>2B. EIAs, INTER, and Other Variables</b>								
$EIA_{ij,t}$	0.307 (0.090)**	0.320 (0.067)**	-0.080 (0.074)	-0.143 (0.055)**	-0.002 (0.050)	-0.047 (0.082)	0.300 (0.055)**	0.144 (0.061)*
$EIA_{ij,t-4}$	0.211 (0.033)**	0.295 (0.073)**	0.268 (0.040)**	0.156 (0.041)**	0.248 (0.051)**	0.380 (0.100)**	0.080 (0.050)	0.294 (0.060)**
$EIA_{ij,t-8}$	0.142 (0.034)**	0.099 (0.058)+	0.149 (0.059)*	0.317 (0.052)**	0.274 (0.050)**	0.209 (0.041)**	0.303 (0.073)**	0.242 (0.054)**
$EIA_{ij,t-12}$	0.194 (0.035)**	-0.116 (0.062)+	-0.000 (0.062)	-0.034 (0.045)	0.048 (0.049)	-0.028 (0.058)	-0.036 (0.071)	0.027 (0.053)
$EIA_{ij,t-16}$	0.160 (0.049)**	0.101 (0.046)*	0.278 (0.052)**	0.108 (0.062)+	0.080 (0.068)	-0.023 (0.065)	0.035 (0.065)	-0.030 (0.047)
$INTER_{ij,1994}$	0.070 (0.059)	0.670 (0.149)**	0.132 (0.109)	-0.121 (0.046)**	-0.093 (0.072)	-0.038 (0.097)	0.211 (0.072)**	0.066 (0.077)
$INTER_{ij,1998}$	0.094 (0.081)	1.019 (0.223)**	-0.179 (0.125)	-0.086 (0.092)	0.058 (0.094)	-0.051 (0.170)	0.068 (0.166)	0.252 (0.133)+
$INTER_{ij,2002}$	0.052 (0.091)	1.044 (0.276)**	-0.337 (0.152)*	-0.209 (0.105)*	-0.095 (0.142)	-0.166 (0.306)	0.484 (0.143)**	0.454 (0.214)*
$DIST_{ij,1994}$	-0.006 (0.029)	-0.142 (0.053)**	-0.066 (0.046)	0.073 (0.025)**	0.049 (0.027)+	-0.022 (0.045)	-0.056 (0.045)	0.017 (0.033)
$DIST_{ij,1998}$	0.007 (0.037)	-0.170 (0.077)*	0.080 (0.056)	0.090 (0.039)*	0.079 (0.037)*	0.057 (0.064)	0.120 (0.091)	0.051 (0.053)
$DIST_{ij,2002}$	0.037 (0.044)	-0.180 (0.092)+	0.123 (0.071)+	0.115 (0.045)**	0.143 (0.054)**	0.104 (0.106)	-0.112 (0.080)	0.006 (0.077)
$LANG_{ij,1994}$	0.081 (0.048)+	0.061 (0.093)	0.024 (0.096)	0.053 (0.049)	0.065 (0.064)	0.115 (0.113)	0.185 (0.082)*	-0.018 (0.059)
$LANG_{ij,1998}$	0.177 (0.064)**	0.070 (0.158)	-0.022 (0.109)	0.084 (0.077)	0.017 (0.067)	0.073 (0.105)	-0.058 (0.142)	0.002 (0.081)
$LANG_{ij,2002}$	0.247 (0.061)**	0.218 (0.147)	-0.050 (0.126)	0.078 (0.088)	0.212 (0.148)	0.094 (0.104)	-0.148 (0.146)	-0.029 (0.094)
$CNTG_{ij,1994}$	-0.002 (0.052)	-0.202 (0.103)*	-0.163 (0.101)	0.030 (0.048)	-0.004 (0.069)	-0.071 (0.077)	-0.173 (0.056)**	-0.072 (0.073)
$CNTG_{ij,1998}$	0.013 (0.070)	-0.073 (0.172)	-0.078 (0.124)	0.037 (0.090)	-0.067 (0.087)	-0.042 (0.112)	0.053 (0.111)	-0.078 (0.118)
$CNTG_{ij,2002}$	0.025 (0.070)	-0.097 (0.186)	-0.058 (0.139)	0.023 (0.100)	-0.319 (0.146)*	-0.051 (0.190)	-0.106 (0.098)	-0.272 (0.147)+
$CLNY_{ij,1994}$	-0.075 (0.049)	-0.010 (0.150)	-0.140 (0.116)	-0.059 (0.063)	-0.042 (0.055)	-0.038 (0.080)	-0.018 (0.099)	0.030 (0.037)
$CLNY_{ij,1998}$	-0.075 (0.087)	-0.128 (0.222)	0.029 (0.140)	-0.090 (0.094)	-0.022 (0.067)	-0.036 (0.121)	0.067 (0.146)	-0.014 (0.075)
$CLNY_{ij,2002}$	-0.123 (0.071)+	-0.327 (0.252)	0.057 (0.140)	-0.017 (0.106)	-0.032 (0.139)	-0.123 (0.117)	0.110 (0.183)	-0.036 (0.123)
<i>Total EIA</i>	1.014 (0.115)**	0.700 (0.199)**	0.614 (0.161)**	0.405 (0.133)**	0.650 (0.132)**	0.490 (0.207)**	0.682 (0.146)**	0.678 (0.176)**
<i>N</i>	6120	6160	6000	6120	6200	6200	5640	6080

**Notes:** This table reproduces the results from Table 4 of the main text but without observations using the *ROW* aggregate region and without observations using interpolated output values. All specifications are estimated with PQML, pair (*ij*), exporter-year (*it*), and importer-year (*jt*) fixed effects and allow for phasing-in of the EIA effects. Fixed effects estimates are not reported, for brevity. Robust standard errors, clustered by country pair, are reported in parentheses. +  $p < 0.10$ , \*  $p < .05$ , \*\*  $p < .01$ . See text for further details. 2

Table 3: Estimates to Address the Distance-Elasticity Puzzle

	(1) Food	(2) Textile	(3) Wood	(4) Paper	(5) Chemicals	(6) Minerals	(7) Metals	(8) Machinery	(9) Total
<b>3A. EIAs</b>									
$EIA_{ij,t}$	0.370 (0.104)**	0.600 (0.101)**	-0.156 (0.070)*	-0.119 (0.048)*	0.098 (0.038)*	-0.034 (0.070)	0.387 (0.046)**	0.298 (0.068)**	0.237 (0.037)**
$EIA_{ij,t-4}$	0.275 (0.046)**	0.490 (0.094)**	0.187 (0.042)**	0.120 (0.041)**	0.224 (0.053)**	0.384 (0.096)**	0.169 (0.054)**	0.340 (0.064)**	0.292 (0.053)**
$EIA_{ij,t-8}$	0.198 (0.033)**	0.316 (0.072)**	0.011 (0.081)	0.336 (0.068)**	0.190 (0.037)**	0.151 (0.027)**	0.317 (0.059)**	0.317 (0.050)**	0.258 (0.032)**
$EIA_{ij,t-12}$	0.267 (0.028)**	0.181 (0.049)**	-0.141 (0.051)**	-0.091 (0.048)+	0.047 (0.064)	-0.017 (0.054)	0.058 (0.041)	0.090 (0.040)*	0.066 (0.045)
$EIA_{ij,t-16}$	0.155 (0.045)**	0.140 (0.039)**	0.266 (0.056)**	0.091 (0.050)+	0.096 (0.056)+	-0.026 (0.040)	0.135 (0.064)*	0.078 (0.050)	0.094 (0.031)**
<i>Total EIA</i>	1.264 (0.126)**	1.727 (0.198)**	0.167 (0.114)	0.337 (0.097)**	0.655 (0.067)**	0.457 (0.092)**	1.066 (0.113)**	1.124 (0.166)**	0.948 (0.084)**
<i>N</i>	6120	6160	6000	6120	6200	6200	5640	6080	6116
<b>3B. EIAs and Other Variables</b>									
$EIA_{ij,t}$	0.312 (0.089)**	0.432 (0.058)**	-0.110 (0.078)	-0.147 (0.053)**	0.009 (0.047)	-0.051 (0.078)	0.301 (0.055)**	0.178 (0.055)**	0.140 (0.042)**
$EIA_{ij,t-4}$	0.213 (0.034)**	0.361 (0.068)**	0.234 (0.043)**	0.133 (0.038)**	0.232 (0.050)**	0.363 (0.093)**	0.135 (0.046)**	0.350 (0.047)**	0.272 (0.041)**
$EIA_{ij,t-8}$	0.148 (0.034)**	0.199 (0.048)**	0.107 (0.061)+	0.310 (0.053)**	0.278 (0.045)**	0.199 (0.035)**	0.320 (0.066)**	0.286 (0.042)**	0.267 (0.029)**
$EIA_{ij,t-12}$	0.195 (0.035)**	-0.012 (0.052)	-0.054 (0.059)	-0.056 (0.043)	0.044 (0.046)	-0.044 (0.044)	0.021 (0.070)	0.095 (0.044)*	0.062 (0.031)*
$EIA_{ij,t-16}$	0.157 (0.048)**	0.138 (0.036)**	0.251 (0.052)**	0.101 (0.062)	0.065 (0.067)	-0.039 (0.051)	0.071 (0.053)	0.008 (0.042)	0.038 (0.033)
$DIST_{ij,1994}$	0.024 (0.010)*	0.118 (0.026)**	-0.011 (0.016)	0.020 (0.013)	0.011 (0.009)	-0.038 (0.011)**	0.030 (0.030)	0.043 (0.012)**	0.030 (0.008)**
$DIST_{ij,1998}$	0.048 (0.014)**	0.219 (0.039)**	0.006 (0.028)	0.053 (0.017)**	0.102 (0.012)**	0.036 (0.019)+	0.146 (0.040)**	0.146 (0.019)**	0.115 (0.013)**
$DIST_{ij,2002}$	0.059 (0.016)**	0.207 (0.041)**	-0.013 (0.039)	0.025 (0.029)	0.104 (0.020)**	0.035 (0.032)	0.087 (0.050)+	0.178 (0.025)**	0.123 (0.018)**
$LANG_{ij,1994}$	0.083 (0.049)+	0.066 (0.084)	0.043 (0.102)	0.051 (0.048)	0.068 (0.063)	0.117 (0.115)	0.179 (0.080)*	-0.029 (0.057)	0.038 (0.046)
$LANG_{ij,1998}$	0.180 (0.064)**	0.074 (0.141)	-0.030 (0.112)	0.084 (0.079)	0.020 (0.068)	0.073 (0.107)	-0.069 (0.147)	-0.008 (0.074)	0.002 (0.069)
$LANG_{ij,2002}$	0.247 (0.061)**	0.212 (0.128)+	-0.066 (0.129)	0.075 (0.087)	0.214 (0.149)	0.091 (0.104)	-0.149 (0.136)	-0.053 (0.086)	0.001 (0.070)
$CNTG_{ij,1994}$	0.041 (0.039)	0.174 (0.044)**	-0.077 (0.085)	-0.045 (0.036)	-0.064 (0.055)	-0.093 (0.068)	-0.047 (0.046)	-0.041 (0.051)	-0.039 (0.040)
$CNTG_{ij,1998}$	0.071 (0.050)	0.481 (0.123)**	-0.165 (0.110)	-0.010 (0.071)	-0.028 (0.068)	-0.067 (0.060)	0.075 (0.064)	0.055 (0.080)	0.054 (0.071)
$CNTG_{ij,2002}$	0.055 (0.049)	0.439 (0.105)**	-0.226 (0.126)+	-0.097 (0.082)	-0.378 (0.127)**	-0.144 (0.080)+	0.163 (0.072)*	-0.027 (0.079)	-0.077 (0.066)
$CLNY_{ij,1994}$	-0.078 (0.049)	0.078 (0.129)	-0.151 (0.120)	-0.053 (0.063)	-0.048 (0.053)	-0.042 (0.079)	0.005 (0.093)	0.038 (0.035)	-0.003 (0.039)
$CLNY_{ij,1998}$	-0.080 (0.087)	-0.011 (0.182)	0.036 (0.145)	-0.088 (0.095)	-0.022 (0.067)	-0.041 (0.121)	0.080 (0.142)	0.017 (0.068)	0.005 (0.062)
$CLNY_{ij,2002}$	-0.124 (0.071)+	-0.205 (0.203)	0.064 (0.146)	-0.008 (0.106)	-0.038 (0.137)	-0.136 (0.112)	0.166 (0.159)	0.025 (0.117)	-0.004 (0.067)
<i>Total EIA</i>	1.025 (0.113)**	1.118 (0.128)**	0.427 (0.155)**	0.340 (0.119)**	0.628 (0.114)**	0.428 (0.131)**	0.848 (0.129)**	0.916 (0.112)**	0.779 (0.090)**
<i>N</i>	6120	6160	6000	6120	6200	6200	5640	6080	6116

**Notes:** This table reproduces the results from Table 6 of the main text but without observations using the *ROW* aggregate region and without observations using interpolated output values. These specifications exclude the *INTER* covariate. All specifications are estimated with PQML, pair ( $ij$ ), exporter-year ( $it$ ), and importer-year ( $jt$ ) fixed effects and allow for phasing-in of the EIA effects. Fixed effects estimates are not reported for brevity. Robust standard errors, clustered by country pair, are reported in parentheses. +  $p < 0.10$ , \*  $p < .05$ , \*\*  $p < .01$ . See text for further details.