

# INTERNATIONAL TRANSPORT COSTS: NEW FINDINGS FROM MODELING ADDITIVE COSTS\*

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## Abstract

This paper investigates the pattern of international transport costs over time, using information contained in the US imports flows from 1974 to 2013. First, we document the importance of the per-unit component of transport costs. It represents between one-third and one-half of overall transport costs. Second, allowing for time-varying per-unit costs, we find that the downward trend in international transport costs comes from the reduction in pure transport costs over time, with trade composition effects playing a minor role. In both aspects, our results point to the importance of the additive component in accounting for international transport costs.

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