- When assuming iceberg costs only

$$\ln\left(\frac{p_{ik}}{\widetilde{p}_{ik}} - 1\right) = \ln\left(\tau_i \times \tau_k - 1\right) + \epsilon_{ik}^{ice} \tag{1}$$

- From which we re-built:
  - With additive costs:

$$\widehat{\tau}_{ik}^{adv} = \widehat{\tau}_i \times \widehat{\tau}_k, \qquad \widehat{t}_{ik}^{add} = \widehat{t}_i + \widehat{t}_k$$

  - With only iceberg costs: $\widehat{\tau}_{ik}^{ice} = \widehat{\tau}_i \times \widehat{\tau}_k$
- Taking the average over the product-country dimension, we finally get (by year and transport mode):
  - When additive costs are included: $\widehat{\tau}^{adv}$, $\widehat{\tau}^{add}$
  - With only iceberg costs: $\widehat{\tau}^{ice}$