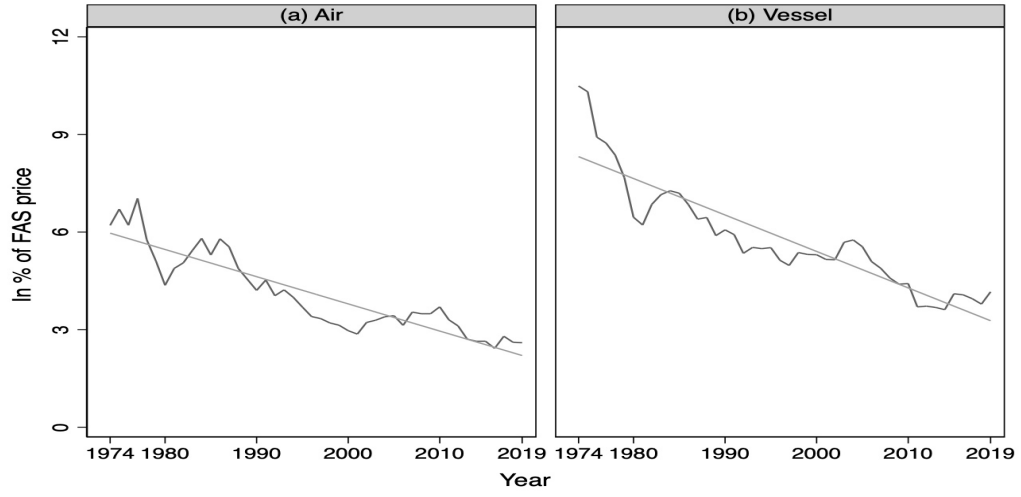


Figure 1: Trend in estimated transport costs (yearly mean value)



Notes: We use the yearly values of the estimated transport cost components averaged over the country/product dimensions (at the 3-digit level). Each yearly value is obtained as:  $\hat{\tau} - 1 + \frac{\hat{t}}{\hat{p}}$ . 1989 trade by air is excluded.