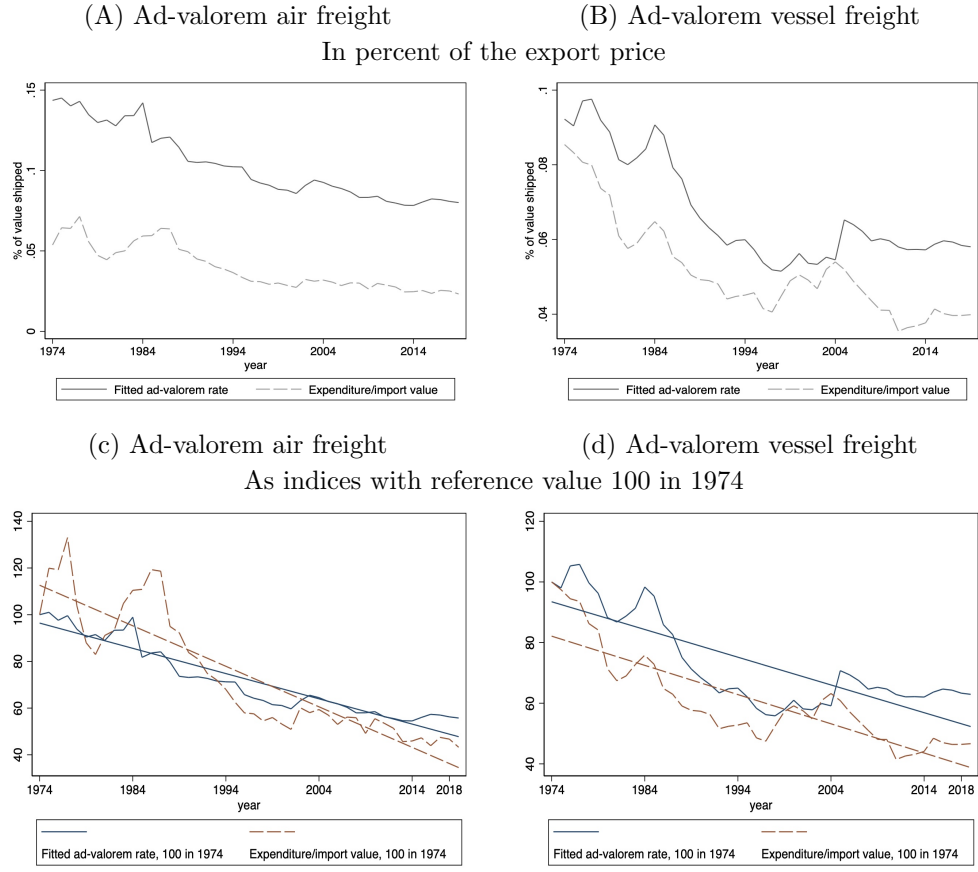


Figure 1: Characterizing the time trends: applying Hummel's (2007) method



The dotted line labeled “expenditure/import value” represents the unfitted measure of transport costs (TC_t in the above terminology) and the plain line labeled “fitted ad-valorem rate” is the measure of “pure” transport costs, i.e. composition effects excluded (\widehat{TC}_t)