

Interpretation

► Size of overall transport costs

- Add \simeq a 5% margin over the export price
- Lower than the 21% markup taken from Anderson & Van Wincoop (2004) (AWM), but
 - * AVW decompose the 21% markup in 9% of time costs and 11% in pure freight costs
 - * Their 11% markup: A “rough” estimate, based on Hummels (2001) with 1994 data
 - * Our data are only for the US, which presumably has lower trade costs

⇒ Our work: A more precise and exhaustive estimation of international transport costs

- Going deeper into the structure of international transport costs