

.0.1. Estimating $\widehat{\beta}_{i,s}$ directly

In this section, we explore an alternative estimation method, which proceeds as follows. β can be separately estimated for each industry s -origin country i using the following regression:

$$\ln TC_{ikd} = \beta_{is} \ln \tilde{p}_{ikd} + Controls_{ikd} + \epsilon_{ikd} \quad (1)$$