

# Time trends in transport costs: Excluding the composition effects

- ▶ Does it mean a decrease in transport costs *per se*? Not necessarily
  - ▶ The change in overall transport costs over time: Depend on the evolution of per product- per partner costs, but also on the composition of trade flows
    - Over time, import more goods that are cheaper to transport, and/or from countries with which it is cheaper to trade
- ⇒ Necessary to eliminate the composition effects of trade flows, to isolate the evolution of transport costs *per se* [▶ More on the method](#)
- What we do, in accordance with Hummels (2007)