



Event Study Design, Constructing the Trade Shock: I use the fact that when the NMS joined the EU in 2004, they had immediate preferential access to third-party markets via previously signed EU trade agreements which the NMS did not get to negotiate. The product-level bilateral tariff variation $\Delta\tau_{sdip,2004}$ which was a by-product of the EU accession process is my measure of the market accession shock. In the example above, the EU joined a FTA with Mexico in 2000, but the NMS only joined the EU in 2004, so in 2004 they immediately adhered to these previously negotiated tariff schedules.