

Web Appendix

Table 1: Robustness checks: Financial Services

Log of exports	Financial Services			
	Heckman		Heckman	
	Selection	Regression	Selection	Regression
Exporter's GDPpc	0.99 ^a (0.15)	2.54 ^a (0.41)	0.70 ^a (0.06)	1.64 ^a (0.25)
Importer's GDPpc	0.62 ^a (0.05)	1.45 ^a (0.20)	0.54 ^a (0.06)	1.24 ^a (0.20)
Exporter's population	0.58 ^a (0.13)	1.39 ^a (0.31)	0.36 ^a (0.03)	0.69 ^a (0.12)
Importer's population	0.31 ^a (0.03)	0.68 ^a (0.10)	0.31 ^a (0.03)	0.67 ^a (0.10)
Distance	0.10 (0.17)	0.81 ^b (0.36)	-0.37 ^a (0.05)	-0.51 ^a (0.13)
Common language	1.28 ^a (0.32)	1.45 ^a (0.40)	1.30 ^a (0.32)	1.56 ^a (0.41)
Island	0.38 (0.24)	0.99 ^b (0.41)	0.30 (0.24)	0.89 ^b (0.42)
Landlocked	0.75 ^a (0.10)	1.68 ^a (0.28)	0.70 ^a (0.10)	1.57 ^a (0.28)
Exporter's Remoteness	-0.21 ^c (0.12)	-0.67 ^b (0.27)		
Importer's Remoteness	-0.25 ^b (0.10)	-0.63 ^a (0.21)		
Exporter's EFW Index			0.14 (0.09)	0.21 ^c (0.17)
Importer's EFW Index			0.08 (0.09)	0.36 (0.19)
Religion	0.26 ^b (0.13)		0.30 ^b (0.13)	
lambda		2.15 ^a (0.55)		2.17 ^a (0.55)
sigma		2.15		2.17
Number of obs	1312	1312	1306	1306
censored	841		836	

Value of standard-errors in parentheses; ^aSignificant at 1%; ^bSignificant at 5%; ^cSignificant at 10%.

Table 2: Robustness checks: Transportation- Communication

Log of exports	Transportation				Communication				Heckman Selection	Regression
	Heckman Selection	Regression	Heckman Selection	Regression	Heckman Selection	Regression	Heckman Selection	Regression		
Exporter's GDPpc	0.12 (0.13)	1.39 ^a (0.12)	0.34 ^a (0.05)	0.81 ^a (0.05)	0.28 ^b (0.14)	1.13 ^a (0.15)	0.43 ^a (0.05)	0.61 ^a (0.08)		
Importer's GDPpc	0.46 ^a (0.05)	1.22 ^a (0.05)	0.28 ^a (0.05)	0.96 ^a (0.05)	0.64 ^a (0.05)	0.99 ^a (0.09)	0.47 ^a (0.05)	0.70 ^a (0.08)		
Exporter's population	0.17 (0.11)	1.16 ^a (0.10)	0.38 ^a (0.03)	0.84 ^a (0.04)	0.16 (0.12)	0.93 ^a (0.13)	0.38 ^a (0.03)	0.71 ^a (0.06)		
Importer's population	0.28 ^a (0.03)	0.81 ^a (0.03)	0.31 ^a (0.03)	0.82 ^a (0.03)	0.47 ^a (0.03)	0.69 ^a (0.07)	0.47 ^a (0.03)	0.73 ^a (0.06)		
Distance	-0.50 ^a (0.17)	-0.32 ^b (0.15)	-0.52 ^a (0.05)	-0.88 ^a (0.05)	-0.64 ^a (0.16)	-0.31 ^c (0.18)	-0.75 ^a (0.06)	-1.04 ^a (0.11)		
Common language	-0.56 ^a (0.19)	0.42 ^a (0.16)	-0.70 ^a (0.20)	0.32 ^b (0.16)	0.03 (0.22)	1.18 ^a (0.18)	-0.13 (0.23)	0.89 ^a (0.19)		
Common border					0.40 (0.40)	0.45 ^c (0.24)	0.32 (0.40)	0.39 (0.24)		
Island	-0.33 ^c (0.19)	0.76 ^a (0.20)	-0.41 ^b (0.19)	0.63 ^a (0.20)						
Colony					1.13 ^a (0.41)	0.94 ^a (0.24)	1.13 ^a (0.41)	1.03 ^a (0.25)		
Common RTA					-2.28 ^a (0.60)	0.15 (0.64)	-2.45 ^a (0.63)	-0.27 (0.65)		
Exporter's Remoteness	0.19 ^c (0.10)	-0.30 ^a (0.10)			0.19 ^c (0.11)	-0.25 ^b (0.12)				
Importer's Remoteness	-0.14 (0.11)	-0.23 ^b (0.10)			-0.21 ^b (0.08)	-0.31 ^a (0.10)				
Exporter's EFW Index			0.08 (0.08)	0.41 ^a (0.08)			0.23 ^a (0.09)	0.53 ^a (0.10)		
Importer's EFW Index			0.36 ^a (0.08)	0.51 ^a (0.08)			0.24 ^a (0.08)	0.55 ^a (0.10)		
Religion	-0.39 ^b (0.18)		-0.26 (0.18)		-0.37 ^b (0.15)		-0.23 (0.15)			
lambda		1.23 ^a (0.35)		0.85 ^b (0.34)		1.13 ^a (0.28)		1.22 ^a (0.27)		
Number of obs	2060	2060	2056	2056	1380	1380	1376	1376		
ensored	255		255		694		692			

Notes: Value of standard-errors in parentheses; ^aSignificant at 1%; ^bSignificant at 5%; ^cSignificant at 10%.

Table 3: Tariff equivalents in % for Transportation/Communication/Financial services using OLS ad hoc estimates

Transportation		Communication		Financial services	
HKG	0.00	PHL	1.59	LUX	0.00
SGP	0.60	NLD	0.00	HKG	32.04
THA	3.21	SWE	13.46	GBR	4.79
EGY	6.08	MAR	19.03	USA	6.48
ALB	6.80	HKG	22.55	IRL	26.14
CHL	9.17	BEL	16.05	JPN	17.45
DNK	10.32	NZL	27.64	SWE	38.46
NGA	16.13	DNK	24.15	NLD	23.00
PHL	8.12	DEU	12.35	SGP	50.94
CYP	17.31	MYS	27.48	TUR	67.42
EST	15.82	BGR	28.49	UKR	74.96
TWN	22.28	USA	19.27	CHN	67.08
CHN	10.15	EGY	28.81	TWN	56.41
LVA	18.62	SGP	32.71	ALB	75.82
KOR	19.90	AUS	30.37	CYP	67.75
URY	17.71	ISR	32.19	BLR	79.32
ZAF	16.68	MEX	30.40	EGY	75.24
MYS	20.66	NOR	28.61	RUS	76.36
MAR	20.61	THA	32.60	POL	74.55
LTU	20.93	ZAF	34.34	BEL	43.62
COL	22.29	TUR	32.22	IND	82.76
ISR	24.33	CHN	29.07	MYS	78.68
UKR	19.39	IDN	36.99	IRN	89.53
BRA	20.08	HRV	35.44	ZAF	81.82
ARG	23.01	ITA	27.45	BGR	86.96
BGR	22.26	BRA	37.65	NOR	61.24
GRC	22.07	GBR	26.16	BRA	88.88
MLT	23.96	KOR	26.61	AUS	64.66
NOR	22.77	TWN	36.25	CHE	30.23
IND	22.39	IND	42.79	PHL	86.54
JPN	25.14	HUN	33.41	PRT	80.94
NZL	24.27	RUS	41.10	KOR	81.23
TUR	27.86	GRC	42.98	NZL	89.19
SWE	27.69	JPN	38.39	DEU	42.26
IDN	29.67	ISL	48.65	SVK	84.15
PRT	30.29	FIN	42.58	ISL	91.17
AUS	29.69	CHE	30.87	ARG	88.97
RUS	32.64	ARG	47.49	IDN	89.27
VEN	30.99	CAN	49.08	CHL	89.69
USA	26.03	FRA	37.58	NGA	83.76
POL	33.01	ESP	42.50	HRV	94.11
SVK	34.97	PRT	33.25	THA	93.57
AUT	43.24	CZE	45.80	MEX	99.01
BLR	38.06	AUT	46.36	FRA	57.12
NLD	36.79	UKR	57.27	AUT	74.63
CZE	38.04	BLR	57.02	HUN	96.56
ISL	41.92	POL	56.11	ISR	106.93
ESP	37.07	CHL	56.51	CZE	96.92
FIN	41.60	NGA	65.41	VEN	100.92
GBR	32.95	IRL	69.60	MAR	106.73

	Transportation		Communication		Financial services
HRV	41.78	SVN	52.11	CAN	107.85
HUN	40.14	ALB	71.95	URY	85.44
IRN	42.24	IRN	78.03	ITA	83.67332
SVN	44.43	URY	70.28	DNK	107.64
CHE	42.39	CYP	62.27	EST	87.30
DEU	41.33	EST	63.42	ESP	129.38
MEX	47.62	LTU	64.21	SVN	114.22
BEL	44.40	SVK	74.01	GRC	111.46
ITA	43.25	LVA	81.82	FIN	117.18
FRA	48.07	VEN	166.53	LTU	96.35
CAN	43.94	MLT	149.60		
LUX	63.13				
IRL	62.33				

Notes: The OLS ad hoc refer to null flows replaced by a low value for which the log exists. The sample is composed of: Albania (ALB); Argentina (ARG); Australia (AUS); Austria (AUT); Belarus (BLR); Belgium (BEL); Brazil (BRA); Bulgaria (BGR); Canada (CAN); Chile (CHL); China (CHN); Colombia (COL); Croatia (HRV); Cyprus (CYP); Czech Republic (CZE); Germany (DEU); Denmark (DNK); Egypt (EGY); Estonia (EST); Finland (FIN); France (FRA); Greece (GRC); Hong Kong (HKG); Hungary (HUN); Iceland (ISL); Indonesia (IDN); India (IND); Iran (IRN); Ireland (IRL); Israel (ISR); Italy (ITA); Japan (JPN); Latvia (LVA); Lithuania (LTU); Luxembourg (LUX); Malta (MLT); Malaysia (MYS); Mexico (MEX); Morocco (MAR); Netherlands (NLD); New Zealand (NZL); Nigeria (NGA); Norway (NOR); Philippines (PHL); Poland (POL); Portugal (PRT); Russia (RUS); Singapore (SGP); Slovak Republic (SVK); Slovenia (SVN); South Africa (ZAF); South Korea (KOR); Spain (ESP); Sweden (SWE); Switzerland (CHE); Thailand (THA); Taiwan (TWN); Turkey (TUR); Ukraine (UKR); United Kingdom (GBR); United States (USA); Uruguay (URY); Venezuela (VEN).