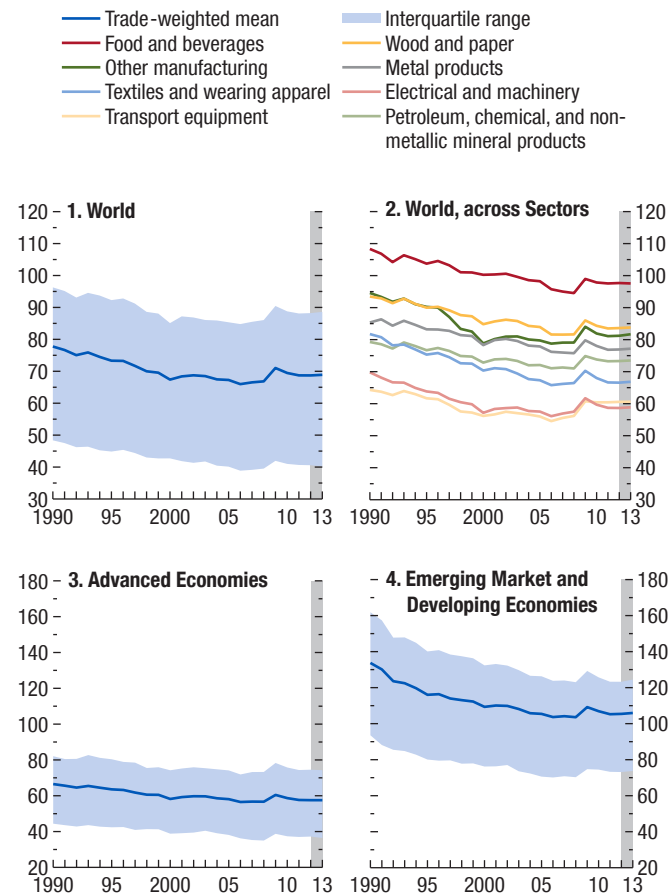


Figure 2.9. Trade Costs in Historical Perspective: A Top-Down Approach

(Percent)

Trade costs fell somewhat consistently up until the global financial crisis but have since flattened. The same pattern can be observed across advanced and emerging market and developing economies and globally across sectors.



Sources: Eora Multi-Region Input-Output database; and IMF staff calculations.
 Note: The index follows the Head and Ries (2001) and Novy (2012) methodology to understand how trade costs in a broad sense have evolved over time. These costs are inferred from the patterns of observed bilateral trade, production, and absorption across countries. See Annex 2.5 for a detailed description of country coverage, data sources, and methodology.