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Piotr Lukaszuk and David Torun

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Editor: Mirela Keuschnigg
University of St.Gallen
School of Economics and Political Science
Department of Economics
Müller-Friedberg-Strasse 6/8
CH-9000 St.Gallen
Email seps@unisg.ch

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Piotr Lukaszuk and David Torun

Author's address:

Piotr Lukaszuk
State Secretariat for Economic Affairs (SECO)
and University of St.Gallen
Email piotr.lukaszuk@seco.admin.ch
Website <https://ideas.repec.org/f/plu427.html>

David Torun
SIAW-HSG, University of St.Gallen
Bodanstrasse 8
9000 St. Gallen, Switzerland
Email david.torun@unisg.ch
Website <https://sites.google.com/view/davidtorun/>

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Abstract

International trade research relies heavily on data reported at the product level. Regular classification updates of the “Harmonized System” lead to intertemporal inconsistencies affecting up to 44% of world goods trade. Existing methods to standardize product vintages either drop numerous products over time or bulk updated codes into large synthetic categories. We largely overcome these issues by developing an algorithm that exploits the persistence of trade data to convert trade flows between vintages. Our conversion estimates are robust to year and sample choices. Provided a clear correspondence and persistent data, the algorithm can be applied to other classifications.

Keywords

international trade data; product classification; classification updates; Harmonized System (HS); concordance

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