Supplementary Material to "Modeling the Timing of Trade Adjustment: A Piecewise Linear Trend Approach with Financial and Labor Frictions"

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This Supplementary accompanies the main manuscript.

S1 Data Construction and Variable Definitions

S1.1 HS–NAICS Concordance Procedure

Industry-level institutional characteristics are defined at the NAICS 3-digit level, whereas bilateral trade flows are observed at the HS 6-digit product level in the BACI dataset. To reconcile these classifications, we implement a hierarchical HS–NAICS concordance procedure following [6].

1. **Trade-Value Weights.** Annual U.S. import data (1989–2023) from [8] are used to construct HS–NAICS weights. If HS product h maps to multiple NAICS industries n, weights are defined as
$$w_{h,n,t} = \frac{\text{Value}_{h,n,t}}{\sum_{n'} \text{Value}_{h,n',t}},$$
where $\text{Value}_{h,n,t}$ denotes U.S. import value of product h assigned to industry n in year t.

2. **Stability and Imputation.** For HS codes that map uniquely and consistently to a single NAICS industry over time ("strictly stable" codes), the corresponding mapping is treated as deterministic. When trade values are missing, weights are imputed using stable historical mappings or hierarchical averages at the HS 4-digit or HS 2-digit level to maintain panel completeness.

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3. **Aggregation.** The weights are merged with global BACI trade flows. Industry-level bilateral trade is constructed as

$$X_{ijnt} = \sum_{h \in H_n} X_{ijht}\, w_{h,n,t},$$

where H_n denotes the set of HS products linked to industry n.

S1.2 Economic Integration Agreements (EIA)

Data on Economic Integration Agreements (EIAs) are obtained from the NSF–Kellogg Institute EIA Database [2]. The database classifies agreements by depth from Level 0 (no agreement) to Level 6 (economic union).

In the baseline specification, we define

$$EIA_{ijt} = 1$$

if a bilateral agreement of Level 3 or higher is in force between countries i and j in year t. This includes:

- Level 3: Free Trade Agreements (FTA),
- Levels 4–6: Customs Unions, Common Markets, and Economic Unions.

Agreements below Level 3 (preferential trade agreements) are excluded from the treatment definition. The analysis therefore focuses on legally binding reciprocal liberalization agreements of FTA depth or deeper.

Event time is defined as $\tau = t - t_{EIA}$, where t_{EIA} denotes the year of entry into force.

S1.3 Institutional Indices

We employ the CBR Labour Regulation Index developed by [1]. The index is a leximetric measure ranging from 0 to 1, where higher values indicate stricter labor regulation.

- **Hiring Rigidity (Baseline)**: Area 1 of the CBR index, covering hiring regulations such as fixed-term contracts and temporary agency work.
- **Overall Labor Rigidity (Robustness)**: Composite index covering Areas 1 (Hiring), 2 (Dismissal), and 3 (Working Time), encompassing approximately 40 individual leximetric components.

S1.4 Industry Benchmark Construction

Industry-level technological characteristics are constructed using firm-level data from LSEG Workspace for U.S. publicly listed firms (1995–2021). Following standard methodologies in the finance–trade literature:

- **External Finance Dependence (EFD)**:

  $$\text{(Capital Expenditures} - \text{Cash Flow from Operations)/Capital Expenditures},$$

  following [7].

- **Asset Tangibility (AT)**:

  $$\text{Net Property, Plant and Equipment/Total Assets},$$

  following [3].

- **Labor Volatility (LV)**: Standard deviation of firm-level employment growth, following [4]. Employment growth is computed using the Davis–Haltiwanger–Schuh (DHS) measure [5]:

  $$2 \times \frac{L_t - L_{t-1}}{L_t + L_{t-1}}.$$

Industry benchmarks are aggregated at the NAICS 3-digit level (NAICS 1XX–3XX sectors). All industry characteristics are winsorized at the 1% and 99% levels to mitigate the influence of extreme outliers. These U.S.-based industry characteristics are interpreted as proxies for global technological requirements following Rajan and Zingales (1998), under the assumption that frontier industry characteristics reflect underlying production technologies rather than country-specific institutions.

S2 Robustness and Supplementary Results

S2.1 Zero-Flow Robustness (PPML and LPM)

Table S1: Robustness to Zero Trade Flows: Trade Incidence (LPM) and Trade Levels (PPML)

	(1) LPM	(2) PPML
Dependent Variable	$pos_{ijt} = \mathbf{1}\{TV_{ijt} > 0\}$	TV_{ijt}
Entry component		
Entry	0.003	0.072
	(0.012)	(0.073)
$\times Fin_{it}$	0.044***	0.032
	(0.015)	(0.110)
$\times Lab_{it}$	−0.008	−0.134**
	(0.015)	(0.064)
Future-trend slope components		
FT_{1-5}	−0.008***	−0.042
	(0.003)	(0.031)
$\times Fin_{it}$	−0.002	0.025
	(0.004)	(0.029)
$\times Lab_{it}$	0.002	0.060**
	(0.004)	(0.026)
FT_{6-10}	−0.005***	−0.015
	(0.002)	(0.016)
$\times Fin_{it}$	0.002	0.015
	(0.002)	(0.016)
$\times Lab_{it}$	0.002	0.013
	(0.002)	(0.014)
FT_{11-15}	−0.004***	−0.010
	(0.001)	(0.009)
$\times Fin_{it}$	0.002	0.012
	(0.002)	(0.012)
$\times Lab_{it}$	0.000	0.013
	(0.002)	(0.010)

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Table S1 continued

Dependent Variable	(1) LPM $pos_{ijt} = \mathbf{1}\{TV_{ijt} > 0\}$	(2) PPML TV_{ijt}
Lagged-trend slope components		
LT_{1-5}	−0.004	0.001
	(0.003)	(0.014)
$\times Fin_{it}$	0.016***	0.019
	(0.003)	(0.018)
$\times Lab_{it}$	−0.000	−0.007
	(0.004)	(0.018)
LT_{6-10}	−0.005***	−0.004
	(0.002)	(0.011)
$\times Fin_{it}$	0.014***	0.003
	(0.002)	(0.011)
$\times Lab_{it}$	−0.002	0.012
	(0.002)	(0.011)
LT_{11-15}	−0.008***	−0.010
	(0.001)	(0.008)
$\times Fin_{it}$	0.014***	−0.004
	(0.001)	(0.007)
$\times Lab_{it}$	0.000	0.016*
	(0.001)	(0.009)
Observations	492,729	471,288
Clusters (pair)	21,423	20,797
Fit statistic	Adj. $R^2 = 0.654$	Pseudo $R^2 = 0.992$
Fixed Effects	Exp-Year, Imp-Year, Pair	Exp-Year, Imp-Year, Pair

Notes: Column (1) reports an HDFE linear probability model for trade incidence $pos_{ijt} = \mathbf{1}\{TV_{ijt} > 0\}$. Column (2) reports PPML estimates on TV_{ijt} in levels using a zero-augmented bilateral-year panel. Both specifications absorb exporter-year, importer-year, and pair fixed effects; standard errors (in parentheses) are clustered at the pair level. Exporter-year institutional main effects are absorbed by exporter-year fixed effects; identification operates through interactions with the PLT entry component and slope segments. ***, **, and * denote significance at the 1%, 5%, and 10% levels.

S2.2 Alternative Knot Placement: 3-Year Windows

Table S2: Robustness to Alternative Knot Placement: 3-Year Window PLT Specification

	(1) $\log TV$	(2) $\log EM$	(3) $\log IM$
Base components			
Entry	0.047	0.447^{***}	-0.401^{***}
	(0.076)	(0.057)	(0.073)
$FT_{1–3}$	-0.046	-0.204^{***}	0.158^{***}
	(0.029)	(0.022)	(0.027)
$FT_{4–6}$	0.004	-0.076^{***}	0.079^{***}
	(0.014)	(0.010)	(0.013)
$FT_{7–9}$	0.008	-0.042^{***}	0.050^{***}
	(0.010)	(0.008)	(0.009)
$FT_{10–12}$	-0.001	-0.032^{***}	0.031^{***}
	(0.009)	(0.006)	(0.008)
$FT_{13–15}$	0.000	-0.020^{***}	0.020^{***}
	(0.007)	(0.005)	(0.006)
$LT_{1–3}$	0.038	0.116^{***}	-0.078^{***}
	(0.030)	(0.021)	(0.028)
$LT_{4–6}$	0.038^{**}	0.037^{***}	0.002
	(0.016)	(0.011)	(0.014)
$LT_{7–9}$	0.022^{**}	0.007	0.015
	(0.011)	(0.007)	(0.010)
$LT_{10–12}$	0.007	-0.012^{*}	0.019^{**}
	(0.009)	(0.006)	(0.008)
$LT_{13–15}$	-0.011	-0.032^{***}	0.021^{***}
	(0.007)	(0.005)	(0.007)
Interactions with financial development ($\times Fin_{it}$)			
Entry $\times Fin_{it}$	-0.175^{*}	-0.554^{***}	0.379^{***}
	(0.094)	(0.075)	(0.092)
$FT_{1–3} \times Fin_{it}$	0.105^{***}	0.233^{***}	-0.128^{***}
	(0.037)	(0.029)	(0.035)
$FT_{4–6} \times Fin_{it}$	0.002	0.083^{***}	-0.080^{***}

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Table S2 (continued)

	(1) $\log TV$	(2) $\log EM$	(3) $\log IM$
	(0.018)	(0.014)	(0.016)
$FT_{7\text{–}9} \times Fin_{it}$	-0.022	0.032^{***}	-0.053^{***}
	(0.013)	(0.010)	(0.012)
$FT_{10\text{–}12} \times Fin_{it}$	-0.003	0.023^{***}	-0.026^{**}
	(0.011)	(0.008)	(0.010)
$FT_{13\text{–}15} \times Fin_{it}$	-0.002	0.010	-0.012
	(0.009)	(0.007)	(0.008)
$LT_{1\text{–}3} \times Fin_{it}$	-0.090^{**}	-0.227^{***}	0.137^{***}
	(0.040)	(0.029)	(0.038)
$LT_{4\text{–}6} \times Fin_{it}$	-0.061^{***}	-0.093^{***}	0.032^{*}
	(0.020)	(0.014)	(0.018)
$LT_{7\text{–}9} \times Fin_{it}$	-0.064^{***}	-0.067^{***}	0.003
	(0.013)	(0.010)	(0.012)
$LT_{10\text{–}12} \times Fin_{it}$	-0.040^{***}	-0.036^{***}	-0.004
	(0.011)	(0.008)	(0.010)
$LT_{13\text{–}15} \times Fin_{it}$	-0.009	0.003	-0.012
	(0.009)	(0.007)	(0.008)
Interactions with labor rigidity ($\times Lab_{it}$)			
Entry $\times Lab_{it}$	0.116	-0.077	0.193^{*}
	(0.105)	(0.081)	(0.101)
$FT_{1\text{–}3} \times Lab_{it}$	0.024	0.079^{**}	-0.056
	(0.040)	(0.031)	(0.037)
$FT_{4\text{–}6} \times Lab_{it}$	0.021	0.029^{*}	-0.008
	(0.021)	(0.016)	(0.018)
$FT_{7\text{–}9} \times Lab_{it}$	0.022	0.030^{**}	-0.008
	(0.015)	(0.012)	(0.013)
$FT_{10\text{–}12} \times Lab_{it}$	0.017	0.022^{**}	-0.005
	(0.014)	(0.010)	(0.012)
$FT_{13\text{–}15} \times Lab_{it}$	0.004	0.019^{**}	-0.015
	(0.012)	(0.009)	(0.010)
$LT_{1\text{–}3} \times Lab_{it}$	0.029	0.035	-0.006
	(0.041)	(0.029)	(0.038)

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Table S2 (continued)

	(1) $\log TV$	(2) $\log EM$	(3) $\log IM$
$LT_{4\text{–}6} \times Lab_{it}$	0.003	0.016	−0.012
	(0.020)	(0.014)	(0.017)
$LT_{7\text{–}9} \times Lab_{it}$	0.035***	0.035***	−0.000
	(0.013)	(0.010)	(0.012)
$LT_{10\text{–}12} \times Lab_{it}$	0.025**	0.032***	−0.007
	(0.011)	(0.008)	(0.010)
$LT_{13\text{–}15} \times Lab_{it}$	0.024**	0.027***	−0.003
	(0.009)	(0.006)	(0.008)
Observations		390,037	
Clusters (pair)		20,403	
Fixed effects		Exp×Year, Imp×Year, Pair	

Notes: This table reports the fully interacted PLT specification estimated with 3-year lead/lag windows over a ±15 year horizon. All regressions absorb exporter-year, importer-year, and pair fixed effects; standard errors (in parentheses) are clustered by pair. Main effects of exporter-year institutional variables are absorbed by exporter-year fixed effects; identification operates through interactions with entry and slope components. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

S2.3 Alternative Institutional Proxies

Table S3: Robustness: Labor Hiring Rigidity

		FDIX		FMIX		FIIX	
Var	Int.	EM	IM	EM	IM	EM	IM
EIA_{LT11_15}	Base	-0.033***	0.027***	-0.038***	0.026***	-0.031***	0.024***
		(0.005)	(0.007)	(0.004)	(0.006)	(0.005)	(0.007)
	×Fin	-0.002	-0.014*	0.002	-0.015**	-0.001	-0.005
		(0.006)	(0.008)	(0.005)	(0.006)	(0.007)	(0.009)
	×Lab	0.029***	-0.007	0.033***	-0.007	0.027***	-0.008
		(0.006)	(0.008)	(0.006)	(0.008)	(0.006)	(0.008)
EIA_{LT6_10}	Base	-0.007	0.025***	-0.019***	0.025***	-0.004	0.022**
		(0.007)	(0.009)	(0.006)	(0.008)	(0.007)	(0.009)
	×Fin	-0.048***	-0.007	-0.030***	-0.009	-0.047***	-0.002
		(0.009)	(0.011)	(0.007)	(0.008)	(0.009)	(0.012)
	×Lab	0.032***	-0.002	0.032***	-0.001	0.034***	-0.001
		(0.009)	(0.011)	(0.009)	(0.011)	(0.009)	(0.011)
EIA_{LT1_5}	Base	0.035***	-0.000	0.015	0.009	0.047***	-0.005
		(0.012)	(0.017)	(0.011)	(0.015)	(0.013)	(0.018)
	×Fin	-0.104***	0.048**	-0.062***	0.030*	-0.120***	0.049**
		(0.016)	(0.021)	(0.013)	(0.017)	(0.017)	(0.023)
	×Lab	0.024	-0.014	0.018	-0.009	0.031*	-0.014
		(0.017)	(0.022)	(0.017)	(0.022)	(0.017)	(0.021)
$EIA_{ij,t}$	Base	0.187***	-0.199***	0.251***	-0.260***	0.395***	-0.341***
		(0.047)	(0.061)	(0.049)	(0.065)	(0.054)	(0.070)
	×Fin	-0.217***	0.162**	-0.251***	0.191***	-0.509***	0.341***
		(0.058)	(0.073)	(0.058)	(0.072)	(0.070)	(0.089)
	×Lab	-0.034	0.150*	-0.070	0.183*	-0.027	0.154
		(0.068)	(0.088)	(0.076)	(0.097)	(0.076)	(0.096)
EIA_{FT1_5}	Base	-0.091***	0.079***	-0.070***	0.066***	-0.108***	0.088***
		(0.012)	(0.015)	(0.011)	(0.014)	(0.013)	(0.016)
	×Fin	0.101***	-0.077***	0.052***	-0.047***	0.130***	-0.090***
		(0.016)	(0.019)	(0.014)	(0.017)	(0.017)	(0.020)
	×Lab	0.034*	-0.010	0.043**	-0.019	0.028	-0.006
		(0.018)	(0.022)	(0.018)	(0.022)	(0.018)	(0.022)
EIA_{FT6_10}	Base	-0.029***	0.038***	-0.025***	0.031***	-0.037***	0.044***
		(0.007)	(0.008)	(0.006)	(0.007)	(0.007)	(0.008)
	×Fin	0.017**	-0.039***	-0.000	-0.022**	0.033***	-0.047***
		(0.009)	(0.010)	(0.008)	(0.009)	(0.009)	(0.010)
	×Lab	0.025**	-0.006	0.029***	-0.007	0.023**	-0.004
		(0.011)	(0.012)	(0.011)	(0.012)	(0.011)	(0.012)
EIA_{FT11_15}	Base	-0.017***	0.017***	-0.015***	0.015***	-0.021***	0.019***
		(0.005)	(0.006)	(0.005)	(0.006)	(0.005)	(0.007)
	×Fin	0.004	-0.010	-0.007	-0.002	0.015**	-0.014*
		(0.007)	(0.008)	(0.006)	(0.007)	(0.007)	(0.008)
	×Lab	0.019**	-0.009	0.022***	-0.010	0.018**	-0.008
		(0.008)	(0.010)	(0.008)	(0.010)	(0.008)	(0.010)
Adj. R^2		0.796	0.659	0.798	0.663	0.796	0.659
Observations		390,037	390,037	381,969	381,969	390,037	390,037
Fixed Effects		✓	✓	✓	✓	✓	✓

Notes: This table reports results from the split-trend specification estimating the different timing effects of FTA entry. **Financial Measures:** FDIX (Financial Development), FMIX (Financial Markets), FIIX (Financial Institutions) are indices from the IMF. **Labor Measures:** Overall Rigidity and Hiring Rigidity are from the CBR. All specifications include exporter–year, importer–year, and country-pair fixed effects. Standard errors are clustered at the country-pair level. ***, **, and * denote significance at the 1%, 5%, and 10% levels.

Table S4: Robustness: Overall Labor Rigidity

		FDIX		FMIX		FIIX	
Var	Int.	EM	IM	EM	IM	EM	IM
EIA_{LT11_15}	Base	-0.038***	0.040***	-0.044***	0.041***	-0.038***	0.035***
		(0.008)	(0.011)	(0.008)	(0.011)	(0.008)	(0.012)
	×Fin	0.005	-0.016**	0.007	-0.018***	0.007	-0.007
		(0.006)	(0.008)	(0.005)	(0.006)	(0.007)	(0.009)
	×Lab	0.035***	-0.027*	0.042***	-0.031*	0.033***	-0.026*
		(0.012)	(0.016)	(0.012)	(0.016)	(0.012)	(0.016)
EIA_{LT6_10}	Base	-0.005	0.037**	-0.016	0.037***	-0.007	0.033**
		(0.012)	(0.015)	(0.011)	(0.014)	(0.012)	(0.015)
	×Fin	-0.040***	-0.008	-0.026***	-0.011	-0.037***	-0.003
		(0.009)	(0.011)	(0.007)	(0.009)	(0.009)	(0.012)
	×Lab	0.024	-0.020	0.027	-0.020	0.030*	-0.018
		(0.017)	(0.021)	(0.017)	(0.021)	(0.017)	(0.020)
EIA_{LT1_5}	Base	0.054***	-0.010	0.033*	-0.001	0.061***	-0.011
		(0.020)	(0.029)	(0.019)	(0.027)	(0.020)	(0.029)
	×Fin	-0.099***	0.045**	-0.060***	0.029*	-0.111***	0.046*
		(0.016)	(0.022)	(0.013)	(0.018)	(0.017)	(0.024)
	×Lab	-0.012	0.005	-0.014	0.009	-0.001	-0.001
		(0.030)	(0.040)	(0.030)	(0.040)	(0.029)	(0.040)
$EIA_{ij,t}$	Base	0.462***	-0.476***	0.348***	-0.409***	0.511***	-0.505***
		(0.085)	(0.111)	(0.081)	(0.108)	(0.088)	(0.114)
	×Fin	-0.445***	0.351***	-0.263***	0.227***	-0.518***	0.394***
		(0.068)	(0.085)	(0.058)	(0.073)	(0.071)	(0.090)
	×Lab	-0.251*	0.418**	-0.231*	0.418**	-0.222*	0.391**
		(0.132)	(0.167)	(0.132)	(0.170)	(0.131)	(0.165)
EIA_{FT1_5}	Base	-0.134***	0.102***	-0.107***	0.087***	-0.155***	0.112***
		(0.020)	(0.024)	(0.019)	(0.023)	(0.021)	(0.025)
	×Fin	0.110***	-0.082***	0.059***	-0.051***	0.138***	-0.094***
		(0.016)	(0.019)	(0.014)	(0.017)	(0.017)	(0.020)
	×Lab	0.105***	-0.049	0.102***	-0.055	0.103***	-0.047
		(0.032)	(0.038)	(0.032)	(0.038)	(0.031)	(0.038)
EIA_{FT6_10}	Base	-0.058***	0.057***	-0.050***	0.046***	-0.068***	0.064***
		(0.010)	(0.012)	(0.010)	(0.011)	(0.011)	(0.013)
	×Fin	0.024***	-0.042***	0.005	-0.024***	0.040***	-0.050***
		(0.009)	(0.010)	(0.008)	(0.009)	(0.009)	(0.010)
	×Lab	0.070***	-0.039**	0.069***	-0.035*	0.073***	-0.039**
		(0.017)	(0.019)	(0.017)	(0.019)	(0.017)	(0.019)
EIA_{FT11_15}	Base	-0.033***	0.030***	-0.028***	0.027***	-0.040***	0.034***
		(0.008)	(0.010)	(0.007)	(0.009)	(0.008)	(0.011)
	×Fin	0.010	-0.013*	-0.002	-0.005	0.020***	-0.018**
		(0.007)	(0.008)	(0.006)	(0.007)	(0.007)	(0.008)
	×Lab	0.042***	-0.030**	0.041***	-0.029**	0.046***	-0.033**
		(0.012)	(0.015)	(0.012)	(0.015)	(0.012)	(0.016)
Adj. R^2		0.796	0.659	0.798	0.663	0.796	0.659
Observations		390,037	390,037	381,969	381,969	390,037	390,037
Fixed Effects		✓	✓	✓	✓	✓	✓

Notes: This table reports results from the split-trend specification estimating the different timing effects of FTA entry. **Financial Measures:** FDIX (Financial Development), FMIX (Financial Markets), FIIX (Financial Institutions) are indices from the IMF. **Labor Measures:** Overall Rigidity and Hiring Rigidity are from the CBR. All specifications include exporter–year, importer–year, and country-pair fixed effects. Standard errors are clustered at the country-pair level. ***, **, and * denote significance at the 1%, 5%, and 10% levels.

S2.4 HS-4 Margin Decomposition

Table S5: Robustness to Product Aggregation: HS-4 Hummels–Klenow Decomposition

		Base Model			Labor and Fin.		
Variable	Interaction	(1) logTV	(2) logEM	(3) logIM	(4) logTV	(5) logEM	(6) logIM
$EIA_{ij,t}$	Base	0.030	0.332^{***}	-0.302^{***}	0.030	0.332^{***}	-0.302^{***}
		(0.069)	(0.047)	(0.067)	(0.069)	(0.047)	(0.067)
	$\times Lab_{it}$				0.116	-0.080	0.196^{**}
					(0.099)	(0.067)	(0.095)
	$\times Fin_{it}$				-0.126	-0.408^{***}	0.282^{***}
					(0.085)	(0.059)	(0.083)
$EIA_{\text{LT1-5}}$	Base	0.034^{*}	0.026^{**}	0.008	0.034^{*}	0.026^{**}	0.008
		(0.019)	(0.011)	(0.017)	(0.019)	(0.011)	(0.017)
	$\times Lab_{it}$				0.010	0.015	-0.005
					(0.024)	(0.015)	(0.022)
	$\times Fin_{it}$				-0.056^{**}	-0.083^{***}	0.027
					(0.023)	(0.014)	(0.022)
$EIA_{\text{LT6-10}}$	Base	0.019^{**}	-0.009	0.027^{***}	0.019^{**}	-0.009	0.027^{***}
		(0.009)	(0.006)	(0.009)	(0.009)	(0.006)	(0.009)
	$\times Lab_{it}$				0.030^{**}	0.021^{***}	0.009
					(0.012)	(0.008)	(0.011)
	$\times Fin_{it}$				-0.054^{***}	-0.034^{***}	-0.020^{*}
					(0.012)	(0.007)	(0.011)
$EIA_{\text{LT11-15}}$	Base	-0.006	-0.030^{***}	0.024^{***}	-0.006	-0.030^{***}	0.024^{***}
		(0.007)	(0.004)	(0.007)	(0.007)	(0.004)	(0.007)
	$\times Lab_{it}$				0.022^{**}	0.018^{***}	0.004
					(0.009)	(0.005)	(0.008)
	$\times Fin_{it}$				-0.015^{*}	0.006	-0.022^{***}
					(0.009)	(0.006)	(0.008)
$EIA_{\text{FT1-5}}$	Base	-0.012	-0.081^{***}	0.069^{***}	-0.012	-0.081^{***}	0.069^{***}
		(0.016)	(0.011)	(0.015)	(0.016)	(0.011)	(0.015)
	$\times Lab_{it}$				0.024	0.027	-0.002
					(0.024)	(0.017)	(0.022)
	$\times Fin_{it}$				0.024	0.092^{***}	-0.068^{***}
					(0.021)	(0.014)	(0.019)
$EIA_{\text{FT6-10}}$	Base	0.009	-0.028^{***}	0.037^{***}	0.009	-0.028^{***}	0.037^{***}
		(0.009)	(0.006)	(0.008)	(0.009)	(0.006)	(0.008)
	$\times Lab_{it}$				0.019	0.019^{**}	0.000
					(0.014)	(0.009)	(0.012)
	$\times Fin_{it}$				-0.022^{*}	0.021^{***}	-0.042^{***}
					(0.012)	(0.008)	(0.010)
$EIA_{\text{FT11-15}}$	Base	-0.000	-0.017^{***}	0.017^{***}	-0.000	-0.017^{***}	0.017^{***}
		(0.007)	(0.005)	(0.006)	(0.007)	(0.005)	(0.006)
	$\times Lab_{it}$				0.011	0.015^{*}	-0.004
					(0.011)	(0.008)	(0.010)
	$\times Fin_{it}$				-0.005	0.010^{*}	-0.016^{*}
					(0.009)	(0.006)	(0.008)
Adj. R^2		0.896	0.810	0.716	0.896	0.810	0.716
Observations		390,037	390,037	390,037	390,037	390,037	390,037
Fixed Effects		✓	✓	✓	✓	✓	✓

Notes: This table replicates the main HS-6 specification using HS-4 product aggregation in the [**?**] decomposition to assess sensitivity to product-level aggregation. Exporter–year, importer–year, and pair fixed effects included. Standard errors clustered at the bilateral pair level. ***, **, and * denote significance at the 1%, 5%, and 10% levels.

S2.5 Full Event-Study Tables

Table S6: Full Event Study: Combined Financial and Labor Mechanisms

EIA Timing	Interaction	Row	(1) logTV	(2) logEM	(3) logIM
EIA_{t-10}	Base	(1)	-0.038	0.274^{***}	-0.312^{***}
			(0.106)	(0.082)	(0.092)
	$\times Fin_{it}$	(2)	0.097	-0.197^{**}	0.294^{***}
			(0.120)	(0.094)	(0.113)
	$\times Lab_{it}$	(3)	-0.090	-0.171	0.081
			(0.163)	(0.135)	(0.153)
EIA_{t-9}	Base	(4)	-0.061	0.291^{***}	-0.352^{***}
			(0.091)	(0.074)	(0.087)
	$\times Fin_{it}$	(5)	0.252^{**}	-0.143	0.395^{***}
			(0.116)	(0.093)	(0.110)
	$\times Lab_{it}$	(6)	-0.191	-0.262^{**}	0.072
			(0.142)	(0.120)	(0.139)
EIA_{t-8}	Base	(7)	-0.143	0.284^{***}	-0.427^{***}
			(0.091)	(0.075)	(0.085)
	$\times Fin_{it}$	(8)	0.319^{***}	-0.174^{*}	0.494^{***}
			(0.123)	(0.101)	(0.109)
	$\times Lab_{it}$	(9)	-0.121	-0.259^{**}	0.138
			(0.144)	(0.119)	(0.136)
EIA_{t-7}	Base	(10)	-0.029	0.368^{***}	-0.397^{***}
			(0.087)	(0.072)	(0.086)
	$\times Fin_{it}$	(11)	0.113	-0.312^{***}	0.425^{***}
			(0.114)	(0.089)	(0.105)
	$\times Lab_{it}$	(12)	-0.188	-0.260^{**}	0.071
			(0.137)	(0.112)	(0.129)
EIA_{t-6}	Base	(13)	-0.104	0.345^{***}	-0.449^{***}
			(0.087)	(0.064)	(0.081)
	$\times Fin_{it}$	(14)	0.119	-0.311^{***}	0.431^{***}
			(0.110)	(0.080)	(0.100)

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EIA Timing	Interaction	Row	(1) logTV	(2) logEM	(3) logIM
	$\times Lab_{it}$	(15)	-0.095	-0.213^{**}	0.118
			(0.137)	(0.103)	(0.120)
EIA_{t-5}	Base	(16)	0.016	0.404^{***}	-0.388^{***}
			(0.083)	(0.061)	(0.078)
	$\times Fin_{it}$	(17)	0.021	-0.422^{***}	0.444^{***}
			(0.106)	(0.080)	(0.099)
	$\times Lab_{it}$	(18)	-0.116	-0.156	0.040
			(0.126)	(0.096)	(0.120)
EIA_{t-4}	Base	(19)	0.008	0.414^{***}	-0.405^{***}
			(0.086)	(0.059)	(0.081)
	$\times Fin_{it}$	(20)	-0.020	-0.425^{***}	0.405^{***}
			(0.106)	(0.081)	(0.095)
	$\times Lab_{it}$	(21)	-0.109	-0.190^{**}	0.080
			(0.124)	(0.087)	(0.116)
EIA_{t-3}	Base	(22)	0.141^{*}	0.542^{***}	-0.401^{***}
			(0.077)	(0.059)	(0.071)
	$\times Fin_{it}$	(23)	-0.257^{***}	-0.526^{***}	0.269^{***}
			(0.098)	(0.072)	(0.090)
	$\times Lab_{it}$	(24)	-0.102	-0.324^{***}	0.221^{**}
			(0.111)	(0.086)	(0.102)
EIA_{t-2}	Base	(25)	0.023	0.450^{***}	-0.427^{***}
			(0.075)	(0.058)	(0.073)
	$\times Fin_{it}$	(26)	-0.114	-0.456^{***}	0.342^{***}
			(0.096)	(0.075)	(0.093)
	$\times Lab_{it}$	(27)	0.030	-0.215^{**}	0.245^{**}
			(0.107)	(0.084)	(0.104)
$EIA_{ij,t}$	Base	(28)	0.034	0.469^{***}	-0.434^{***}
			(0.073)	(0.055)	(0.073)
	$\times Fin_{it}$	(29)	-0.109	-0.515^{***}	0.406^{***}
			(0.093)	(0.071)	(0.092)

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EIA Timing	Interaction	Row	(1) logTV	(2) logEM	(3) logIM
	$\times Lab_{it}$	(30)	0.107	-0.134^{*}	0.241^{**}
			(0.104)	(0.079)	(0.102)
EIA_{t+1}	Base	(31)	0.118^{*}	0.300^{***}	-0.182^{***}
			(0.070)	(0.052)	(0.068)
	$\times Fin_{it}$	(32)	-0.141	-0.411^{***}	0.270^{***}
			(0.092)	(0.069)	(0.090)
	$\times Lab_{it}$	(33)	-0.032	-0.064	0.032
			(0.100)	(0.074)	(0.096)
EIA_{t+2}	Base	(34)	0.015	0.314^{***}	-0.299^{***}
			(0.077)	(0.051)	(0.075)
	$\times Fin_{it}$	(35)	-0.001	-0.475^{***}	0.474^{***}
			(0.101)	(0.070)	(0.096)
	$\times Lab_{it}$	(36)	0.010	-0.021	0.031
			(0.108)	(0.075)	(0.103)
EIA_{t+3}	Base	(37)	0.106	0.287^{***}	-0.181^{**}
			(0.078)	(0.054)	(0.076)
	$\times Fin_{it}$	(38)	-0.227^{**}	-0.506^{***}	0.279^{***}
			(0.102)	(0.072)	(0.099)
	$\times Lab_{it}$	(39)	0.092	0.064	0.028
			(0.107)	(0.076)	(0.103)
EIA_{t+4}	Base	(40)	0.157^{*}	0.207^{***}	-0.050
			(0.087)	(0.058)	(0.078)
	$\times Fin_{it}$	(41)	-0.199^{*}	-0.456^{***}	0.257^{**}
			(0.108)	(0.075)	(0.100)
	$\times Lab_{it}$	(42)	0.060	0.130	-0.070
			(0.115)	(0.081)	(0.101)
EIA_{t+5}	Base	(43)	0.186^{**}	0.268^{***}	-0.082
			(0.094)	(0.056)	(0.087)
	$\times Fin_{it}$	(44)	-0.213^{*}	-0.427^{***}	0.214^{**}
			(0.118)	(0.075)	(0.106)

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EIA Timing	Interaction	Row	(1) logTV	(2) logEM	(3) logIM
	$\times Lab_{it}$	(45)	−0.076	−0.083	0.007
			(0.120)	(0.083)	(0.110)
EIA_{t+6}	Base	(46)	0.210***	0.208***	0.002
			(0.080)	(0.059)	(0.078)
	$\times Fin_{it}$	(47)	−0.264**	−0.414***	0.150
			(0.109)	(0.078)	(0.102)
	$\times Lab_{it}$	(48)	−0.024	0.030	−0.054
			(0.110)	(0.078)	(0.101)
EIA_{t+7}	Base	(49)	0.173**	0.090	0.082
			(0.084)	(0.065)	(0.084)
	$\times Fin_{it}$	(50)	−0.341***	−0.396***	0.055
			(0.105)	(0.083)	(0.101)
	$\times Lab_{it}$	(51)	0.164	0.200**	−0.037
			(0.109)	(0.083)	(0.104)
EIA_{t+8}	Base	(52)	0.098	0.088	0.010
			(0.087)	(0.074)	(0.083)
	$\times Fin_{it}$	(53)	−0.413***	−0.544***	0.132
			(0.111)	(0.086)	(0.101)
	$\times Lab_{it}$	(54)	0.323***	0.236***	0.087
			(0.113)	(0.090)	(0.104)
EIA_{t+9}	Base	(55)	0.241***	0.162***	0.079
			(0.080)	(0.062)	(0.076)
	$\times Fin_{it}$	(56)	−0.525***	−0.526***	0.002
			(0.106)	(0.077)	(0.101)
	$\times Lab_{it}$	(57)	0.183*	0.158**	0.024
			(0.105)	(0.079)	(0.096)
EIA_{t+10}	Base	(58)	0.124	0.035	0.089
			(0.091)	(0.068)	(0.094)
	$\times Fin_{it}$	(59)	−0.453***	−0.434***	−0.020
			(0.113)	(0.079)	(0.105)

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EIA Timing	Interaction	Row	(1) logTV	(2) logEM	(3) logIM
	$\times Lab_{it}$	(60)	0.277^{**}	0.210^{**}	0.068
			(0.112)	(0.085)	(0.109)

S2.6 Country-Level Summary Statistics

Table S7: Summary Statistics by Country (1995–2017)

	Financial Development Index					Labor Rigidity (Hiring) Index				
Country	Obs	Mean	SD	Min	Max	Obs	Mean	SD	Min	Max
Algeria	2,924	0.122	0.006	0.110	0.132	2,924	0.832	0.043	0.781	0.869
Angola	2,233	0.132	0.023	0.093	0.192	2,233	0.516	0.069	0.406	0.650
Argentina	3,959	0.311	0.034	0.264	0.380	3,959	0.828	0.031	0.803	0.865
Armenia	2,285	0.158	0.051	0.090	0.236	2,285	0.514	0.028	0.469	0.531
Australia	4,307	0.882	0.078	0.673	0.967	4,307	0.291	0.020	0.271	0.312
Austria	4,279	0.613	0.074	0.447	0.741	4,279	0.638	0.028	0.594	0.656
Azerbaijan	2,517	0.127	0.031	0.068	0.175	2,517	0.470	0.030	0.438	0.500
Bangladesh	3,772	0.200	0.039	0.135	0.284	3,772	0.237	0.049	0.188	0.312
Belarus	3,087	0.126	0.050	0.027	0.197	3,087	0.384	0.030	0.344	0.469
Belgium	4,361	0.631	0.060	0.494	0.735	4,361	0.688	0.144	0.421	0.800
Bolivia (Plurinational State of)	2,581	0.184	0.064	0.104	0.305	2,581	0.443	0.015	0.425	0.456
Botswana	1,942	0.325	0.023	0.273	0.354	1,942	0.250	−−	0.250	0.250
Brazil	4,240	0.514	0.106	0.325	0.626	4,240	0.862	0.054	0.731	0.934
Bulgaria	3,969	0.347	0.058	0.227	0.446	3,969	0.631	0.158	0.421	0.837
Cambodia	2,934	0.096	0.035	0.026	0.156	2,934	0.693	0.042	0.615	0.715
Cameroon	3,100	0.080	0.007	0.060	0.096	3,100	0.493	−−	0.493	0.493
Canada	4,274	0.803	0.098	0.589	0.912	4,274	0.300	−−	0.300	0.300
Chile	3,828	0.457	0.061	0.333	0.530	3,828	0.619	0.079	0.500	0.719
China	4,369	0.471	0.091	0.348	0.635	4,369	0.207	0.093	0.125	0.312
Colombia	3,771	0.301	0.068	0.151	0.382	3,771	0.501	0.015	0.490	0.521
Costa Rica	3,417	0.220	0.042	0.139	0.294	3,417	0.444	0.027	0.438	0.562
Croatia	3,685	0.407	0.095	0.232	0.520	3,685	0.770	0.124	0.556	0.869
Cyprus	3,881	0.540	0.064	0.416	0.675	3,881	0.594	0.186	0.303	0.719
Czechia	4,110	0.403	0.057	0.306	0.471	4,110	0.443	0.169	0.254	0.674
Côte d'Ivoire	3,441	0.149	0.027	0.107	0.203	3,441	0.803	0.081	0.375	0.819
Dem. Rep. of the Congo	2,213	0.036	0.013	0.003	0.066	2,213	0.544	−−	0.544	0.544
Denmark	4,292	0.669	0.051	0.533	0.735	4,292	0.445	0.190	0.156	0.656
Dominican Rep.	3,068	0.141	0.016	0.116	0.173	3,068	0.438	−−	0.438	0.438
Ecuador	3,444	0.134	0.023	0.097	0.167	3,444	0.614	0.112	0.375	0.725
Egypt	3,930	0.307	0.058	0.223	0.430	3,930	0.219	−−	0.219	0.219
Estonia	3,484	0.274	0.037	0.201	0.334	3,484	0.567	0.081	0.469	0.656
Ethiopia	3,007	0.113	0.010	0.096	0.130	3,007	0.541	0.026	0.469	0.562
Finland	4,280	0.566	0.077	0.371	0.665	4,280	0.675	0.069	0.594	0.781
France	4,362	0.722	0.092	0.510	0.830	4,362	0.950	−−	0.950	0.950
Gabon	2,866	0.096	0.014	0.062	0.119	2,866	0.669	−−	0.669	0.669
Georgia	2,862	0.160	0.078	0.066	0.296	2,862	0.400	0.056	0.344	0.469

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	Financial Development Index					Labor Rigidity (Hiring) Index				
Country	Obs	Mean	SD	Min	Max	Obs	Mean	SD	Min	Max
Germany	4,366	0.727	0.053	0.521	0.783	4,366	0.810	0.079	0.681	0.913
Ghana	3,257	0.128	0.021	0.101	0.166	3,257	0.621	0.054	0.469	0.656
Greece	4,197	0.527	0.080	0.377	0.675	4,197	0.618	0.242	0.250	0.881
Honduras	3,010	0.168	0.031	0.106	0.207	3,010	0.473	0.011	0.469	0.500
Hungary	4,110	0.444	0.079	0.279	0.569	4,110	0.583	0.152	0.375	0.729
Iceland	3,327	0.544	0.055	0.397	0.615	3,327	0.534	0.215	0.219	0.769
India	4,326	0.425	0.026	0.367	0.492	4,326	0.559	0.062	0.500	0.625
Indonesia	4,284	0.320	0.035	0.249	0.395	4,284	0.688	0.075	0.587	0.775
Iran	3,556	0.300	0.047	0.217	0.370	3,556	0.344	−−	0.344	0.344
Ireland	4,263	0.721	0.047	0.647	0.817	4,263	0.470	0.240	0.094	0.690
Israel	3,972	0.532	0.073	0.387	0.643	3,972	0.540	0.046	0.428	0.562
Italy	4,351	0.718	0.088	0.475	0.796	4,351	0.719	0.067	0.615	0.806
Japan	4,345	0.764	0.087	0.569	0.894	4,345	0.175	0.083	0.094	0.312
Jordan	3,433	0.469	0.068	0.364	0.578	3,433	0.219	−−	0.219	0.219
Kazakhstan	2,580	0.271	0.082	0.117	0.388	2,580	0.395	0.038	0.375	0.469
Kenya	3,573	0.149	0.027	0.095	0.185	3,573	0.218	0.030	0.188	0.250
Kyrgyzstan	2,072	0.092	0.015	0.059	0.121	2,072	0.586	0.025	0.500	0.594
Latvia	3,486	0.238	0.060	0.097	0.314	3,486	0.647	0.209	0.281	0.837
Lesotho	1,419	0.139	0.009	0.118	0.156	1,419	0.250	−−	0.250	0.250
Lithuania	3,548	0.211	0.054	0.092	0.304	3,548	0.551	0.136	0.438	0.740
Luxembourg	3,343	0.729	0.010	0.713	0.748	3,343	0.975	−−	0.975	0.975
Malaysia	4,331	0.598	0.060	0.456	0.671	4,331	0.149	0.058	0.062	0.188
Mali	2,692	0.098	0.009	0.083	0.113	2,692	0.502	0.012	0.469	0.550
Malta	3,573	0.504	0.030	0.414	0.560	3,573	0.586	0.115	0.406	0.700
Mexico	4,001	0.341	0.043	0.261	0.399	4,001	0.549	0.082	0.500	0.688
Mongolia	2,007	0.234	0.088	0.090	0.377	2,007	0.306	0.074	0.198	0.431
Morocco	3,759	0.286	0.052	0.174	0.348	3,759	0.613	0.104	0.459	0.684
Myanmar	2,504	0.101	0.009	0.082	0.118	2,504	0.200	0.015	0.188	0.219
Namibia	2,733	0.429	0.102	0.297	0.557	2,733	0.282	0.118	0.188	0.438
Netherlands	4,370	0.784	0.053	0.655	0.862	4,370	0.651	0.109	0.359	0.725
New Zealand	4,168	0.557	0.042	0.490	0.647	4,168	0.269	0.025	0.219	0.281
Nicaragua	2,792	0.116	0.017	0.077	0.145	2,792	0.433	0.026	0.281	0.438
Nigeria	3,215	0.202	0.027	0.145	0.270	3,215	0.188	−−	0.188	0.188
North Macedonia	2,616	0.190	0.046	0.128	0.253	2,616	0.542	0.011	0.531	0.556
Norway	4,257	0.644	0.091	0.421	0.777	4,257	0.661	0.195	0.438	0.919
Pakistan	3,819	0.263	0.072	0.118	0.366	3,819	0.453	0.005	0.450	0.463
Panama	3,190	0.357	0.044	0.262	0.425	3,190	0.336	0.062	0.281	0.406
Paraguay	2,814	0.115	0.023	0.064	0.172	2,814	0.406	−−	0.406	0.406
Peru	3,684	0.269	0.059	0.184	0.388	3,684	0.493	0.094	0.344	0.562
Philippines	4,039	0.334	0.029	0.297	0.411	4,039	0.456	0.074	0.334	0.500

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Table S7 – Continued from previous page

	Financial Development Index					Labor Rigidity (Hiring) Index				
Country	Obs	Mean	SD	Min	Max	Obs	Mean	SD	Min	Max
Poland	4,153	0.398	0.062	0.275	0.474	4,153	0.560	0.296	0.146	0.887
Portugal	4,241	0.676	0.065	0.497	0.804	4,241	0.838	0.087	0.681	0.931
Qatar	2,821	0.517	0.038	0.419	0.571	2,821	0.334	−−	0.334	0.334
Rep. of Korea	4,360	0.769	0.086	0.581	0.849	4,360	0.622	0.148	0.355	0.757
Rep. of Moldova	2,547	0.204	0.041	0.123	0.255	2,547	0.548	0.056	0.469	0.656
Romania	4,004	0.205	0.075	0.104	0.303	4,004	0.756	0.225	0.438	0.931
Russian Federation	3,993	0.477	0.063	0.332	0.573	3,993	0.560	0.073	0.469	0.688
Rwanda	2,132	0.101	0.013	0.071	0.124	2,132	0.358	0.046	0.312	0.412
Saint Lucia	1,706	0.332	0.017	0.284	0.353	1,706	0.344	−−	0.344	0.344
Saudi Arabia	3,803	0.407	0.075	0.269	0.519	3,803	0.438	0.021	0.409	0.459
Senegal	3,168	0.091	0.007	0.072	0.109	3,168	0.756	0.011	0.746	0.767
Singapore	4,115	0.707	0.054	0.559	0.793	4,115	0.403	0.029	0.271	0.425
Slovakia	3,931	0.245	0.036	0.161	0.291	3,931	0.489	0.199	0.254	0.756
Slovenia	3,790	0.444	0.063	0.336	0.550	3,790	0.905	0.016	0.881	0.919
South Africa	4,316	0.517	0.075	0.346	0.634	4,316	0.260	0.183	0.156	0.729
Spain	4,334	0.812	0.100	0.511	0.902	4,334	0.833	0.088	0.630	0.902
Sri Lanka	3,883	0.239	0.030	0.186	0.283	3,883	0.219	−−	0.219	0.219
Sudan	2,868	0.074	0.018	0.033	0.095	2,868	0.258	0.018	0.188	0.262
Sweden	4,353	0.731	0.087	0.502	0.807	4,353	0.678	0.133	0.381	0.781
Switzerland	4,355	0.943	0.060	0.791	1.000	4,355	0.479	−−	0.479	0.479
Syria	2,976	0.098	0.011	0.067	0.119	2,976	0.268	0.066	0.219	0.357
Thailand	4,340	0.559	0.105	0.335	0.735	4,340	0.478	0.074	0.281	0.506
Tunisia	3,628	0.190	0.027	0.162	0.244	3,628	0.657	0.062	0.325	0.669
Türkiye	4,238	0.427	0.073	0.303	0.529	4,238	0.652	0.311	0.209	0.875
USA	4,368	0.894	0.030	0.775	0.914	4,368	0.250	−−	0.250	0.250
Uganda	3,142	0.081	0.011	0.038	0.090	3,142	0.151	0.031	0.125	0.188
Ukraine	3,890	0.179	0.054	0.090	0.242	3,890	0.559	0.106	0.500	0.750
United Arab Emirates	3,574	0.400	0.107	0.229	0.572	3,574	0.513	0.109	0.365	0.635
United Kingdom	4,374	0.859	0.065	0.685	0.947	4,374	0.539	0.174	0.262	0.731
United Rep. of Tanzania	3,233	0.093	0.013	0.048	0.108	3,233	0.237	0.015	0.219	0.250
Uruguay	3,468	0.179	0.042	0.093	0.260	3,468	0.733	0.020	0.709	0.750
Venezuela	3,107	0.197	0.032	0.146	0.260	3,107	0.761	0.063	0.712	0.863
Viet Nam	3,781	0.356	0.047	0.273	0.454	3,781	0.423	0.140	0.312	0.675
Yemen	2,303	0.103	0.009	0.089	0.119	2,303	0.229	0.054	0.198	0.322
Zambia	2,680	0.170	0.019	0.137	0.197	2,680	0.188	−−	0.188	0.188

S2.7 Industry-Level Interaction: Full Results

Table S8: Mechanism Decomposition: EFD

EIA Timing	Country(i)	Industry(k)	Row #	(1) logTV	(2) logEM	(3) logIM
$EIA_{ij,t}$	Base Level	—	(1)	-0.304^{***}	0.235^{***}	-0.504^{***}
				(0.096)	(0.065)	(0.091)
	$\times Fin_{it}$	—	(2)	-0.118	-0.574^{***}	0.417^{***}
				(0.080)	(0.056)	(0.077)
	—	$\times EFD_k$	(3)	0.002	-0.009^{*}	0.012
				(0.009)	(0.005)	(0.009)
	$\times Fin_{it}$	$\times EFD_k$	(4)	-0.010	0.002	-0.020
				(0.015)	(0.008)	(0.015)
$EIA_{\text{LT1–5}}$	Base Level	—	(5)	0.029	0.091^{***}	-0.068^{***}
				(0.025)	(0.015)	(0.022)
	$\times Fin_{it}$	—	(6)	-0.142^{***}	-0.202^{***}	0.072^{***}
				(0.020)	(0.013)	(0.018)
	—	$\times EFD_k$	(7)	0.002	0.002^{*}	-0.001
				(0.002)	(0.001)	(0.002)
	$\times Fin_{it}$	$\times EFD_k$	(8)	-0.007^{*}	-0.003^{*}	-0.001
				(0.004)	(0.002)	(0.004)
$EIA_{\text{LT6–10}}$	Base Level	—	(9)	0.051^{***}	0.049^{***}	0.005
				(0.013)	(0.008)	(0.012)
	$\times Fin_{it}$	—	(10)	-0.108^{***}	-0.128^{***}	0.029^{***}
				(0.011)	(0.007)	(0.010)
	—	$\times EFD_k$	(11)	0.002	0.003^{***}	-0.002^{**}
				(0.001)	(0.001)	(0.001)
	$\times Fin_{it}$	$\times EFD_k$	(12)	-0.005^{**}	-0.006^{***}	0.004^{*}
				(0.002)	(0.001)	(0.002)
$EIA_{\text{LT11–15}}$	Base Level	—	(13)	0.052^{***}	0.035^{***}	0.020^{**}
				(0.011)	(0.006)	(0.009)
	$\times Fin_{it}$	—	(14)	-0.081^{***}	-0.092^{***}	0.009
				(0.008)	(0.005)	(0.007)
	—	$\times EFD_k$	(15)	0.002^{**}	0.003^{***}	-0.001
				(0.001)	(0.000)	(0.001)
	$\times Fin_{it}$	$\times EFD_k$	(16)	-0.004^{***}	-0.005^{***}	0.001
				(0.002)	(0.001)	(0.001)
$EIA_{\text{FT1–5}}$	Base Level	—	(17)	0.150^{***}	-0.031^{**}	0.170^{***}
				(0.023)	(0.015)	(0.020)
	$\times Fin_{it}$	—	(18)	-0.048^{**}	0.052^{***}	-0.099^{***}
				(0.020)	(0.013)	(0.018)
	—	$\times EFD_k$	(19)	-0.004^{*}	0.003^{**}	-0.006^{***}
				(0.002)	(0.001)	(0.002)
	$\times Fin_{it}$	$\times EFD_k$	(20)	0.008^{**}	-0.005^{**}	0.013^{***}
				(0.004)	(0.002)	(0.003)
$EIA_{\text{FT6–10}}$	Base Level	—	(21)	0.095^{***}	0.024^{***}	0.068^{***}
				(0.012)	(0.008)	(0.011)
	$\times Fin_{it}$	—	(22)	-0.087^{***}	-0.046^{***}	-0.040^{***}
				(0.010)	(0.007)	(0.009)
	—	$\times EFD_k$	(23)	0.001	0.003^{***}	-0.002^{*}
				(0.001)	(0.001)	(0.001)
	$\times Fin_{it}$	$\times EFD_k$	(24)	-0.002	-0.006^{***}	0.004^{**}
				(0.002)	(0.001)	(0.002)
$EIA_{\text{FT11–15}}$	Base Level	—	(25)	0.045^{***}	0.007	0.041^{***}
				(0.009)	(0.006)	(0.009)
	$\times Fin_{it}$	—	(26)	-0.045^{***}	-0.042^{***}	-0.006
				(0.008)	(0.005)	(0.007)
	—	$\times EFD_k$	(27)	-0.000	0.002^{***}	-0.002^{**}
				(0.001)	(0.001)	(0.001)
	$\times Fin_{it}$	$\times EFD_k$	(28)	0.000	-0.004^{***}	0.004^{***}
				(0.001)	(0.001)	(0.001)
Adj. R^2				0.809	0.661	0.708
Observations				5,659,413	5,659,413	5,659,413
Fixed Effects				✓	✓	✓

Notes: This table presents the results of the industry-level triple-interaction (DDD) model using the Split Trend specification. The dependent variables are the log of total trade value (Column 1), the log extensive margin (Column 2), and the log intensive margin (Column 3). All models are estimated using High-Dimensional Fixed Effects (HDFE) linear regression, absorbing exporter-year, importer-year, and country pair-industry, and industry-year fixed effects. Panel A reports the triple interaction between the EIA trends, country-level financial development (Fin_{it}), and industry-level external finance dependence (EFD_k) and asset tangibility (AT_k). Panel B reports the triple interaction between EIA trends, country-level labor hiring rigidity (Lab_{it}), and industry-level labor volatility (LV_k). Robust standard errors are clustered at the country-pair level to account for bilateral error correlation. Following the structural gravity literature, the inclusion of exporter-year and importer-year fixed effects accounts for multilateral resistance terms. Observations include all country-pair-industry-year cells from the master industry dataset. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

Table S9: Mechanism Decomposition: AT

EIA Timing	Country(i)	Industry(k)	Row #	(1) logTV	(2) logEM	(3) logIM
$EIA_{ij,t}$	Base Level	—	(1)	-0.304^{***}	0.235^{***}	-0.504^{***}
				(0.096)	(0.065)	(0.091)
	$\times Fin_{it}$	—	(2)	-0.118	-0.574^{***}	0.417^{***}
				(0.080)	(0.056)	(0.077)
	—	$\times AT_k$	(3)	-0.210^{*}	-0.614^{***}	0.386^{***}
				(0.125)	(0.088)	(0.118)
	$\times Fin_{it}$	$\times AT_k$	(4)	0.339	1.138^{***}	-0.669^{***}
				(0.229)	(0.171)	(0.221)
$EIA_{\text{LT1–5}}$	Base Level	—	(5)	0.029	0.091^{***}	-0.068^{***}
				(0.025)	(0.015)	(0.022)
	$\times Fin_{it}$	—	(6)	-0.142^{***}	-0.202^{***}	0.072^{***}
				(0.020)	(0.013)	(0.018)
	—	$\times AT_k$	(7)	-0.062^{*}	-0.161^{***}	0.113^{***}
				(0.033)	(0.021)	(0.030)
	$\times Fin_{it}$	$\times AT_k$	(8)	0.149^{**}	0.329^{***}	-0.197^{***}
				(0.058)	(0.040)	(0.053)
$EIA_{\text{LT6–10}}$	Base Level	—	(9)	0.051^{***}	0.049^{***}	0.005
				(0.013)	(0.008)	(0.012)
	$\times Fin_{it}$	—	(10)	-0.108^{***}	-0.128^{***}	0.029^{***}
				(0.011)	(0.007)	(0.010)
	—	$\times AT_k$	(11)	-0.063^{***}	-0.100^{***}	0.045^{***}
				(0.018)	(0.011)	(0.016)
	$\times Fin_{it}$	$\times AT_k$	(12)	0.119^{***}	0.239^{***}	-0.130^{***}
				(0.031)	(0.020)	(0.028)
$EIA_{\text{LT11–15}}$	Base Level	—	(13)	0.052^{***}	0.035^{***}	0.020^{**}
				(0.011)	(0.006)	(0.009)
	$\times Fin_{it}$	—	(14)	-0.081^{***}	-0.092^{***}	0.009
				(0.008)	(0.005)	(0.007)
	—	$\times AT_k$	(15)	-0.059^{***}	-0.071^{***}	0.010
				(0.013)	(0.008)	(0.011)
	$\times Fin_{it}$	$\times AT_k$	(16)	0.103^{***}	0.195^{***}	-0.078^{***}
				(0.023)	(0.014)	(0.020)
$EIA_{\text{FT1–5}}$	Base Level	—	(17)	0.150^{***}	-0.031^{**}	0.170^{***}
				(0.023)	(0.015)	(0.020)
	$\times Fin_{it}$	—	(18)	-0.048^{**}	0.052^{***}	-0.099^{***}
				(0.020)	(0.013)	(0.018)
	—	$\times AT_k$	(19)	0.000	0.076^{***}	-0.085^{***}
				(0.031)	(0.021)	(0.028)
	$\times Fin_{it}$	$\times AT_k$	(20)	0.038	-0.072^{*}	0.098^{*}
				(0.056)	(0.039)	(0.053)
$EIA_{\text{FT6–10}}$	Base Level	—	(21)	0.095^{***}	0.024^{***}	0.068^{***}
				(0.012)	(0.008)	(0.011)
	$\times Fin_{it}$	—	(22)	-0.087^{***}	-0.046^{***}	-0.040^{***}
				(0.010)	(0.007)	(0.009)
	—	$\times AT_k$	(23)	-0.030^{*}	-0.030^{***}	-0.001
				(0.017)	(0.012)	(0.015)
	$\times Fin_{it}$	$\times AT_k$	(24)	0.085^{***}	0.079^{***}	0.010
				(0.029)	(0.021)	(0.027)
$EIA_{\text{FT11–15}}$	Base Level	—	(25)	0.045^{***}	0.007	0.041^{***}
				(0.009)	(0.006)	(0.009)
	$\times Fin_{it}$	—	(26)	-0.045^{***}	-0.042^{***}	-0.006
				(0.008)	(0.005)	(0.007)
	—	$\times AT_k$	(27)	0.006	-0.023^{***}	0.025^{**}
				(0.013)	(0.009)	(0.012)
	$\times Fin_{it}$	$\times AT_k$	(28)	0.019	0.073^{***}	-0.045^{**}
				(0.022)	(0.016)	(0.020)
Adj. R^2				0.809	0.661	0.708
Observations				5,659,413	5,659,413	5,659,413
Fixed Effects				✓	✓	✓

Notes: This table presents the results of the industry-level triple-interaction (DDD) model using the Split Trend specification. The dependent variables are the log of total trade value (Column 1), the log extensive margin (Column 2), and the log intensive margin (Column 3). All models are estimated using High-Dimensional Fixed Effects (HDFE) linear regression, absorbing exporter-year, importer-year, and country pair-industry, and industry-year fixed effects. Panel A reports the triple interaction between the EIA trends, country-level financial development (Fin_{it}), and industry-level external finance dependence (EFD_k) and asset tangibility (AT_k). Panel B reports the triple interaction between EIA trends, country-level labor hiring rigidity (Lab_{it}), and industry-level labor volatility (LV_k). Robust standard errors are clustered at the country-pair level to account for bilateral error correlation. Following the structural gravity literature, the inclusion of exporter-year and importer-year fixed effects accounts for multilateral resistance terms. Observations include all country-pair-industry-year cells from the master industry dataset. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

Table S10: Mechanism Decomposition: LV

EIA Timing	Country(i)	Industry(k)	Row #	(1) logTV	(2) logEM	(3) logIM
$EIA_{ij,t}$	Base Level	—	(1)	-0.304^{***}	0.235^{***}	-0.504^{***}
				(0.096)	(0.065)	(0.091)
	$\times Lab_{it}$	—	(2)	0.591^{***}	0.133	0.412^{***}
				(0.140)	(0.093)	(0.131)
	—	$\times LV_k$	(3)	1.597^{***}	0.548	0.861^{*}
				(0.505)	(0.347)	(0.476)
	$\times Lab_{it}$	$\times LV_k$	(4)	-2.411^{***}	-0.524	-1.639^{**}
				(0.853)	(0.581)	(0.808)
$EIA_{\text{LT1–5}}$	Base Level	—	(5)	0.029	0.091^{***}	-0.068^{***}
				(0.025)	(0.015)	(0.022)
	$\times Lab_{it}$	—	(6)	0.095^{***}	0.038^{*}	0.063^{**}
				(0.033)	(0.021)	(0.029)
	—	$\times LV_k$	(7)	0.247^{**}	0.040	0.200^{*}
				(0.126)	(0.078)	(0.112)
	$\times Lab_{it}$	$\times LV_k$	(8)	-0.343^{*}	-0.086	-0.301^{*}
				(0.202)	(0.132)	(0.180)
$EIA_{\text{LT6–10}}$	Base Level	—	(9)	0.051^{***}	0.049^{***}	0.005
				(0.013)	(0.008)	(0.012)
	$\times Lab_{it}$	—	(10)	0.045^{***}	0.013	0.024
				(0.017)	(0.010)	(0.015)
	—	$\times LV_k$	(11)	0.039	-0.003	-0.001
				(0.069)	(0.039)	(0.062)
	$\times Lab_{it}$	$\times LV_k$	(12)	-0.124	0.019	-0.097
				(0.103)	(0.060)	(0.091)
$EIA_{\text{LT11–15}}$	Base Level	—	(13)	0.052^{***}	0.035^{***}	0.020^{**}
				(0.011)	(0.006)	(0.009)
	$\times Lab_{it}$	—	(14)	0.026^{*}	0.000	0.022^{*}
				(0.013)	(0.007)	(0.011)
	—	$\times LV_k$	(15)	-0.041	-0.055^{*}	0.001
				(0.058)	(0.031)	(0.050)
	$\times Lab_{it}$	$\times LV_k$	(16)	-0.069	0.073^{*}	-0.121^{*}
				(0.082)	(0.044)	(0.070)
$EIA_{\text{FT1–5}}$	Base Level	—	(17)	0.150^{***}	-0.031^{**}	0.170^{***}
				(0.023)	(0.015)	(0.020)
	$\times Lab_{it}$	—	(18)	-0.143^{***}	-0.024	-0.085^{***}
				(0.034)	(0.022)	(0.031)
	—	$\times LV_k$	(19)	-0.547^{***}	-0.087	-0.365^{***}
				(0.114)	(0.076)	(0.103)
	$\times Lab_{it}$	$\times LV_k$	(20)	0.672^{***}	0.118	0.366^{*}
				(0.207)	(0.136)	(0.189)
$EIA_{\text{FT6–10}}$	Base Level	—	(21)	0.095^{***}	0.024^{***}	0.068^{***}
				(0.012)	(0.008)	(0.011)
	$\times Lab_{it}$	—	(22)	-0.044^{**}	-0.011	-0.022
				(0.019)	(0.013)	(0.017)
	—	$\times LV_k$	(23)	-0.188^{***}	-0.051	-0.131^{**}
				(0.062)	(0.042)	(0.055)
	$\times Lab_{it}$	$\times LV_k$	(24)	0.249^{**}	0.119	0.070
				(0.116)	(0.079)	(0.102)
$EIA_{\text{FT11–15}}$	Base Level	—	(25)	0.045^{***}	0.007	0.041^{***}
				(0.009)	(0.006)	(0.009)
	$\times Lab_{it}$	—	(26)	-0.019	0.026^{**}	-0.043^{***}
				(0.016)	(0.010)	(0.014)
	—	$\times LV_k$	(27)	-0.083^{*}	0.024	-0.123^{***}
				(0.048)	(0.033)	(0.044)
	$\times Lab_{it}$	$\times LV_k$	(28)	0.104	-0.096	0.191^{**}
				(0.095)	(0.065)	(0.084)
Adj. R^2				0.809	0.661	0.708
Observations				5,659,413	5,659,413	5,659,413
Fixed Effects				✓	✓	✓

Notes: This table presents the results of the industry-level triple-interaction (DDD) model using the Split Trend specification. The dependent variables are the log of total trade value (Column 1), the log extensive margin (Column 2), and the log intensive margin (Column 3). All models are estimated using High-Dimensional Fixed Effects (HDFE) linear regression, absorbing exporter-year, importer-year, and country pair-industry, and industry-year fixed effects. Panel A reports the triple interaction between the EIA trends, country-level financial development (Fin_{it}), and industry-level external finance dependence (EFD_k) and asset tangibility (AT_k). Panel B reports the triple interaction between EIA trends, country-level labor hiring rigidity (Lab_{it}), and industry-level labor volatility (LV_k). Robust standard errors are clustered at the country-pair level to account for bilateral error correlation. Following the structural gravity literature, the inclusion of exporter-year and importer-year fixed effects accounts for multilateral resistance terms. Observations include all country-pair-industry-year cells from the master industry dataset. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

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