

Variables used in empirical specifications of

“Gravity meets pricing to market: What a combined-method approach tells us on German beer exports and pricing”

Variable	Label	Description	Source
Export value	sitc_1123_ex_euro	Export value (€)	Eurostat, FAO: http://ec.europa.eu/eurostat/web/international-trade-in-goods/data/database (DS-018995) http://faostat.fao.org/site/609/DesktopDefault.aspx?PageID=609#ancor
Export quantity	sitc_1123_ex_kg	Export quantity (kg)	Eurostat, FAO: http://ec.europa.eu/eurostat/web/international-trade-in-goods/data/database (DS-018995) http://faostat.fao.org/site/609/DesktopDefault.aspx?PageID=609#ancor
German GDP	gdpgereuro	Gross domestic product (€)	World Bank WDI: http://databank.worldbank.org
GDP of a trading partner	gdpeuro	Gross domestic product (€)	World Bank WDI: http://databank.worldbank.org
Distance	dist	Direct distance between Berlin and the main cities of trading partner (km)	Calculated with great-circle formula
Openness	openpartner	Openness captures a country's general openness to trade and is calculated as a sum of a country's total exports and imports divided by its GDP, i.e. $Open_{d,t} = \frac{EX_{d,t} + IM_{d,t}}{GDP_{d,t}}$. Thus, <i>Open</i> measures a countries' overall protection	Calculated with UNComtrade and World Bank data: https://comtrade.un.org/data/ http://databank.worldbank.org
Remoteness	rempartner	Remoteness measures a country's relative distance to potential markets/ trade partners. It is the average distance of a country to all possible trading partners k , using partners' share of the world's GDP as weights, i.e. $Rem_{d,t} = \sum_k^{n,k \neq d} Dist_{dk} * \frac{GDP_{k,t}}{GDP_{W,t}}$.	Calculated with World Bank data: http://databank.worldbank.org
Tariff Rate	zoll	Tariff rate (ad valorem; %) applied by importing country on beer imports from Germany. One is added to avoid taking logs in the case of no tariff is applied or missing data	World Integrated Trade Solution (WITS): http://wits.worldbank.org/wits
Religion	religion	Dummy; 1 indicating that at least 40 % of the inhabitants in the respective trading country are Christians	CIA World Factbook: https://www.cia.gov/library/publications/the-world-factbook/
Contiguity	grenze	Dummy; 1 indicating that countries share a common land border	CEPII gravity database:

EU	eu	Dummy; 1 indicating that both trading partners are members of the EU (since 1993)	http://www.cepii.fr/CEPII/en/bdd_modele/bdd.asp Own compilation
Euro	euro	Dummy; 1 indicating that both trading partners are members of the Euro zone and use the Euro as currency	Own compilation
Exchange Rate	er	Exchange rate (units of local currency per Euro)	IMF IFS: http://www.imf.org/external/data.htm .
Real exchange rate	e	CPI adjusted exchange rate, log	IMF IFS, OECD: http://www.imf.org/external/ http://stats.oecd.org/Index.aspx?querytype=view&queryname=221
Price	p	Unit value of the beer exports (export value divided by export quantity), log	Eurostat: http://ec.europa.eu/eurostat/web/international-trade-in-goods/data/database (DS-018995)
Cost proxy	mc	Marginal cost proxy, log	Own calculation based on a fixed effect Knetter-type model
German GDP (PTM)	gdph	Gross domestic product (€), log	World Bank WDI: http://databank.worldbank.org
GDP of a trading partner (PTM)	gdpf	Gross domestic product (€), log	World Bank WDI: http://databank.worldbank.org
