

APPENDIX 2: ADJUSTMENT FOR TRANSSHIPMENTS THROUGH HONG KONG, CHINA

A2.1 Export Side

1. X_{izkt} = exports from province i to Hong Kong, China by Harmonized Series at the 2-digit level (HS-2) category k at time t .
2. s_{zjkt} = share of Hong Kong, China's re-exports from the People's Republic of China (PRC) to economy j by HS-2 category k at time t .
3. $T_{ijkt} = s_{zjkt} * X_{izkt}$ = province i 's exports to Hong Kong, China that are re-exported to economy j by HS-2 category k at time t .
4. Add T_{ijkt} to X_{ijkt} to obtain province i 's total exports to economy j for category k at time t .

A2.2 Import Side

1. M_{izkt} = province i 's imports from Hong Kong, China by HS-2 category k at time t .
2. r_{zjkt} = share of Hong Kong, China's re-exports from economy j to PRC by HS-2 category k at time t .
3. $V_{ijkt} = r_{zjkt} * M_{izkt}$ = province i 's imports from Hong Kong, China that are re-exports from economy j by HS-2 category k at time t .
4. Add V_{ijkt} to M_{ijkt} to obtain province i 's total imports from economy j for category k at time t .