

> Thursday, January 13th, 2022

12:00 - 13:30

IFLAME RESEARCH SEMINAR

**RESEARCH
SEMINAR**



EMPOWERING CHANGEMAKERS FOR A BETTER SOCIETY



ABSTRACT

**FLY TO TRADE: EFFECTS OF INTERNATIONAL DIRECT FLIGHTS ON CHINESE CITIES' TRADE
BY SHIHE FU (XIAMEN UNIVERSITY)**

This paper estimates the causal effect of international direct flights on cities' international trade, using Chinese customs transaction-level trade data and flight route data from 2000 to 2015 and a staggered differences-in-differences approach. On average a Chinese city's exports to a destination country (imports from a source country) increase by 12.8% (10.4%) after a direct flight route is launched between the city and the country. This positive effect is stronger for the industries with high face-to-face communication intensity and high contract intensity, suggesting that international direct flights reduce cost of international trips and promote face-to-face interactions among international business people.



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