## Reply to Marques, Spies and Belke

First of all, thank you for suggestions and very useful comments.

- **I.** As for the differences with respect to the paper by Fernandes:
- i) The focus of our paper is completely different. We intend to study within the European Union which countries benefited (in terms of exports) from the single currency introduction and which were damaged (winners or losers). For this reason we organised our pool of countries in two different groups: 13 EU exporting countries and 23 importing countries (13 EU+10 OECD countries). By this way, exporting countries are only EU members: Eurozone countries plus the three EU countries that are not in the EMU (UK, Sweden and Denmark).

In Fernandes there are no differences between importing and exporting countries (21).

- ii) We use a slightly longer time span: we add one year;
- iii) We include more countries in the estimates: Finland, Belgium, Canada, Korea, Mexico, Czech Republic;

II As for the differences in the results

- We put a big effort in organizing the broad mass of empirical results. We followed an à la Pavitt classification trying to interpret the estimates according to the theoretical framework. Our euro dummy coefficient seems to be systematically lower that the ones of Fernandes. This result can be explained by the different group of exporting countries. Including only EU13 countries in the exporting group, the Euro dummy indicates how much trade flows among Eurozone countries are higher than A) average flows among Denmark, Sweden and UK B) trade between these three countries and Eurozone countries C) trade between Eurozone countries and all the importing countries in the sample. Considering, as in the Fernandes case, all OECD countries in the reference group, Euro dummy indicates how much intra-euro area flows are higher than average flows among OECD countries.
- III. As for the time trend we apologise: there are editing mistakes in the equation 1. We didn't include a trend variable in the disaggregate estimates. Estimates are performed without trend and results are correctly reported Thank you for having noticed. Also  $\alpha$  has to be changed in  $\alpha$ i..
- VI. As for the comparison with Flam and Nordstrom (2006) the differences can be explained by our use of a Dynamic model but also the dataset and the equation are pretty different.

V As for the theoretical paragraph, the stylised facts and the tables of results, we agree to include them is appropriate: we will do it.

## Reply to Spies and Belke

VI We have not well understood your point on GMM. In the "system GMM" the original equations in levels is added to the system of first-differenced equations. Nevertheless to present results of a standard fixed or random effects estimator could be a good idea.

VII. As for the approximation of multilateral trade resistance index, we are aware of the possible bias related to the omission of time-varying component. The discussion in the paper of this issue could be of interest.