Referee 1

Implementation and the presentation.

The paper will be redrafted to focus on the research question and remove any typographical errors, providing a better presentation and answering the first point of substantive comments.

Substantive comments

2.
One version of the trade equation will be based on the theoretical foundations

(a) A previous version of the paper had looked at the difference between the level of corruption of the importer and the exporter. We will reinstate this version of the model.

(b) Although this is a possible direction of research, it would mean switching to a different measure of corruption in the various countries. It would make sense to consider this in future research but for not the current paper as this would delay the research.

3.
(a) More information will be given on the construction of the Corruption Perception Index

(b) We would be happy to do this with the caveat stated in 2(b).

4.
(a) A careful exposition of the HT will be given and robustness checks on undertaken.

(b) IV estimation was tried but it raises the issue of getting appropriate instruments.

5.
A better statement of the research question would remove the ambiguity.
(a) Pre-agreements can be given, although this might lengthen the paper.
(b) A better exposition can be given

Minor comments
1. This will be addressed.
2. We are happy to take the suggestion on board.
3. Happy to incorporate this suggestion in the paper.
4. Fine
5. More discussion of the results will take place
Referee 2

A better motivation will be given.

Overall Comment

We accept the issue raised by the referee and are unsure if the latest version of the paper was submitted.

Specific Comments

• Descriptive Statistics and list of abbreviations will be given.

• Comparisons will be made with other estimation techniques, although the results may not be reported.

• An improved discussion of the literature will take place.

• Openness will be considered

• We will discuss measures of corruption in more detail.

• The Hausman-Taylor estimator will be explained in more detail

• A dummy for landlocked countries will be included in the regression equation.

• The policy implications will be drawn out and highlighted.
• A further suggestion would be to disaggregate trade flows by sector (using, e.g., UN Comtrade) and see if, for example, R&D-intensive sectors are affected more intensively than lower-tech sectors.