

Web Appendix – Trade as an Engine of Creative Destruction: *Mexican experience with Chinese competition*

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August 10, 2012

Abstract

This web-based appendix contains additional material for the paper. The structure of this appendix follows the structure of the paper.

1 Introduction

No additional material required.

2 Related Literature

No additional material required.

3 Data and Empirical Strategy

In this section we give more details on the construction of our concordance between the cmap 8-digit classification used by Inegi and the HS 6-digit codes from Compustat. Since no classi-

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fication on 8-digit level was available, we constructed the concordance manually based on the descriptions of the cmap codes. Inegi provides a concordance between cmap six digit codes and HS codes. We oriented our manual match on this concordance. Not all our matches are 1:1; sometimes we find multiple HS codes that we match with one cmap code. We also match multiple cmap 8-digit codes to one HS 6-digit code. An example for the latter would be that cmap distinguishes between ‘frozen shrimp without head’ and ‘frozen shrimp in other form’ while HS only has ‘frozen shrimp’.

Over 36 percent of our cmap-8 codes are matched to one HS code only, the others are matched with multiples. In the case of the other matches we collapse trade values to the mean of the corresponding cmap-8 digit code. In the case of the HS codes about half of the codes appear only once, the others enter multiple times. We also encounter n:n matches. In these cases we also collapse all HS code trade values that are matched to one cmap-8 code using the mean value.

We try to match codes in the area of the corresponding six digit match that Inegi provides. Hence when we collapse our concordance to HS6, the results are rather similar. The correlation of Chinese imports in Mexico measured by the concordance provided by Inegi, and by our concordance aggregated to cmap-6 digit is greater than 0.8.

As our concordance is based on our judgment, there is much room for debate of individual matches. However, we finished the match before we started the analysis, and if we assume that any error we made is random, the resulting measurement error in the right hand side should create an attenuation bias that would weaken our results. Thus we do not believe that our results could have arisen merely from poor matching.

4 Results

In this section we provide additional robustness checks, and additional tables to complement the paper.

First we provide the tables that we used to create Figure 2 and Figure 3 in the paper. These tables are similar to Table 6 in the paper. In addition we provide these same tables with a set of control variables. Table A9 repeats the exercise from Table 6 in the paper, but includes control variables for total imports, a Herfindahl of product market competition (which we compute as the sum of squared shares of all Mexican producers), the number of products, the export share of a plant and the ratio of white collar workers. The interaction and the competition variables show the same signs as Table 6 in the paper, both in OLS and IV.

We repeat a similar estimation focusing only on products sold in the export market, restricting

the sample to exporting plants, see Table A2 for the version without control variables, and A10 for the version with control variables. Product exit is defined as before but now the focus is on exit from the export market rather than on the overall exit of the product. In other words, the plant could continue manufacturing and selling the product domestically. When focusing just on product exit from export markets, the effect of Chinese competition is on average statistically insignificant as shown in column (1), however once again this result hides a substantial heterogeneity between products. In fact, as shown in columns (2) and (4), under increasing competitive pressures the likelihood of dropping products from export markets decreases with the relative share of the product. This result is consistent with the evidence of between product reallocation that we will discuss below with reference to Table A12 and an endogenous response of multi-product firms that tends to decrease production of marginal products and focus their production efforts on those that are closer to their core production capabilities.

Next we investigate the responses along the intensive margin. Our outcome of interest is sales at the product level. Tables A3 and A11 confirm once more the creative destruction effect of competition and its reallocative consequences with less important products being forced to contract while core products expand. In column (1) of Table A11 we show that on average the effect of competition is statistically insignificant; however, when we introduce an interaction term between competition and the product's share in column (2) we confirm that this average effect is actually hiding a substantial heterogenous impact between products. For products representing a small share of the plant's sales, this effect is negative and significant; that is, less important products are forced to contract relatively under the pressure of Chinese competition, while this is reversed for core products. In other words, under the pressure of the Chinese competitive shock multi-product plants respond by reallocating their productive capacities towards their most important products, more likely closer to their core competencies, and reduce their sales of marginal products. This result is confirmed in column (4) by IV estimates, where the absolute value of coefficients becomes larger.

In Tables A4 and A12 we present additional results where we focus on export market sales. In this case too, behind the average negative effect of Chinese competition shown in column (1), there is a substantial heterogeneity. In column (2) we find that the larger the product share, the less negative is the effect of competition. Consistently with the evidence on the extensive margin Mexican exporters reallocate their productive capacities from marginal products towards core ones. As a robustness check we replace the plant-product fixed-effects by product fixed effects at CMAP-8 digits. The results remain qualitatively unchanged, and the coefficients maintain a similar significance while their magnitude is different.

Plant level regressions

In the previous sub-section we provided some evidence about the creative destruction effect of trade within-plants as, in response to the Chinese competitive shock, Mexican firms responded by dropping and contracting sales of marginal products while expanding and concentrating their efforts on those products closer to their core competencies consistently with models of multi-product firms (Eckel and Nary 2009). In this sub-section, we will evaluate if these results are robust when we move at a higher level aggregation moving from product- to plant-level analysis. In particular we analyze if the effect of Chinese competition is, as already found at product-level, asymmetric among different plants and generated a similar reallocation from smaller and less productive plants to larger and more productive ones as it would be suggested by models of heterogenous firms à la Melitz and Ottaviano (2009). Again we consider tables with control variables and without control variables separately.

At plant level we first investigate the relationship between the Chinese competition and plant exit. The outcome variable in Tables A5 and A13 is a dummy variable that is equal to one if a plant has positive sales at times $t - 1$ and t , while no sales after t , and zero otherwise. Hence this variable indicates the year during which a plant leaves the market (or its last year in the market). In all regressions at plant level we include plant and year fixed effects. First, in column (1), we show that the effect of increasing Chinese competition is on average statistically not different from zero. However, as for the previous product-level results, this average effect hides a substantial heterogeneity because when we include an interaction term between the measure of Chinese competition and the plant-level sales, we show in column (2) that the effect of this competitive shock is highly heterogenous as it increases the likelihood of plant exit of smaller plants but not of larger ones.¹ The marginal effect of competition on the probability of exit is estimated to be $0.77 - 0.07\ln(\text{sales})$ in the OLS estimates. The mean and median log plant sizes are around ten, and the size percentile at which the mean estimated effect is zero is around 70. This significant result for the extensive margin also holds in the IV regression.²

Next, as before, we shift our focus from overall plant exit to exit from export markets, concentrating on the subset of firms that export. The results are presented in Tables A6 and A14. Similarly as we did for the plant-product level regressions, we control for log imports to the US, competition, firm size, the skill share and the firm's export share. The results are strikingly similar to the plant-product ones presented earlier. On average, as shown in column (1), the increase of Chinese competitive pressure in the export market does not increase the probability of Mexican plants withdrawing from the export market. However, this average effect once again hides a substantial heterogeneity "between plants". When Chinese competitive pressure

¹As suggested by the literature (see for example Mayer et al. (2009), Melitz (2003), Melitz et al. (2009)) we think of plant size as being correlated with productivity and/or managerial ability.

²We interpret the fact that the IV estimates are larger than the OLS ones as a consequence of unobserved response heterogeneity, which is commonly observed in similar contexts. Detailed discussions of this problem can be found for example in Lileeva and Treffer (2009) or Card (2001).

increases, while the probability of exiting increases for smaller plants, this effect becomes increasingly small, and less significant, for larger ones. The IV estimates confirm these results as shown in columns (3) and (4). The first stages displayed, as usual, in the last three columns continue to be well-behaved to have high explanatory power.

Next we turn to plants responses along the intensive margin, and focus on plant-level sales. Tables A7 and A15 show the results where our outcome of interest is the log of domestic plant sales. First of all, we show, in the first column, that the average effect of Chinese competition on plant-level sales is statistically insignificant. However, when we include an interaction term allowing for the effect of competition to vary with plant size we find that, while for smaller plants the increase in competition negatively and significantly affects plant-level sales, this effect is less significant or even reversed for larger plants. In other words, Chinese competition pushes smaller plants to become even smaller while larger, and thus perhaps more productive ones, are less or not affected, see column (2). This asymmetric effect is confirmed in column (4) by our IV estimates. These results confirm that the competitive shock operates a reallocation not only between products, within firms, but also within industries between firms, with smaller and less productive plants forced to contract (and exit) while larger and more productive ones can expand.

Finally, as we did earlier, we shift our attention from domestic to the export markets, and evaluate the plant-level responses along the intensive margin on the export market. We show these results in Tables A8 and A16 where our outcome of interest is now the log of plant export sales, in a sample restricted to exporting plants. Yet again the effect of the Chinese competition is highly asymmetrically. While on average the impact of competition is negative and significant (see column 1), this effect is different for small versus large companies as the interaction between plant sales and Chinese competition is positive and significant. The larger a plant is, the less negative the impact of Chinese competition is on its sales. Once more, these results are confirmed by our IV estimates in columns (3) and (4) with rather well predicting first stages.

Further results

Table A17 shows the quantile regression in OLS that corresponds to Table 8 in the paper. The table shows similar results, with increasing coefficients that are statistically negative for lower quantiles. As in Table 8 the curve connecting quantiles appears to be concave.

Table A18 reports the OLS results from these plant regressions, but replaces the sales interaction with sales of the initial year 1994. This table addresses the concern that sales are outcomes themselves. In this table we do not report the sales coefficient as it is perfectly collinear with the plant fixed effects. The table shows the same coefficients as in the previous tables, albeit with slightly less significance in the column for exit from export.

Table A19 investigates if the decision to exit the export markets, or to reduce exports is influenced by domestic competition. As the table shows, both margins seem to be uncorrelated with domestic competition.

5 Conclusion

No additional material required.

Appendix A Bias

An econometric fixed effects model with lagged dependent variables is likely biased, as well known in the econometric literature. While the limit magnitude of that bias for a model with a lagged dependent variable has been described (Nickell 1982), we are not aware of a formulation of the bias of an interacted lag dependent variable. To investigate this bias we undertake a simple simulation exercise.

We generate a panel data of 1000 firms over a time period of 10 years. We generate a simulated competition variable, which is distributed iid. uniformly between 0 and 1 (just as the Chinese imports share in the previous analysis is bounded by 0 and 1). In the first period sales are exogenously given and distributed iid. standard normally. In each further period we generate sales for firm i in period t as:

$$Sales_{it} = Competition_{it-1}\beta_1 + Sales_{it-1}\beta_2 + Sales_{it-1}Competition_{it-1}\beta_3 + \epsilon_{it}$$

The error terms ϵ_{it} are iid. standard normally distributed. We assume the parameters: $\beta_1 = -0.5$, $\beta_2 = 0.5$, $\beta_3 = 0.5$. After computing the data we estimate above model with the inclusion of firm fixed effects. To see the direction and size of the biases of the coefficients, we repeat described data generation and estimation 1000 times. Table A1 reports how often the estimated coefficient was significantly (at five percent level) below or above its true value, and how often we could not reject that it is equal to zero. This count reads as follows: The coefficient on the

Table A1: Simulation results

Coefficient	Below	Above	Zero
Competition (β_1)	3	118	0
Sales(β_2)	1000	0	0
Interaction (β_3)	182	2	0

lagged sales is always below its true value of 0.5 (at five percent level of significance), and always above zero. The coefficient on lagged competition is 118 times above its true value of -0.5, three times below it and never zero. This suggests a modest attenuation bias. The interaction is over 180 times below its true value of 0.5, and two times above it. Hence we find evidence for an attenuation bias for all three coefficients that is most pronounced for lagged sales. The OLS sales regressions are thus potentially biased in a way that would lead us to underestimate the true size of the effects, and lower the significance of our estimates.

	OLS		IV		First stages		
	(1)	(2)	(3)	(4)	(Fs 3)	(Fs 4)	(Fs 4)
	$Prod\ exit_{ikt}$	$Prod\ exit_{ikt}$	$Prod\ exit_{ikt}$	$Prod\ exit_{ikt}$	$Ch - comp_{Ukt-1}$	$Ch - comp_{Ukt-1}$	$Ch - comp_{Ukt-1}$ $\times share_{ikt-1}$
$Ch - comp_{Ukt-1}$	-0.0517 (0.0560)	0.0681 (0.0812)	-0.0534 (0.0981)	0.140 (0.126)			
$Share_{ikt-1}$		-0.0474* (0.0255)		-0.0312 (0.0232)		0.00305 (0.00634)	0.0158*** (0.00383)
$Ch - comp_{Ukt-1}$ $\times Share_{ikt-1}$		-0.371*** (0.115)		-0.630*** (0.170)			
$Firm\ exit\ from\ export_{it}$	0.883*** (0.0145)	0.885*** (0.0145)	0.881*** (0.0129)	0.884*** (0.0129)	-0.00216 (0.00247)	-0.00171 (0.00247)	0.00151 (0.00176)
$Ch - comp_{Rkt-1}$					0.264*** (0.0376)	0.284*** (0.0519)	-0.0230 (0.0168)
$Ch - comp_{Ekt-1}$					0.785*** (0.0953)	0.840*** (0.105)	-0.0833*** (0.0318)
$Ch - comp_{Rkt-1}$ $\times Share_{ikt-1}$						-0.147 (0.173)	0.902*** (0.158)
$Ch - comp_{Ekt-1}$ $\times Share_{ikt-1}$						-0.0562 (0.0698)	0.272*** (0.0528)
Observations	16,070	16,070	16,070	16,070	16,070	16,070	16,070
F statistic					27.99	24.79	26.84
Sargan p-value					0.337	0.503	0.503

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Table A2: Product exit from the export market. Robust standard errors are clustered on eight digit product level, stars give significance at one (***), five (**), and ten (*) percent level of significance. An additional control for the exit of the firm from export markets was used. The last three columns show one first stage equation for column (3) and two for column (4). Plant-product and year controls used.

	OLS		IV		First stages		
	(1)	(2)	(3)	(4)	(Fs 3)	(Fs 4)	(Fs 4)
	$Prodsales_{ikt}$	$Prodsales_{ikt}$	$Prodsales_{ikt}$	$Prodsales_{ikt}$	$Ch - comp_{Mkt-1}$	$Ch - comp_{Mkt-1}$	$Ch - comp_{Mkt-1}$ $\times share_{ikt-1}$
$Ch - comp_{Mkt-1}$	-0.308 (0.187)	-0.971*** (0.265)	-1.489** (0.622)	-3.957*** (0.847)			
$Share_{ikt-1}$		5.789 (9.054)		197.8 (207.5)			
$Ch - comp_{Mkt-1}$ $\times Share_{ikt-1}$		1.910*** (0.421)		9.925*** (1.672)			
$Ch - comp_{Rkt-1}$					0.0755*** (0.0188)	0.0747*** (0.0189)	0.0201*** (0.00603)
$Ch - comp_{Ekt-1}$					0.543*** (0.0673)	0.566*** (0.0697)	-0.00771 (0.00995)
$Ch - comp_{Rkt-1}$ $\times Share_{ikt-1}$						-0.8253 (0.7254)	0.509*** (0.758)
$Ch - comp_{Ekt-1}$ $\times Share_{ikt-1}$						0.243 (0.410)	0.538 (0.451)
Observations	93,836	93,583	93,836	93,583	93,836	93,583	93,583
F statistic					27.43	24.39	14.31
Sargan p-value					0.689	0.765	0.765

Table A3: Product sales domestic market. Robust standard errors are clustered on eight digit product level, stars give significance at one (***), five (**), and ten (*) percent level of significance. The last three columns show one first stage equation for column (3) and two for column (4). Plant-product and year controls used.

	OLS		IV		First stages		
	(1)	(2)	(3)	(4)	(Fs 3)	(Fs 3)	(Fs 4)
	$Prodsales_{ikt}$	$Prodsales_{ikt}$	$Prodsales_{ikt}$	$Prodsales_{ikt}$	$Ch - comp_{Ukt-1}$	$Ch - comp_{Ukt-1}$	$Ch - comp_{Ukt-1}$ $\times share_{ikt-1}$
$Ch - comp_{Ukt-1}$	-0.308 (0.187)	-0.971*** (0.265)	-1.489** (0.622)	-3.957*** (0.847)			
$Share_{ikt-1}$		5.789 (9.054)		197.8 (207.5)			
$Ch - comp_{Ukt-1}$ $\times Share_{ikt-1}$		1.910*** (0.421)		9.925*** (1.672)			
$Ch - comp_{Rkt-1}$					0.0755*** (0.0188)	0.0747*** (0.0189)	0.0201*** (0.00603)
$Ch - comp_{Ekt-1}$					0.543*** (0.0673)	0.566*** (0.0697)	-0.00771 (0.00995)
$Ch - comp_{Rkt-1}$ $\times Share_{ikt-1}$						-8,253 (7,254)	50,932*** (7,580)
$Ch - comp_{Ekt-1}$ $\times Share_{ikt-1}$						243,527 (410,519)	538,223 (451,475)
Observations	21,919	21,919	21,919	21,919	21,919	21,919	21,919
F statistic					27.43	24.39	14.31
Sargan p-value					0.689	0.765	0.765

Table A4: Export sales product. Robust standard errors are clustered on eight digit product level, stars give significance at one (***), five (***) and ten (*) percent level of significance. The last three columns show one first stage equation for column (3) and two for column (4). Plant-product and year controls used.

	OLS		IV		First stages		
	(1)	(2)	(3)	(4)	(Fs 3)	(Fs 4)	(Fs 4)
	$Exit_{it}$	$Exit_{it}$	$Exit_{it}$	$Exit_{it}$	$Ch - comp_{Mit-1}$	$Ch - comp_{Mit-1}$	$Ch - comp_{Mit-1}$ $\times LnSales_{it-1}$
$Ch - comp_{Mit-1}$	0.0173 (0.0456)	1.412*** (0.310)	0.0423 (0.113)	1.169** (0.526)			
$LnSales_{it-1}$		0.0323 (0.026)		-0.0553*** (0.00233)		-0.000973*** (0.000316)	-0.00809** (0.00344)
$Ch - comp_{Mit-1}$ $\times LnSales_{it-1}$		-0.130*** (0.0267)		-0.112** (0.0467)			
$Ch - comp_{Rit-1}$					0.0164*** (0.00138)	-0.00418 (0.00774)	-0.211** (0.0841)
$Ch - comp_{Eit-1}$					0.419*** (0.00689)	-0.0282 (0.0340)	-4.801*** (0.370)
$Ch - comp_{Rit-1}$ $\times LnSales_{it-1}$						0.00226*** (0.000789)	0.0393*** (0.00858)
$Ch - comp_{Eit-1}$ $\times LnSales_{it-1}$						0.0429*** (0.00327)	0.886*** (0.0355)
Observations	36,213	36,213	36,213	36,213	36,213	36,213	36,213
F statistic					667.1	539.2	573.0
Sargan p-value					0.752	0.160	0.160

Table A5: Plant exit; Domestic exit indicates plants that leave the sample. Robust standard errors are clustered on six digit product level, stars give significance at one (***), five (**), and ten (*) percent level of significance. The last three columns show one first stage equation for column (3) and two for column (4). Plant and year controls used.

	OLS		IV		First stages		
	(1)	(2)	(3)	(4)	(Fs 3)	(Fs 4)	(Fs 4)
	$Exitexp_{it}$	$Exitexp_{it}$	$Exitexp_{it}$	$Exitexp_{it}$	$Ch - comp_{Uit-1}$	$Ch - comp_{Uit-1}$	$Ch - comp_{Uit-1}$ $\times LnExportSales_{it-1}$
$Ch - comp_{Uit-1}$	0.308*** (0.0482)	0.716*** (0.214)	0.0412 (0.214)	1.374** (0.554)			
$LnExportSales_{it-1}$		-0.0266*** (0.00345)		0.00256 (0.00445)		0.000579 (0.000431)	0.0686*** (0.00433)
$Ch - comp_{Uit-1}$ $\times LnExportSales_{it-1}$		-0.0707*** (0.0194)		-0.129** (0.0505)			
$Ch - comp_{Rit-1}$					-0.0496*** (0.00728)	-0.0162 (0.0495)	-0.227 (0.497)
$Ch - comp_{Eit-1}$					0.608*** (0.0203)	0.674*** (0.135)	-6.321*** (1.352)
$Ch - comp_{Rit-1}$ $\times LnExportSales_{it-1}$						-0.00304 (0.00448)	-0.00334 (0.0450)
$Ch - comp_{Eit-1}$ $\times LnExportSales_{it-1}$						-0.00544 (0.0119)	1.103*** (0.120)
Observations	12,470	12,470	12,470	12,470	12,470	12,470	12,470
F statistic					200.9	154.7	209.9
Sargan p-value					0.217	0.0942	0.0942

Table A6: Plant exit from export; Exit from export indicates plants that leave the export sample. Only exporters considered. Robust standard errors are clustered on six digit product level, stars give significance at one (***) , five (**) and ten (*) percent level of significance. The last three columns show one first stage equation for column (3) and two for column (4). Plant and year controls used.

	OLS		IV		First stages		
	(1)	(2)	(3)	(4)	(Fs 3)	(Fs 4)	(Fs 4)
	$Dom.sales_{it}$	$Dom.sales_{it}$	$Dom.sales_{it}$	$Dom.sales_{it}$	$Ch - comp_{Mit-1}$	$Ch - comp_{Mit-1}$	$Ch - comp_{Mit-1}$ $\times LnSales_{it-1}$
$Ch - comp_{Mit-1}$	0.0212 (0.135)	-0.975 (0.682)	-0.488 (0.315)	-5.213*** (1.497)			
$LnSales_{it-1}$		0.622*** (0.0135)		0.616*** (0.00636)		-0.000187 (0.000286)	0.00894*** (0.00315)
$Ch - comp_{Mit-1}$ $\times LnSales_{it-1}$		0.0934 (0.0592)		0.437*** (0.138)			
$Ch - comp_{Rit-1}$					26.47*** (0.444)	16.73*** (2.653)	-96.93*** (29.16)
$Ch - comp_{Eit-1}$					-0.258** (0.121)	1.127** (0.564)	11.62* (6.196)
$Ch - comp_{Rit-1}$ $\times LnSales_{it-1}$						-0.130** (0.0531)	-1.547*** (0.583)
$Ch - comp_{Eit-1}$ $\times LnSales_{it-1}$						0.919*** (0.247)	36.24*** (2.713)
Observations	43,912	43,912	43,912	43,912	43,912	43,912	43,912
F statistic					817.6	643.6	631.0
Sargan p-value					0.908	0.33	0.33

Table A7: Plant Domestic Sales; Robust standard errors are clustered on six digit product level, stars give significance at one (***) , five (**) and ten (*) percent level of significance. The last three columns show one first stage equation for column (3) and two for column (4). The instruments have been adjusted with a factor of 10^{-8} to improve legibility. Plant and year controls used.

	OLS		IV		First stages		
	(1)	(2)	(3)	(4)	(Fs 3)	(Fs 4)	(Fs 4)
	$Expsales_{it}$	$Expsales_{it}$	$Expsales_{it}$	$Expsales_{it}$	$Ch - comp_{Uit-1}$	$Ch - comp_{Uit-1}$	$Ch - comp_{Uit-1}$ $\times LnExportSales_{it-1}$
$Ch - comp_{Uit-1}$	0.521*** (0.187)	-2.763*** (0.664)	0.438 (0.354)	-3.189*** (0.929)			
$LnExportSales_{it-1}$		0.435*** (0.0144)		0.434*** (0.0106)		0.000495 (0.000521)	0.0340*** (0.00531)
$Ch - comp_{Uit-1}$ $\times LnExportSales_{it-1}$		0.243*** (0.0613)		0.269*** (0.0808)			
$Ch - comp_{Rit-1}$					-0.294*** (0.00787)	-0.130*** (0.0251)	-1.899*** (0.256)
$Ch - comp_{Eit-1}$					0.951*** (0.0229)	1.040*** (0.0674)	-1.085 (0.688)
$Ch - comp_{Rit-1}$ $\times LnExportSales_{it-1}$						0.0106*** (0.00283)	0.193*** (0.0288)
$Ch - comp_{Eit-1}$ $\times LnExportSales_{it-1}$						-0.0296*** (0.00697)	0.888*** (0.0711)
Observations	12,538	12,538	12,538	12,538	12,538	12,538	12,538
F statistic					370.0	238.2	304.3
Sargan p-value					0.946	0.297	0.297

Table A8: Plant Export Sales; Robust standard errors are clustered on six digit product level, stars give significance at one (***) , five (**) and ten (*) percent level of significance. The last three columns show one first stage equation for column (3) and two for column (4). Only exporters considered. Plant and year controls used.

	OLS		IV		First stages		
	(1)	(2)	(3)	(4)	(Fs 3)	(Fs 4)	(Fs 4)
	$Prod\ exit_{ikt}$	$Prod\ exit_{ikt}$	$Prod\ exit_{ikt}$	$Prod\ exit_{ikt}$	$Ch - comp_{Mkt-1}$	$Ch - comp_{Mkt-1}$	$Ch - comp_{Mkt-1}$ $\times share_{ikt-1}$
$Ch - comp_{Mkt-1}$	0.0879** (0.0399)	0.150** (0.0588)	0.327*** (0.124)	0.522*** (0.164)			
$Ch - comp_{Mkt-1}$ $\times Share_{ikt-1}$		-0.249* (0.129)		-0.797*** (0.268)			
$LnImports_{Mkt-1}$	0.404 (1.954)	0.406 (1.956)	0.348 (1.733)	0.355 (1.739)	-0.280 (0.450)	-0.258 (0.453)	-0.000702 (0.120)
$Share_{ikt-1}$	-0.554 (1.692)	-0.558 (1.692)	-0.423 (1.520)	-0.435 (1.520)	-0.324* (0.189)	-0.319* (0.189)	-0.145* (0.0837)
$Herfindahl_{it-1}$	-0.817 (0.801)	-0.807 (0.800)	-0.589 (0.716)	-0.559 (0.714)	-0.358* (0.185)	-0.330* (0.183)	-0.0364 (0.0796)
$Nr.Prod.s_{it-1}$	-0.285*** (0.0613)	-0.289*** (0.0613)	-0.280*** (0.0549)	-0.293*** (0.0551)	-0.0143 (0.00873)	-0.0116 (0.00839)	-0.00280 (0.00399)
$Exportshare_{ikt-1}$	-0.102 (0.133)	-0.108 (0.133)	-0.0958 (0.120)	-0.112 (0.122)	-0.0320* (0.0174)	-0.0293* (0.0176)	-0.0129* (0.00667)
$Skillshare_{it-1}$	0.0795*** (0.0262)	0.0808*** (0.0247)	0.0798*** (0.0235)	0.0841*** (0.0194)	-0.00227 (0.00198)	-9.827*** (3.767)	-6.237** (2.603)
$Ch - comp_{Rkt-1}$					0.111 (0.0679)	0.0943 (0.0678)	0.0345 (0.0232)
$Ch - comp_{Ekt-1}$					0.481*** (0.0626)	0.513*** (0.0667)	-0.000958 (0.0106)
$Ch - comp_{Rkt-1}$ $\times Share_{ikt-1}$						-1.417 (0.870)	4.282*** (0.810)
$Ch - comp_{Ekt-1}$ $\times Share_{ikt-1}$						0.615*** (0.236)	0.390** (0.163)
Observations	85,770	85,770	83,276	83,276	83,276	83,276	83,276
F-stat					17.01	15.26	10.75
Sargan p-value					0.230	0.334	0.334

Table A9: Product exit overall. Robust standard errors are clustered on eight digit product level, stars give significance at one (***), five (**) and ten (*) percent level of significance. The last three columns show one first stage equation for column (3) and two for column (4). Plant-product and year controls used.

	OLS		IV		First stages		
	(1)	(2)	(3)	(4)	(Fs 3)	(Fs 4)	(Fs 4)
	$Prod\ exit_{ikt}$	$Prod\ exit_{ikt}$	$Prod\ exit_{ikt}$	$Prod\ exit_{ikt}$	$Ch - comp_{Ukt-1}$	$Ch - comp_{Ukt-1}$	$Ch - comp_{Ukt-1}$ $\times share_{ikt-1}$
$Ch - comp_{Ukt-1}$	-0.0542 (0.0567)	0.0695 (0.0821)	-0.0442 (0.0992)	0.159 (0.127)			
$Ch - comp_{Ukt-1}$ $\times Share_{ikt-1}$		-0.375*** (0.114)		-0.652*** (0.171)			
$LnImports_{Ukt-1}$	-0.00338 (0.00464)	-0.00342 (0.00463)	-0.00338 (0.00405)	-0.00344 (0.00404)	-0.000327 (0.00235)	-0.000319 (0.00235)	-0.000290 (0.000955)
$Share_{ikt-1}$	0.0143 (0.0397)	0.0163 (0.0398)	0.0146 (0.0346)	0.0177 (0.0347)	-0.0168** (0.00711)	-0.0166** (0.00710)	-0.00226 (0.00295)
$Herfindahl_{it-1}$	1.746 (1.693)	1.769 (1.690)	1.760 (1.487)	1.784 (1.480)	-0.544*** (0.136)	-0.540*** (0.136)	-0.161*** (0.0502)
$Nr.Prod.s_{it-1}$	0.0203* (0.0120)	0.0201* (0.0120)	0.0202* (0.0105)	0.0200* (0.0104)	0.00280 (0.00269)	0.00271 (0.00269)	0.00104 (0.00136)
$Exportshare_{ikt-1}$	0.00235 (0.0164)	0.00298 (0.0164)	0.00230 (0.0143)	0.00345 (0.0143)	0.00470* (0.00276)	0.00489* (0.00273)	0.00199* (0.00115)
$Skillshare_{it-1}$	-0.0582** (0.0247)	-0.0345 (0.0260)	-0.0582*** (0.0216)	-0.0171 (0.0239)	-0.00418 (0.00565)	0.00302 (0.00624)	0.0146*** (0.00344)
$Ch - comp_{Rkt-1}$					0.266*** (0.0375)	0.279*** (0.0511)	-0.0256 (0.0169)
$Ch - comp_{Ekt-1}$					0.780*** (0.0947)	0.840*** (0.104)	-0.0759** (0.0308)
$Ch - comp_{Rkt-1}$ $\times Share_{ikt-1}$						-0.158 (0.174)	0.878*** (0.156)
$Ch - comp_{Ekt-1}$ $\times Share_{ikt-1}$						-0.0385 (0.0700)	0.297*** (0.0495)
Observations	16,687	16,687	15,837	15,837	15,837	15,837	15,837
F statistic					20.18	19.87	22.12
Sargan p - value					0.244	0.291	0.291

Table A10: Product exit from export market. Robust standard errors are clustered on eight digit product level, stars give significance at one (***), five (**) and ten (*) percent level of significance. Additional controls for the exit of a firm from export markets and firm exit were used. The last three columns show one first stage equation for column (3) and two for column (4). Plant-product and year controls used.

	OLS		IV		First stages		
	(1)	(2)	(3)	(4)	(Fs 3)	(Fs 4)	(Fs 4)
	$Prod\ sales_{ikt}$	$Prod\ sales_{ikt}$	$Prod\ sales_{ikt}$	$Prod\ sales_{ikt}$	$Ch - comp_{Mkt-1}$	$Ch - comp_{Mkt-1}$	$Ch - comp_{Mkt-1}$ $\times share_{ikt-1}$
$Ch - comp_{Mkt-1}$	-0.197 (0.185)	-0.868*** (0.262)	-1.287** (0.602)	-3.876*** (0.832)			
$Ch - comp_{Ukt-1}$ $\times Share_{ikt-1}$		1.894*** (0.425)		10.38*** (1.735)			
$LnImports_{Mkt-1}$	0.0239** (0.0103)	0.0243** (0.0103)	0.0261** (0.0108)	0.0265** (0.0108)	0.000329 (0.000527)	0.000313 (0.000527)	9.86e-05 (0.000143)
$Share_{ikt-1}$	-0.286*** (0.0773)	-0.287*** (0.0768)	-0.239*** (0.0751)	-0.238*** (0.0751)	-0.00490** (0.00206)	-0.00482** (0.00206)	-0.00182* (0.000930)
$Herfindahl_{it-1}$	0.155** (0.0631)	0.155** (0.0630)	0.176*** (0.0678)	0.172** (0.0674)	-0.00297 (0.00187)	-0.00295 (0.00187)	-0.000385 (0.000838)
$Nr.Prod.s_{it-1}$	-0.0132 (0.0247)	-0.00852 (0.0246)	0.0106 (0.0242)	0.0287 (0.0240)	-0.00159* (0.000919)	-0.00184** (0.000933)	-0.000411 (0.000471)
$Exp.share(t-1)$	0.413*** (0.0550)	0.416*** (0.0550)	0.384*** (0.0545)	0.406*** (0.0548)	-0.00192 (0.00187)	-0.00212 (0.00189)	-0.000995 (0.000722)
$Skillshare(t-1)$	6.827 (8.833)	6.652 (8.663)	6.234 (7.719)	162.0 (171.7)	-0.0459** (0.0215)		
$Ch - comp_{Rkt-1}$					0.0745*** (0.0190)	0.0736*** (0.0191)	0.0201*** (0.00614)
$Ch - comp_{Ekt-1}$					0.542*** (0.0677)	0.566*** (0.0702)	-0.00790 (0.00989)
$Ch - comp_{Rkt-1}$ $\times Share_{ikt-1}$						-8.770 (7.344)	50.824*** (7.638)
$Ch - comp_{Ekt-1}$ $\times Share_{ikt-1}$						0.329 (0.460)	0.604 (0.514)
Observations	107,601	107,601	91,517	91,517	91,517	91,517	91,517
F statistic					19.21	18.92	11.83
Sargan p-value					0.991	0.949	0.949

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Table A11: Product sales. Robust standard errors are clustered on eight digit product level, stars give significance at one (***) , five (**) and ten (*) percent level of significance. The last three columns show one first stage equation for column (3) and two for column (4). Plant-product and year controls used.

	OLS		IV		First stages		
	(1)	(2)	(3)	(4)	(Fs 3)	(Fs 4)	(Fs 4)
	$Prod\ sales_{ikt}$	$Prod\ sales_{ikt}$	$Prod\ sales_{ikt}$	$Prod\ sales_{ikt}$	$Ch - comp_{Ukt-1}$	$Ch - comp_{Ukt-1}$	$Ch - comp_{Ukt-1}$ $\times share_{ikt-1}$
$Ch - comp_{Ukt-1}$	-0.794** (0.319)	-1.876*** (0.368)	-1.079* (0.573)	-2.393*** (0.585)			
$Ch - comp_{Ukt-1}$ $\times Share_{ikt-1}$		3.421*** (0.660)		4.074*** (0.854)			
$LnImports_{kt-1}$	0.129*** (0.0461)	0.129*** (0.0461)	0.129*** (0.0403)	0.129*** (0.0403)	0.000715 (0.00196)	-0.000380 (0.00214)	-2.50e-05 (0.000791)
$Share_{ikt-1}$	-0.140 (0.217)	-0.160 (0.217)	-0.148 (0.190)	-0.172 (0.190)	-0.00746 (0.00718)	-0.0112 (0.00758)	0.000912 (0.00379)
$Herfindahl_{it-1}$	0.373 (0.903)	0.350 (0.903)	0.323 (0.795)	0.291 (0.797)	-0.0724*** (0.0176)	-0.0936*** (0.0216)	-0.0281*** (0.00661)
$Nr.Prod.s_{it-1}$	-0.000195 (0.0119)	0.00264 (0.0117)	-0.000372 (0.0104)	0.00299 (0.0103)	-0.000248 (0.000461)	-0.000436 (0.000490)	-0.000462** (0.000186)
$Exportshare_{ikt-1}$	1.436*** (0.0913)	1.424*** (0.0908)	1.438*** (0.0800)	1.423*** (0.0794)	0.00303 (0.00254)	0.00282 (0.00265)	0.00150 (0.00110)
$Skillshare_{it-1}$	0.000 (0.000)	0.000 (0.000)	0.179 (0.147)	0.141 (0.133)	7.84e-05 (0.00336)	-0.00932*** (0.00355)	0.000824 (0.00233)
$Ch - comp_{Rkt-1}$					0.282*** (0.0391)	2.893 (2.879)	-3.017*** (1.020)
$Ch - comp_{Ekt-1}$					0.832*** (0.0902)	1.020*** (0.109)	-0.138*** (0.0337)
$Ch - comp_{Rkt-1}$ $\times Share_{ikt-1}$						-0.183 (0.149)	1.175*** (0.148)
$Ch - comp_{Ekt-1}$ $\times Share_{ikt-1}$						0.794 (3.543)	10.93*** (3.505)
Observations	21,049	21,049	19,802	19,802	19,802	19,802	19,802
F statistic					29.07	24.61	20.89
Sargan p-value					0.469	0.444	0.444

Table A12: Export sales product. Robust standard errors are clustered on eight digit product level, stars give significance at one (***), five (**) and ten (*) percent level of significance. The last three columns show one first stage equation for column (3) and two for column (4). Plant-product and year controls used.

	OLS		IV		First stages		
	(1)	(2)	(3)	(4)	(Fs 3)	(Fs 4)	(Fs 4)
	$Exit_{it}$	$Exit_{it}$	$Exit_{it}$	$Exit_{it}$	$Ch - comp_{Mit-1}$	$Ch - comp_{Mit-1}$	$Ch - comp_{Mit-1}$ $\times LnSales_{it-1}$
$Ch - comp_{Mit-1}$	0.0266 (0.0463)	0.770** (0.319)	-0.0446 (0.110)	1.258** (0.514)			
$Ch - comp_{Mit-1}$ $\times LnSales_{it-1}$		-0.0696** (0.0272)		-0.125*** (0.0454)			
$LnImports_{Mkt-1}$	-0.00157 (0.00141)	-0.00150 (0.00141)	-0.00155 (0.00144)	-0.00142 (0.00144)	0.000258 (0.000198)	0.000240 (0.000197)	0.00337 (0.00214)
$LnSales_{it-1}$	-0.0576*** (0.00357)	-0.0563*** (0.00357)	-0.0575*** (0.00225)	-0.0553*** (0.00238)	0.000619** (0.000307)	-0.00103*** (0.000328)	-0.00817** (0.00356)
$Herfindahl_{it-1}$	0.0891* (0.0459)	0.0924** (0.0460)	0.0904** (0.0367)	0.0969*** (0.0367)	0.0126** (0.00501)	0.0115** (0.00498)	0.160*** (0.0541)
$Exportshare_{it-1}$	-0.0139 (0.0133)	-0.0137 (0.0133)	-0.0139 (0.0119)	-0.0135 (0.0119)	0.000214 (0.00164)	-0.000280 (0.00163)	-0.00620 (0.0177)
$Skillshare_{it-1}$	-0.00553 (0.0176)	-0.00733 (0.0175)	-0.00561 (0.0147)	-0.00889 (0.0148)	-0.00291 (0.00202)	-0.00180 (0.00201)	-0.0342 (0.0218)
$Ch - comp_{Rit-1}$					0.0161*** (0.00141)	-0.00129 (0.00781)	-0.175** (0.0849)
$Ch - comp_{Eit-1}$					0.428*** (0.00701)	-0.0792** (0.0349)	-5.584*** (0.379)
$Ch - comp_{Rit-1}$ $\times LnSales_{it-1}$						0.00194** (0.000798)	0.0354*** (0.00867)
$Ch - comp_{Eit-1}$ $\times LnSales_{it-1}$						0.0488*** (0.00336)	0.973*** (0.0365)
Year f.e.	Yes	Yes	Yes	Yes			
Plant f.e.	Yes	Yes	Yes	Yes			
Observations	35,828	35,828	35,376	35,376	35,376	35,376	35,376
Sargan p - value					0.706	0.239	0.239
F-Statistic					448.4	418.3	448.0

Table A13: Plant exit; Domestic exit indicates plants that leave the sample. Robust standard errors are clustered on six digit product level, stars give significance at one (***), five (**), and ten (*) percent level of significance. The last three columns show one first stage equation for column (3) and two for column (4). Plant and year controls used.

	OLS		IV		First stages		
	(1) <i>Exitexp_{it}</i>	(2) <i>Exitexp_{it}</i>	(3) <i>Exitexp_{it}</i>	(4) <i>Exitexp_{it}</i>	(Fs 3) <i>Ch - comp_{Uit-1}</i>	(Fs 4) <i>Ch - comp_{Uit-1}</i>	(Fs 4) <i>Ch - comp_{Uit-1}</i> $\times \text{LnExportSales}_{it-1}$
<i>Ch - comp_{Uit-1}</i>	0.0321 (0.0608)	0.798*** (0.221)	0.162 (0.212)	1.577*** (0.579)			
<i>LnExportSales_{it-1}</i>	-0.0369*** (0.00466)	-0.0319*** (0.00471)	-0.00996*** (0.00344)	8.96e-05 (0.00510)	-0.000343 (0.000533)	-0.000395 (0.000540)	0.0613*** (0.00546)
<i>Ch - comp_{Uit-1}</i> $\times \text{LnExportSales}_{it-1}$		-0.0777*** (0.0202)		-0.136*** (0.0508)			
<i>LnImports_{Uit-1}</i>	-0.00390 (0.00410)	-0.00393 (0.00411)	0.000344 (0.00436)	-0.000222 (0.00438)	0.00545*** (0.000650)	0.00545*** (0.000650)	0.0550*** (0.00658)
<i>Herfindahl_{it-1}</i>	0.0596 (0.0908)	0.0586 (0.0912)	0.0467 (0.0922)	0.0498 (0.0925)	-0.0293** (0.0143)	-0.0295** (0.0143)	-0.302** (0.144)
<i>Exportshare_{it-1}</i>	0.0804*** (0.0304)	0.0827*** (0.0303)	0.0311 (0.0275)	0.0279 (0.0276)	0.00872** (0.00424)	0.00883** (0.00425)	0.0880** (0.0430)
<i>Skillshare_{it-1}</i>	-0.000652 (0.0475)	-0.00819 (0.0476)	-0.00963 (0.0456)	-0.0260 (0.0462)	0.00812 (0.00706)	0.00849 (0.00709)	0.0281 (0.0716)
<i>Ch - comp_{Rit-1}</i>					-0.0264*** (0.00741)	-0.00610 (0.0503)	-0.362 (0.508)
<i>Ch - comp_{Eit-1}</i>					0.621*** (0.0204)	0.451*** (0.136)	-8.942*** (1.372)
<i>Ch - comp_{Rit-1}</i> $\times \text{LnExportSales}_{ikt-1}$						-0.00189 (0.00455)	0.0253 (0.0460)
<i>Ch - comp_{Eit-1}</i> $\times \text{LnExportSales}_{ikt-1}$						0.0152 (0.0121)	1.351*** (0.122)
Year f.e.	Yes	Yes	Yes	Yes			
Plant f.e.	Yes	Yes	Yes	Yes			
Observations	11,414	11,414	11,414	11,414	11,414	11,414	11,414
Sargan p-value					0.317	0.207	0.207
F-Statistic					143.1	126.4	173.6

Table A14: Plant exit from export; Exit from export indicates plants that leave the export sample. Only exporters considered. Robust standard errors are clustered on six digit product level, stars give significance at one (***), five (**) and ten (*) percent level of significance. The last three columns show one first stage equation for column (3) and two for column (4). Plant and year controls used.

	OLS		IV		First stages		
	(1)	(2)	(3)	(4)	(Fs 3)	(Fs 4)	(Fs 4)
	$Dom.sales_{it}$	$Dom.sales_{it}$	$Dom.sales_{it}$	$Dom.sales_{it}$	$Ch - comp_{Mit-1}$	$Ch - comp_{Mit-1}$	$Ch - comp_{Mit-1}$ $\times LnSales_{it-1}$
$Ch - comp_{Mit-1}$	0.0177 (0.117)	-1.200* (0.689)	-0.485* (0.259)	-6.743*** (1.401)			
$Ch - comp_{Mit-1}$ $\times LnSales_{it-1}$		0.113* (0.0601)		0.594*** (0.130)			
$LnImports_{Mkt-1}$	-0.000420 (0.00497)	-0.000497 (0.00497)	-0.000247 (0.00390)	-0.000691 (0.00391)	-0.0003 (0.0002)	-0.0003 (0.0002)	-0.00210 (0.00234)
$LnSales_{it-1}$	0.658*** (0.0136)	0.656*** (0.0137)	0.658*** (0.00597)	0.645*** (0.00661)	-0.0002 (0.0003)	-0.0002 (0.0003)	0.0107*** (0.00365)
$Herfindahl_{it-1}$	-0.527*** (0.129)	-0.533*** (0.130)	-0.518*** (0.0940)	-0.550*** (0.0944)	0.0100** (0.00510)	0.0101** (0.00510)	0.157*** (0.0560)
$Exportshare_{ikt-1}$	-0.956*** (0.0645)	-0.957*** (0.0644)	-0.955*** (0.0322)	-0.960*** (0.0323)	0.00111 (0.00175)	0.001 (0.00175)	0.0107 (0.0192)
$Skillshare_{it-1}$	-0.0554 (0.0488)	-0.0520 (0.0489)	-0.0564 (0.0391)	-0.0384 (0.0393)	-0.002 (0.0002)	-0.002 (0.0002)	-0.0484** (0.0233)
$Ch - comp_{Rit-1}$					26.61*** (0.475)	16.22*** (2.824)	-106.7*** (31.03)
$Ch - comp_{Eit-1}$					-0.261** (0.132)	1.369** (0.604)	14.85** (6.638)
$Ch - comp_{Rit-1}$ $\times LnSales_{it-1}$						-0.155*** (0.0575)	-1.894*** (0.632)
$Ch - comp_{Eit-1}$ $\times LnSales_{it-1}$						0.985*** (0.264)	37.37*** (2.901)
Year f.e.	Yes	Yes	Yes	Yes			
Plant f.e.	Yes	Yes	Yes	Yes			
Observations	39,254	39,254	38,774	38,774	38,774	38,774	38,774
Sargan p-value					0.683	0.453	0.453
F-Statistic					522.0	277.5	454.9

Table A15: Plant Domestic Sales; Robust standard errors are clustered on six digit product level, stars give significance at one (***), five (**) and ten (*) percent level of significance. The last three columns show one first stage equation for column (3) and two for column (4). The instruments have been adjusted with a factor of 10^{-8} to improve legibility. Plant and year controls used.

	OLS		IV		First stages		
	(1)	(2)	(3)	(4)	(Fs 3)	(Fs 4)	(Fs 4)
	$Expsales_{it}$	$Expsales_{it}$	$Expsales_{it}$	$Expsales_{it}$	$Ch - comp_{Uit-1}$	$Ch - comp_{Uit-1}$	$Ch - comp_{Uit-1}$ $\times LnExportSales_{it-1}$
$Ch - comp_{Uit-1}$	-0.498** (0.196)	-3.033*** (0.702)	-0.632 (0.491)	-3.511*** (0.948)			
$Ch - comp_{Uit-1}$ $\times LnExportSales_{it-1}$		0.260*** (0.0650)		0.289*** (0.0805)			
$LnImports_{Uit-1}$	0.0269** (0.0128)	0.0277** (0.0128)	0.00615 (0.0134)	0.00674 (0.0134)	0.006*** (0.001)	0.006*** (0.001)	0.0644*** (0.00682)
$LnImports_{Mit-1}$	0.00521 (0.0141)	0.00530 (0.0141)	0.0266** (0.0122)	0.0274** (0.0122)	-0.001** (0.0006)	-0.001** (0.0006)	-0.0144** (0.00635)
$LnExportSales_{it-1}$	0.423*** (0.0192)	0.404*** (0.0197)	0.423*** (0.0119)	0.403*** (0.0132)	< 0.001 (< 0.001)	< 0.001 (< 0.001)	0.0271*** (0.00657)
$Herfindahl_{it-1}$	-0.575** (0.261)	-0.580** (0.260)	-0.579** (0.278)	-0.585** (0.277)	-0.0384*** (0.0143)	-0.0379*** (0.0143)	-0.409*** (0.145)
$Exportshare_{ikt-1}$	0.276*** (0.106)	0.268** (0.106)	0.277*** (0.0886)	0.269*** (0.0885)	0.00766* (0.00457)	0.00670 (0.00458)	0.0466 (0.0464)
$Skillshare_{it-1}$	-0.136 (0.156)	-0.109 (0.157)	-0.135 (0.141)	-0.106 (0.141)	0.0107 (0.007)	0.0114 (0.00731)	0.0697 (0.0740)
$Ch - comp_{Rit-1}$					-0.0362*** (0.0088)	-0.143*** (0.0278)	-2.279*** (0.281)
$Ch - comp_{Eit-1}$					0.776*** (0.019)	0.993*** (0.0695)	-1.676** (0.704)
$Ch - comp_{Rit-1}$ $\times LnExportSales_{it-1}$						0.0123*** (0.00300)	0.235*** (0.0304)
$Ch - comp_{Eit-1}$ $\times LnExportSales_{it-1}$						-0.0243*** (0.00721)	0.960*** (0.0730)
Year f.e.	Yes	Yes	Yes	Yes			
Plant f.e.	Yes	Yes	Yes	Yes			
Observations	12,139	12,139	11,771	11,771	11,771	11,771	11,771
Sargan p-value					0.165	0.334	0.334
F-Statistic					195.4	176.1	232.7

Table A16: Plant Export Sales; Robust standard errors are clustered on six digit product level, stars give significance at one (***) , five (**) and ten (*) percent level of significance. The last three columns show one first stage equation for column (3) and two for column (4). Only exporters considered. Plant and year controls used.

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9
$Ch - comp_{Mit-1}$	-0.025*** (0.006)	-0.009** (0.003)	-0.006** (0.002)	-0.004* (0.002)	-0.003* (0.002)	-0.004* (0.002)	-0.003 (0.002)	-0.000 (0.003)	0.004 (0.004)
$LnImports_{Mit-1}$	-0.029* (0.012)	-0.019** (0.007)	-0.011** (0.004)	-0.002 (0.003)	-0.002 (0.003)	0.001 (0.004)	0.005 (0.004)	0.011 (0.006)	0.012 (0.009)
$LnSales_{it-1}$	0.749*** (0.020)	0.745*** (0.010)	0.748*** (0.005)	0.751*** (0.004)	0.743*** (0.004)	0.723*** (0.005)	0.704*** (0.005)	0.672*** (0.008)	0.612*** (0.015)
$LnNr.employees_{it-1}$	-0.039 (0.022)	-0.009 (0.011)	-0.003 (0.007)	-0.002 (0.005)	0.010* (0.005)	0.024*** (0.005)	0.040*** (0.006)	0.052*** (0.008)	0.088*** (0.015)
$LnSales_{it-1}$	0.749*** (0.020)	0.745*** (0.010)	0.748*** (0.005)	0.751*** (0.004)	0.743*** (0.004)	0.723*** (0.005)	0.704*** (0.005)	0.672*** (0.008)	0.612*** (0.015)
$Herfindahl_{it-1}$	-0.971*** (0.242)	-0.441*** (0.127)	-0.370*** (0.074)	-0.330*** (0.059)	-0.303*** (0.056)	-0.241*** (0.064)	-0.286*** (0.069)	-0.296** (0.092)	-0.615*** (0.162)
$Exportshare_{it-1}$	0.030 (0.077)	0.020 (0.042)	0.025 (0.025)	0.056** (0.020)	0.037 (0.019)	0.056* (0.022)	0.053* (0.025)	0.072* (0.034)	0.116* (0.058)
$Skillshare_{it-1}$	-0.282** (0.095)	-0.121* (0.051)	-0.044 (0.030)	-0.013 (0.024)	-0.004 (0.023)	0.008 (0.026)	0.014 (0.028)	0.022 (0.038)	0.046 (0.064)
Observations	26,417	26,417	26,417	26,417	26,417	26,417	26,417	26,417	26,417
Year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Demeaned at plant level	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table A17: Quantile regression - plant sales. Quantile regressions at the nine centiles of the distribution, Q1 gives the quantile regression at the 10th percentile. To mimic plant fixed effects all variables were demeaned at plant level. Stars denote significance at one (***), five (**) and ten (*) percent level of significance. The table only includes plants that did not exit from 1994 to 2004.

	(1)	(2)	(3)	(4)
	$Exit_{it}$	$Exit, export_{it}$	$Sales_{it}$	$Exportsales_{it}$
$Ch - comp_{Mit-1}$	0.827** (0.336)		-2.297*** (0.727)	
$Ch - comp_{Mit-1}$ $\times LnSales_{i1994}$	-0.0845** (0.0329)		0.240*** (0.0729)	
$Ch - comp_{Ukt-1}$		0.500 (0.313)		-3.842** (1.589)
$Ch - comp_{Ukt-1}$ $\times LnExportSales_{i1994}$		-0.0650* (0.0348)		0.318** (0.145)
Observations	34792	7197	37897	8288

Table A18: This table reproduces the main coefficients from the main results in OLS, but rather than interacting sales from last year it ineracts them with sales from the initial year 1994. Robust standard errors are clustered on six digit product level denote significance at one (***), five (**) and ten (*) percent level of significance. Initial sales are colinear with the plant fixed effects.

	(1)	(2)
	$Exit exp_{ikt}$	$Export Sales_{ikt}$
$Ch - comp_{Ukt-1}$	0.0279 (0.0749)	-0.797** (0.332)
$Ch - comp_{Mkt-1}$	0.0961 (0.0743)	-0.183 (0.327)
Year fixed effects	Yes	Yes
Product fixed effects	Yes	Yes
Observations	17,330	22,166

Table A19: This table investigates if margins on the export market are influenced by domestic competition. Robust standard errors are clustered on eight digit product level. Stars denote significance at one (***), five (**) and ten (*) percent level of significance.