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P E R F O R M A N C E

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**Market Size, Competition, and the
Product Mix of Exporters**

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D Robustness to Alternate Measure of Toughness of Competition

As we mentioned in the main text, we repeat our main estimation procedures using the number of French exporters to a destination as a combined measure of the toughness of competition (for French firms) in a destination. We begin by showing the scatterplots of the mean global ratio plotted against this alternate competition measure (direct parallel to Figures (2 and 3). Figure D.1 clearly shows that there is also a very strong increasing relationship between the global ratio and this alternate measure of competition.

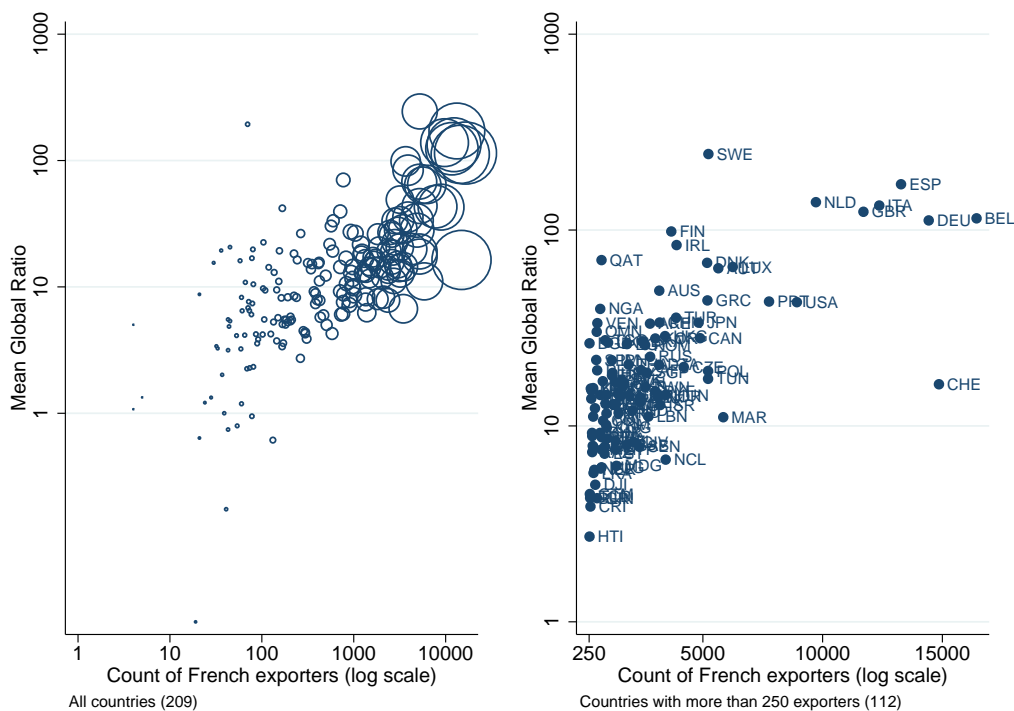


Figure D.1: Mean Global Ratio and # French exporters in Destination Country in 2003

We next replicate Tables 3-5 replacing country GDP and supply potential with the number of French exporters to the destination (in logs). Those tables clearly show that all our results are robust to this alternate measure of competition across destinations.¹

¹We also ran some specifications using all three competition measures jointly (GDP, supply potential, and number of exporters). Adding the third competition regressor does not affect the impact of our first two baseline competition measures. The independent effect of the third measure remained significant for the global and overall skewness specifications.

Table D.1: Global export sales ratio: core product ($m = 0$) to product m'

	(1)	(2)	(3)	(4)	(5)
ln # French exporters	0.226*** (0.020)	0.263*** (0.032)	0.233*** (0.025)	0.200*** (0.031)	0.200*** (0.024)
ln freeness of trade	-0.034 (0.032)	-0.078*** (0.029)	-0.019 (0.037)	0.018 (0.043)	-0.029 (0.033)
ln GDP per cap					0.031* (0.019)
$m' =$	1	2	1	1	1
Destination GDP/cap	all	all	top 50%	top 20%	all
Observations	56094	22577	50624	40965	56094
Within R ²	0.005	0.005	0.004	0.002	0.005

Note: All columns use Wooldridge's (2006) procedure: country-specific random effects on firm-demeaned data, with a robust covariance matrix estimation. Standard errors in parentheses. Significance levels: * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table D.2: Local export sales ratio: core product ($m = 0$) to product m'

	(1)	(2)	(3)	(4)	(5)
ln # French exporters	0.178*** (0.012)	0.210*** (0.027)	0.178*** (0.026)	0.119*** (0.035)	0.129*** (0.018)
ln freeness of trade	-0.056** (0.026)	-0.096* (0.050)	-0.026 (0.045)	0.027 (0.058)	-0.040 (0.026)
ln GDP per cap					0.049*** (0.013)
$m' =$	1	2	1	1	1
Destination GDP/cap	all	all	top 50%	top 20%	all
Observations	96879	49555	84709	64654	96879
Within R ²	0.007	0.008	0.005	0.001	0.007

Note: All columns use Wooldridge's (2006) procedure: country-specific random effects on firm-demeaned data, with a robust covariance matrix estimation. Standard errors in parentheses. Significance levels: * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table D.3: Skewness measures for export sales of all products

	(1)	(2)	(3)	(4)	(5)	(6)
ln # French exporters	0.348*** (0.025)	0.045*** (0.002)	0.111*** (0.004)	0.118*** (0.006)	0.102*** (0.010)	0.086*** (0.006)
ln freeness of trade	-0.065 (0.048)	-0.014*** (0.005)	-0.034*** (0.012)	-0.027* (0.016)	-0.007 (0.020)	-0.024* (0.012)
ln GDP per cap						0.022*** (0.006)
Dep. Var.	s.d. ln x	herf	theil	theil	theil	theil
Destination GDP/cap	all	all	all	top 50%	top 20%	all
Observations	82090	82090	82090	73029	57076	82090
Within R ²	0.106	0.163	0.358	0.356	0.341	0.359

Note: All columns use Wooldridge's (2006) procedure: country-specific random effects on firm-demeaned data, with a robust covariance matrix estimation. Standard errors in parentheses. Significance levels: * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$. All columns include a cubic polynomial of the number of products exported by the firm to the country (also included in the within R²).

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