

RESEARCH NEWSLETTER

Exporter Dynamics, Superstar Firms, and Trade Policy

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FEATURE STORY



A Trade Data Revolution Is Uncovering Hidden Patterns in Global Export Markets

Over the last decade, a revolution in trade research has forced countries to give greater attention to the central actor in global trade—the firm. Aided by the creation of the World Bank's [Exporter Dynamics Database](#), the first dataset on exporters around the world, policy makers now have insights into previously hidden patterns of trade in developing countries. [Read more »](#)

[Presentation](#) | [Video](#) | [Exporter Dynamics Database](#)

RESEARCH HIGHLIGHTS

✓ [Product Standards and Firms' Export Decisions](#)

Ana M. Fernandes, Esteban Ferro, and John S. Wilson, *World Bank Economic Review*, April 2017 | [Working Paper](#).

Firms are less likely to export to markets where product standards are more stringent than those they face at home.

✓ [Exporter Behavior, Country Size and Stage of Development: Evidence from the Exporter Dynamics Database](#)

Ana M. Fernandes, Caroline Freund, Martha Denisse Pierola, *Journal of Development Economics* 119: 121-137, 2016 | [Working Paper](#).

Developing country exporters are not large and dominant like their rich country counterparts. Entry rates into export markets are also higher, but new entrants are less likely to survive.

✓ [Domestic Value Added in Exports: Theory and Firm Evidence from China](#)

Hiau Looi Kee and Heiwai Tang, American Economic Review 106(6): 1402-36, 2015.

China's trade and investment liberalization deepened its engagement in global value chains and this led to a greater variety and use of domestic materials at lower prices and a higher domestic value added in its exports

✓ [Export superstars](#)

Caroline Freund and Martha Denisse Pierola, Review of Economics and Statistics 97(5): 1023-1032, 2015.

Large exporting firms shape the export patterns of a country, and a country's revealed comparative advantage in a sector can be based on the exports of a single firm.

✓ [Are the benefits of export support durable? Evidence from Tunisia](#)

Olivier Cadot, Ana M. Fernandes, Julien Gourdon, and Aaditya Mattoo, Journal of International Economics 97(2): 310-324, 2015.

While the FAMEX export promotion program in Tunisia initially enhanced exports and diversification of beneficiaries, these benefits did not last.

✓ [Who are America's star firms?](#)

Meghana Ayyagari, Asli Demirguc-Kunt, and Vojislav Maksimovic, Policy Research Working Paper 8534, July 2018.

A new approach to calculating returns that accounts for measurement error in intangible capital suggests that star firms are not using pricing power to generate excessively high returns, but a small subset of exceptional firms have the potential to exercise market power in the future.

✓ [Insights from World Bank Research on Trade and Globalization](#)

World Bank Research Digest, Fall 2016.

Research on trade patterns focuses increasingly on the microeconomic aspects of international integration. The Exporter Dynamics Database draws together transaction-level customs data for more than 70 countries to help us better understand trade success.

To access the latest Policy Research Working Papers, please click [here](#).

RELATED BLOG

Exporter Dynamics Database version 2.0: What does it reveal about the trade collapse?

Global trade plunged by 23% in 2008-2009 after the financial crisis and has been almost stagnant since then. What were the underlying micro sources of this trade collapse: were exporters' ability to participate in foreign markets or their pace of growth most hurt? Evidence from high-income countries shows that declines in the intensive margin—average exporter size—explain most of the decline in global trade. But what about developing countries?

[Read the blog](#) | [Database](#) | [Video of database release »](#)

UPCOMING EVENTS

- September 24, 2018 | [Policy Research Talk: A New Look at the Factors Driving Investment Project Performance](#)
- October 23, 2018 | [Policy Research Talk: Gendered Language](#)
- November 12-16, 2018 | [Short Course: Impact Evaluation Methods](#) (Kuala Lumpur)
- January 15-16, 2019 | [Globalization: Contents and Discontents](#) (Kuala Lumpur)
- March 25-29, 2019 | [Land and Poverty Conference 2019: Catalyzing Innovation](#)

To see more events, please click [here](#).

ANNOUNCEMENTS

New Research Hub in Chile

The World Bank Group's Research and Development Center in Chile, created jointly by the Government of Chile and the World Bank Group's [Development Economics Vice-Presidency \(DEC\)](#), opened on December 13th, 2017. The staff carry out research activities in coordination with other World Bank units, including the [Malaysia Hub](#), local and regional policy makers, and academia.

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MORE BLOGS FROM THE RESEARCH DEPARTMENT

For refugees, the average duration of exile is going down. Why is this bad news?

[Xavier Devictor](#) and [Quy-Toan Do](#), Let's Talk Development, August 20, 2018

Nobody wants to be a refugee — and nobody wants to be a refugee for a long time. So, it seems fair to say that a shorter average duration of exile is a positive development. But a detailed look at the numbers tells a different story.

[Read more »](#)

Ten Years after Lehman: Where are we now?

[Asli Demirgüç-Kunt](#), All About Finance, September 17, 2018

We cannot be sure when and how the next crisis will strike, but it surely will. Finance is risky business and crises cannot be eliminated. The ultimate goal of public policy is to minimize the frequency and severity of crises.

[Read more »](#)

To read more of our blogs, see: [Let's Talk Development](#) | [All About Finance](#) | [Development Impact](#)

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