

# Corporate Dollar Debt and Global Trades: The Role of Firm Heterogeneity\*

Junhyong Kim<sup>†</sup>

Annie Soyeon Lee<sup>‡</sup>

Saiah Lee<sup>§</sup>

This Version: May 2025

## Abstract

We examine how dollar debt and firm heterogeneity influence exchange rate pass-through to global trades. Using Korean firm-level balance sheet and transaction-level customs data, we find that after the 1997 devaluation, small exporters with higher foreign currency debt tend to reduce their export quantities and raise prices. In contrast, for large exporters, higher foreign currency debt results in higher export quantities and lower prices. Financial frictions constrain small firms, limiting production. Large firms face less disruption in production and increase exports to overcome liquidity shortages. Panel data from 2001-2020 further support the balance sheet effect of dollar debt on exports.

**JEL Classification Codes:** F31, F34

**Keywords:** global trades, export prices, exchange rate pass-through, financial channel, foreign currency debt

---

\*We are grateful to Valentina Bruno, Charles Engel, April Franco, Yun Jung Kim, Jinil Kim, Jun Hee Kwak, Yueran Ma, Diego Perez, Tim Schmidt-Eisenlohr (discussant), Kwanho Shin, Youngjin Yun and seminar and conference participants at Ulsan National Institute of Science and Technology, North America Econometric Society Summer Meeting 2024, KER International Conference 2024, Asian Econometric Society Meeting 2024, IMIM virtual seminar, Korea University, and Sogang University for helpful comments and suggestions. We accessed the customs data through the Korea Trade Statistics Promotion Institute (KTSPI), with the approval of the Korea Customs Service and subject to disclosure restrictions. We extend our sincere gratitude to the staff at KTSPI and the Korea Customs Service for their support.

<sup>†</sup>Email: junkim3994@kdi.re.kr, Korea Development Institute

<sup>‡</sup>Email: annie.lee.econ@gmail.com, Johns Hopkins University

<sup>§</sup>Email: saiahlee@unist.ac.kr, Ulsan National Institute of Science and Technology

# 1 Introduction

There is a long list of theoretical and empirical work suggesting that exchange rate depreciations could be contractionary due to the negative balance sheet effect of foreign currency liabilities.<sup>1</sup> When the domestic currency depreciates, firms with foreign currency debt face higher debt burden and reduced net worth, potentially limiting their production capacity. This balance sheet effect of foreign currency debt could be more pronounced for exporters as they tap more into international financial markets. On the other hand, domestic currency depreciation often boosts the profitability of exporting. This increased profitability could induce exporters to sell more products abroad, helping them alleviate liquidity shortages caused by higher foreign currency debt burden. Hence, it is not very obvious how exporters may adjust their production upon the depreciation of domestic currency when they are indebted in foreign currency. More so, very little is known about whether firm-level heterogeneity exists in firms' responses.

This paper seeks to answer two key questions. First, how does domestic currency depreciation affect exporters indebted in foreign currency? Second, do large exporters respond differently from small exporters? While previous research focuses mostly on the negative balance sheet effects on firms' net worth, investment, and gross sales, very few explore the balance sheet effect of dollar debt on exports, notwithstanding seldom exploring both export quantities and *prices*.<sup>2</sup> Moreover, exploring the heterogeneity across firm size, we highlight how firms may adjust their production and prices differently to the balance sheet deterioration upon the depreciation.

It is noteworthy that our empirical investigation is only viable due to the richness of firm-level balance sheet information, including their currency composition of assets and liabilities, for both listed and *non-listed* firms, *combined with* the granular transaction-level customs data on export quantities and prices. The insight we get from unraveling the balance sheet channel of dollar debt in shaping the exchange rate pass-through to exporters' activities would be of great importance

---

<sup>1</sup>See [Krugman \(1999\)](#), [Céspedes et al. \(2004\)](#), [Aguilar \(2005\)](#), [Kim et al. \(2015\)](#), [Kalemli-Ozcan et al. \(2016\)](#), [Bruno and Shin \(2023\)](#), and [Kim and Lee \(2024\)](#).

<sup>2</sup>Highlighting one of the few works on the contractionary effect of depreciation on exports, [Bruno and Shin \(2023\)](#) show that exporters lower their export quantities more when they are reliant on credits from dollar-funded banks.

to policymakers, especially in emerging markets, as their domestic currency often experiences a sudden depreciation against dollar and their liability is highly dollarized.

To shed light on these questions, we exploit a large unexpected devaluation episode in Korea in 1997 to identify and analyze the balance sheet effect of foreign currency debt on export quantities and prices. During the last quarter of 1997, the value of the US dollar surged from about 917 to 1,695 Korean won, taking market participants by surprise. The financial hedging in Korea was non-existent, as the exchange for trading financial derivatives was only set up in 1999 after the Asian Financial Crisis. Most foreign currency loans extended to firms were unhedged. The accumulation of *unhedged* short-term foreign currency liabilities by firms, combined with a sudden and significant depreciation of the won, provides a valuable setting to study the effects of negative balance sheets on exporters' production of goods and their price setting.

We employ a unique dataset that merges the Korean firm-level balance sheet data (KISVALUE) with the Korean customs data to study the effect of corporate dollar credit on the exchange rate pass-through to global trades. The KISVALUE dataset collects the panel data on the annual balance sheet of listed and non-listed firms in Korea. And, we merge them with the transaction-level customs data at the firm – HS10 product – destination country – quarterly date / year level. The merged dataset contains rich information about 2,375 Korean exporters in 1996, most importantly including its currency composition of debt at the firm-level and its exporting price and quantity at the firm – HS10 product – destination country – quarterly date / year level.

With this unique dataset, we first investigate the role of foreign currency debt on the quarterly dynamics of export prices and export quantities before and after a large devaluation of Korean won against the U.S. dollar at the end of 1997. We find that the effect of foreign currency debt on export quantities and prices differ across firm size. For smaller firms, higher foreign currency debt leads to lower export quantities and higher prices, whereas for larger firms, it results in higher export quantities and lower prices after the devaluation of domestic currency. As we highlight in a simple model in Section 5, smaller firms with high foreign currency debt burden face lower net worth and working capital after the devaluation, and this balance sheet deterioration constrains a

small firm's production capacity, leading to lower output and higher price. Large firms, on the other hand, might not face production disruptions despite significant exposure to foreign currency debt. As a result, they tend to boost their exports to generate more cash flows especially when they need liquidity because of their high foreign currency debt levels. Moreover, we do not see any pre-existing trends in export quantities and their prices across firms with varying amount of foreign currency debt and size before the devaluation. Moreover, the dynamic responses show that the balance sheet of dollar debt has persistent effects on export quantities and export prices.

We then show that smaller firms indebted in foreign currency have indeed suffered from a larger decline in net worth after the devaluation. They also have experienced a larger drop in the growth rates of liquid assets and capital. On top of that we see that both import quantities and import values have fallen more for those firms with higher foreign currency debt ratios. Smaller firms with large amounts of foreign currency debt show a larger decline in inputs used. This supports the idea that these firms face tighter financial constraints, which limits their production capacity and reduces both the inputs used and the goods produced and sold. This negative effect of foreign currency debt exposure on inputs disappears for larger firms as they tend to be less financially constrained than smaller firms.

Extending the merged dataset to cover the more recent period of 2001 – 2020, we reaffirm the balance sheet effect of dollar debt on the exchange rate pass-through to export quantities and prices.<sup>3</sup> The findings from the panel regressions are meaningful in that it shows that the financial channel of dollar debt is not only present in a particular moment in the history but also in more recent periods with more developed financial markets in Korea. It is evident that the balance sheet channel of dollar debt plays a critical role of shaping the exchange rate pass-through to international prices and international trade dynamics.

We present a simple two-period model that explains how and why increased debt burden, resulting from foreign currency debt exposure after the domestic currency depreciation, affects small and large firms differently. During the large devaluation period, both small and large exporters with

---

<sup>3</sup>The data before 2001 are available, but we choose our sample period such that it excludes the period of the dot-com bubble burst.

higher foreign currency debt face higher debt burden. In response to the shortage of liquidity due to larger debt payments, large firms could expand their export sales to reap the increased profitability of exporting, generating higher cashflows today, even at the expense of future cashflows, as they do not face constraints on their production capacity. In contrast, smaller exporters suffer more severely from the balance sheet deterioration, which limits their production capacity and forces them to reduce export sales.

**Related Literature.** Our paper speaks to two strands of literature in open macroeconomy: one on the contractionary effects of liability dollarization on the macroeconomy and the other on the exchange rate pass-through to prices. We unravel the balance sheet channel of dollar debt through which the exchange rate shock passes through to export prices.

There is a large literature on the degree of exchange rate pass-through to prices.<sup>4</sup> Many papers have explored the role of invoicing currency and its implications for the exchange rate pass-through to prices: [Devereux and Engel \(2002\)](#); [Engel \(2006\)](#); [Goldberg and Tille \(2008\)](#); [Gopinath et al. \(2010\)](#); [Goldberg and Tille \(2016\)](#); [Devereux et al. \(2017\)](#); [Drenik and Perez \(2021\)](#); [Corsetti et al. \(2022\)](#); [Amiti et al. \(2022\)](#) and [Mukhin \(2022\)](#). Others emphasize the role of imported inputs in shaping the degree of exchange rate pass-through to domestic prices: [Goldberg and Campa \(2010\)](#) and [Amiti et al. \(2019\)](#). Moreover, a large body of work focuses on the relationship between the nominal and the real exchange rate (see, for example, [Engel \(1993\)](#); [Engel \(1999\)](#); [Burstein et al. \(2005\)](#); [Gopinath et al. \(2011\)](#); [Crucini and Telmer \(2012\)](#) and [Broda and Weinstein \(2008\)](#)). Our paper complements this large literature by investigating the balance sheet channel of dollar debt through which the exchange rate shock affects the exporters' price settings.

Many theoretical and empirical papers have documented the contractionary effects of liability dollarization on their macroeconomy in emerging market economies upon the depreciation of their domestic currencies (see, for example, [Krugman \(1999\)](#); [Céspedes et al. \(2004\)](#); [Aguilar \(2005\)](#); [Gilchrist and Sim \(2007\)](#); [Kim et al. \(2015\)](#); [Kalemli-Ozcan et al. \(2016\)](#); [Desai et al. \(2008\)](#); [Korinek \(2011\)](#) and [Alfaro et al. \(2019\)](#)). Importantly, recent papers investigate the role of dol-

---

<sup>4</sup>See an extensive survey of this topic in [Burstein and Gopinath \(2014\)](#).

lar borrowing in shaping international trades, empirically in [Bruno and Shin \(2023\)](#); [Casas et al. \(2023\)](#); [Ma and Schmidt-Eisenlohr \(forthcoming\)](#) and [Kohn et al. \(2020\)](#).<sup>5</sup> Specifically, [Bruno and Shin \(2023\)](#) show that firms relying more on credit from dollar-funded banks lower their exports more following dollar appreciation. Our analysis investigates the role of the currency composition of firms' liabilities in shaping global trade. Our paper focuses on how the exporters' balance sheet deterioration due to their dollar liabilities change their export quantities and prices after an unexpected exchange rate depreciation, rather than on the consequence of a negative bank credit supply shock to exporters. In fact, we find that our empirical results remain intact when controlling for bank fixed effects. The study most closely related to ours is [Casas et al. \(2023\)](#), who document that Colombian exporters do not reduce their exports nor imports upon the devaluation even among firms with high foreign currency debt exposure.<sup>6</sup> We believe that our empirical findings about firm heterogeneity may hint us why [Casas et al. \(2023\)](#) might have not identified the financial channel of dollar debt for an *average sized* exporter in Colombia.<sup>7</sup> Moreover, both [Bruno and Shin \(2023\)](#) and [Casas et al. \(2023\)](#) neglect the implication of the financial channel of dollar debt for international *prices*, an area that is under-investigated in the literature. We would like to fill the gap by exploring how firms' export quantities and *prices* change after a large devaluation depending on the indebtedness in dollars and examine heterogeneity across firm size.<sup>8</sup>

Some recent papers also explore the interaction of exchange rate shocks and trade credit. [Hardy et al. \(2025\)](#) explore how large firms that borrow in foreign currency transmit exchange rate risk to their supply chain partners through trade credit. They show theoretically and empirically that financially constrained firms are more likely to pass on foreign exchange shocks via trade credit, while unconstrained firms absorb the shocks to protect their partners. [Cui et al. \(2025\)](#) show

---

<sup>5</sup>More generally, the effect of financial shocks on exports is studied by [Amiti and Weinstein \(2011\)](#) and [Niepmann and Schmidt-Eisenlohr \(2017\)](#), focusing on the effect of a negative credit supply shock on firms' exports.

<sup>6</sup>[Mereb and Ospina-Tejeiro \(2024\)](#) also find that the exchange rate pass-through to export prices is largely unaffected by how much Colombian exporters borrow in foreign currency.

<sup>7</sup>Relatedly, exporting sectors in Colombia are primarily energy and agricultural sectors, while Korean exports are predominantly manufactured goods.

<sup>8</sup>A contemporaneous work by [Ma and Schmidt-Eisenlohr \(forthcoming\)](#) explores a similar question to ours using the country pair x HS6 product-level import price and quantity data for a large set of countries. They find that dollar appreciation leads to a larger increase in import prices and a sharper decline in import quantities when exporting countries have higher levels of external borrowing in foreign currency.

that trade credit dampens the sensitivity of international prices to the exchange rate fluctuations, increasing the exchange rate pass-through to the prices paid by importers.

Our paper also complements the literature on how firms choose financing currency. [Salomao and Varela \(2018\)](#) focus on the role of firms' foreign currency borrowing on economic growth. Some papers focus on the natural hedging motives of firms in their issuance of foreign currency debt: [Kedia and Mozumdar \(2003\)](#), [Colacito et al. \(2022\)](#), and [Liu \(2024\)](#). Other recent papers focus on the carry trade motives behind foreign currency debt borrowing: [Bruno and Shin \(2017\)](#), [Acharya and Vij \(2024\)](#), [Huang et al. \(2024\)](#), [Hardy and Saffie \(2024\)](#), and [Lee and Wu \(forthcoming\)](#).

Lastly, our paper is broadly related to the international risk spillovers of the U.S. monetary policy to emerging markets: [Rey \(2016\)](#), [Bruno and Shin \(2015\)](#), [Passari and Rey \(2015\)](#), [Aizenman et al. \(2016\)](#), [Georgiadis \(2016\)](#), [Kalemli-Ozcan \(2019\)](#), [Obstfeld et al. \(2019\)](#), [Iacoviello and Navarro \(2019\)](#), [Albagli et al. \(2019\)](#), [Miranda-Agrippino and Rey \(2020\)](#), [Avdjiev et al. \(2020\)](#), [Degasperi et al. \(2020\)](#), [Ca'Zorzi et al. \(2020\)](#), [Bräuning and Ivashina \(2020\)](#), [Ciminelli et al. \(2022\)](#), [Hoek et al. \(2022\)](#), [Obstfeld and Zhou \(2022\)](#), and [De Leo et al. \(2024\)](#). We focus on how the price of the U.S. dollar, which could be largely driven by the U.S. monetary policy, passes through to emerging market firms.

The rest of our paper is organized as follows. Section 2 describes our data and presents key descriptive statistics. Section 3 describes the baseline empirical analysis and highlights the role of foreign currency debt in shaping the export quantities and prices during the devaluation period. We also emphasize the importance of considering firm size heterogeneity in analyzing the impact of dollar credit on global trades. We then show that firms indebted in foreign currency indeed have experienced the deterioration of their net worth and a large decline in their inputs used for their production such as variable inputs, capital stock and imported inputs. Section 4 examines more recent periods from 2001 to 2020 and shows that the results presented in Section 3 remain intact. Section 5 provides a simple two-period model to understand the different responses in prices and quantities across firm sizes to the liquidity shortage caused by high foreign currency debt exposure.

The last section concludes.

## 2 Data

### 2.1 Korean Firm-level Balance Sheet Data and Customs Data

Identifying the negative balance sheet effect of dollar debt on export quantities and prices during a large unexpected devaluation episode in Korea in 1997, we employ a unique dataset that combines the Korean firm-level balance sheet data from the KISVALUE dataset with the Korean customs data.

The Korean firm-level balance sheet data include firms with assets larger than 6 billion won as they are required to report audited financial statements to the Financial Supervisory Commission.<sup>9</sup> The reported annual financial statements are then compiled by NICE (formerly the Korea Information Service Inc., KIS).

The KISVALUE dataset has a few attractive features that allow us to explore the role of firms' foreign currency debt in the exchange rate pass-through to export quantities and their prices. First, it covers a large number of both large listed and small, medium-sized non-listed firms, and the number of exporting firms that go into our sample in 1996 is 2,375. It is crucial to have smaller firms in the sample as we are interested in the effect of financial constraints on firms' exports. Second, most importantly, it contains the information on the currency composition of debt, critical for constructing each firm's foreign currency debt exposure before an unexpected large devaluation. Lastly, a wide set of firm-level variables are included in the dataset, such as the currency composition of *liquid assets*, sales, total costs and total assets. We mitigate the concerns about endogeneity by controlling for the firm-level covariates documented in literature, which may affect the currency composition of debt.

---

<sup>9</sup>The asset threshold has changed over time: 7 billion KRW in 1998 and 10 billion KRW in 2009.



We then combine the firm-level balance sheet data with the Korean customs data.<sup>10</sup> The merged dataset then contains rich information about 2,375 exporting firms, most importantly including its currency composition of debt and its exporting price and quantity at the firm - HS10 product - destination country level.<sup>11</sup> This is one of the very few attempts in the literature to combine the data on the *currency composition of both assets and liabilities* at the firm-level and the customs data on exporting prices and quantities at a *granular transaction level*: firm - product - destination country level.

The Korean customs data that we employ in Section 3 include around 11,000 observations for exports, and each observation is at the firm  $f$  - product HS10 code  $i$  - destination country  $d$  level for each quarterly date  $t$ . Each observation includes the export value and weight, which determine the unit price per kg.<sup>12</sup> For the panel data analysis in Section 4, we have around 1.9 million observations for exports. Each observation is at the firm  $f$  - product HS10 code  $i$  - destination country  $d$  - year  $t$  level. Most of these transactions are invoiced in dollar.<sup>13</sup>

The summary statistics for the data used in regressions in Section 3 and Section 4 are summarized in Tables 13 – 15, and Table 19 in the Appendix.

## 2.2 Summary Statistics: FC Borrowing

To highlight the relevance of foreign currency debt among exporting firms, we summarize the patterns of foreign currency borrowing among exporters vs. non-exporters in Table 1. As we see in the table, the share of firms with positive foreign currency debt is 57.5% for exporters while 20.6% for non-exporters. In other words, at the extensive margin, we observe that foreign currency

---

<sup>10</sup>We accessed the customs data through the Korea Trade Statistics Promotion Institute (KTSPi), with the approval of the Korea Customs Service and subject to disclosure restrictions. Balance sheet data for firms during the sample years were obtained from the KISVALUE dataset. The KTSPi merged the KISVALUE dataset with customs records within its facility, and the merged dataset was not shared with us. We developed the code for data analysis, which was executed by the KTSPi under our close supervision and guidance. We extend our sincere gratitude to the staff of the KTSPi and the Korea Customs Service for their support.

<sup>11</sup>Export price is measured as the unit price, defined as the ratio of export value to export volume.

<sup>12</sup>For imports, we have conducted the analysis at the annual level, consistent with our analysis of other input variables due to the balance sheet data availability. For the period from 1996 to 1998, we have around 26,000 observations at the firm  $f$  - product HS10 code  $i$  - source country  $d$  - year  $t$  level.

<sup>13</sup>86 % of exports are invoiced in the U.S. dollar in 1996-2020.

borrowing is indeed more pervasive among exporters.

However, conditional on borrowing in foreign currency, the share of total debt denominated in foreign currency does not vary between exporters and domestic firms. Moreover, as shown in Table 2, we observe a slight difference in average export shares and no discernible difference in average import shares among exporters with foreign currency debt vs. without foreign currency debt. We believe that this observation is consistent with what one would expect if there is a certain fixed cost that firms need to pay to tap the international capital markets and imply that natural hedging is not the key determinant of the currency composition of debt among exporters. We find a very similar data pattern when exploring the data of 2000–19, presented in Tables 10 and 11 in the Appendix.

Table 1: FC Borrowing Among Exporters vs. Non-Exporters

	Share of Firms with FC Debt	FC Debt Ratios	FC Debt Ratio (>0)
Non-Exporters	20.6%	4.7%	22.9%
Exporters	57.5%	13.0%	22.6%

Notes: FC debt ratio is the foreign currency debt to total debt ratio. Exporters are the firms with positive exports in 1996. All variables are their values in 1996. The last column shows the average foreign currency debt ratio conditional on holding a positive amount of foreign currency debt.

Table 2: Export and Import Share Among FC Borrowers vs. Non-FC Borrowers

	Export Share	Import Share
Zero FC debt	17.1%	16.8%
Positive FC debt	19.2%	17.2%

Notes: This table shows the average export and import shares among exporters with and without foreign currency debt. Export share is the export to sales ratio. Import share is the share of imported inputs to total variable costs.

Moreover, we compute the firm-level correlations between the foreign currency debt to total debt ratio and other firm-level characteristics among exporters in 1996. We clearly see that firm size has a strong positive correlation with the foreign currency debt ratio, much of it arising from an extensive margin of foreign currency debt issuance. Surprisingly, we find very little correlation with export to total sales ratio; so as aforementioned, there is little support of natural hedging motives behind the foreign currency debt issuance.<sup>14</sup>

<sup>14</sup>We report the time series of the correlations in 2001-19 in Table 12 in the Appendix, and we find a very similar pattern.

Table 3: Firm-Level Correlations between FC debt and Other Firm-level Characteristics

	FC Debt Ratio	FC Debt Ratio > 0
	(1)	(2)
Import Share	0.11	0.18
Export Share	0.05	0.04
Size	0.29	0.14
Leverage	-0.06	-0.15
ST Debt Ratio	-0.21	-0.33
Cash Ratio	-0.01	0.08
FC Cash Ratio	0.17	0.15

Notes: The table shows how the foreign currency debt to total debt ratio is correlated with regressors in the regressions presented in Section 3. Regressors are their values in 1996 and include import share (the share of imported inputs to total variable costs); export to sales ratio; size (log of sales); leverage (total debt to total assets ratio); ST debt ratio (short-term debt to total debt ratio); cash ratio (cash to total assets ratio); and FC cash ratio (FC cash to total cash ratio). Column (1) shows the correlation between variables in the whole sample, and Column (2) shows those with subsample of firms with positive FC debt.

### 3 Exporters with Dollar Debt after Devaluation

#### 3.1 Baseline Analysis: Dynamic Responses of Export Quantities and Prices

We explore the negative balance sheet effect on export prices and quantities during the 1997 devaluation episode in Korea using quarterly transaction-level customs data and firm-level balance sheet data. Specifically, we examine the dynamic responses of export quantities and prices before and after the large devaluation. We estimate the following equations for firm  $f$ , product HS10 code  $i$ , destination country  $d$ :

$$\begin{aligned} \Delta_{97Q3+h-97Q3} \ln(y_{f,i,d}) = & \beta_{0,h} FC Debt Ratio_{f,96} + \beta_{1,h} FC Debt Ratio_{f,96} \times Size_{f,96} \\ & + \beta_{2,h} Size_{f,96} + \beta_{3,h} X_{f,96} + \beta_{4,h} X_{f,96} \times Size_{f,96} + \alpha_{s(f),h} + \alpha_{d,h} + \alpha_{b(f),h} + \varepsilon_{f,i,d,h}, \end{aligned} \quad (1)$$

where the dependent variable is the log change in  $y$ , over  $h$  quarters relative to the base period of 1997Q3 – the quarter immediately preceding the large devaluation in Korea. We examine the dynamic response of the dependent variables for  $h \in \{-4, \dots, 0, \dots, 5\}$ , spanning one year before

and after the devaluation. This analysis allows us to detect any pre-existing trends in exporter's decisions based on their foreign currency debt exposure in 1996. The dependent variable  $y$  is the export quantity or the export price in the destination currency.<sup>15</sup> All the regressors are at their values in 1996. Our key coefficients of interest are  $\beta_{0,h}$  and  $\beta_{1,h}$  for each  $h \in \{-4, \dots, 0, \dots, 5\}$ , capturing the evolving effect of foreign currency debt on export quantities and prices.

In our analysis, the main regressors are the foreign currency debt to total debt ratio (FC debt ratio) and the interaction between the FC debt ratio and firm size. The FC debt ratio captures the degree of a firm's balance sheet deterioration following an exchange rate shock. The interaction term reflects the idea that the balance sheet effect would be smaller for larger, financially less constrained firms, motivated by [Kim and Lee \(2024\)](#). We measure firm size as the log of total sales.

We control for additional firm-level variables,  $X_f$ , to address potential endogeneity concerns. Specifically,  $X_f$  includes import share (the share of imported inputs in total variable costs), sales share (export sales of firm  $f$  selling product  $i$  to country  $d$  divided by the total exports of Korean firms to the corresponding HS4-destination market), leverage (total debt to total assets ratio), short-term debt ratio (short-term debt to total debt), cash ratio (cash to total assets), FC cash ratio (FC cash to total cash), and export share (exports to total sales). We also control for sector and country fixed effects. Each sector is identified with a five-digit KSIC code (Korea Standard Industrial Classification). We include each firm's main bank fixed effects to mitigate the concern that our results merely capture the effect of a negative bank credit supply shock. That is, a particular bank could have extended more foreign currency loans to firms before the devaluation and then reduced its credit supply more sharply to these firms afterward. We aim to capture how firms may exhibit different export quantity and price responses due to their foreign currency debt exposure, even when they share the same main bank.

Figure 1 shows the regression results of Equation (1) with export quantity as the dependent variable. The coefficient estimates  $\beta_{0,h}$  and  $\beta_{1,h}$  are *not statistically different from zero* before

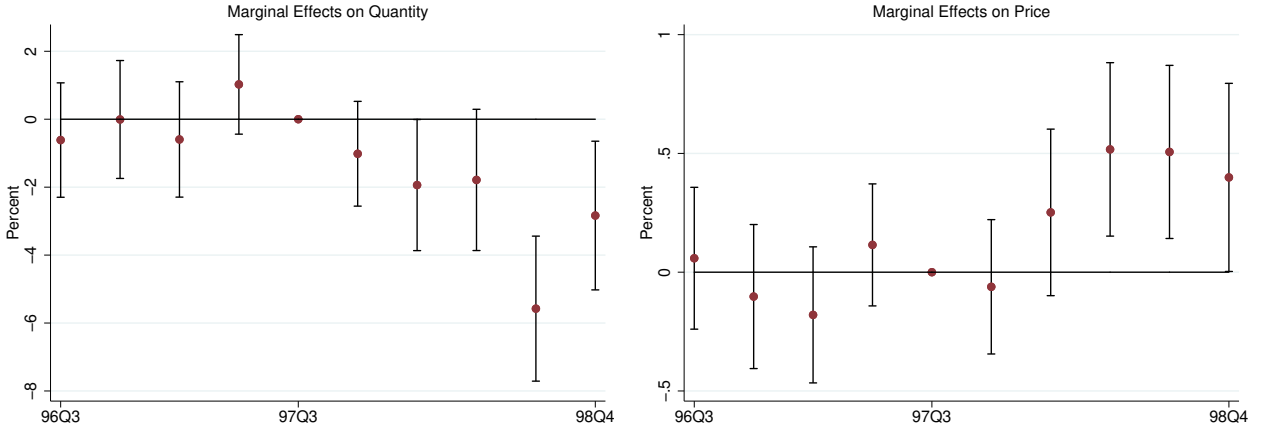
---

<sup>15</sup>The estimation results are identical with the export price in *dollars* as the dependent variable because country fixed effects are included in the estimation.

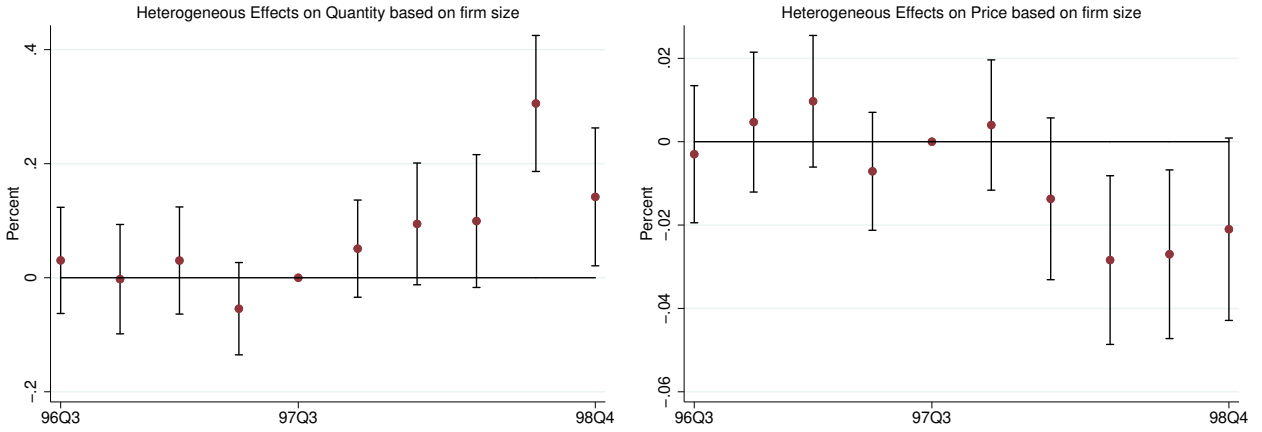
1997Q3. That is, we could not find any evidence of systematic differences in the quantity adjustment across firms' foreign currency debt ratios prior to the devaluation. The negative balance sheet effect of dollar debt on export quantities becomes evident after the devaluation: the estimate on FC debt ratio ( $\beta_{0,h}$ ) becomes negative and statistically different from zero, starting 1998Q3. The balance sheet effect on export quantities is more pronounced for smaller firms ( $\beta_{1,h} > 0$ ).. The deterioration of the balance sheet due to high foreign currency debt exposure following devaluation could limit production, particularly for smaller firms, leading to a fall in export volumes. When firm size decreases by one standard deviation, the negative balance sheet effect on export quantity gets larger by 0.62 percentage points. In contrast, very large firms are generally not financially constrained and exhibit opposite quantity adjustments in response to the devaluation, as we discuss in more detail later in this section.

Figure 1: Dynamic Effects of FC Debt on Export Price and Quantity

**Upper Panel: Dynamic Effects of FC Debt on Export Price and Quantity**



**Lower Panel: Heterogeneity Across Firm Size**



Notes: The dependent variable is the log change in the export quantity and price relative to 1997Q3 level. The top panels plot  $\beta_{0,h}$ , and the bottom panels plot  $\beta_{1,h}$  estimated in Equation (1). The figures on the left are the estimates of changes in the export quantity, and those on the right are the estimates of changes in the export price. The shaded area represents the 90% confidence interval with robust standard errors.

Figure 1 also shows the baseline results for export price responses. Similar to the quantity responses, the coefficient estimates  $\beta_{0,h}$  and  $\beta_{1,h}$  are *not statistically different from zero* before the large devaluation. Firms with varying degree of FC debt ratio in 1996 do not show any systematic differences in their pricing decisions before the large devaluation. This result supports the absence of differential pre-trends across firms with different FC debt exposure. The balance sheet effect of dollar debt on export prices becomes apparent three quarters after the base period: the estimate on FC debt ratio ( $\beta_{0,h}$ ) becomes positive and statistically different from zero, starting 1998Q2..

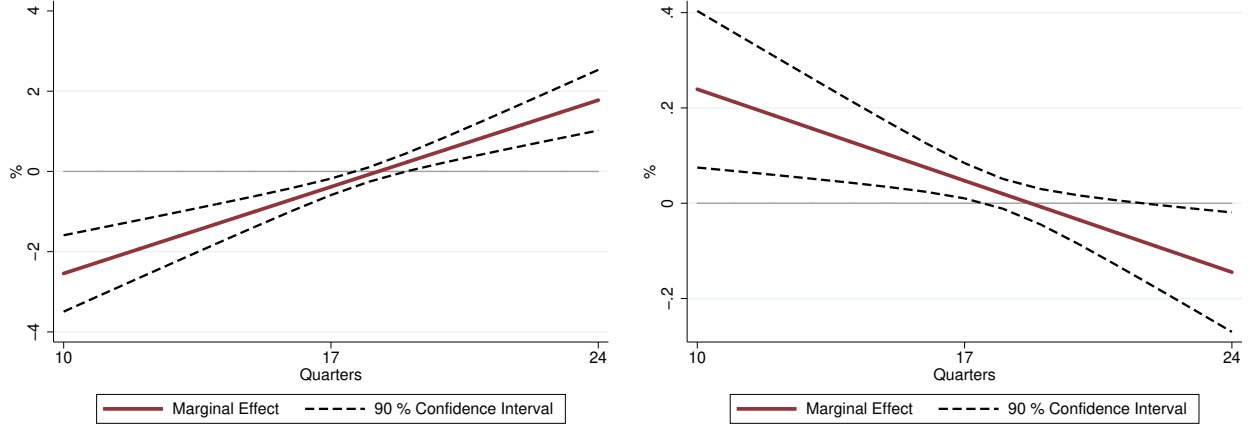
In addition, the bottom panel shows that the balance sheet effect of dollar debt on export prices is more pronounced for smaller firms ( $\beta_{1,h} < 0$ ). The deterioration of the balance sheet for firms indebted in foreign currency may constrain production, resulting in higher export prices. This effect on export prices is especially strong among smaller firms, which are more likely to face tighter working capital and financial constraints. In particular, a one standard deviation decrease in firm size amplifies the negative balance sheet effect on export quantity by 0.05 percentage points. As discussed in the following paragraph, very large firms adjust their export prices differently following the devaluation.

In Figure 2, we depict how the effect of foreign currency debt on export quantity and price changes by firm size, computed based on the estimation results shown in Figure 1. The figure shows the year on year change in export quantities and prices from 1997Q3 to 1998Q3.<sup>16</sup> For the firms whose sales are at the bottom 10% in 1996, one percentage point increase in the foreign currency debt ratio leads to 0.56 percentage points larger decrease in export quantities and 0.06 percentage points higher increase in the export prices, compared to their prices in 1997Q3. The effects of foreign currency debt exposure on export quantities and prices become smaller in size when firm size gets larger. Interestingly, we observe an opposite effect for larger firms: the positive effect of foreign currency debt on export quantity and negative effect on export prices for very large firms. Specifically, for firms at top 90% of the size distribution, one percentage point increase in the foreign currency debt ratio leads to 1.03 percentage points higher increase in the export quantities and 0.08 percentage points lower decrease in export prices after the devaluation. Large firms indebted in foreign currency debt may not face tighter financial constraints and disruption in their production unlike smaller firms. Larger firms, therefore, are likely to produce and sell more to generate additional cashflows. Higher quantities of goods exported by larger exporters have resulted in lower export prices. Section 5 provides a simple two-period model that rationalizes our empirical findings – firms react differently to the depreciation of the domestic currency, depending on their firm size and foreign currency debt exposure.

---

<sup>16</sup>We find that the results are robust when we consider the changes from 1996 to 1998.

Figure 2: Marginal Effect on Export Quantities and Prices: Heterogeneity Across Firm Size



Notes: The figure on the left shows the marginal effect of FC debt exposure on firm's export quantity across firm size (log of sales). The figure on the right shows the marginal effect of FC debt exposure on firm's export price depending on firm size. The dashed lines show the 90 percent confidence intervals of the marginal effects. The graphs are computed based on the results in Table 1.

We have conducted some additional exercises to show that the results shown in Figure 1 are robust across different specifications. First, we conduct the analysis at the firm  $f$ , product HS10 code  $i$ , destination country  $d$ , invoicing currency  $c$  level and include invoicing currency fixed effects. This analysis is motivated by the literature documenting the invoicing currency an important determinant of the exchange rate pass-through (Gopinath et al. (2010), Corsetti et al. (2022), Amiti et al. (2022) and many others). We estimate the following Equation (2):

$$\begin{aligned} \Delta_{97Q3+h-97Q3} \ln(y_{f,i,d,c}) = & \beta_{0,h} FC Debt Ratio_{f,96} + \beta_{1,h} FC Debt Ratio_{f,96} \times Size_{f,96} \\ & + \beta_{2,h} Size_{f,96} + \beta_{3,h} X_{f,96} + \beta_{4,h} X_{f,96} \times Size_{f,96} + \alpha_{s(f),h} + \alpha_{d,h} + \alpha_{b(f),h} + \alpha_{c,h} + \varepsilon_{f,i,d,c,h} \end{aligned} \quad (2)$$

where the dependent variable  $\Delta_{97Q3+h-97Q3} \ln(y_{f,i,d,c})$  is the log change in  $y$  over  $h$  quarters relative to the base period of 1997Q3.  $y$  is the export quantity or price of product  $i$ , produced by firm  $f$ , sold to destination country  $d$ , invoiced in currency  $c$ . We include  $\alpha_{c,h}$  currency effects. Figure 6 shows that the results are quantitatively and qualitatively similar to what we had in Figure 1. This



empirical finding confirms that our results are not driven by different invoicing currency patterns across firms and reaffirm our main findings. Small firms tend to reduce their export quantities and charge higher prices as their foreign currency debt share increases while large firms increase their export quantities selling at lower prices. We also do not see any pre-existing trends across firms with different foreign currency debt exposure before the devaluation. That is,  $\beta_{0,h}$  and  $\beta_{1,h}$  are not statistically different from zero for  $h < 0$ .

Second, we measure foreign currency debt exposure differently. We define it as the ratio of foreign currency debt to *total assets*. Shown in Figure 7, the results are qualitatively similar. Third, some argue that large firms are not only financially unconstrained, but also hold a large market share, and therefore may react differently to balance sheet deterioration. To mitigate this concern, we control for  $\text{FC Debt Ratio}_{f,96} \times \text{Sale Share}_{f,96}$  when estimating Equation (1). The results are shown in Figure 9. The empirical patterns are fairly comparable qualitatively and quantitatively. Fourth, we add the debt to sales ratio as an additional control variable in  $X_{f,t}$ . In Figure 8, we see that the results align with the empirical evidence shown in the baseline result.

Lastly, there is a possibility that firm size may correlate with export destinations. Larger firms may be more likely to export to distant countries, such as the United States or other EU nations, which were not directly affected by the Asian Financial Crisis (AFC). In contrast, smaller firms may export more to nearby Asian countries and thus be more exposed to the crisis. To address this concern, we include interaction terms between foreign currency debt exposure and destination country dummies for the United States, China, Japan, Europe, and a group of countries affected by the AFC. As shown in Figure 10, the results remain robust with these additional controls.

Our analysis highlights the role of foreign currency debt exposure and firm heterogeneity in shaping the exchange rate pass-through to international trade and prices. The export quantity and price responses of exporting firms, varying with their foreign currency debt exposure, suggest that varying levels of foreign currency debt may contribute to the relative price dispersion in destination markets, which may in turn alter resources allocations, which could potentially lead to efficiency losses.

### 3.2 Adjusting Imports and Other Inputs

In this section, we further examine how firms adjust their inputs upon a devaluation when indebted in foreign currency. The set of analyses below strengthens our argument that the balance sheet deterioration due to dollar debt have disrupted the production of goods sold, affecting firms' use of inputs. Given that firm-level balance sheet variables are available only at annual frequency, we estimate the following equation:

$$\begin{aligned} \Delta \ln(y_f) = & \alpha_{s(f)} + \alpha_{b(f)} + \beta_0 FC Debt Ratio_{f,96} + \beta_1 FC Debt Ratio_{f,96} \times Size_{f,96} \\ & + \beta_2 Size_{f,96} + \beta_3 X_{f,96} + \beta_4 X_{f,96} \times Size_{f,96} + \varepsilon_f, \end{aligned} \quad (3)$$

where the dependent variable is the log change in  $y$  from 1996 to 1997, and from 1996 to 1998. By analyzing changes over different time horizons, we investigate the dynamic response of each dependent variable. We examine the responses of firms' net worth, cash holding, and physical capital.<sup>17</sup>

We then investigate how firms adjust imported intermediate inputs, both their quantities and values, depending on foreign currency debt burden. Specifically, we estimate the following equation for firm  $f$ , product HS10 code  $i$ , destination country  $d$ :

$$\begin{aligned} \Delta \ln(y_{f,i,d}) = & \alpha_{s(f)} + \alpha_{b(f)} + \alpha_d + \beta_0 FC Debt Ratio_{f,96} + \beta_1 FC Debt Ratio_{f,96} \times Size_{f,96} \\ & + \beta_2 Size_{f,96} + \beta_3 X_{f,96} + \beta_4 X_{f,96} \times Size_{f,96} + \varepsilon_{f,i,d}, \end{aligned} \quad (4)$$

where the dependent variable is the log change in  $y$  from 1996 to 1997, and from 1996 to 1998.  $y$  is the import quantity or the import value at firm  $f$ , HS-10 product  $i$  and origin country  $d$  level,

---

<sup>17</sup>For net worth, we compute the change in net worth from 1997 to 1998, normalized by total assets in 1997 as net worth can be negative.

measured in U.S. dollars.<sup>18</sup>

We are interested in if firms indeed have experienced a deterioration in their net worth and have reduced their use of inputs when indebted in foreign currency. Moreover, we examine whether smaller firms among exporters are the most affected by the devaluation and therefore adjust their production, and hence, inputs, the most. All the explanatory variables are as of 1996. We control for other firm-level characteristics that could potentially correlate with foreign currency debt exposure.  $X_f$  includes import share (the share of imported inputs in total variable costs), sales share (the import value of firm  $f$  purchasing product HS10 code  $i$  from country  $d$ , divided by the total Korean firms' imports in the corresponding HS4 - origin country market), leverage (total debt to total assets ratio), short-term debt ratio (short-term debt to total debt), cash ratio (cash to total assets), FC cash ratio (FC cash to total cash), and export share (exports to total sales). . Sector and main bank fixed effects are also included in both sets of estimations.

In Table 4, we see that smaller firms have indeed experienced a fall in net worth and liquid assets when they borrowed more in foreign currency debt before the devaluation. The fall in net worth and cash growth is smaller when firm size is larger. Moreover, smaller firms with high foreign currency debt exposure prior to the devaluation adjust their capital stock actively, as shown in Columns 5 and 6. Firms lower their capital stock, and this effect is more pronounced for smaller firms. In all cases, most of the firms heavily indebted in foreign currency debt began to experience balance deterioration starting in 1997. This negative balance sheet effect intensified over time, with estimates on FC debt ratio becoming larger in size by the end of 1998.<sup>19</sup>

---

<sup>18</sup>As country fixed effects are included, the results are the same when we use the export prices measured in the destination currency.

<sup>19</sup>We find that there was no systematic relationship between firms' balance sheet variables and foreign currency debt prior to 1997 as seen in Table 17 in the Appendix, further supporting that the negative balance sheet effect came with the large depreciation.

Table 4: FC Debt and Other Firm-Level Variables

	$\Delta Networth$		$\Delta Cash$		$\Delta Capital$	
	(1) 96-97	(2) 96-98	(3) 96-97	(4) 96-98	(5) 96-97	(6) 96-98
FC Debt Ratio	-0.2427* (0.1405)	-0.7951*** (0.2852)	-2.1015* (1.1856)	-4.4445** (1.7601)	-0.9611** (0.4711)	-1.7649*** (0.6808)
FC Debt Ratio $\times$ Size	0.0129 (0.0079)	0.0448*** (0.0160)	0.1204* (0.067)	0.2556*** (0.0984)	0.0496* (0.0267)	0.0910** (0.0383)
Size	0.0062 (0.0072)	0.0104 (0.0140)	0.0428 (0.0624)	-0.1555* (0.0865)	-0.0222 (0.0271)	0.0033 (0.0364)
Adjusted $R^2$	0.1373	0.1062	0.1197	0.1152	0.0435	0.0549
Observations	2353	2262	2340	2266	2356	2284

Notes: Robust standard errors are reported in the parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

On top of what's shown in Table 4, we also see adjustments in their imported intermediate inputs. Table 5 summarizes the responses of import quantities and import values upon a devaluation at the end of 1997. We see that smaller firms have indeed reduced their imports more when their debt is tilted more towards foreign currency. The negative balance sheet effect on imports is smaller when firm size is larger.<sup>20</sup>

Table 5: Change in Import Quantity and Value

Imports	$\Delta Quantity$		$\Delta Value$	
	(1) 96-97	(2) 96-98	(3) 96-97	(4) 96-98
FC Debt Ratio	0.3690 (0.5007)	-1.3640* (0.7007)	0.6456 (0.4778)	-1.4548** (0.6876)
FC Debt Ratio $\times$ Size	-0.0111 (0.0273)	0.0767** (0.0385)	-0.0278 (0.0260)	0.0806** (0.0377)
Size	-0.0371 (0.0274)	-0.0942** (0.0367)	-0.0927** (0.0376)	-0.0371 (0.0274)
Adjusted $R^2$	0.0197	0.0446	0.0219	0.0480
Observations	44,075	26,271	44,075	26,271

Notes: Robust standard errors are reported in the parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

In contrast to the immediate responses observed in balance sheet variables, imported intermediate inputs did not exhibit any reactions in 1997 but began to respond significantly in 1998. These patterns may support the idea that foreign currency debt initially weakens firms' financial positions, subsequently affecting their real activities through channels such as working capital constraints or

<sup>20</sup>We do not have the annual data for imports before 1996, so we could not investigate the pre-trends in import values before the devaluation.

reduced capital investment. Thus, while balance sheet variables react immediately, the response of imported intermediate inputs appears with a delay.<sup>21</sup> Moreover, this result is consistent with earlier findings regarding the lagged effects of foreign currency debt on export quantities and prices.

## 4 Panel Regression Analysis

To highlight that the balance sheet effect of dollar debt on the export quantity and price is not associated with a particular crisis period in the past, we estimate the exchange rate pass-through to export quantities and prices in more recent periods. This section employs the panel data of both listed and non-listed firms from 2001 to 2020.<sup>22</sup> Each observation is at the firm  $f$ -product HS10  $i$ -destination country  $d$ -year  $t$ . Following [Devereux et al. \(2017\)](#), we estimate the below Equation (5):

$$\begin{aligned}
\Delta_{\tau} \ln(y_{f,i,d,t}) = & \alpha_{s(f)} + \alpha_{d,t} + \alpha_{b(f,t),t} + \beta_0 \Delta_{\tau} E_{KRW/\$,t} + \beta_1 \text{FC Debt Ratio}_{f,t} + \beta_2 \text{Size}_{f,t} \\
& + \beta_3 \text{FC Debt Ratio}_{f,t} \times \text{Size}_{f,t} \\
& + \beta_4 \text{FC Debt Ratio}_{f,t} \times \Delta_{\tau} E_{KRW/\$,t} + \beta_5 \text{Size}_{f,t} \times \Delta_{\tau} E_{KRW/\$,t} \\
& + \beta_6 \text{FC Debt Ratio}_{f,t} \times \Delta_{\tau} E_{KRW/\$,t} \times \text{Size}_{f,t} \\
& + \gamma_0 X_{f,t} + \gamma_1 X_{f,t} \times \Delta_{\tau} E_{KRW/\$,t} + \gamma_2 X_{f,t} \times \Delta_{\tau} E_{KRW/\$,t} \times \text{Size}_{f,t} + \varepsilon_{i,f,d,t},
\end{aligned} \tag{5}$$

where the dependent variable is the log change in  $y$  from year  $t$  to year  $t + \tau$ . Similarly,  $\Delta_{\tau} E_{KRW/\$,t}$  is the log change in the KRW price of USD from year  $t$  to year  $t + \tau$ .  $y$  is the export price in the destination currency or its export quantity. Since we do not observe firm  $f$ 's exports of product HS10  $i$  to destination country  $d$  every year, we look at the export price and quantity changes from year  $t$  to year  $t + \tau$ , where  $\tau$  varies for each observation of firm  $f$ 's exports of product HS4  $i$  to

<sup>21</sup>It is also possible that the discrepancy arises from differences in the nature of the variables: the balance sheet variables reported in Table 4 are stock variables, whereas imported inputs are flow variables, representing annual aggregates. Since the devaluation occurred at the end of 1997, its impact may not have been enough to significantly affect the annual flow in that year.

<sup>22</sup>The dependent variable is the growth rate of a variable  $y$ ; therefore, year  $t$  starts at 2001 and ends at 2019.

destination country  $d$  in year  $t$ .  $E_{KRW/\$,t}$  is the Korean won price of dollar. An increase in the exchange rate is therefore a depreciation of KRW against the U.S. dollar. As in Section 3,  $X_f$  includes: import share (the share of imported inputs in total variable costs), sales share (export sales of firm  $f$  selling product  $i$  to country  $d$  divided by the total exports of Korean firms to the corresponding HS4-destination market), leverage (total debt to total assets ratio), short-term debt ratio (short-term debt to total debt), cash ratio (cash to total assets), FC cash ratio (FC cash to total cash), and export share (exports to total sales).

Our coefficients of interest are  $\beta_4$  and  $\beta_6$ . In all specifications, we include sector  $s$  fixed effects and destination country  $d$  by year  $t$  fixed effects in the regressions, where sectors are defined by the five-digit KSIC industry codes. We also include each firm's main bank (which could vary across time) by year fixed effects to show that the results are not driven by the transmission of bank credit supply shocks. We include both robust and clustered standard errors, where the cluster is at the country by year level.

Tables 6 and 7 summarize the results, qualitatively consistent with what we have found with the event study analysis during the Asian Financial Crisis. Table 6 shows the estimates of changes in export quantities on FC Debt Ratio  $\times \Delta E_{KRW/\$}$  and FC Debt Ratio  $\times \Delta E_{KRW/\$} \times \text{Size}$  are -1.4 and 0.07. Smaller firms lower their export quantities more when their debt is tilted towards FC upon the depreciation of Korean won. The fall in export quantities is smaller when firm size is larger. Moreover, Table 7 summarizes the effect of foreign currency debt on export prices. The estimates on FC Debt Ratio  $\times \Delta E_{KRW/\$}$  and FC Debt Ratio  $\times \Delta E_{KRW/\$} \times \text{Size}$  are 0.5 and -0.03. Smaller firms raise their destination prices more upon the depreciation of Korean won against the U.S. dollar when they are indebted in FC debt. The magnitude of the increase is smaller when firm size is larger. The same mechanism manifest in Section 3 is also revealed in the panel regression analyses with more recent and longer period data. This set of empirical results highlights that our results are not driven by their exposure to certain banks who may have lent more in foreign currency to these firms but rather captures the consequence of the balance sheet deterioration on firms' production and pricing.

Table 6: Panel Regression of Export Quantity Changes on FC Debt

Dependent Variables:	Export Quantities	
	(1)	(2)
FC Debt Ratio $\times \Delta E_{KRW}/\$$	-1.3839** (0.5447)	-1.3839** (0.6805)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0660** (0.0280)	0.0660* (0.0359)
Adjusted $R^2$	0.0161	0.0161
Observations	1863541	1863541
Standard Errors	Robust	Clustered

Notes: In all specifications, we include sector, country by year, main bank by year fixed effects. In Columns (1), robust standard errors are reported in the parentheses. In Columns (2), clustered standard errors are reported in the parentheses. The cluster is at the country by year. The estimates on other variables are included in Table 20. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

Table 7: Panel Regression of Export Price Changes on FC Debt

Dependent Variables:	Export Prices in Destination Currency	
	(1)	(2)
FC Debt Ratio $\times \Delta E_{KRW}/\$$	0.4699*** (0.0928)	0.4699*** (0.1229)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.0277*** (0.0047)	-0.0277*** (0.0066)
Adjusted $R^2$	0.0360	0.0360
Observations	1863541	1863541
Standard Errors	Robust	Clustered

Notes: In all specifications, we include sector, country by year, main bank by year fixed effects. In Columns (1), robust standard errors are reported in the parentheses. In Columns (2), clustered standard errors are reported in the parentheses. The cluster is at the country by year. The estimates on other variables are included in Table 21. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

We have done a number of robustness checks. First, we have shown that the results are qualitatively and quantitatively similar when measuring the export prices in dollars. The results are reported in Table 21. The estimates on FC Debt Ratio  $\times \Delta E_{KRW}/\$$  and FC Debt Ratio  $\times \Delta E_{KRW}/\$ \times \text{Size}$  are 0.4 and -0.02, respectively.<sup>23</sup>

Second, we show that results are consistent when analyzing at the at the firm  $f$ -product HS10  $i$  - destination country  $d$  - invoicing currency  $c$  - year  $t$  level. We estimate the following Equation

<sup>23</sup>The estimated coefficients on the export price in destination currency vs. dollar are not identical because the log change is computed from  $t$  to  $t + \tau$ , where  $\tau$  varies with the observation  $f, i, d$ . Although country by year fixed effects are included, the estimated coefficients may still differ depending on the units of the export price.

(6):

$$\begin{aligned}
\Delta\tau\ln(y_{f,i,d,c,t}) = & \alpha_{s(f)} + \alpha_{d,t} + \alpha_{b(f,t),t} + \alpha_{c,t} + \beta_0\Delta\tau E_{KRW/\$,t} + \beta_1\text{FC Debt Ratio}_{f,t} + \beta_2\text{Size}_{f,t} \\
& + \beta_3\text{FC Debt Ratio}_{f,t} \times \text{Size}_{f,t} \\
& + \beta_4\text{FC Debt Ratio}_{f,t} \times \Delta\tau E_{KRW/\$,t} + \beta_5\text{Size}_{f,t} \times \Delta\tau e_{\$t} \\
& + \beta_6\text{FC Debt Ratio}_{f,t} \times \Delta\tau E_{KRW/\$,t} \times \text{Size}_{f,t} \\
& + \gamma_0 X_{f,t} + \gamma_1 X_{f,t} \times \Delta\tau E_{KRW/\$,t} + \gamma_2 X_{f,t} \times \Delta\tau E_{KRW/\$,t} \times \text{Size}_{f,t} + \varepsilon_{i,f,d,t},
\end{aligned} \tag{6}$$

where the dependent variable  $\Delta\tau\ln(y_{f,i,d,c,t})$  is the log change in  $y$  from year  $t$  to year  $t + \tau$ , where  $y$  is the export quantity or price of product  $i$ , produced by firm  $f$ , sold to destination country  $d$ , invoiced in currency  $c$  in year  $t$ . We include  $\alpha_{c,t}$  currency by year fixed effects. This exercise is useful as the invoicing currency is an important determinant of the exchange rate pass-through, extensively shown in many papers in the literature (Gopinath et al. (2010), Amiti et al. (2022), Corsetti et al. (2022) and many others). The results are reported in Tables 22, 23 and 24. Table 22 shows the estimation results of Equation (6) with the log change in the export quantity as the dependent variable. Columns 1 and 2 show the estimation results without currency fixed effects while Columns 3 and 4 summarize the ones with currency fixed effects. The estimates on  $\text{FC Debt Ratio} \times \Delta E_{KRW/\$}$  and  $\text{FC Debt Ratio} \times \Delta E_{KRW/\$} \times \text{Size}$  are -1.3 and 0.06 in both specifications with and without currency fixed effects, very close to what we had in our baseline model when estimating Equation (5). Even after controlling for currency fixed effects, we find firms with higher foreign currency debt exposure lower their export quantities more upon the depreciation of Korean won against the U.S. dollar. The very effect is smaller as firm size is larger. Tables 23 and 24 show the effect of foreign currency debt on the export price in destination currency and in the U.S. dollar, respectively. In Tables 23 and 24, Columns 1 and 2 and Columns 3 and 4 show the estimation results without and with currency fixed effects, respectively. The estimates in Tables 23 and 24 are the same whether we use the export price in the destination currency or in the U.S. dollar. The estimates on  $\text{FC Debt Ratio} \times \Delta E_{KRW/\$}$  are 0.5 and 0.4 without and with currency fixed



effects, and those on  $\text{FC Debt Ratio} \times \Delta E_{KRW/\$} \times \text{Size}$  are -0.03 and -0.02 in both specifications. We observe that smaller firms with higher foreign currency debt exposure increase their export prices more upon the depreciation of Korean won against the U.S. dollar. The very effect gets smaller as firm size is larger.

Third, motivated by [Otonello and Winberry \(2020\)](#), we control for  $\text{FC Debt Ratio}_{f,t} \times \Delta_{\tau} \ln(Y_t)$  and  $\Delta_{\tau} \ln(Y_t)$ , where  $Y_t$  is the world real GDP and the Korean real GDP in year  $t$ , fetched from the World Economic Outlook Database from the International Monetary Fund. We also include  $\text{FC Debt Ratio}_{f,t} \times \ln(VIX_t)$ , where the VIX index captures the market expectations for the U.S. stock market volatility over the next 30 days. We compute the average VIX in year  $t$  using the daily VIX data from the FRED database. This set of exercises aims to control for differences in cyclical sensitivities across firms with different foreign currency debt exposure. The results are summarized in [Tables 8 and 9](#). The estimated coefficients are quantitatively very close to the baseline estimates. This result corroborates that our empirical findings are not driven by firms with different foreign currency debt exposure exhibiting varying cyclical responses.

Table 8: Panel Regression of Export Quantity Changes on FC Debt – FC Debt Ratio  $\times$  Aggregate

Dependent Variables:	Export Quantities	
	(1)	(2)
FC Debt Ratio $\times \Delta E_{KRW/\$}$	-1.3083** (0.5474)	-1.3083* (0.6884)
FC Debt Ratio $\times \Delta E_{KRW/\$} \times \text{Size}$	0.0653** (0.0281)	0.0653* (0.0363)
Adjusted $R^2$	0.0163	0.0163
Observations	1843620	1843620
Aggregate $\times \Delta_{\tau} E_{KRW/\$,t}$	Yes	Yes
Standard Errors	Robust	Clustered

Notes: In all specifications, we include sector, country by year, main bank by year fixed effects. In Columns (1), robust standard errors are reported in the parentheses. In Columns (2), clustered standard errors are reported in the parentheses. The cluster is at the country by year. We control for  $\text{FC Debt Ratio}_{f,t} \times \ln(VIX_t)$ ,  $\text{FC Debt Ratio}_{f,t} \times \Delta_{\tau} \ln(Y_t)$ , and  $\Delta_{\tau} \ln(Y_t)$ , where  $Y_t$  is the world real GDP and the Korean real GDP in year  $t$ . The estimates on other variables are included in [Table 25](#). \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

Table 9: Panel Regression of Export Price Changes on FC Debt, Controlling for Aggregate x FC Debt

Dependent Variables:	Export Prices in Destination Currency	
	(1)	(2)
FC Debt Ratio $\times \Delta E_{KRW/\$}$	0.4453*** (0.0932)	0.4453*** (0.1252)
FC Debt Ratio $\times \Delta E_{KRW/\$} \times \text{Size}$	-0.0251*** (0.0047)	-0.0251*** (0.0067)
Adjusted $R^2$	0.0371	0.0371
Observations	1843620	1843620
Aggregate $\times \Delta \tau E_{KRW/\$,t}$	Yes	Yes
Standard Errors	Robust	Clustered

Notes: In all specifications, we include sector, country by year, main bank by year fixed effects. In Columns (1), robust standard errors are reported in the parentheses. In Columns (2), clustered standard errors are reported in the parentheses. The cluster is at the country by year. We control for FC Debt Ratio $_{f,t} \times \ln(VIX_t)$ , FC Debt Ratio $_{f,t} \times \Delta \tau \ln(Y_t)$ , and  $\Delta \tau \ln(Y_t)$ , where  $Y_t$  is the world real GDP and the Korean real GDP in year  $t$ . The estimates on other variables are included in Table 26. \* p<0.1, \*\* p<0.05, \*\*\* p<0.01.

Fourth, we adopt an alternative measure of foreign currency debt exposure. We define it as the ratio of foreign currency debt to total assets. The results are summarized in Tables 27 and 28. The empirical findings do not change qualitatively under an alternative definition of foreign currency debt exposure. Fifth, some argue that large firms may react differently to the balance sheet deterioration following the exchange rate depreciation not because they are not financially constrained, but because they hold a large market share. To address this concern, we control for FC Debt Ratio $_{f,t} \times \Delta \tau E_{KRW/\$,t} \times \text{Sale Share}_{f,t}$  and FC Debt Ratio $_{f,t} \times \text{Sale Share}_{f,t}$  when estimating Equation 5. The results are summarized in Tables 29 and 30. As clearly shown in the two tables, the findings remain consistent qualitatively and quantitatively. Lastly, we include the debt to sales ratio as an additional control variable in  $X_{f,t}$  on top of controlling for the leverage ratio measured as the debt to total assets ratio. We control for Debt to Sales Ratio $_{f,t}$ , Debt to Sales Ratio $_{f,t} \times \Delta \tau E_{KRW/\$,t}$ , Debt to Sales Ratio $_{f,t} \times \Delta \tau E_{KRW/\$,t} \times \text{Size}_{f,t}$  when estimating Equation 5. The results are reported in Tables 31 and 32. We see that estimates are significant and close quantitatively to what we had in the baseline estimations.

Overall, our panel regressions with more recent sample periods reaffirm the relevance of the balance sheet channel of dollar debt in shaping the exchange rate pass-through to export quantities

and prices.

## 5 A Simple Two-Period Model

This section presents a simple model that rationalizes our empirical findings. A simple two-period model illustrates how firms may react differently to the depreciation of the domestic currency, depending on their firm size and foreign currency debt exposure. Specifically, after the devaluation, for smaller firms, higher foreign currency debt leads to lower export quantities and higher prices, whereas for larger firms, it results in higher export quantities and lower prices.

Exporters live two periods, 1 and 2. At the beginning of period 1, each firm starts with the capital stock  $k$ , debt level  $d$  and cash holding  $T$ .  $\lambda$  fraction of  $d$  is denominated in dollars and the rest are in domestic currency. There are two types of exporters – small and large. A small exporter owns a lower level of capital stock than a large exporter:  $k_{small} < k_{large}$ . We assume that both small and large exporters have the same debt to capital and cash to capital ratios ( $\frac{d}{k}$  and  $\frac{T}{k}$ , respectively). That is, their cash holdings  $T$  and debt  $d$  are proportional to their initial levels of capital stock  $k$ . Therefore, consistent with the empirical findings, our analysis explores the effect of the currency composition of debt ( $\lambda$ ) on firms' production of output and their output prices, conditional on their leverage and cash to asset ratios.

After an exchange rate shock is realized, i.e.,  $\xi > 1$ , firms need to pay back their debt and use the remaining cash to hire labor, i.e.,  $wn \leq T - d(\xi\lambda + 1 - \lambda)$ . This assumption captures the idea that the balance sheet deterioration due to the large depreciation restricts the firm's production capacity through the working capital channel (Kim and Lee, 2024). Firms can also produce more by borrowing  $a \geq 0$  to acquire additional capital stock at the interest rate,  $r$ . In period 1, firms consume what they produce and export and any cash holdings left after paying back their debt and wage bills.

In period 2, firms pay the cost of borrowing for the additional capital stock,  $(1 + r)a$  and consume the remaining capital stock  $k + a - (1 + r)a = k - ra$ . Hence, in order to compensate their

liquidity shortage, each firm can generate extra cash flows in period 1 at the expense of the cash flow in the following period. This feature is in line with the inventory adjustment channel (for instance, [Kim \(2021\)](#)), where firms experiencing a liquidity shortage increase today's cash flows by liquidating inventories at the expense of tomorrow's cash flows. We normalize the price of final consumption goods in both periods to one.

Small and large firms solve the following problem given  $k, d, T$  and exchange rate  $\xi$ :

$$\begin{aligned} & \max_{c_1, c_2, y, a, n} U_1(c_1) + U_2(c_2) \\ & \text{s.t. } c_1 = \xi p(y)y - d(\lambda \xi + (1 - \lambda)) - wn + T, \quad c_2 = k - ra \\ & y = z(k + a)^\alpha n^{1-\alpha}, \quad y = Dp^{-\eta}, \quad wn \leq T - d(\xi \lambda + 1 - \lambda) \end{aligned}$$

We assume that utility functions for periods 1 and 2 are  $U_1(c) = \ln(c)$ ,  $U_2(c) = \nu c$ , respectively.<sup>24</sup> In line with the previous studies, the elasticity parameter  $\eta$  is set to 4 (see [Gopinath and Itskhoki \(2010\)](#) and [Kim and Lee \(2024\)](#), for example), and the net interest rate  $r$  and  $\xi$  is set to 0.08 and 2.0 to match the data counterparts, respectively. The capital share  $\alpha$  is set to 0.33. Without loss of generality, we assume  $z = 1$ ,  $D = 1$ , and  $w = 1$ . The initial values of capital stock for small and large firms  $k_{small} < k_{large}$  are set such that small firms face binding working capital constraint, but large firms do not. Small and large firm have the same cash to capital and debt-to-capital ratios.<sup>25</sup>

**Large Exporter.** Assuming that working capital constraints are not binding, a large firm's optimal decision of  $a$  satisfy the following equation:

<sup>24</sup>The assumption of a linear utility in period 2 is not necessary but imposed for algebraic simplicity.

<sup>25</sup>We arbitrarily set  $T = k$ ,  $d = 0.2k$ , and  $\nu = 0.3$  such that it shows the mechanism that we would like to show clearly. We set  $k_{small} = 0.5\bar{k}$  and  $k_{large} = 2.0\bar{k}$ , where  $\bar{k} = \frac{\theta\alpha}{r}$ .

$$\Phi_1(k+a)^{\frac{\theta-1}{1-\theta(1-\alpha)}} U_1'(c_1) = rU_2'(c_2) \quad (7)$$

$$\Rightarrow \frac{\Phi_1(k+a)^{\frac{\theta-1}{1-\theta(1-\alpha)}}}{\Phi_2(k+a)^{\frac{\theta\alpha}{1-\theta(1-\alpha)}} + T - d(\xi\lambda + 1 - \lambda)} = vr$$

, where  $\Phi_1 = \frac{\alpha}{1-\alpha} (\theta(1-\alpha)\xi)^{\frac{1}{1-\theta(1-\alpha)}}$ ,  $\Phi_2 = \frac{1-\theta(1-\alpha)}{\theta(1-\alpha)} (\theta(1-\alpha)\xi)^{\frac{1}{1-\theta(1-\alpha)}}$ , and  $\theta = \frac{\eta-1}{\eta}$ .

The left-hand side of Equation (7) represents the marginal benefit of an additional borrowing  $a$ , while the right-hand side reflects the marginal cost of doing so. The marginal benefit decreases as  $a$  rises, due to (1) decreasing marginal product of capital and (2) decreasing marginal utility of consumption. In addition, the marginal utility of consumption increases with a larger foreign currency debt burden  $\lambda$ , capturing a greater degree of liquidity shortage due to the increase in debt burden. This leads to an increase in borrowing  $a$ , thereby increasing production in order to generate extra cash flows. On the other hand, the marginal cost of borrowing is constant at  $vr$  due to our assumption of quasi-linear utility function.

The graphical illustration of the marginal benefits with different level of  $\lambda$  and marginal cost as a function of additional capital  $a$ , is depicted in Figure 3. As  $\lambda$  increases, the marginal benefit of additional  $a$  is larger and hence, firms acquire more capital and increase their production.

Figure 3: Marginal Benefit and Marginal Cost of Additional  $a$

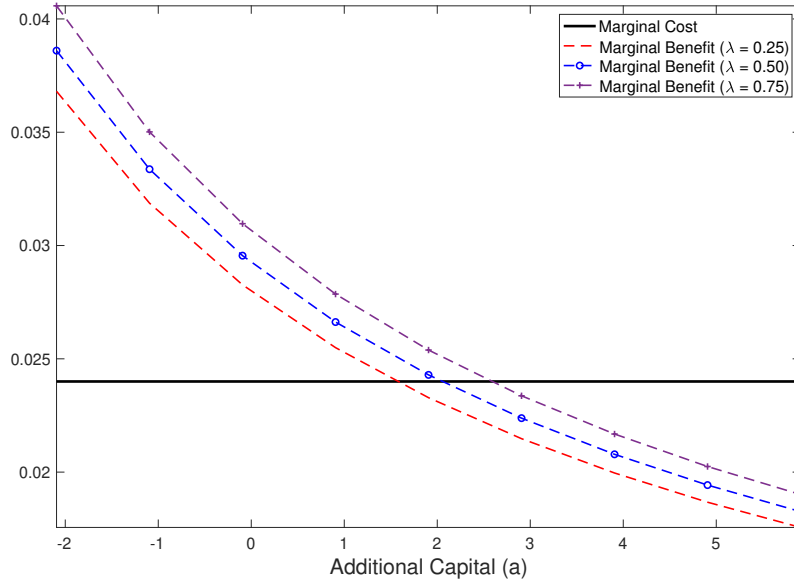
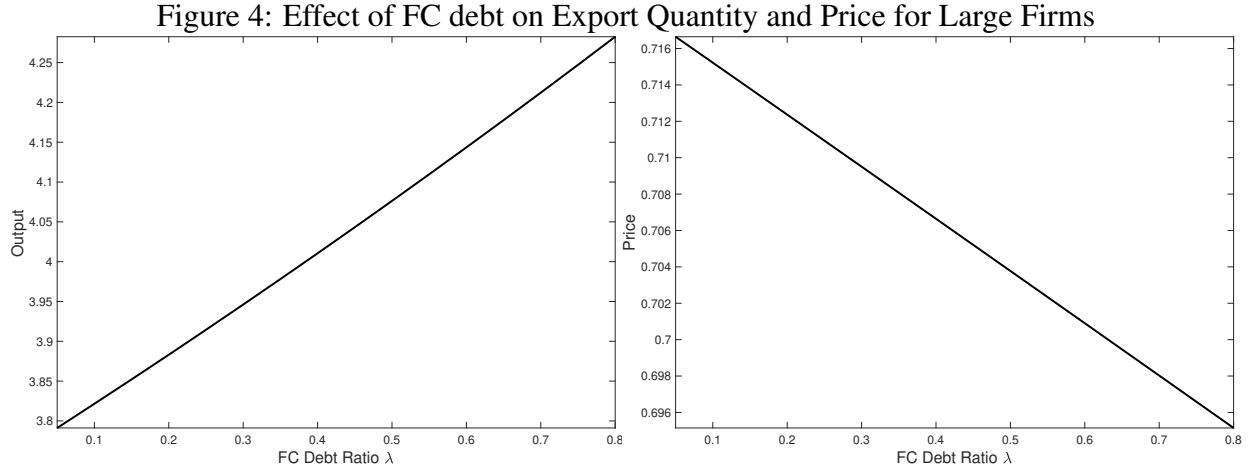


Figure 4 shows a complete picture of how a large firm's decisions vary by its foreign currency debt ratio  $\lambda$ . As illustrated above, large exporters produce more and charge lower prices as their foreign currency debt ratio increases. This result arises from the facts that (i) larger firms are less affected by the balance sheet deterioration compared to smaller firms, so their production capacity is not restricted and (ii) they would like to produce more to generate additional cash flows when facing liquidity shortages due to higher debt burden.

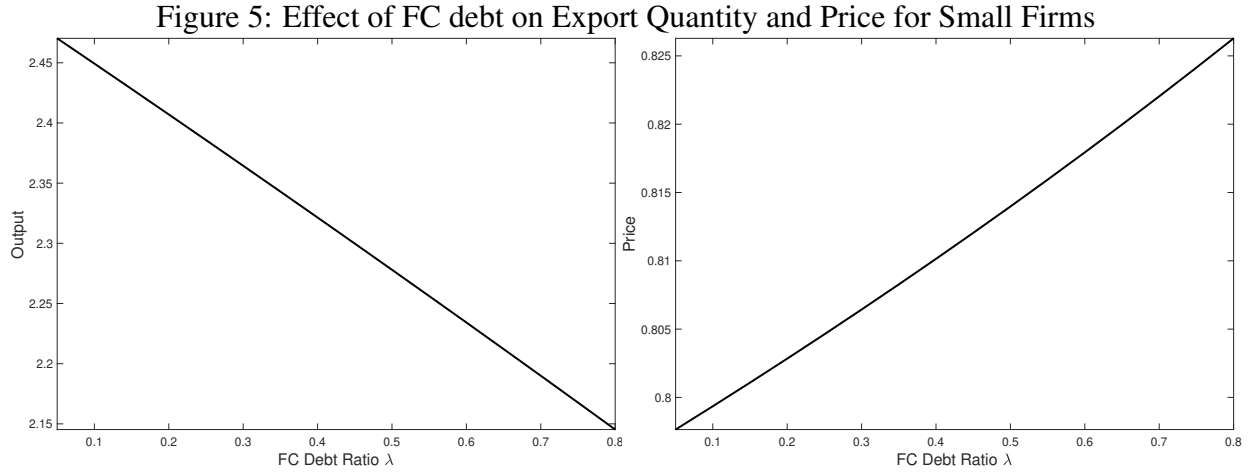


**Small Exporter** Assuming that working capital constraint are binding, a small firm's optimal decisions can be expressed as following closed form solutions:

$$n = T - d(\xi\lambda + 1 - \lambda), \quad a = \frac{2\alpha\theta}{r} - k,$$

$$\text{and } y = \left(\frac{2\alpha\theta}{r}\right)^\alpha (T - d(\xi\lambda + 1 - \lambda))^{1-\alpha}$$

As a firm's foreign currency debt burden  $\lambda$  increases, its ability to hire labor is directly affected due to the working capital constraint. This lower working capital reduces labor demand, and subsequently leads to a decrease in the production of small exporters. Figure 5 illustrates how a small firm's output and price vary with its foreign currency debt ratio  $\lambda$ .



In contrast to the response of large exporters, small exporters produce less and charge higher prices as their foreign currency debt ratio increases. Although they both face higher debt burden due to their foreign currency debt exposure, small firms are not able to expand their export sales as they have limited amount of working capital to start with. Therefore, the increased debt burden imposes an even tighter working capital constraint on smaller firms, forcing them to produce less. As a result, in response to the devaluation, small exporters with high foreign currency debt produce less output and sell at higher prices.

In sum, our simple two-period model successfully explains how and why increased in debt burden, resulting from foreign currency debt exposure after the domestic currency depreciation, affects small and large firms differently. During the large devaluation period, small and large exporters with higher foreign currency debt both face higher debt burden and shortage of liquidity. However, large firms with higher foreign currency debt could expand their export sales and generate higher cashflows today as they do not face constraints on their production capacity. In contrast, smaller exporters with higher foreign currency debt are severely affected by the balance sheet deterioration, which restricts their production capacity, forcing them to reduce export sales.

## 6 Conclusion

This paper analyzes the role of dollar debt and firm heterogeneity in shaping the response of exporters to exchange rate fluctuations. We exploit a large devaluation in Korea in 1997 and a unique dataset merging Korean firm-level balance sheet data with transaction-level Korean customs data to identify the balance sheet effect of foreign currency debt on exporters. Our analysis highlights different responses of small and large exporters: small exporters with high levels of foreign currency debt tend to reduce their export quantities and raise their prices, while large exporters indebted in foreign currency debt increase their export quantities and lower their prices. As we highlight in our simple model in Section 5, smaller firms burdened with substantial foreign currency debt experience a decline in net worth and working capital following the devaluation, which limits their production capacity and leads to reduced output and increased prices. In contrast, large firms, despite their significant foreign currency debt exposure, may *not* encounter constraints on their working capital and hence production. Consequently, they often increase their exports to generate more cash flows, even if it comes at the cost of future cash flows, particularly when they require liquidity due to high levels of foreign currency debt. Furthermore, we show that firms highly indebted in foreign currency debt lower the amount of inputs used in the production, including imported inputs. Our panel data analysis, spanning 2001-2020, further confirms that the effect of dollar debt on global trades persists in more recent periods.

Our findings suggest that not all exporters benefit from the boosted export profitability after a large depreciation. For small firms, currency depreciation leads to production disruptions when they are more indebted in foreign currency. Large firms, on the other hand, expand their sales more, responding to increased debt burden. This heterogeneity in firms' responses to depreciation could lead to an unexpected resource reallocation from smaller to larger exporters. The optimal policy response in the very setting would be interesting and of merit on its own, but we will leave it for future research. We believe that the insights gained from exploring the effect of dollar debt on the exchange rate pass-through to global trades are of significant relevance to policymakers in emerging markets, where domestic currencies often experience sudden depreciation against the



dollar, and liabilities are highly dollarized.

## References

- Acharya, V. V. and Vij, S. (2024). Regulating carry trades: Evidence from foreign currency borrowing of corporations in india. *Review of Economic Studies*, page rdae089.
- Aguiar, M. (2005). Investment, devaluation, and foreign currency exposure: The case of mexico. *Journal of Development Economics*, 78(1):95–113.
- Aizenman, J., Chinn, M. D., and Ito, H. (2016). Monetary policy spillovers and the trilemma in the new normal: Periphery country sensitivity to core country conditions. *Journal of International Money and Finance*, 68:298–330.
- Albagli, E., Ceballos, L., Claro, S., and Romero, D. (2019). Channels of US monetary policy spillovers to international bond markets. *Journal of Financial Economics*, 134(2):447–473.
- Alfaro, L., Asis, G., Chari, A., and Panizza, U. (2019). Corporate debt, firm size and financial fragility in emerging markets. *Journal of International Economics*, 118:1–19.
- Amiti, M., Itskhoki, O., and Konings, J. (2019). International shocks, variable markups, and domestic prices. *Review of Economic Studies*, 86(6):2356–2402.
- Amiti, M., Itskhoki, O., and Konings, J. (2022). Dominant currencies: How firms choose currency invoicing and why it matters. *The Quarterly Journal of Economics*, 137(3):1435–1493.
- Amiti, M. and Weinstein, D. E. (2011). Exports and financial shocks. *Quarterly Journal of Economics*, 126(4):1841–1877.
- Avdjiev, S., Gambacorta, L., Goldberg, L. S., and Schiaffi, S. (2020). The shifting drivers of global liquidity. *Journal of International Economics*, 125:103324.
- Bräuning, F. and Ivashina, V. (2020). US monetary policy and emerging market credit cycles. *Journal of Monetary Economics*, 112:57–76.

- Broda, C. and Weinstein, D. E. (2008). Understanding international price differences using barcode data. NBER Working Paper No. 14017.
- Bruno, V. and Shin, H. S. (2015). Capital flows and the risk-taking channel of monetary policy. *Journal of Monetary Economics*, 71:119–132.
- Bruno, V. and Shin, H. S. (2017). Global dollar credit and carry trades: a firm-level analysis. *Review of Financial Studies*, 30(3):703–749.
- Bruno, V. and Shin, H. S. (2023). Dollar and exports. *Review of Financial Studies*, 36(8):2963–2996.
- Burstein, A., Eichenbaum, M., and Rebelo, S. (2005). Large devaluations and the real exchange rate. *Journal of Political Economy*, 113(4):742–784.
- Burstein, A. and Gopinath, G. (2014). International prices and exchange rates. *Handbook of International Economics*, 4:391–451.
- Casas, C., Meleshchuk, S., and Timmer, Y. (2023). The dominant currency financing channel of external adjustment.
- Ca’Zorzi, M., Dedola, L., Georgiadis, G., Jarocinski, M., Stracca, L., and Strasser, G. (2020). Monetary policy and its transmission in a globalised world.
- Céspedes, L. F., Chang, R., and Velasco, A. (2004). Balance sheets and exchange rate policy. *American Economic Review*, 94(4):1183–1193.
- Ciminelli, G., Rogers, J., and Wu, W. (2022). The effects of US monetary policy on international mutual fund investment. *Journal of International Money and Finance*, 127:102676.
- Colacito, R., Qian, Y., and Stathopoulos, A. (2022). Global sales, international currencies and the currency denomination of debt. *International Currencies and the Currency Denomination of Debt (February 1, 2022)*.

- Corsetti, G., Crowley, M., and Han, L. (2022). Invoicing and the dynamics of pricing-to-market: Evidence from uk export prices around the brexit referendum. *Journal of International Economics*, 135:103570.
- Crucini, M. J. and Telmer, C. I. (2012). Microeconomic sources of real exchange rate variability. Technical report, National Bureau of Economic Research.
- Cui, J. G., Guo, X., and Juarez, L. (2025). Bank loans, trade credit and export prices: evidence from exchange rate shocks in china. Working Paper.
- De Leo, P., Gopinath, G., and Kalemli-Ozcan, S. (2024). Monetary policy and the short-rate disconnect in emerging economies.
- Degasperi, R., Hong, S., and Ricco, G. (2020). The global transmission of US monetary policy.
- Desai, M. A., Foley, C. F., and Forbes, K. J. (2008). Financial constraints and growth: Multi-national and local firm responses to currency depreciations. *Review of Financial Studies*, 21(6):2857–2888.
- Devereux, M. B., Dong, W., and Tomlin, B. (2017). Importers and exporters in exchange rate pass-through and currency invoicing. *Journal of International Economics*, 105:187–204.
- Devereux, M. B. and Engel, C. (2002). Exchange rate pass-through, exchange rate volatility, and exchange rate disconnect. *Journal of Monetary Economics*, 49(5):913–940.
- Drenik, A. and Perez, D. J. (2021). Domestic price dollarization in emerging economies. *Journal of Monetary Economics*, 122:38–55.
- Engel, C. (1993). Real exchange rates and relative prices: An empirical investigation. *Journal of Monetary Economics*, 32(1):35–50.
- Engel, C. (1999). Accounting for us real exchange rate changes. *Journal of Political Economy*, 107(3):507–538.

- Engel, C. (2006). Equivalence results for optimal pass-through, optimal indexing to exchange rates, and optimal choice of currency for export pricing. *Journal of the European Economic Association*, 4(6):1249–1260.
- Georgiadis, G. (2016). Determinants of global spillovers from US monetary policy. *Journal of International Money and Finance*, 67:41–61.
- Gilchrist, S. and Sim, J. W. (2007). Investment during the korean financial crisis: a structural econometric analysis. Technical report, National Bureau of Economic Research.
- Goldberg, L. S. and Campa, J. M. (2010). The sensitivity of the cpi to exchange rates: Distribution margins, imported inputs, and trade exposure. *Review of Economics and Statistics*, 92(2):392–407.
- Goldberg, L. S. and Tille, C. (2008). Vehicle currency use in international trade. *Journal of International Economics*, 76(2):177–192.
- Goldberg, L. S. and Tille, C. (2016). Micro, macro, and strategic forces in international trade invoicing: Synthesis and novel patterns. *Journal of International Economics*, 102:173–187.
- Gopinath, G., Gourinchas, P.-O., Hsieh, C.-T., and Li, N. (2011). International prices, costs, and markup differences. *American Economic Review*, 101(6):2450–86.
- Gopinath, G. and Itskhoki, O. (2010). Frequency of price adjustment and pass-through. *Quarterly Journal of Economics*, 125(2):675–727.
- Gopinath, G., Itskhoki, O., and Rigobon, R. (2010). Currency choice and exchange rate pass-through. *American Economic Review*, 100(1):304–336.
- Hardy, B. and Saffie, F. (2024). From carry trades to trade credit: financial intermediation by non-financial corporations. *Journal of International Economics*, 152:103988.
- Hardy, B., Saffie, F. E., and Simonovska, I. (2025). Trade credit and exchange rate risk pass through. Working Paper.

- Hoek, J., Kamin, S., and Yoldas, E. (2022). Are higher US interest rates always bad news for emerging markets? *Journal of International Economics*, 137:103585.
- Huang, Y., Panizza, U., and Portes, R. (2024). Corporate foreign bond issuance and interfirm loans in china. *Journal of International Economics*, 152:103975.
- Iacoviello, M. and Navarro, G. (2019). Foreign effects of higher US interest rates. *Journal of International Money and Finance*, 95:232–250.
- Kalemli-Ozcan, S. (2019). US monetary policy and international risk spillovers. National Bureau of Economic Research, working paper no. 26297.
- Kalemli-Ozcan, S., Kamil, H., and Villegas-Sanchez, C. (2016). What hinders investment in the aftermath of financial crises: Insolvent firms or illiquid banks? *Review of Economics and Statistics*, 98(4):756–769.
- Kedia, S. and Mozumdar, A. (2003). Foreign currency–denominated debt: An empirical examination. *Journal of Business*, 76(4):521–546.
- Kim, J. and Lee, A. S. (2024). Liability dollarization and exchange rate pass-through to domestic prices.
- Kim, R. (2021). The effect of the credit crunch on output price dynamics: The corporate inventory and liquidity management channel. *Quarterly Journal of Economics*, 136(1):563–619.
- Kim, Y. J., Tesar, L. L., and Zhang, J. (2015). The impact of foreign liabilities on small firms: Firm-level evidence from the korean crisis. *Journal of International Economics*, 97(2):209–230.
- Kohn, D., Leibovici, F., and Szkup, M. (2020). Financial frictions and export dynamics in large devaluations. *Journal of International Economics*, 122:103257.
- Korinek, A. (2011). The new economics of prudential capital controls: A research agenda. *IMF Economic Review*, 59(3):523–561.

- Krugman, P. (1999). Balance sheets, the transfer problem, and financial crises. In *International finance and financial crises*, pages 31–55. Springer.
- Lee, A. S. and Wu, S. P. Y. (forthcoming). Carry trades and fx risk buffers: Foreign currency debt of emerging market firms. *Review of Economics and Statistics*, pages 1–45.
- Liu, C. (2024). Foreign currency borrowing and exporter dynamics in emerging markets. Working Paper.
- Ma, S. and Schmidt-Eisenlohr, T. (forthcoming). The financial channel of the exchange rate and global trade. *Review of Financial Studies*.
- Mereb, J. and Ospina-Tejeiro, J. J. (2024). Foreign currency debt, financial frictions, and the exchange rate pass-through. Working Paper.
- Miranda-Agrippino, S. and Rey, H. (2020). US monetary policy and the global financial cycle. *Review of Economic Studies*, 87(6):2754–2776.
- Mukhin, D. (2022). An equilibrium model of the international price system. *American Economic Review*, 112(2):650–688.
- Niepmann, F. and Schmidt-Eisenlohr, T. (2017). International trade, risk and the role of banks. *Journal of International Economics*, 107:111–126.
- Obstfeld, M., Ostry, J. D., and Qureshi, M. S. (2019). A tie that binds: Revisiting the trilemma in emerging market economies. *Review of Economics and Statistics*, 101(2):279–293.
- Obstfeld, M. and Zhou, H. (2022). The global dollar cycle. *Brookings Papers on Economic Activity*, 2022(2):361–447.
- Otonello, P. and Winberry, T. (2020). Financial heterogeneity and the investment channel of monetary policy. *Econometrica*, 88(6):2473–2502.

Passari, E. and Rey, H. (2015). Financial flows and the international monetary system. *Economic Journal*, 125(584):675–698.

Rey, H. (2016). International channels of transmission of monetary policy and the mundellian trilemma. *IMF Economic Review*, 64(1):6–35.

Salomao, J. and Varela, L. (2018). Exchange rate exposure and firm dynamics.



# Appendix

## FC Debt in 2000 – 2019

Table 10: FC Borrowing Among Exporters vs. Non-Exporters (2000-2019)

Year	Non-Exporters			Exporters		
	Share of Firms with FC Debt	FC Debt Ratios	FC Debt Ratio (>0)	Share of Firms with FC Debt	FC Debt Ratios	FC Debt Ratio (>0)
2000	13.2%	3.5%	26.8%	42.6%	11.8%	27.6%
2001	11.4%	3.1%	27.5%	38.6%	11.0%	28.5%
2002	12.8%	4.1%	32.4%	43.4%	13.9%	32.0%
2003	14.1%	4.6%	32.7%	46.8%	16.8%	36.0%
2004	12.5%	3.6%	29.2%	47.1%	16.6%	35.3%
2005	12.5%	3.8%	30.4%	44.6%	14.6%	32.8%
2006	13.0%	3.8%	29.3%	42.6%	13.5%	31.6%
2007	11.0%	3.5%	31.6%	37.6%	11.6%	30.9%
2008	10.2%	3.4%	33.6%	37.6%	13.1%	34.8%
2009	10.8%	3.6%	33.2%	37.1%	12.1%	32.5%
2010	9.9%	3.4%	34.4%	36.3%	12.6%	34.6%
2011	9.0%	3.1%	34.5%	33.0%	11.6%	35.3%
2012	8.3%	2.7%	31.9%	30.1%	9.8%	32.6%
2013	6.3%	1.9%	29.5%	26.1%	7.8%	29.9%
2014	5.9%	1.6%	28.0%	23.6%	7.2%	30.5%
2015	4.9%	1.4%	28.1%	21.7%	6.5%	29.9%
2016	4.5%	1.2%	27.1%	19.3%	6.0%	31.0%
2017	3.9%	1.0%	25.6%	17.7%	5.1%	28.8%
2018	3.6%	1.0%	26.6%	16.2%	4.9%	30.0%
2019	3.3%	1.0%	28.9%	15.1%	4.3%	28.6%

Notes: FC debt ratio is the foreign currency debt to total debt ratio. Exporters are the firms with positive exports in each year. All variables are their values in each year. The columns with “FC Debt Ratio (>0)” shows the average foreign currency debt ratio conditional on holding a positive amount of foreign currency debt.

Table 11: Export and Import Share Among FC Borrowers vs. Non-FC Borrowers (2000-2019)

Year	Import Share		Export Share	
	Positive FC debt	Zero FC debt	Positive FC debt	Zero FC debt
2000	18%	18%	19%	21%
2001	18%	16%	20%	21%
2002	19%	16%	20%	21%
2003	19%	17%	20%	19%
2004	19%	17%	21%	19%
2005	18%	16%	20%	18%
2006	20%	15%	20%	18%
2007	20%	15%	19%	18%
2008	23%	16%	20%	20%
2009	22%	15%	21%	20%
2010	22%	14%	21%	20%
2011	23%	14%	21%	20%
2012	21%	13%	22%	20%
2013	21%	13%	22%	20%
2014	22%	13%	21%	20%
2015	23%	13%	22%	21%
2016	23%	13%	22%	21%
2017	24%	13%	22%	22%
2018	25%	13%	21%	22%
2019	25%	14%	21%	23%

Notes: This table shows the average export and import shares among exporters with and without foreign currency debt. Export share is the export to sales ratio. Import share is the share of imported inputs to total variable costs.

Table 12: Firm-Level Correlations between FC debt and Other Firm-level Characteristics (2000-2019)

(1) Firm-Level Correlations with FC Debt Ratio

Year	Import Share	Export Share	Sale Share	Size	Leverage	ST Debt Ratio	Cash Ratio	FC Cash Ratio
2000	0.13	-0.02	0.06	0.26	0.02	-0.14	-0.03	0.04
2001	0.13	-0.02	0.01	0.21	-0.02	-0.12	0.01	0.04
2002	0.13	-0.01	0.04	0.17	-0.02	-0.07	0.05	0.02
2003	0.11	0.03	0.00	0.16	-0.02	-0.04	0.05	0.05
2004	0.10	0.04	0.04	0.19	-0.08	0.03	0.07	0.05
2005	0.12	0.05	0.06	0.20	-0.09	0.06	0.04	0.04
2006	0.14	0.03	0.04	0.19	-0.09	0.08	0.04	0.06
2007	0.14	0.02	0.06	0.24	-0.08	0.09	0.04	0.06
2008	0.19	0.01	0.04	0.19	0.00	0.07	0.07	0.05
2009	0.17	0.01	0.01	0.18	-0.02	0.09	0.07	-0.01
2010	0.21	0.00	0.02	0.18	-0.06	0.14	0.08	0.07
2011	0.20	0.01	0.02	0.14	-0.06	0.14	0.10	0.09
2012	0.18	0.02	0.03	0.13	-0.09	0.13	0.07	0.09
2013	0.18	0.01	0.03	0.16	-0.10	0.15	0.06	0.09
2014	0.20	0.01	0.04	0.17	-0.11	0.16	0.09	0.08
2015	0.21	0.00	0.02	0.17	-0.11	0.15	0.09	0.08
2016	0.21	-0.01	0.02	0.18	-0.10	0.15	0.09	0.06
2017	0.20	-0.01	0.03	0.16	-0.11	0.15	0.08	0.00
2018	0.20	-0.03	0.04	0.16	-0.10	0.16	0.05	0.00
2019	0.17	-0.04	0.02	0.16	-0.08	0.14	0.03	0.02

Notes: The table shows how the foreign currency debt to total debt ratios are correlated with regressors in the regressions presented in Section 3. Regressors are their values in each year and include import share (the share of imported inputs to total variable costs); export to sales ratio; sale share; size (log of sales); leverage (total debt to total assets ratio); ST debt ratio (short-term debt to total debt ratio); cash ratio (cash to total assets ratio); and FC cash ratio (FC cash to total cash ratio).

Continued Table 12

## (2) Firm-Level Correlations with FC Debt Ratio &gt; 0

Year	Import Share	Export Share	Sale Share	Size	Leverage	ST Debt Ratio	Cash Ratio	FC Cash Ratio
2000	0.27	0.00	0.06	0.09	-0.13	-0.22	0.15	0.03
2001	0.22	-0.02	-0.01	0.06	-0.23	-0.21	0.18	0.05
2002	0.18	-0.01	0.04	0.03	-0.20	-0.11	0.23	0.03
2003	0.15	0.03	0.02	0.05	-0.26	-0.02	0.25	0.03
2004	0.13	0.03	0.04	0.12	-0.34	0.06	0.25	0.04
2005	0.15	0.04	0.07	0.15	-0.37	0.06	0.21	0.04
2006	0.14	0.00	0.07	0.16	-0.37	0.11	0.21	0.01
2007	0.15	0.01	0.10	0.19	-0.33	0.10	0.22	0.00
2008	0.18	0.01	0.04	0.10	-0.22	0.07	0.25	0.00
2009	0.15	-0.01	0.02	0.09	-0.26	0.10	0.24	0.02
2010	0.18	-0.05	0.03	0.10	-0.32	0.18	0.26	-0.01
2011	0.16	-0.03	-0.01	0.06	-0.32	0.18	0.30	0.02
2012	0.17	-0.02	0.03	0.06	-0.38	0.16	0.28	0.02
2013	0.17	-0.04	0.04	0.11	-0.40	0.27	0.30	0.06
2014	0.18	-0.03	0.04	0.13	-0.42	0.24	0.38	0.06
2015	0.19	-0.04	0.02	0.15	-0.43	0.24	0.37	0.03
2016	0.21	-0.05	-0.02	0.16	-0.45	0.23	0.42	0.01
2017	0.16	-0.05	0.01	0.09	-0.42	0.27	0.38	0.00
2018	0.17	-0.06	0.04	0.10	-0.40	0.28	0.37	0.05
2019	0.13	-0.09	-0.03	0.12	-0.39	0.26	0.30	0.03

Notes: The table shows how the foreign currency debt to total debt ratios, conditional on borrowing in foreign currency, are correlated with regressors in the regressions presented in Section 3. Regressors are their values in each year and include import share (the share of imported inputs to total variable costs); export to sales ratio; sale share; size (log of sales); leverage (total debt to total assets ratio); ST debt ratio (short-term debt to total debt ratio); cash ratio (cash to total assets ratio); and FC cash ratio (FC cash to total cash ratio).

## Additional Tables and Figures for Section 3

Table 13: Summary Statistics: Exports

	Observations	Mean	Std
Export Quantity Change ( $h = 4$ )	11,151	-0.082	1.360
Export Price Change ( $h = 4$ )	11,151	-0.048	0.261
FC Debt Ratio	11,151	0.204	0.204
Import Share	11,151	0.178	0.168
Export Share	11,151	0.346	0.246
Sale Share	11,151	0.307	0.339
Size	11,151	18.604	1.968
Leverage	11,151	0.324	0.150
ST Debt Ratio	11,151	0.670	0.219
Cash Ratio	11,151	0.087	0.081
FC Cash Ratio	11,151	0.033	0.102

Notes: The table shows the summary statistics for the data used in regressions in Section 3.1. Regressors are their values in 1996. The export price and the quantity change is from 1997Q3 to 1998Q3.

Table 14: Summary Statistics: Inputs

	Observations	Mean	Std
$\Delta Networth$ (1996-1997)	2,353	0.027	0.109
$\Delta Cash$ (1996-1997)	2,340	0.146	1.00
$\Delta Capital$ (1996-1997)	2,356	0.038	0.310
$\Delta Networth$ (1996-1998)	2,262	0.102	0.222
$\Delta Cash$ (1996-1998)	2,266	0.051	1.285
$\Delta Capital$ (1996-1998)	2,284	0.073	0.501
FC Debt Ratio	2,356	0.123	0.185
Import Share	2,356	0.164	0.203
Export Share	2,356	0.143	0.213
Size	2,356	17.167	1.435
Leverage	2,356	0.372	0.213
ST Debt Ratio	2,356	0.648	0.260
Cash Ratio	2,356	0.093	0.087
FC Cash Ratio	2,356	0.012	0.070

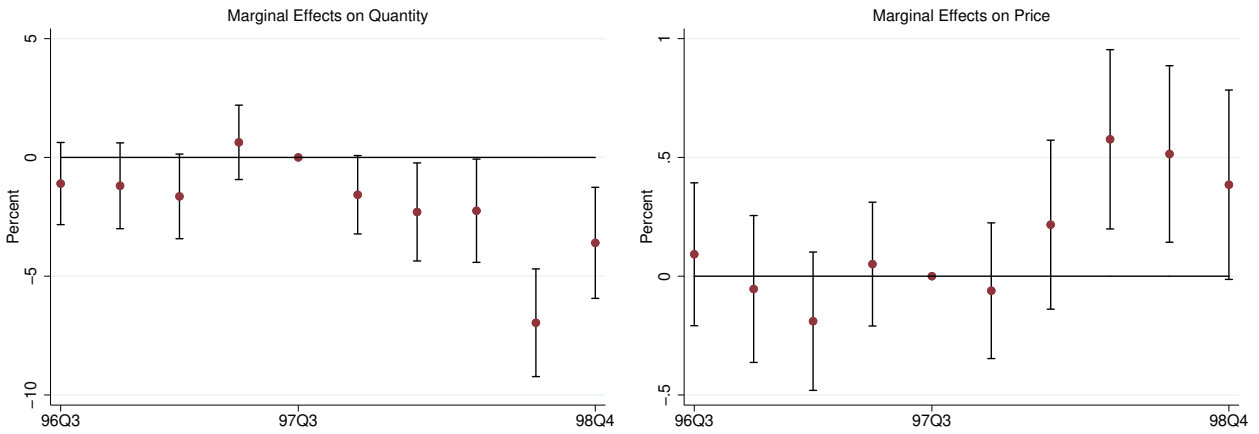
Notes: The table shows the summary statistics for the data used in regressions in Section 3.2. Regressors are their values in 1996.

Table 15: Summary Statistics: Imports

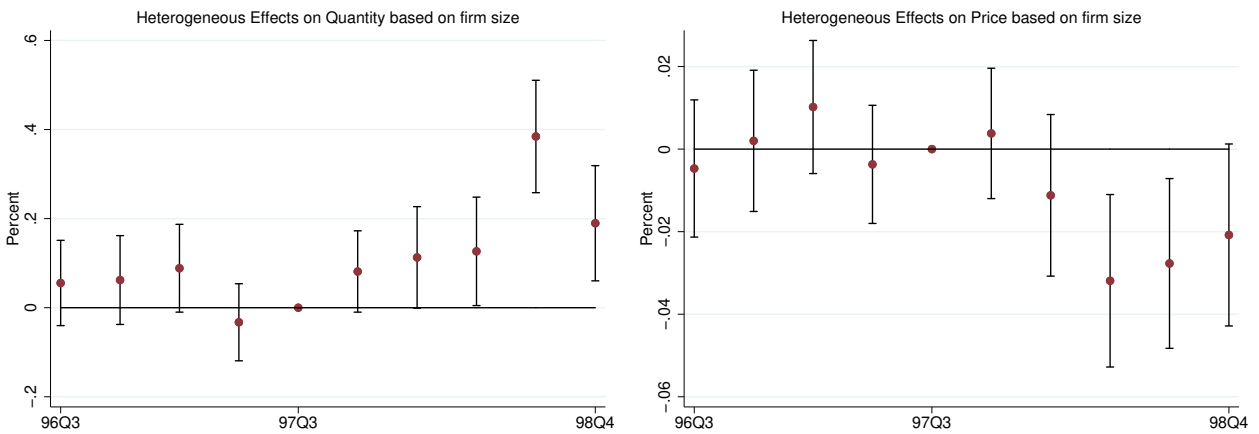
	1996-1997			1996-1998		
	Observations	Mean	Std	Observations	Mean	Std
Import Value Change	44,075	-0.138	1.459	26,271	-0.493	1.594
Import Quantity Change	44,075	0.078	1.532	26,271	-0.373	1.636
FC Debt Ratio	44,075	0.182	0.222	26,271	0.186	0.225
Import Share	44,075	0.287	0.222	26,271	0.300	0.222
Export Share	44,075	0.168	0.211	26,271	0.176	0.217
Sale Share	44,075	0.105	0.229	26,271	0.109	0.229
Size	44,075	18.551	1.962	26,271	18.495	1.959
Leverage	44,075	0.325	0.184	26,271	0.322	0.182
ST Debt Ratio	44,075	0.697	0.228	26,271	0.696	0.229
Cash Ratio	44,075	0.082	0.078	26,271	0.084	0.080
FC Cash Ratio	44,075	0.034	0.128	26,271	0.033	0.125

Notes: The table shows the summary statistics for the data used in regressions in Section 3.2. Regressors are their values in 1996.

Figure 6: Dynamic Effects of FC Debt on Export Price and Quantity– Currency Fixed Effects  
**Upper Panel: Dynamic Effects of FC Debt on Export Price and Quantity**

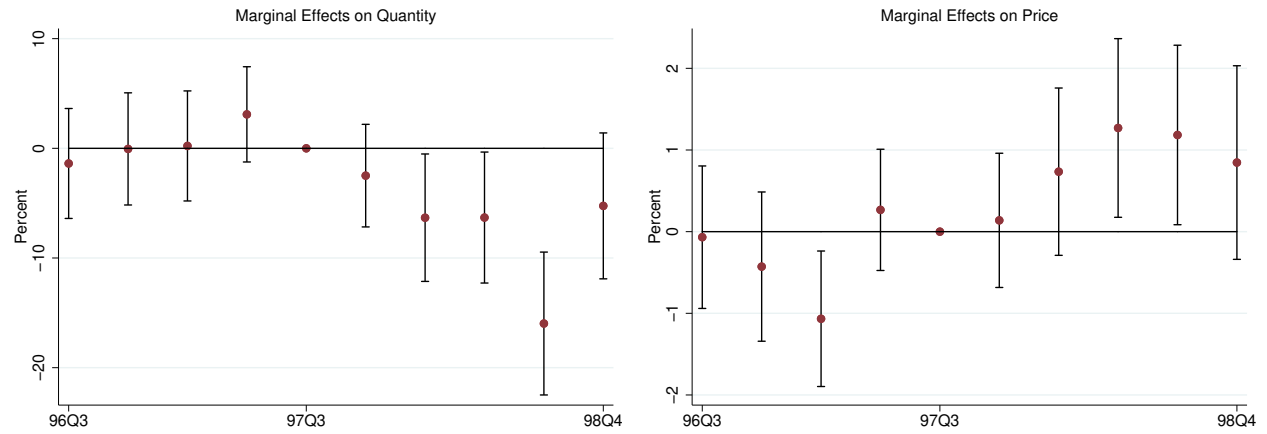


**Lower Panel: Heterogeneity Across Firm Size**

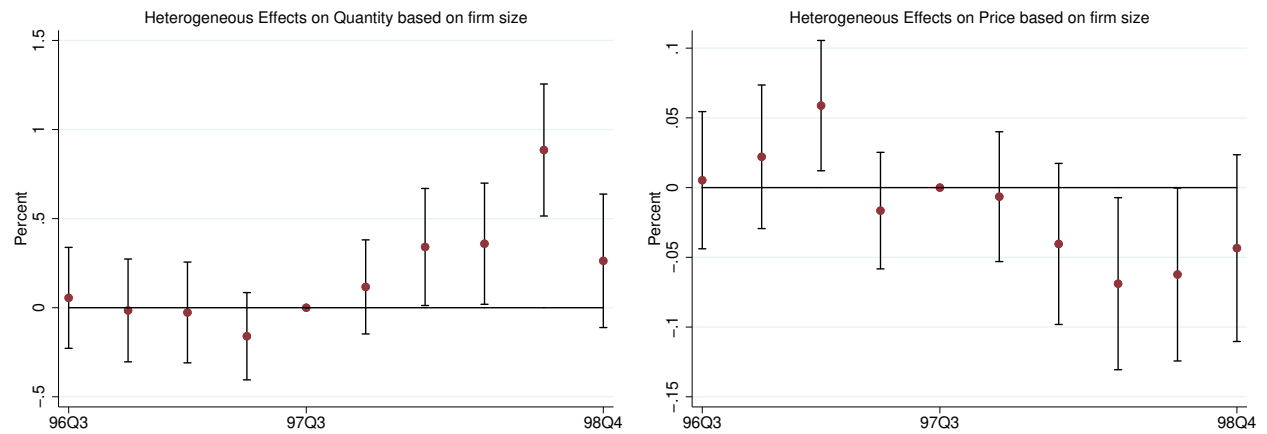


Notes: The dependent variable is the log change in the export quantity and price relative to 1997Q3 level. The top panels plot  $\beta_{0,h}$ , and the bottom panels plot  $\beta_{1,h}$  estimated in Equation (1). The figures on the left are the estimates of changes in the export quantity, and those on the right are the estimates of changes in the export price. The shaded area represents the 90% confidence interval with robust standard errors.

Figure 7: Dynamic Effects of FC Debt on Export Price and Quantity– FC Debt to Total Assets  
**Upper Panel: Dynamic Effects on Export Price and Quantity**



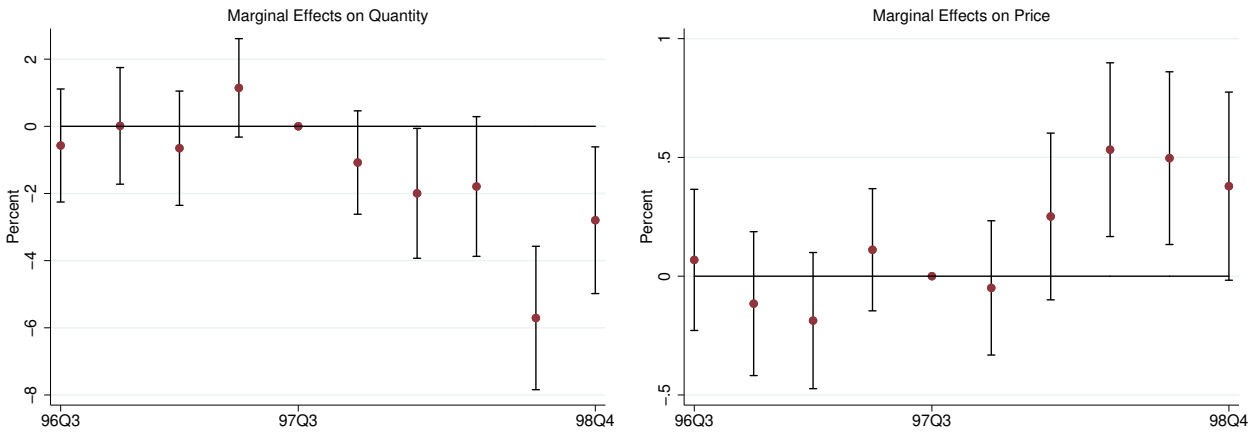
**Lower Panel: Heterogeneity Across Firm Size**



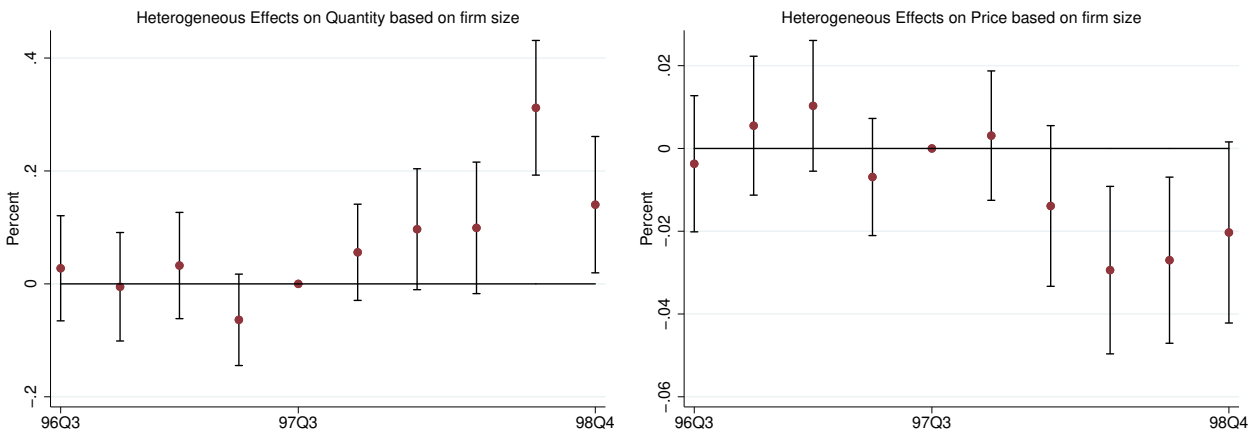
Notes: The dependent variable is the log change in the export quantity and price relative to 1997Q3 level. The top panels plot  $\beta_{0,h}$ , and the bottom panels plot  $\beta_{1,h}$  estimated in Equation (1). The figures on the left are the estimates of changes in the export quantity, and those on the right are the estimates of changes in the export price. The shaded area represents the 90% confidence interval with robust standard errors.



Figure 8: Dynamic Effects of FC Debt on Export Price and Quantity– Debt to Sales Ratio  
**Upper Panel: Dynamic Effects on Export Price and Quantity**

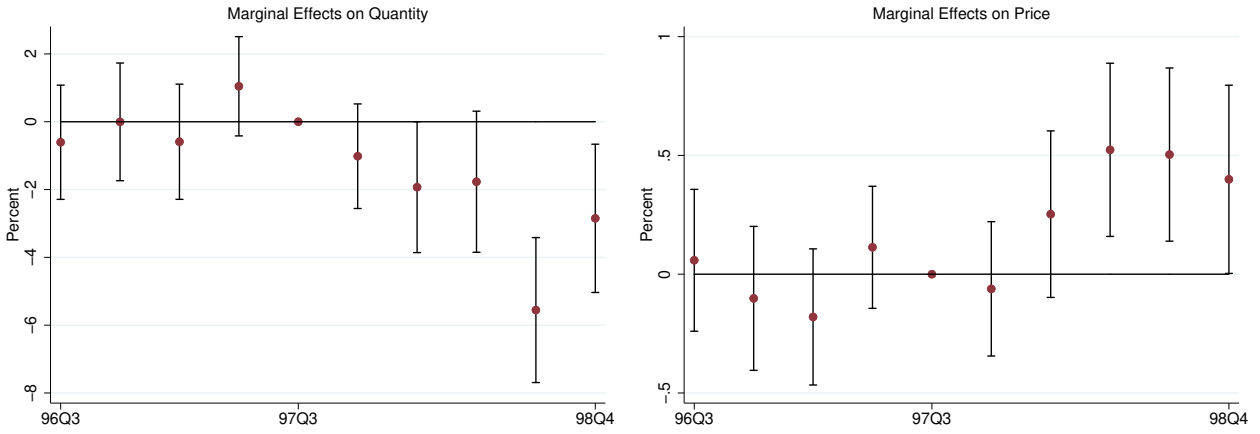


**Lower Panel: Heterogeneity Across Firm Size**

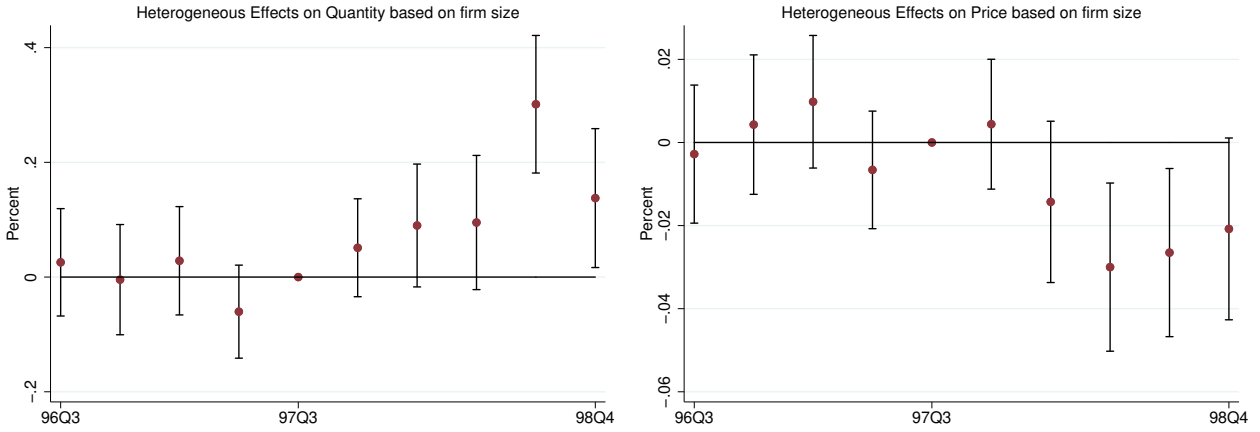


Notes: The dependent variable is the log change in the export quantity and price relative to 1997Q3 level. The top panels plot  $\beta_{0,h}$ , and the bottom panels plot  $\beta_{1,h}$  estimated in Equation (1). The figures on the left are the estimates of changes in the export quantity, and those on the right are the estimates of changes in the export price. The shaded area represents the 90% confidence interval with robust standard errors.

Figure 9: Dynamic Effects of FC Debt on Export Price and Quantity– FC Debt  $\times$  Sale Share  
**Upper Panel: Dynamic Effects on Export Price and Quantity**



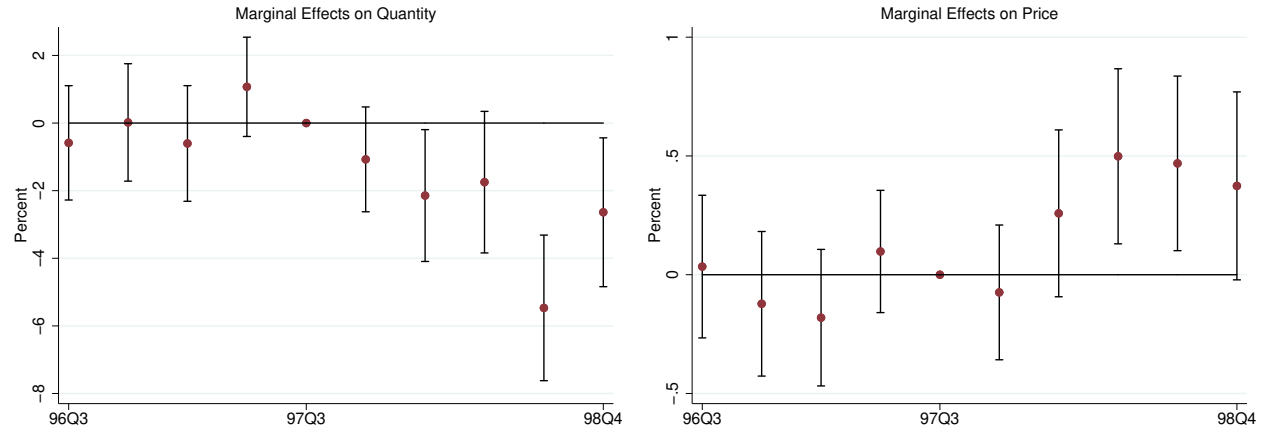
**Lower Panel: Heterogeneity Across Firm Size**



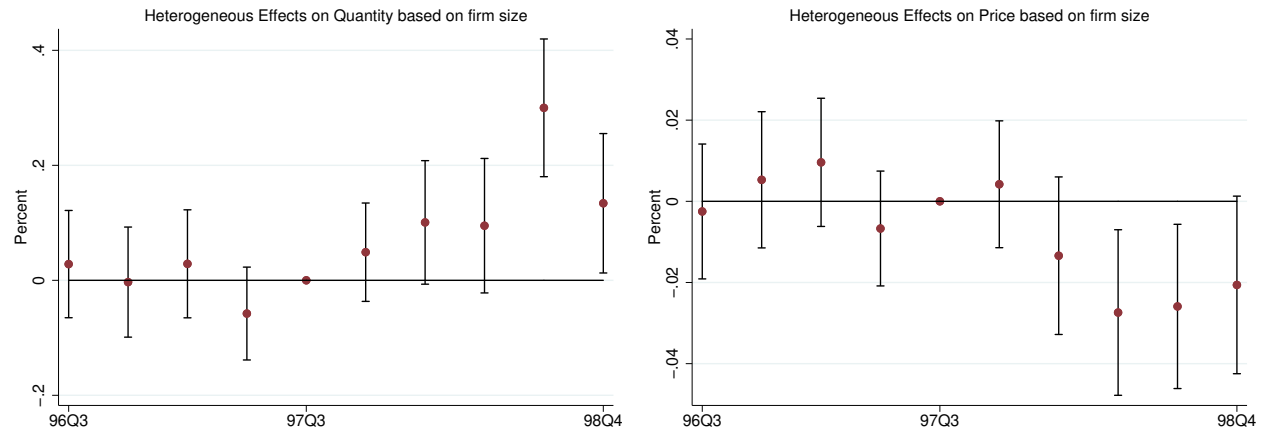
Notes: The dependent variable is the log change in the export quantity and price relative to 1997Q3 level. The top panels plot  $\beta_{0,h}$ , and the bottom panels plot  $\beta_{1,h}$  estimated in Equation (1). The figures on the left are the estimates of changes in the export quantity, and those on the right are the estimates of changes in the export price. The shaded area represents the 90% confidence interval with robust standard errors.

Figure 10: Dynamic Effects of FC Debt on Export Price and Quantity  
— FC Debt Ratio  $\times$  Destination Country Dummies

**Upper Panel: Dynamic Effects on Export Price and Quantity**



**Lower Panel: Heterogeneity Across Firm Size**



Notes: The dependent variable is the log change in the export quantity and price relative to 1997Q3 level. The top panels plot  $\beta_{0,h}$ , and the bottom panels plot  $\beta_{1,h}$  estimated in Equation (1). The figures on the left are the estimates of changes in the export quantity, and those on the right are the estimates of changes in the export price. The shaded area represents the 90% confidence interval with robust standard errors.

Table 16: FC Debt and Other Inputs – Other Control Variables

	$\Delta Networth$		$\Delta Cash$		$\Delta Capital$	
	(1) 96-97	(2) 96-98	(3) 96-97	(4) 96-98	(5) 96-97	(6) 96-98
FC Debt Ratio	-0.2427* (0.1405)	-0.7951*** (0.2852)	-2.1015* (1.1856)	-4.4445** (1.7601)	-0.9611** (0.4711)	-1.7649*** (0.6808)
FC Debt Ratio $\times$ Size	0.0129 (0.0079)	0.0448*** (0.0160)	0.1204* (0.0670)	0.2556*** (0.0984)	0.0496* (0.0267)	0.0910** (0.0383)
Import Share	0.2343 (0.2012)	0.6795* (0.3567)	0.5752 (1.5606)	1.2776 (2.1425)	0.0362 (0.6038)	0.6111 (1.0367)
Size	0.0062 (0.0072)	0.0104 (0.0140)	0.0428 (0.0624)	-0.1555* (0.0865)	-0.0222 (0.0271)	0.0033 (0.0364)
Leverage	0.0210 (0.1701)	0.5993 (0.3846)	-1.8118 (1.5221)	-3.4443 (2.1126)	-1.4706** (0.6115)	-1.6167* (0.8689)
ST Debt Ratio	0.2179* (0.1160)	0.1792 (0.2402)	0.3996 (1.0239)	-1.7061 (1.4064)	0.2675 (0.4524)	0.2068 (0.6065)
Cash Ratio	0.1527*** (0.0282)	0.2802*** (0.0622)	-3.4405*** (0.2694)	-4.3594*** (0.3732)	0.1950* (0.1016)	0.4574*** (0.1645)
FC Cash Ratio	0.4226 (0.3055)	1.8976** (0.7532)	0.4983 (2.6127)	-0.8591 (4.9565)	0.5598 (1.0491)	2.9467 (1.9808)
Export Share	0.1504 (0.1823)	-0.3433 (0.4324)	4.0510** (1.6713)	4.7858** (2.0478)	1.2894* (0.7191)	0.9085 (0.9286)
Import Share $\times$ Size	-0.0139 (0.0117)	-0.0399* (0.0209)	-0.0329 (0.0909)	-0.0482 (0.1240)	0.0026 (0.0349)	-0.0342 (0.0601)
Leverage $\times$ Size	-0.0044 (0.0101)	-0.0316 (0.0225)	0.0692 (0.0896)	0.1487 (0.1234)	0.0827** (0.0359)	0.0978* (0.0508)
ST Debt Ratio $\times$ Size	-0.0136** (0.0068)	-0.0116 (0.0143)	-0.0377 (0.0605)	0.0909 (0.0823)	-0.0168 (0.0263)	-0.0076 (0.0355)
FC Cash Ratio $\times$ Size	-0.0248 (0.0163)	-0.1075*** (0.0400)	-0.0497 (0.1392)	0.0381 (0.2591)	-0.0266 (0.0537)	-0.1562 (0.1039)
Export Share $\times$ Size	-0.0063 (0.0108)	0.0276 (0.0256)	-0.2242** (0.0981)	-0.2407** (0.1205)	-0.0775* (0.0417)	-0.0510 (0.0542)
Adjusted R2	0.1373	0.1062	0.1197	0.1152	0.0435	0.0549
Observations	2353	2262	2340	2266	2356	2284

Notes: Robust standard errors are reported in the parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

Table 17: FC Debt and Other Inputs *Before* Devaluation – Other Control Variables

	$\Delta Networth$		$\Delta Cash$		$\Delta Capital$	
	(1) 95-96	(2) 94-96	(3) 95-96	(4) 94-96	(5) 95-96	(6) 94-96
FC Debt Ratio	0.0922 (0.0879)	-0.1733 (0.1484)	0.1882 (1.2188)	-1.9265 (1.6535)	0.3731 (0.5709)	0.7428 (0.8072)
FC Debt Ratio $\times$ Size	-0.0054 (0.0049)	0.0089 (0.0081)	-0.0170 (0.0685)	0.1121 (0.0925)	-0.0229 (0.0321)	-0.0418 (0.0450)
Import Share	-0.0074 (0.1103)	-0.2441 (0.1794)	-2.3380* (1.3914)	-3.7349** (1.7277)	-0.0945 (0.5734)	-0.8560 (0.8757)
Size	0.0008 (0.0048)	-0.0108 (0.0086)	-0.0133 (0.0617)	-0.0794 (0.0891)	0.0454* (0.0266)	0.0413 (0.0411)
Leverage	0.1071 (0.1292)	0.0633 (0.2064)	-0.2006 (1.6073)	-3.6811* (2.0477)	0.1427 (0.5158)	0.0442 (0.8694)
ST Debt Ratio	0.0143 (0.0787)	-0.0361 (0.1446)	-0.4342 (1.0213)	0.8859 (1.5071)	1.0393** (0.4635)	2.1204*** (0.7372)
Cash Ratio	-0.1042*** (0.0199)	-0.1692*** (0.0318)	-3.2389*** (0.2698)	-4.5069*** (0.3328)	0.1385 (0.0850)	0.1884 (0.1286)
FC Cash Ratio	-0.3598** (0.1779)	0.0052 (0.2253)	-6.4378*** (1.9709)	-1.3396 (2.7028)	1.3792* (0.7719)	-0.8537 (1.4467)
Export Share	-0.0533 (0.1105)	0.0049 (0.1924)	0.4366 (1.4944)	0.8351 (1.6364)	0.4646 (0.5627)	0.2383 (1.1577)
Import Share $\times$ Size	-0.0015 (0.0064)	0.0116 (0.0103)	0.1202 (0.0796)	0.1891* (0.0979)	-0.0017 (0.0329)	0.0366 (0.0499)
Leverage $\times$ Size	-0.0017 (0.0077)	0.0038 (0.0119)	-0.0018 (0.0946)	0.1822 (0.1160)	-0.0066 (0.0297)	-0.0024 (0.0501)
ST Debt Ratio $\times$ Size	0.0010 (0.0046)	0.0047 (0.0083)	0.0318 (0.0601)	-0.0378 (0.0866)	-0.0528* (0.0270)	-0.1004** (0.0424)
FC Cash Ratio $\times$ Size	0.0216** (0.0100)	0.0050 (0.0124)	0.2895*** (0.1054)	0.0049 (0.1464)	-0.0698* (0.0403)	0.0599 (0.0734)
Export Share $\times$ Size	0.0043 (0.0064)	0.0023 (0.0111)	-0.0193 (0.0867)	-0.0242 (0.0948)	-0.0232 (0.0328)	-0.0056 (0.0673)
Adjusted R2	0.1571	0.1965	0.1121	0.1473	0.0828	0.1152
Observations	2153	1814	2149	1823	2167	1830

Notes: Robust standard errors are reported in the parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

Table 18: FC Debt, and Import Quantities and Values: Other Control Variables

Import	$\Delta Quantity$		$\Delta Value$	
	(1) 96-97	(2) 96-98	(3) 96-97	(4) 96-98
FC Debt Ratio	0.3690 (0.5007)	-1.3640* (0.7007)	0.6456 (0.4778)	-1.4548** (0.6876)
FC Debt Ratio $\times$ Size	-0.0111 (0.0273)	0.0767** (0.0385)	-0.0278 (0.0260)	0.0806** (0.0377)
Sale Share	-0.7372*** (0.0336)	-0.8891*** (0.0486)	-0.5782*** (0.0323)	-0.8850*** (0.0478)
Import Share	-1.2960** (0.5396)	-0.9890 (0.7181)	-1.3434*** (0.5072)	-1.0723 (0.7005)
Size	-0.0371 (0.0274)	-0.0927** (0.0376)	-0.0515** (0.0262)	-0.0942** (0.0367)
Leverage	0.5276 (0.6546)	0.7294 (0.9285)	0.7417 (0.6368)	0.6798 (0.9100)
ST Debt Ratio	-0.4475 (0.4487)	-1.6632** (0.6566)	-0.5960 (0.4318)	-1.7970*** (0.6416)
Cash Ratio	-0.1008 (0.1167)	-0.0887 (0.1631)	-0.0790 (0.1134)	-0.0326 (0.1608)
FC Cash Ratio	-1.7885* (1.0495)	0.3753 (1.1551)	-1.6079 (1.0007)	0.6880 (1.1425)
Export Share	0.8572 (0.6293)	1.0037 (0.8818)	0.7129 (0.6053)	0.6902 (0.8596)
Import Share $\times$ Size	0.0637** (0.0307)	0.0385 (0.0407)	0.0647** (0.0288)	0.0431 (0.0397)
Leverage $\times$ Size	-0.0312 (0.0377)	-0.0438 (0.0534)	-0.0450 (0.0365)	-0.0421 (0.0523)
ST Debt Ratio $\times$ Size	0.0276 (0.0256)	0.0878** (0.0376)	0.0349 (0.0246)	0.0946** (0.0368)
FC Cash Ratio $\times$ Size	0.0925* (0.0539)	-0.0197 (0.0610)	0.0831 (0.0514)	-0.0372 (0.0601)
Export Share $\times$ Size	-0.0538 (0.0365)	-0.0354 (0.0509)	-0.0445 (0.0351)	-0.0167 (0.0496)
Adjusted R2	0.0197	0.0446	0.0219	0.0480
Observations	44075	44075	26271	26271

Notes: Robust standard errors are reported in the parentheses. \* p<0.1, \*\* p<0.05, \*\*\* p<0.01.

Additional Tables and Figures for Section 4

Table 19: Summary Statistics: Panel Regressions – Export Quantity and Price

	Observations	Mean	Std
Quantity Change	1947779	0.01	1.50
Price Change	1947779	0.02	0.27
Exchange Rate Change	1947779	0.00	0.07
FC Debt Ratio	1947779	0.13	0.25
Import Share	1947779	0.17	0.18
Sale Share	1947779	0.16	0.29
Size	1947779	18.97	2.39
Leverage	1947779	0.25	0.19
ST Debt Ratio	1947779	0.74	0.30
Cash Ratio	1947779	0.05	0.06
FC Cash Ratio	1947779	0.23	2.22
Export Share	1947779	0.36	0.26

Notes: The table shows the summary statistics for the panel data used in regressions in Section 4.

Table 20: Panel Regression of Export Quantity Changes on FC Debt — Other Variables

Dependent Variable:	Export Quantity	
	(1)	(2)
FC Debt Ratio	-0.1670*** (0.0453)	-0.1670** (0.0668)
FC Debt Ratio $\times \Delta E_{KRW}/\$$	-1.3839** (0.5447)	-1.3839** (0.6805)
$\Delta E_{KRW}/\$$	-3.0097*** (0.6176)	-3.0097*** (0.8138)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0660** (0.0280)	0.0660* (0.0359)
FC Debt Ratio $\times \text{Size}$	0.0075*** (0.0023)	0.0075** (0.0036)
Import Share	-0.0512 (0.0695)	-0.0512 (0.1029)
Sale Share	0.2518*** (0.0305)	0.2518*** (0.0379)
Size	-0.0002 (0.0024)	-0.0002 (0.0040)
Leverage	0.4703*** (0.0690)	0.4703*** (0.0977)
ST Debt Ratio	-0.2111*** (0.0334)	-0.2111*** (0.0513)
Cash Ratio	0.5959*** (0.2050)	0.5959* (0.3361)
FC Cash Ratio	-0.0568*** (0.0157)	-0.0568*** (0.0209)
Export Share	0.0080 (0.0555)	0.0080 (0.0831)
Import Share $\times \Delta E_{KRW}/\$$	-5.2304*** (0.9250)	-5.2304*** (1.2115)
Sale Share $\times \Delta E_{KRW}/\$$	-0.4750 (0.4519)	-0.4750 (0.5137)
Size $\times \Delta E_{KRW}/\$$	0.1471*** (0.0330)	0.1471*** (0.0440)
Leverage $\times \Delta E_{KRW}/\$$	-1.2184 (0.9610)	-1.2184 (1.2843)
ST Debt Ratio $\times \Delta E_{KRW}/\$$	2.5648*** (0.4983)	2.5648*** (0.6493)
Cash Ratio $\times \Delta E_{KRW}/\$$	-2.5152 (2.9334)	-2.5152 (4.2288)
FC Cash Ratio $\times \Delta E_{KRW}/\$$	-0.5675*** (0.1867)	-0.5675** (0.2356)
Export Share $\times \Delta E_{KRW}/\$$	7.8709*** (0.6328)	7.8709*** (0.9242)



Continued Table 20

Dependent Variable:	Export Quantity	
	(1)	(2)
Import Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.3026*** (0.0506)	0.3026*** (0.0670)
Sale Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0326 (0.0244)	0.0326 (0.0278)
Leverage $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0873 (0.0541)	0.0873 (0.0736)
ST Debt Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.1364*** (0.0264)	-0.1364*** (0.0352)
Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.1908 (0.1624)	0.1908 (0.2372)
FC Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0321*** (0.0101)	0.0321** (0.0130)
Export Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.4464*** (0.0346)	-0.4464*** (0.0509)
Import Share $\times \text{Size}$	0.0046 (0.0038)	0.0046 (0.0057)
Sale Share $\times \text{Size}$	-0.0384*** (0.0016)	-0.0384*** (0.0020)
Leverage $\times \text{Size}$	-0.0314*** (0.0039)	-0.0314*** (0.0056)
ST Debt Ratio $\times \text{Size}$	0.0090*** (0.0018)	0.0090*** (0.0028)
Cash Ratio $\times \text{Size}$	-0.0284** (0.0114)	-0.0284 (0.0189)
FC Cash Ratio $\times \text{Size}$	0.0032*** (0.0009)	0.0032*** (0.0012)
Export Share $\times \text{Size}$	-0.0070** (0.0031)	-0.0070 (0.0046)
Adjusted $R^2$	0.0161	0.0161
Observations	1863541	1863541
Standard Errors	Robust	Clustered

Table 21: Panel Regression of Export Price Changes on FC Debt – Other Variables

Dependent Variable:	Export Price in Destination Currency		Export Price in USD	
	(1)	(2)	(3)	(4)
FC Debt Ratio	0.0049 (0.0076)	0.0049 (0.0101)	0.0045 (0.0077)	0.0045 (0.0102)
FC Debt Ratio $\times \Delta E_{KRW}/\$$	0.4699*** (0.0928)	0.4699*** (0.1229)	0.3810*** (0.0936)	0.3810*** (0.1259)
$\Delta E_{KRW}/\$$	-0.3729*** (0.1031)	-0.3729*** (0.1205)	-0.4769*** (0.1044)	-0.4769*** (0.1404)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times$ Size	-0.0277*** (0.0047)	-0.0277*** (0.0066)	-0.0215*** (0.0047)	-0.0215*** (0.0067)
FC Debt Ratio $\times$ Size	-0.0002 (0.0004)	-0.0002 (0.0005)	-0.0002 (0.0004)	-0.0002 (0.0005)
Import Share	0.0775*** (0.0120)	0.0775*** (0.0136)	0.0862*** (0.0121)	0.0862*** (0.0139)
Sale Share	-0.0029 (0.0054)	-0.0029 (0.0059)	-0.0089 (0.0054)	-0.0089 (0.0060)
Size	0.0022*** (0.0004)	0.0022*** (0.0005)	0.0021*** (0.0004)	0.0021*** (0.0005)
Leverage	0.0729*** (0.0116)	0.0729*** (0.0152)	0.0699*** (0.0117)	0.0699*** (0.0153)
ST Debt Ratio	0.0402*** (0.0059)	0.0402*** (0.0073)	0.0421*** (0.0059)	0.0421*** (0.0075)
Cash Ratio	0.0435 (0.0355)	0.0435 (0.0463)	0.0371 (0.0358)	0.0371 (0.0468)
FC Cash Ratio	-0.0089** (0.0035)	-0.0089** (0.0041)	-0.0096*** (0.0036)	-0.0096** (0.0043)
Export Share	-0.0499*** (0.0096)	-0.0499*** (0.0114)	-0.0554*** (0.0097)	-0.0554*** (0.0116)
Import Share $\times \Delta E_{KRW}/\$$	1.7729*** (0.1545)	1.7729*** (0.1827)	2.0008*** (0.1563)	2.0008*** (0.1908)
Sale Share $\times \Delta E_{KRW}/\$$	0.2176*** (0.0776)	0.2176** (0.0897)	0.1604** (0.0787)	0.1604* (0.0954)
Size $\times \Delta E_{KRW}/\$$	0.0207*** (0.0054)	0.0207*** (0.0064)	0.0154*** (0.0055)	0.0154** (0.0066)
Leverage $\times \Delta E_{KRW}/\$$	2.0591*** (0.1560)	2.0591*** (0.2496)	2.1088*** (0.1569)	2.1088*** (0.2534)
ST Debt Ratio $\times \Delta E_{KRW}/\$$	0.5264*** (0.0848)	0.5264*** (0.0999)	0.6465*** (0.0859)	0.6465*** (0.1017)
Cash Ratio $\times \Delta E_{KRW}/\$$	4.9655*** (0.4958)	4.9655*** (0.6430)	4.3664*** (0.5020)	4.3664*** (0.6601)
FC Cash Ratio $\times \Delta E_{KRW}/\$$	-0.0859** (0.0397)	-0.0859* (0.0460)	-0.1011** (0.0412)	-0.1011** (0.0480)
Export Share $\times \Delta E_{KRW}/\$$	-0.7020*** (0.1053)	-0.7020*** (0.1213)	-0.7998*** (0.1067)	-0.7998*** (0.1274)

Continued Table 21

Dependent Variable:	Export Price in Destination Currency		Export Price in USD	
	(1)	(2)	(3)	(4)
Import Share $\times \Delta E_{KRW/\$} \times \text{Size}$	-0.0965*** (0.0084)	-0.0965*** (0.0101)	-0.1085*** (0.0084)	-0.1085*** (0.0105)
Sale Share $\times \Delta E_{KRW/\$} \times \text{Size}$	-0.0121*** (0.0041)	-0.0121** (0.0047)	-0.0101** (0.0042)	-0.0101** (0.0049)
Leverage $\times \Delta E_{KRW/\$} \times \text{Size}$	-0.1267*** (0.0087)	-0.1267*** (0.0144)	-0.1295*** (0.0088)	-0.1295*** (0.0146)
ST Debt Ratio $\times \Delta E_{KRW/\$} \times \text{Size}$	-0.0320*** (0.0044)	-0.0320*** (0.0054)	-0.0382*** (0.0045)	-0.0382*** (0.0055)
Cash Ratio $\times \Delta E_{KRW/\$} \times \text{Size}$	-0.2869*** (0.0271)	-0.2869*** (0.0359)	-0.2547*** (0.0274)	-0.2547*** (0.0368)
FC Cash Ratio $\times \Delta E_{KRW/\$} \times \text{Size}$	0.0050** (0.0022)	0.0050** (0.0025)	0.0057** (0.0022)	0.0057** (0.0026)
Export Share $\times \Delta E_{KRW/\$} \times \text{Size}$	0.0428*** (0.0057)	0.0428*** (0.0066)	0.0464*** (0.0057)	0.0464*** (0.0070)
Import Share $\times \text{Size}$	-0.0046*** (0.0006)	-0.0046*** (0.0007)	-0.0051*** (0.0007)	-0.0051*** (0.0008)
Sale Share $\times \text{Size}$	0.0003 (0.0003)	0.0003 (0.0003)	0.0007** (0.0003)	0.0007** (0.0003)
Leverage $\times \text{Size}$	-0.0045*** (0.0006)	-0.0045*** (0.0009)	-0.0044*** (0.0006)	-0.0044*** (0.0009)
ST Debt Ratio $\times \text{Size}$	-0.0021*** (0.0003)	-0.0021*** (0.0004)	-0.0022*** (0.0003)	-0.0022*** (0.0004)
Cash Ratio $\times \text{Size}$	-0.0036* (0.0019)	-0.0036 (0.0026)	-0.0032 (0.0020)	-0.0032 (0.0026)
FC Cash Ratio $\times \text{Size}$	0.0005*** (0.0002)	0.0005** (0.0002)	0.0006*** (0.0002)	0.0006** (0.0002)
Export Share $\times \text{Size}$	0.0025*** (0.0005)	0.0025*** (0.0006)	0.0029*** (0.0005)	0.0029*** (0.0006)
Adjusted $R^2$	0.0360	0.0360	0.0337	0.0337
Observations	1863541	1863541	1863541	1863541
Standard Errors	Robust	Clustered	Robust	Clustered

Table 22: Panel Regression of Export Quantity Changes on FC Debt – Currency Fixed Effects

Dependent Variable:	Export Quantity			
	(1)	(2)	(3)	(4)
FC Debt Ratio	-0.1468*** (0.0450)	-0.1468** (0.0674)	-0.1475*** (0.0450)	-0.1475** (0.0674)
FC Debt Ratio $\times \Delta E_{KRW}/\$$	-1.3015** (0.5423)	-1.3015* (0.6816)	-1.2963** (0.5423)	-1.2963* (0.6815)
$\Delta E_{KRW}/\$$	-3.1501*** (0.6109)	-3.1501*** (0.7851)	-3.1494*** (0.6109)	-3.1494*** (0.7848)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times$ Size	0.0621** (0.0279)	0.0621* (0.0360)	0.0618** (0.0279)	0.0618* (0.0360)
FC Debt Ratio $\times$ Size	0.0065*** (0.0023)	0.0065* (0.0036)	0.0065*** (0.0023)	0.0065* (0.0036)
Import Share	-0.0553 (0.0690)	-0.0553 (0.1021)	-0.0589 (0.0690)	-0.0589 (0.1019)
Sale Share	0.2305*** (0.0306)	0.2305*** (0.0381)	0.2330*** (0.0306)	0.2330*** (0.0382)
Size	-0.0021 (0.0024)	-0.0021 (0.0039)	-0.0022 (0.0024)	-0.0022 (0.0039)
Leverage	0.3718*** (0.0691)	0.3718*** (0.0982)	0.3682*** (0.0691)	0.3682*** (0.0981)
ST Debt Ratio	-0.1939*** (0.0330)	-0.1939*** (0.0522)	-0.1904*** (0.0330)	-0.1904*** (0.0523)
Cash Ratio	0.4783** (0.2031)	0.4783 (0.3369)	0.4668** (0.2031)	0.4668 (0.3369)
FC Cash Ratio	-0.0515*** (0.0153)	-0.0515** (0.0211)	-0.0514*** (0.0153)	-0.0514** (0.0210)
Export Share	0.0102 (0.0551)	0.0102 (0.0827)	0.0125 (0.0551)	0.0125 (0.0825)
Import Share $\times \Delta E_{KRW}/\$$	-5.0024*** (0.9186)	-5.0024*** (1.2084)	-4.9930*** (0.9186)	-4.9930*** (1.2081)
Sale Share $\times \Delta E_{KRW}/\$$	-0.1802 (0.4533)	-0.1802 (0.5203)	-0.1814 (0.4533)	-0.1814 (0.5202)
Size $\times \Delta E_{KRW}/\$$	0.1546*** (0.0327)	0.1546*** (0.0425)	0.1546*** (0.0327)	0.1546*** (0.0425)
Leverage $\times \Delta E_{KRW}/\$$	-1.1937 (0.9359)	-1.1937 (1.1981)	-1.1868 (0.9357)	-1.1868 (1.1971)
ST Debt Ratio $\times \Delta E_{KRW}/\$$	2.7672*** (0.4937)	2.7672*** (0.6540)	2.7647*** (0.4937)	2.7647*** (0.6541)
Cash Ratio $\times \Delta E_{KRW}/\$$	-2.1967 (2.8991)	-2.1967 (4.1293)	-2.2288 (2.8991)	-2.2288 (4.1283)
FC Cash Ratio $\times \Delta E_{KRW}/\$$	-0.5161*** (0.1822)	-0.5161** (0.2359)	-0.5150*** (0.1822)	-0.5150** (0.2353)
Export Share $\times \Delta E_{KRW}/\$$	7.6167*** (0.6289)	7.6167*** (0.9407)	7.6180*** (0.6289)	7.6180*** (0.9410)

Continued Table 22

Dependent Variable:	Export Quantity			
	(1)	(2)	(3)	(4)
Import Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.2860*** (0.0502)	0.2860*** (0.0667)	0.2855*** (0.0502)	0.2855*** (0.0667)
Sale Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0169 (0.0244)	0.0169 (0.0281)	0.0170 (0.0244)	0.0170 (0.0281)
Leverage $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0874* (0.0528)	0.0874 (0.0688)	0.0870* (0.0528)	0.0870 (0.0688)
ST Debt Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.1487*** (0.0262)	-0.1487*** (0.0355)	-0.1486*** (0.0262)	-0.1486*** (0.0355)
Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.1671 (0.1606)	0.1671 (0.2316)	0.1688 (0.1606)	0.1688 (0.2315)
FC Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0292*** (0.0099)	0.0292** (0.0130)	0.0291*** (0.0099)	0.0291** (0.0130)
Export Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.4300*** (0.0344)	-0.4300*** (0.0520)	-0.4300*** (0.0344)	-0.4300*** (0.0520)
Import Share $\times \text{Size}$	0.0048 (0.0038)	0.0048 (0.0057)	0.0050 (0.0038)	0.0050 (0.0057)
Sale Share $\times \text{Size}$	-0.0380*** (0.0016)	-0.0380*** (0.0020)	-0.0381*** (0.0016)	-0.0381*** (0.0020)
Leverage $\times \text{Size}$	-0.0258*** (0.0039)	-0.0258*** (0.0056)	-0.0256*** (0.0039)	-0.0256*** (0.0056)
ST Debt Ratio $\times \text{Size}$	0.0083*** (0.0017)	0.0083*** (0.0029)	0.0081*** (0.0017)	0.0081*** (0.0029)
Cash Ratio $\times \text{Size}$	-0.0219* (0.0113)	-0.0219 (0.0189)	-0.0213* (0.0113)	-0.0213 (0.0189)
FC Cash Ratio $\times \text{Size}$	0.0029*** (0.0009)	0.0029** (0.0012)	0.0029*** (0.0009)	0.0029** (0.0012)
Export Share $\times \text{Size}$	-0.0069** (0.0031)	-0.0069 (0.0046)	-0.0070** (0.0031)	-0.0070 (0.0046)
Adjusted $R^2$	0.0161	0.0161	0.0161	0.0161
Currency FE	No	No	Yes	Yes
Observations	1905754	1905754	1905754	1905754

Table 23: Panel Regression of Export Price Changes on FC Debt – Currency Fixed Effects

Dependent Variable:	Export Price in Destination Currency			
	(1)	(2)	(3)	(4)
FC Debt Ratio	0.0084 (0.0075)	0.0084 (0.0098)	0.0079 (0.0076)	0.0079 (0.0099)
FC Debt Ratio $\times \Delta E_{KRW}/\$$	0.5082*** (0.0917)	0.5082*** (0.1194)	0.4137*** (0.0927)	0.4137*** (0.1227)
$\Delta E_{KRW}/\$$	-0.3712*** (0.1018)	-0.3712*** (0.1220)	-0.4556*** (0.1032)	-0.4556*** (0.1388)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times$ Size	-0.0295*** (0.0047)	-0.0295*** (0.0064)	-0.0229*** (0.0047)	-0.0229*** (0.0065)
FC Debt Ratio $\times$ Size	-0.0004 (0.0004)	-0.0004 (0.0005)	-0.0004 (0.0004)	-0.0004 (0.0005)
Import Share	0.0854*** (0.0118)	0.0854*** (0.0133)	0.0927*** (0.0119)	0.0927*** (0.0136)
Sale Share	-0.0049 (0.0054)	-0.0049 (0.0058)	-0.0106* (0.0054)	-0.0106* (0.0059)
Size	0.0022*** (0.0004)	0.0022*** (0.0005)	0.0020*** (0.0004)	0.0020*** (0.0005)
Leverage	0.0784*** (0.0115)	0.0784*** (0.0148)	0.0747*** (0.0116)	0.0747*** (0.0149)
ST Debt Ratio	0.0323*** (0.0058)	0.0323*** (0.0076)	0.0341*** (0.0058)	0.0341*** (0.0078)
Cash Ratio	0.0615* (0.0350)	0.0615 (0.0463)	0.0550 (0.0353)	0.0550 (0.0468)
FC Cash Ratio	-0.0081** (0.0035)	-0.0081** (0.0041)	-0.0090** (0.0036)	-0.0090** (0.0043)
Export Share	-0.0468*** (0.0095)	-0.0468*** (0.0116)	-0.0514*** (0.0096)	-0.0514*** (0.0118)
Import Share $\times \Delta E_{KRW}/\$$	1.8603*** (0.1525)	1.8603*** (0.1796)	2.1008*** (0.1544)	2.1008*** (0.1891)
Sale Share $\times \Delta E_{KRW}/\$$	0.2037*** (0.0779)	0.2037** (0.0894)	0.1403* (0.0789)	0.1403 (0.0952)
Size $\times \Delta E_{KRW}/\$$	0.0211*** (0.0054)	0.0211*** (0.0065)	0.0146*** (0.0054)	0.0146** (0.0066)
Leverage $\times \Delta E_{KRW}/\$$	2.0049*** (0.1533)	2.0049*** (0.2439)	2.0104*** (0.1550)	2.0104*** (0.2491)
ST Debt Ratio $\times \Delta E_{KRW}/\$$	0.5447*** (0.0837)	0.5447*** (0.1037)	0.6597*** (0.0849)	0.6597*** (0.1057)
Cash Ratio $\times \Delta E_{KRW}/\$$	4.7489*** (0.4908)	4.7489*** (0.6554)	4.0736*** (0.4962)	4.0736*** (0.6752)
FC Cash Ratio $\times \Delta E_{KRW}/\$$	-0.0793** (0.0390)	-0.0793* (0.0458)	-0.0960** (0.0406)	-0.0960** (0.0480)
Export Share $\times \Delta E_{KRW}/\$$	-0.7208*** (0.1042)	-0.7208*** (0.1222)	-0.8328*** (0.1054)	-0.8328*** (0.1289)

Continued Table 23

Dependent Variable:	Export Price in Destination Currency			
	(1)	(2)	(3)	(4)
Import Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.1004*** (0.0082)	-0.1004*** (0.0100)	-0.1130*** (0.0083)	-0.1130*** (0.0105)
Sale Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.0115*** (0.0041)	-0.0115** (0.0047)	-0.0091** (0.0042)	-0.0091* (0.0049)
Leverage $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.1238*** (0.0086)	-0.1238*** (0.0141)	-0.1240*** (0.0087)	-0.1240*** (0.0144)
ST Debt Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.0333*** (0.0044)	-0.0333*** (0.0056)	-0.0391*** (0.0044)	-0.0391*** (0.0057)
Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.2748*** (0.0268)	-0.2748*** (0.0365)	-0.2385*** (0.0271)	-0.2385*** (0.0376)
FC Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0046** (0.0021)	0.0046* (0.0025)	0.0054** (0.0022)	0.0054** (0.0026)
Export Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0437*** (0.0056)	0.0437*** (0.0067)	0.0479*** (0.0057)	0.0479*** (0.0071)
Import Share $\times \text{Size}$	-0.0050*** (0.0006)	-0.0050*** (0.0007)	-0.0055*** (0.0006)	-0.0055*** (0.0007)
Sale Share $\times \text{Size}$	0.0003 (0.0003)	0.0003 (0.0003)	0.0007*** (0.0003)	0.0007** (0.0003)
Leverage $\times \text{Size}$	-0.0049*** (0.0006)	-0.0049*** (0.0008)	-0.0046*** (0.0006)	-0.0046*** (0.0008)
ST Debt Ratio $\times \text{Size}$	-0.0017*** (0.0003)	-0.0017*** (0.0004)	-0.0018*** (0.0003)	-0.0018*** (0.0004)
Cash Ratio $\times \text{Size}$	-0.0046** (0.0019)	-0.0046* (0.0026)	-0.0042** (0.0019)	-0.0042 (0.0026)
FC Cash Ratio $\times \text{Size}$	0.0005** (0.0002)	0.0005** (0.0002)	0.0005*** (0.0002)	0.0005** (0.0002)
Export Share $\times \text{Size}$	0.0023*** (0.0005)	0.0023*** (0.0006)	0.0027*** (0.0005)	0.0027*** (0.0007)
Adjusted $R^2$	0.0360	0.0360	0.0336	0.0336
Currency FE	No	No	Yes	Yes
Observations	1905754	1905754	1905754	1905754

Table 24: Panel Regression of Export Price Changes in USD on FC Debt – Currency Fixed Effects

Dependent Variable:	Export Price in USD			
	(1)	(2)	(3)	(4)
FC Debt Ratio	0.0084 (0.0075)	0.0084 (0.0098)	0.0079 (0.0076)	0.0079 (0.0099)
FC Debt Ratio $\times \Delta E_{KRW}/\$$	0.5079*** (0.0917)	0.5079*** (0.1193)	0.4134*** (0.0927)	0.4134*** (0.1226)
$\Delta E_{KRW}/\$$	-0.3704*** (0.1018)	-0.3704*** (0.1220)	-0.4546*** (0.1032)	-0.4546*** (0.1388)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times$ Size	-0.0295*** (0.0047)	-0.0295*** (0.0064)	-0.0229*** (0.0047)	-0.0229*** (0.0065)
FC Debt Ratio $\times$ Size	-0.0004 (0.0004)	-0.0004 (0.0005)	-0.0004 (0.0004)	-0.0004 (0.0005)
Import Share	0.0856*** (0.0118)	0.0856*** (0.0133)	0.0930*** (0.0119)	0.0930*** (0.0136)
Sale Share	-0.0049 (0.0054)	-0.0049 (0.0058)	-0.0105* (0.0054)	-0.0105* (0.0059)
Size	0.0022*** (0.0004)	0.0022*** (0.0005)	0.0020*** (0.0004)	0.0020*** (0.0005)
Leverage	0.0787*** (0.0115)	0.0787*** (0.0149)	0.0751*** (0.0116)	0.0751*** (0.0149)
ST Debt Ratio	0.0324*** (0.0058)	0.0324*** (0.0076)	0.0343*** (0.0058)	0.0343*** (0.0078)
Cash Ratio	0.0615* (0.0351)	0.0615 (0.0463)	0.0549 (0.0353)	0.0549 (0.0469)
FC Cash Ratio	-0.0081** (0.0035)	-0.0081** (0.0041)	-0.0089** (0.0036)	-0.0089** (0.0043)
Export Share	-0.0460*** (0.0095)	-0.0460*** (0.0116)	-0.0504*** (0.0096)	-0.0504*** (0.0118)
Import Share $\times \Delta E_{KRW}/\$$	1.8623*** (0.1525)	1.8623*** (0.1795)	2.1034*** (0.1544)	2.1034*** (0.1891)
Sale Share $\times \Delta E_{KRW}/\$$	0.2032*** (0.0779)	0.2032** (0.0894)	0.1397* (0.0789)	0.1397 (0.0952)
Size $\times \Delta E_{KRW}/\$$	0.0211*** (0.0054)	0.0211*** (0.0065)	0.0146*** (0.0054)	0.0146** (0.0066)
Leverage $\times \Delta E_{KRW}/\$$	2.0056*** (0.1532)	2.0056*** (0.2439)	2.0113*** (0.1550)	2.0113*** (0.2491)
ST Debt Ratio $\times \Delta E_{KRW}/\$$	0.5430*** (0.0837)	0.5430*** (0.1036)	0.6577*** (0.0849)	0.6577*** (0.1055)
Cash Ratio $\times \Delta E_{KRW}/\$$	4.7534*** (0.4908)	4.7534*** (0.6558)	4.0789*** (0.4962)	4.0789*** (0.6755)
FC Cash Ratio $\times \Delta E_{KRW}/\$$	-0.0786** (0.0389)	-0.0786* (0.0457)	-0.0951** (0.0405)	-0.0951** (0.0480)
Export Share $\times \Delta E_{KRW}/\$$	-0.7210*** (0.1042)	-0.7210*** (0.1223)	-0.8330*** (0.1054)	-0.8330*** (0.1290)



Continued Table 24

Dependent Variable:	Export Price in USD			
	(1)	(2)	(3)	(4)
Import Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.1006*** (0.0082)	-0.1006*** (0.0100)	-0.1132*** (0.0083)	-0.1132*** (0.0105)
Sale Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.0114*** (0.0041)	-0.0114** (0.0047)	-0.0091** (0.0042)	-0.0091* (0.0049)
Leverage $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.1238*** (0.0086)	-0.1238*** (0.0141)	-0.1240*** (0.0087)	-0.1240*** (0.0144)
ST Debt Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.0332*** (0.0044)	-0.0332*** (0.0056)	-0.0390*** (0.0044)	-0.0390*** (0.0057)
Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.2751*** (0.0268)	-0.2751*** (0.0366)	-0.2388*** (0.0271)	-0.2388*** (0.0376)
FC Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0045** (0.0021)	0.0045* (0.0025)	0.0054** (0.0022)	0.0054** (0.0026)
Export Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0437*** (0.0056)	0.0437*** (0.0067)	0.0480*** (0.0057)	0.0480*** (0.0071)
Import Share $\times \text{Size}$	-0.0050*** (0.0006)	-0.0050*** (0.0007)	-0.0055*** (0.0006)	-0.0055*** (0.0008)
Sale Share $\times \text{Size}$	0.0003 (0.0003)	0.0003 (0.0003)	0.0007*** (0.0003)	0.0007** (0.0003)
Leverage $\times \text{Size}$	-0.0049*** (0.0006)	-0.0049*** (0.0008)	-0.0047*** (0.0006)	-0.0047*** (0.0009)
ST Debt Ratio $\times \text{Size}$	-0.0017*** (0.0003)	-0.0017*** (0.0004)	-0.0018*** (0.0003)	-0.0018*** (0.0004)
Cash Ratio $\times \text{Size}$	-0.0046** (0.0019)	-0.0046* (0.0026)	-0.0042** (0.0019)	-0.0042 (0.0026)
FC Cash Ratio $\times \text{Size}$	0.0005** (0.0002)	0.0005** (0.0002)	0.0005*** (0.0002)	0.0005** (0.0002)
Export Share $\times \text{Size}$	0.0023*** (0.0005)	0.0023*** (0.0006)	0.0026*** (0.0005)	0.0026*** (0.0007)
Adjusted $R^2$	0.0360	0.0360	0.0336	0.0336
Currency FE	No	No	Yes	Yes
Observations	1905754	1905754	1905754	1905754

Table 25: Panel Regression of Export Quantity Changes on FC Debt – FC Debt Ratio  $\times$  Aggregate

Dependent Variable:	Export Quantity	
	(1)	(2)
FC Debt Ratio	-0.4800*** (0.0726)	-0.4800*** (0.0975)
FC Debt Ratio $\times \Delta E_{KRW}/\$$	-1.3083** (0.5474)	-1.3083* (0.6884)
$\Delta E_{KRW}/\$$	-3.0056*** (0.6194)	-3.0056*** (0.8063)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times$ Size	0.0653** (0.0281)	0.0653* (0.0363)
FC Debt Ratio $\times$ Size	0.0053** (0.0024)	0.0053 (0.0035)
Import Share	-0.0264 (0.0705)	-0.0264 (0.1021)
Sale Share	0.2557*** (0.0306)	0.2557*** (0.0379)
Size	-0.0033 (0.0024)	-0.0033 (0.0040)
Leverage	0.4198*** (0.0693)	0.4198*** (0.0986)
ST Debt Ratio	-0.2274*** (0.0335)	-0.2274*** (0.0511)
Cash Ratio	0.3800* (0.2068)	0.3800 (0.3326)
FC Cash Ratio	-0.0509*** (0.0152)	-0.0509** (0.0204)
Export Share	-0.1099* (0.0563)	-0.1099 (0.0812)
Import Share $\times \Delta E_{KRW}/\$$	-5.3503*** (0.9357)	-5.3503*** (1.2132)
Sale Share $\times \Delta E_{KRW}/\$$	-0.5037 (0.4530)	-0.5037 (0.5129)
Size $\times \Delta E_{KRW}/\$$	0.1438*** (0.0331)	0.1438*** (0.0438)
Leverage $\times \Delta E_{KRW}/\$$	-1.3129 (0.9661)	-1.3129 (1.2831)
ST Debt Ratio $\times \Delta E_{KRW}/\$$	2.2707*** (0.4995)	2.2707*** (0.6420)
Cash Ratio $\times \Delta E_{KRW}/\$$	-2.8072 (2.9446)	-2.8072 (4.2290)
FC Cash Ratio $\times \Delta E_{KRW}/\$$	-0.4999*** (0.1805)	-0.4999** (0.2293)
Export Share $\times \Delta E_{KRW}/\$$	8.3468*** (0.6368)	8.3468*** (0.9325)

Continued Table 25

Dependent Variable:	Export Quantity	
	(1)	(2)
Import Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.3118*** (0.0512)	0.3118*** (0.0671)
Sale Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0346 (0.0244)	0.0346 (0.0277)
Leverage $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0935* (0.0544)	0.0935 (0.0736)
ST Debt Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.1195*** (0.0265)	-0.1195*** (0.0348)
Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.2118 (0.1630)	0.2118 (0.2368)
FC Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0284*** (0.0098)	0.0284** (0.0127)
Export Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.4731*** (0.0348)	-0.4731*** (0.0514)
Import Share $\times \text{Size}$	0.0029 (0.0038)	0.0029 (0.0057)
Sale Share $\times \text{Size}$	-0.0388*** (0.0016)	-0.0388*** (0.0020)
Leverage $\times \text{Size}$	-0.0285*** (0.0039)	-0.0285*** (0.0056)
ST Debt Ratio $\times \text{Size}$	0.0100*** (0.0018)	0.0100*** (0.0028)
Cash Ratio $\times \text{Size}$	-0.0160 (0.0115)	-0.0160 (0.0187)
FC Cash Ratio $\times \text{Size}$	0.0028*** (0.0009)	0.0028** (0.0012)
Export Share $\times \text{Size}$	-0.0004 (0.0031)	-0.0004 (0.0045)
FC Debt Ratio $\times \Delta RGDP_{World}$	0.8909** (0.3586)	0.8909* (0.4742)
FC Debt Ratio $\times \Delta RGDP_{KOR}$	-0.8569* (0.5006)	-0.8569 (0.6619)
FC Debt Ratio $\times \ln(VIX)$	0.1141*** (0.0191)	0.1141*** (0.0269)
$\Delta RGDP_{World}$	-1.3445*** (0.2486)	-1.3445*** (0.3122)
$\Delta RGDP_{KOR}$	1.6527*** (0.3735)	1.6527*** (0.4787)
Adjusted $R^2$	0.0163	0.0163
Observations	1843620	1843620

Table 26: Panel Regression of Export Price Changes on FC Debt – FC Debt Ratio  $\times$  Aggregate

Dependent Variable:	Export Price in Destination Currency		Export Price in USD	
	(1)	(2)	(3)	(4)
FC Debt Ratio	0.0282** (0.0119)	0.0282* (0.0166)	0.0221* (0.0121)	0.0221 (0.0172)
FC Debt Ratio $\times \Delta E_{KRW}/\$$	0.4453*** (0.0932)	0.4453*** (0.1252)	0.3829*** (0.0940)	0.3829*** (0.1268)
$\Delta E_{KRW}/\$$	-0.3644*** (0.1033)	-0.3644*** (0.1200)	-0.5226*** (0.1049)	-0.5226*** (0.1375)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times$ Size	-0.0251*** (0.0047)	-0.0251*** (0.0067)	-0.0205*** (0.0048)	-0.0205*** (0.0068)
FC Debt Ratio $\times$ Size	-0.0001 (0.0004)	-0.0001 (0.0005)	-0.0000 (0.0004)	-0.0000 (0.0005)
Import Share	0.0786*** (0.0121)	0.0786*** (0.0139)	0.0864*** (0.0122)	0.0864*** (0.0142)
Sale Share	-0.0031 (0.0054)	-0.0031 (0.0059)	-0.0094* (0.0054)	-0.0094 (0.0060)
Size	0.0022*** (0.0004)	0.0022*** (0.0005)	0.0021*** (0.0004)	0.0021*** (0.0005)
Leverage	0.0730*** (0.0117)	0.0730*** (0.0156)	0.0692*** (0.0117)	0.0692*** (0.0157)
ST Debt Ratio	0.0419*** (0.0059)	0.0419*** (0.0074)	0.0421*** (0.0060)	0.0421*** (0.0075)
Cash Ratio	0.0396 (0.0358)	0.0396 (0.0465)	0.0439 (0.0361)	0.0439 (0.0466)
FC Cash Ratio	-0.0104*** (0.0037)	-0.0104** (0.0043)	-0.0106*** (0.0037)	-0.0106** (0.0043)
Export Share	-0.0489*** (0.0097)	-0.0489*** (0.0114)	-0.0543*** (0.0098)	-0.0543*** (0.0115)
Import Share $\times \Delta E_{KRW}/\$$	1.7551*** (0.1554)	1.7551*** (0.1875)	1.8923*** (0.1571)	1.8923*** (0.1930)
Sale Share $\times \Delta E_{KRW}/\$$	0.2082*** (0.0777)	0.2082** (0.0889)	0.1539* (0.0788)	0.1539 (0.0944)
Size $\times \Delta E_{KRW}/\$$	0.0209*** (0.0054)	0.0209*** (0.0065)	0.0165*** (0.0055)	0.0165** (0.0066)
Leverage $\times \Delta E_{KRW}/\$$	2.0947*** (0.1567)	2.0947*** (0.2499)	2.1776*** (0.1580)	2.1776*** (0.2541)
ST Debt Ratio $\times \Delta E_{KRW}/\$$	0.5261*** (0.0849)	0.5261*** (0.0998)	0.6541*** (0.0861)	0.6541*** (0.1023)
Cash Ratio $\times \Delta E_{KRW}/\$$	5.1721*** (0.4979)	5.1721*** (0.6425)	4.4936*** (0.5043)	4.4936*** (0.6552)
FC Cash Ratio $\times \Delta E_{KRW}/\$$	-0.1049** (0.0415)	-0.1049** (0.0478)	-0.1053** (0.0413)	-0.1053** (0.0482)
Export Share $\times \Delta E_{KRW}/\$$	-0.7144*** (0.1058)	-0.7144*** (0.1228)	-0.8198*** (0.1073)	-0.8198*** (0.1273)

Continued Table 26

Dependent Variable:	Export Price in Destination Currency		Export Price in USD	
	(1)	(2)	(3)	(4)
Import Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.0963*** (0.0084)	-0.0963*** (0.0104)	-0.1029*** (0.0085)	-0.1029*** (0.0107)
Sale Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.0115*** (0.0041)	-0.0115** (0.0047)	-0.0095** (0.0042)	-0.0095* (0.0049)
Leverage $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.1287*** (0.0087)	-0.1287*** (0.0144)	-0.1334*** (0.0088)	-0.1334*** (0.0147)
ST Debt Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.0322*** (0.0044)	-0.0322*** (0.0054)	-0.0383*** (0.0045)	-0.0383*** (0.0055)
Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.2989*** (0.0272)	-0.2989*** (0.0359)	-0.2613*** (0.0275)	-0.2613*** (0.0365)
FC Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0060*** (0.0023)	0.0060** (0.0026)	0.0061*** (0.0023)	0.0061** (0.0027)
Export Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0434*** (0.0057)	0.0434*** (0.0067)	0.0480*** (0.0058)	0.0480*** (0.0069)
Import Share $\times \text{Size}$	-0.0046*** (0.0007)	-0.0046*** (0.0008)	-0.0051*** (0.0007)	-0.0051*** (0.0008)
Sale Share $\times \text{Size}$	0.0003 (0.0003)	0.0003 (0.0003)	0.0007** (0.0003)	0.0007** (0.0003)
Leverage $\times \text{Size}$	-0.0045*** (0.0006)	-0.0045*** (0.0009)	-0.0043*** (0.0007)	-0.0043*** (0.0009)
ST Debt Ratio $\times \text{Size}$	-0.0022*** (0.0003)	-0.0022*** (0.0004)	-0.0022*** (0.0003)	-0.0022*** (0.0004)
Cash Ratio $\times \text{Size}$	-0.0034* (0.0020)	-0.0034 (0.0026)	-0.0035* (0.0020)	-0.0035 (0.0026)
FC Cash Ratio $\times \text{Size}$	0.0006*** (0.0002)	0.0006** (0.0002)	0.0006*** (0.0002)	0.0006** (0.0002)
Export Share $\times \text{Size}$	0.0025*** (0.0005)	0.0025*** (0.0006)	0.0028*** (0.0005)	0.0028*** (0.0006)
FC Debt Ratio $\times \Delta RGDP_{World}$	-0.1028* (0.0563)	-0.1028 (0.0668)	-0.0651 (0.0577)	-0.0651 (0.0702)
FC Debt Ratio $\times \Delta RGDP_{KOR}$	0.3089*** (0.0796)	0.3089*** (0.0930)	0.3047*** (0.0812)	0.3047*** (0.0972)
FC Debt Ratio $\times \ln(VIX)$	-0.0109*** (0.0032)	-0.0109*** (0.0039)	-0.0102*** (0.0032)	-0.0102** (0.0041)
$\Delta RGDP_{World}$	0.1671*** (0.0382)	0.1671*** (0.0623)	-0.9725*** (0.0400)	-0.9725*** (0.1061)
$\Delta RGDP_{KOR}$	-0.0377 (0.0573)	-0.0377 (0.0937)	1.4378*** (0.0601)	1.4378*** (0.1721)
Adjusted $R^2$	0.0371	0.0371	0.0346	0.0346
Observations	1843620	1843620	1843620	1843620

Table 27: Panel Regression of Export Quantity Changes on FC Debt — FC Debt to Total Assets

Dependent Variable:	Export Quantity	
	(1)	(2)
FC Debt Ratio	-0.6356*** (0.2047)	-0.6356** (0.2939)
FC Debt Ratio $\times \Delta E_{KRW}/\$$	-10.0654*** (2.4624)	-10.0654*** (3.2561)
$\Delta E_{KRW}/\$$	-2.4107*** (0.5536)	-2.4107*** (0.7007)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times$ Size	0.5286*** (0.1323)	0.5286*** (0.1791)
FC Debt Ratio $\times$ Size	0.0299*** (0.0110)	0.0299* (0.0162)
Import Share	-0.0604 (0.0681)	-0.0604 (0.1019)
Sale Share	0.2581*** (0.0300)	0.2581*** (0.0374)
Size	0.0006 (0.0022)	0.0006 (0.0036)
Leverage	0.4768*** (0.0691)	0.4768*** (0.0957)
ST Debt Ratio	-0.1964*** (0.0317)	-0.1964*** (0.0468)
Cash Ratio	0.5810*** (0.2009)	0.5810* (0.3245)
FC Cash Ratio	-0.0665*** (0.0163)	-0.0665*** (0.0214)
Export Share	0.0137 (0.0544)	0.0137 (0.0807)
Import Share $\times \Delta E_{KRW}/\$$	-6.0003*** (0.8776)	-6.0003*** (1.1112)
Sale Share $\times \Delta E_{KRW}/\$$	-0.4595 (0.4341)	-0.4595 (0.4928)
Size $\times \Delta E_{KRW}/\$$	0.1151*** (0.0291)	0.1151*** (0.0371)
Leverage $\times \Delta E_{KRW}/\$$	-0.7639 (0.9899)	-0.7639 (1.2696)
ST Debt Ratio $\times \Delta E_{KRW}/\$$	2.4814*** (0.4493)	2.4814*** (0.5665)
Cash Ratio $\times \Delta E_{KRW}/\$$	-3.5668 (2.8712)	-3.5668 (4.0340)
FC Cash Ratio $\times \Delta E_{KRW}/\$$	-0.6791*** (0.1935)	-0.6791*** (0.2427)
Export Share $\times \Delta E_{KRW}/\$$	7.1932*** (0.6202)	7.1932*** (0.8950)

Continued Table 27

Dependent Variable:	Export Quantity	
	(1)	(2)
Import Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.3449*** (0.0477)	0.3449*** (0.0608)
Sale Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0331 (0.0232)	0.0331 (0.0264)
Leverage $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0600 (0.0558)	0.0600 (0.0728)
ST Debt Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.1325*** (0.0234)	-0.1325*** (0.0299)
Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.2383 (0.1586)	0.2383 (0.2254)
FC Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0383*** (0.0105)	0.0383*** (0.0134)
Export Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.4068*** (0.0338)	-0.4068*** (0.0491)
Import Share $\times \text{Size}$	0.0050 (0.0037)	0.0050 (0.0057)
Sale Share $\times \text{Size}$	-0.0388*** (0.0016)	-0.0388*** (0.0020)
Leverage $\times \text{Size}$	-0.0315*** (0.0039)	-0.0315*** (0.0055)
ST Debt Ratio $\times \text{Size}$	0.0083*** (0.0017)	0.0083*** (0.0025)
Cash Ratio $\times \text{Size}$	-0.0278** (0.0111)	-0.0278 (0.0182)
FC Cash Ratio $\times \text{Size}$	0.0037*** (0.0009)	0.0037*** (0.0012)
Export Share $\times \text{Size}$	-0.0073** (0.0030)	-0.0073 (0.0045)
Adjusted $R^2$	0.0161	0.0161
Observations	1890914.0000	1890914.0000

Table 28: Panel Regression of Export Price Changes on FC Debt — FC Debt to Total Assets

Dependent Variables:	Export Price in Destination Currency		Export Price in USD	
	(1)	(2)	(3)	(4)
FC Debt Ratio	-0.0368 (0.0348)	-0.0368 (0.0452)	-0.0420 (0.0350)	-0.0420 (0.0463)
FC Debt Ratio $\times \Delta E_{KRW}/\$$	5.0007*** (0.4284)	5.0007*** (0.6295)	4.7136*** (0.4329)	4.7136*** (0.6384)
$\Delta E_{KRW}/\$$	0.2107** (0.0919)	0.2107* (0.1195)	0.0520 (0.0932)	0.0520 (0.1434)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times$ Size	-0.2897*** (0.0227)	-0.2897*** (0.0355)	-0.2680*** (0.0230)	-0.2680*** (0.0359)
FC Debt Ratio $\times$ Size	0.0025 (0.0018)	0.0025 (0.0024)	0.0027 (0.0018)	0.0027 (0.0025)
Import Share	0.0332*** (0.0118)	0.0332** (0.0133)	0.0392*** (0.0119)	0.0392*** (0.0136)
Sale Share	-0.0022 (0.0053)	-0.0022 (0.0058)	-0.0079 (0.0053)	-0.0079 (0.0059)
Size	0.0023*** (0.0004)	0.0023*** (0.0005)	0.0022*** (0.0004)	0.0022*** (0.0005)
Leverage	0.0800*** (0.0115)	0.0800*** (0.0149)	0.0791*** (0.0116)	0.0791*** (0.0150)
ST Debt Ratio	0.0444*** (0.0056)	0.0444*** (0.0072)	0.0469*** (0.0057)	0.0469*** (0.0073)
Cash Ratio	0.0479 (0.0348)	0.0479 (0.0447)	0.0463 (0.0350)	0.0463 (0.0452)
FC Cash Ratio	-0.0134*** (0.0038)	-0.0134*** (0.0043)	-0.0144*** (0.0039)	-0.0144*** (0.0045)
Export Share	-0.0257*** (0.0094)	-0.0257** (0.0111)	-0.0307*** (0.0094)	-0.0307*** (0.0114)
Import Share $\times \Delta E_{KRW}/\$$	1.6773*** (0.1471)	1.6773*** (0.1950)	1.8737*** (0.1487)	1.8737*** (0.2002)
Sale Share $\times \Delta E_{KRW}/\$$	0.2023*** (0.0749)	0.2023** (0.0872)	0.1410* (0.0759)	0.1410 (0.0929)
Size $\times \Delta E_{KRW}/\$$	-0.0122** (0.0048)	-0.0122** (0.0062)	-0.0142*** (0.0048)	-0.0142** (0.0065)
Leverage $\times \Delta E_{KRW}/\$$	0.9409*** (0.1550)	0.9409*** (0.1925)	1.1126*** (0.1564)	1.1126*** (0.1997)
ST Debt Ratio $\times \Delta E_{KRW}/\$$	-0.0278 (0.0766)	-0.0278 (0.0888)	0.1323* (0.0777)	0.1323 (0.0909)
Cash Ratio $\times \Delta E_{KRW}/\$$	4.9677*** (0.4855)	4.9677*** (0.5989)	4.4337*** (0.4917)	4.4337*** (0.6198)
FC Cash Ratio $\times \Delta E_{KRW}/\$$	-0.1360*** (0.0426)	-0.1360*** (0.0482)	-0.1545*** (0.0446)	-0.1545*** (0.0509)
Export Share $\times \Delta E_{KRW}/\$$	-0.7529*** (0.1033)	-0.7529*** (0.1230)	-0.8684*** (0.1046)	-0.8684*** (0.1286)



Continued Table 28

Dependent Variables:	Export Price in Destination Currency		Export Price in USD	
	(1)	(2)	(3)	(4)
Import Share $\times \Delta E_{KRW/\$} \times \text{Size}$	-0.0906*** (0.0079)	-0.0906*** (0.0109)	-0.1007*** (0.0080)	-0.1007*** (0.0111)
Sale Share $\times \Delta E_{KRW/\$} \times \text{Size}$	-0.0109*** (0.0039)	-0.0109** (0.0045)	-0.0086** (0.0040)	-0.0086* (0.0047)
Leverage $\times \Delta E_{KRW/\$} \times \text{Size}$	-0.0605*** (0.0087)	-0.0605*** (0.0110)	-0.0710*** (0.0088)	-0.0710*** (0.0114)
ST Debt Ratio $\times \Delta E_{KRW/\$} \times \text{Size}$	-0.0013 (0.0039)	-0.0013 (0.0046)	-0.0096** (0.0040)	-0.0096** (0.0048)
Cash Ratio $\times \Delta E_{KRW/\$} \times \text{Size}$	-0.2870*** (0.0265)	-0.2870*** (0.0334)	-0.2585*** (0.0268)	-0.2585*** (0.0344)
FC Cash Ratio $\times \Delta E_{KRW/\$} \times \text{Size}$	0.0078*** (0.0023)	0.0078*** (0.0027)	0.0087*** (0.0024)	0.0087*** (0.0028)
Export Share $\times \Delta E_{KRW/\$} \times \text{Size}$	0.0458*** (0.0055)	0.0458*** (0.0067)	0.0504*** (0.0056)	0.0504*** (0.0070)
Import Share $\times \text{Size}$	-0.0020*** (0.0006)	-0.0020*** (0.0007)	-0.0024*** (0.0006)	-0.0024*** (0.0007)
Sale Share $\times \text{Size}$	0.0002 (0.0003)	0.0002 (0.0003)	0.0006** (0.0003)	0.0006** (0.0003)
Leverage $\times \text{Size}$	-0.0050*** (0.0006)	-0.0050*** (0.0008)	-0.0049*** (0.0006)	-0.0049*** (0.0008)
ST Debt Ratio $\times \text{Size}$	-0.0024*** (0.0003)	-0.0024*** (0.0004)	-0.0025*** (0.0003)	-0.0025*** (0.0004)
Cash Ratio $\times \text{Size}$	-0.0038** (0.0019)	-0.0038 (0.0025)	-0.0037* (0.0019)	-0.0037 (0.0025)
FC Cash Ratio $\times \text{Size}$	0.0008*** (0.0002)	0.0008*** (0.0002)	0.0008*** (0.0002)	0.0008*** (0.0003)
Export Share $\times \text{Size}$	0.0011** (0.0005)	0.0011* (0.0006)	0.0014*** (0.0005)	0.0014** (0.0006)
Adjusted $R^2$	0.0365	0.0365	0.0346	0.0346
Observations	1890914.0000	1890914.0000	1890914.0000	1890914.0000

Table 29: Panel Regression of Export Quantity Changes on FC Debt — Market Share  $\times$  FC Debt

Dependent Variable:	Export Quantity	
	(1)	(2)
FC Debt Ratio	-0.1668*** (0.0453)	-0.1668** (0.0666)
FC Debt Ratio $\times \Delta E_{KRW}/\$$	-1.3620** (0.5455)	-1.3620** (0.6819)
$\Delta E_{KRW}/\$$	-2.9835*** (0.6188)	-2.9835*** (0.8144)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times$ Size	0.0667** (0.0280)	0.0667* (0.0360)
FC Debt Ratio $\times$ Size	0.0075*** (0.0023)	0.0075** (0.0036)
Import Share	-0.0514 (0.0695)	-0.0514 (0.1029)
Sale Share	0.2500*** (0.0307)	0.2500*** (0.0382)
Size	-0.0002 (0.0024)	-0.0002 (0.0040)
Leverage	0.4700*** (0.0690)	0.4700*** (0.0977)
ST Debt Ratio	-0.2113*** (0.0334)	-0.2113*** (0.0513)
Cash Ratio	0.5946*** (0.2050)	0.5946* (0.3361)
FC Cash Ratio	-0.0571*** (0.0157)	-0.0571*** (0.0209)
Export Share	0.0080 (0.0555)	0.0080 (0.0831)
Import Share $\times \Delta E_{KRW}/\$$	-5.2294*** (0.9251)	-5.2294*** (1.2119)
Sale Share $\times \Delta E_{KRW}/\$$	-0.5883 (0.4641)	-0.5883 (0.5223)
Size $\times \Delta E_{KRW}/\$$	0.1453*** (0.0331)	0.1453*** (0.0441)
Leverage $\times \Delta E_{KRW}/\$$	-1.2271 (0.9611)	-1.2271 (1.2845)
ST Debt Ratio $\times \Delta E_{KRW}/\$$	2.5621*** (0.4983)	2.5621*** (0.6494)
Cash Ratio $\times \Delta E_{KRW}/\$$	-2.5149 (2.9336)	-2.5149 (4.2290)
FC Cash Ratio $\times \Delta E_{KRW}/\$$	-0.5702*** (0.1869)	-0.5702** (0.2359)
Export Share $\times \Delta E_{KRW}/\$$	7.8682*** (0.6328)	7.8682*** (0.9241)

Continued Table 29

Dependent Variable:	Export Quantity	
	(1)	(2)
Import Share $\times \Delta E_{KRW}/\$ \times$ Size	0.3026*** (0.0506)	0.3026*** (0.0670)
Sale Share $\times \Delta E_{KRW}/\$ \times$ Size	0.0405 (0.0255)	0.0405 (0.0288)
Leverage $\times \Delta E_{KRW}/\$ \times$ Size	0.0878 (0.0541)	0.0878 (0.0736)
ST Debt Ratio $\times \Delta E_{KRW}/\$ \times$ Size	-0.1362*** (0.0264)	-0.1362*** (0.0352)
Cash Ratio $\times \Delta E_{KRW}/\$ \times$ Size	0.1910 (0.1624)	0.1910 (0.2372)
FC Cash Ratio $\times \Delta E_{KRW}/\$ \times$ Size	0.0323*** (0.0101)	0.0323** (0.0130)
Export Share $\times \Delta E_{KRW}/\$ \times$ Size	-0.4462*** (0.0346)	-0.4462*** (0.0509)
Import Share $\times$ Size	0.0046 (0.0038)	0.0046 (0.0057)
Sale Share $\times$ Size	-0.0383*** (0.0016)	-0.0383*** (0.0021)
Leverage $\times$ Size	-0.0314*** (0.0039)	-0.0314*** (0.0056)
ST Debt Ratio $\times$ Size	0.0090*** (0.0018)	0.0090*** (0.0028)
Cash Ratio $\times$ Size	-0.0283** (0.0114)	-0.0283 (0.0189)
FC Cash Ratio $\times$ Size	0.0032*** (0.0009)	0.0032*** (0.0012)
Export Share $\times$ Size	-0.0070** (0.0031)	-0.0070 (0.0046)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times$ Sale Share	-0.1968 (0.1933)	-0.1968 (0.2033)
FC Debt Ratio $\times$ Sale Share	-0.0044 (0.0145)	-0.0044 (0.0168)
Adjusted $R^2$	0.0161	0.0161
Observations	1863541	1863541

Table 30: Panel Regression of Export Price Changes on FC Debt — Market Share  $\times$  FC Debt

Dependent Variable:	Export Price in Destination Currency		Export Price in USD	
	(1)	(2)	(3)	(4)
FC Debt Ratio	0.0047 (0.0076)	0.0047 (0.0100)	0.0043 (0.0077)	0.0043 (0.0102)
FC Debt Ratio $\times \Delta E_{KRW}/\$$	0.4751*** (0.0929)	0.4751*** (0.1223)	0.3871*** (0.0937)	0.3871*** (0.1255)
$\Delta E_{KRW}/\$$	-0.3681*** (0.1032)	-0.3681*** (0.1208)	-0.4711*** (0.1045)	-0.4711*** (0.1409)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times$ Size	-0.0275*** (0.0047)	-0.0275*** (0.0066)	-0.0213*** (0.0047)	-0.0213*** (0.0068)
FC Debt Ratio $\times$ Size	-0.0002 (0.0004)	-0.0002 (0.0005)	-0.0002 (0.0004)	-0.0002 (0.0005)
Import Share	0.0775*** (0.0120)	0.0775*** (0.0136)	0.0861*** (0.0121)	0.0861*** (0.0139)
Sale Share	-0.0027 (0.0054)	-0.0027 (0.0059)	-0.0087 (0.0054)	-0.0087 (0.0060)
Size	0.0022*** (0.0004)	0.0022*** (0.0005)	0.0021*** (0.0004)	0.0021*** (0.0005)
Leverage	0.0729*** (0.0116)	0.0729*** (0.0152)	0.0699*** (0.0117)	0.0699*** (0.0153)
ST Debt Ratio	0.0402*** (0.0059)	0.0402*** (0.0073)	0.0422*** (0.0059)	0.0422*** (0.0075)
Cash Ratio	0.0432 (0.0355)	0.0432 (0.0463)	0.0369 (0.0358)	0.0369 (0.0468)
FC Cash Ratio	-0.0089** (0.0035)	-0.0089** (0.0041)	-0.0096*** (0.0036)	-0.0096** (0.0043)
Export Share	-0.0499*** (0.0096)	-0.0499*** (0.0114)	-0.0554*** (0.0097)	-0.0554*** (0.0116)
Import Share $\times \Delta E_{KRW}/\$$	1.7740*** (0.1545)	1.7740*** (0.1827)	2.0020*** (0.1563)	2.0020*** (0.1908)
Sale Share $\times \Delta E_{KRW}/\$$	0.1955** (0.0793)	0.1955** (0.0894)	0.1341* (0.0805)	0.1341 (0.0959)
Size $\times \Delta E_{KRW}/\$$	0.0204*** (0.0054)	0.0204*** (0.0065)	0.0150*** (0.0055)	0.0150** (0.0066)
Leverage $\times \Delta E_{KRW}/\$$	2.0582*** (0.1560)	2.0582*** (0.2497)	2.1076*** (0.1569)	2.1076*** (0.2536)
ST Debt Ratio $\times \Delta E_{KRW}/\$$	0.5260*** (0.0848)	0.5260*** (0.0999)	0.6460*** (0.0859)	0.6460*** (0.1018)
Cash Ratio $\times \Delta E_{KRW}/\$$	4.9688*** (0.4958)	4.9688*** (0.6429)	4.3697*** (0.5021)	4.3697*** (0.6601)
FC Cash Ratio $\times \Delta E_{KRW}/\$$	-0.0864** (0.0397)	-0.0864* (0.0460)	-0.1017** (0.0412)	-0.1017** (0.0481)
Export Share $\times \Delta E_{KRW}/\$$	-0.7027*** (0.1053)	-0.7027*** (0.1213)	-0.8007*** (0.1067)	-0.8007*** (0.1274)

Continued Table 30

Dependent Variable:	Export Price in Destination Currency		Export Price in USD	
	(1)	(2)	(3)	(4)
Import Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.0965*** (0.0084)	-0.0965*** (0.0101)	-0.1085*** (0.0084)	-0.1085*** (0.0105)
Sale Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.0105** (0.0043)	-0.0105** (0.0048)	-0.0082* (0.0043)	-0.0082* (0.0050)
Leverage $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.1266*** (0.0087)	-0.1266*** (0.0144)	-0.1294*** (0.0088)	-0.1294*** (0.0147)
ST Debt Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.0320*** (0.0044)	-0.0320*** (0.0054)	-0.0381*** (0.0045)	-0.0381*** (0.0055)
Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.2870*** (0.0271)	-0.2870*** (0.0359)	-0.2548*** (0.0274)	-0.2548*** (0.0368)
FC Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0050** (0.0022)	0.0050** (0.0025)	0.0058** (0.0023)	0.0058** (0.0026)
Export Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0428*** (0.0057)	0.0428*** (0.0066)	0.0464*** (0.0057)	0.0464*** (0.0070)
Import Share $\times \text{Size}$	-0.0046*** (0.0006)	-0.0046*** (0.0007)	-0.0051*** (0.0007)	-0.0051*** (0.0008)
Sale Share $\times \text{Size}$	0.0002 (0.0003)	0.0002 (0.0003)	0.0007** (0.0003)	0.0007* (0.0003)
Leverage $\times \text{Size}$	-0.0045*** (0.0006)	-0.0045*** (0.0009)	-0.0044*** (0.0006)	-0.0044*** (0.0009)
ST Debt Ratio $\times \text{Size}$	-0.0021*** (0.0003)	-0.0021*** (0.0004)	-0.0022*** (0.0003)	-0.0022*** (0.0004)
Cash Ratio $\times \text{Size}$	-0.0036* (0.0019)	-0.0036 (0.0026)	-0.0032 (0.0020)	-0.0032 (0.0026)
FC Cash Ratio $\times \text{Size}$	0.0005*** (0.0002)	0.0005** (0.0002)	0.0006*** (0.0002)	0.0006** (0.0002)
Export Share $\times \text{Size}$	0.0025*** (0.0005)	0.0025*** (0.0006)	0.0029*** (0.0005)	0.0029*** (0.0006)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times \text{Sale Share}$	-0.0435 (0.0326)	-0.0435 (0.0363)	-0.0508 (0.0330)	-0.0508 (0.0369)
FC Debt Ratio $\times \text{Sale Share}$	0.0023 (0.0025)	0.0023 (0.0027)	0.0021 (0.0025)	0.0021 (0.0027)
Adjusted $R^2$	0.0360	0.0360	0.0337	0.0337
Observations	1863541	1863541	1863541	1863541

Table 31: Panel Regression of Export Quantity Changes on FC Debt — Debt to Sales Ratio

Dependent Variable:	Export Quantity	
	(1)	(2)
FC Debt Ratio	-0.1695*** (0.0453)	-0.1695** (0.0669)
FC Debt Ratio $\times \Delta E_{KRW}/\$$	-1.3686** (0.5446)	-1.3686** (0.6793)
$\Delta E_{KRW}/\$$	-3.0050*** (0.6163)	-3.0050*** (0.8090)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times$ Size	0.0653** (0.0280)	0.0653* (0.0359)
FC Debt Ratio $\times$ Size	0.0076*** (0.0023)	0.0076** (0.0036)
Import Share	-0.0488 (0.0695)	-0.0488 (0.1029)
Sale Share	0.2531*** (0.0305)	0.2531*** (0.0379)
Size	-0.0001 (0.0024)	-0.0001 (0.0040)
Leverage	0.4208*** (0.0695)	0.4208*** (0.0988)
ST Debt Ratio	-0.2065*** (0.0334)	-0.2065*** (0.0512)
Cash Ratio	0.6205*** (0.2051)	0.6205* (0.3359)
FC Cash Ratio	-0.0567*** (0.0157)	-0.0567*** (0.0209)
Export Share	0.0007 (0.0556)	0.0007 (0.0832)
Import Share $\times \Delta E_{KRW}/\$$	-5.2754*** (0.9252)	-5.2754*** (1.2112)
Sale Share $\times \Delta E_{KRW}/\$$	-0.4869 (0.4519)	-0.4869 (0.5140)
Size $\times \Delta E_{KRW}/\$$	0.1478*** (0.0330)	0.1478*** (0.0438)
Leverage $\times \Delta E_{KRW}/\$$	-0.9945 (0.9564)	-0.9945 (1.2797)
ST Debt Ratio $\times \Delta E_{KRW}/\$$	2.5221*** (0.4983)	2.5221*** (0.6494)
Cash Ratio $\times \Delta E_{KRW}/\$$	-2.5606 (2.9333)	-2.5606 (4.2266)
FC Cash Ratio $\times \Delta E_{KRW}/\$$	-0.5704*** (0.1867)	-0.5704** (0.2355)
Export Share $\times \Delta E_{KRW}/\$$	7.9637*** (0.6335)	7.9637*** (0.9178)

Continued Table 31

Dependent Variable:	Export Quantity	
	(1)	(2)
Import Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.3058*** (0.0506)	0.3058*** (0.0670)
Sale Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0334 (0.0244)	0.0334 (0.0278)
Leverage $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0887* (0.0538)	0.0887 (0.0729)
ST Debt Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.1353*** (0.0264)	-0.1353*** (0.0352)
Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.1901 (0.1624)	0.1901 (0.2370)
FC Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0322*** (0.0101)	0.0322** (0.0130)
Export Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.4514*** (0.0347)	-0.4514*** (0.0505)
Import Share $\times \text{Size}$	0.0044 (0.0038)	0.0044 (0.0057)
Sale Share $\times \text{Size}$	-0.0385*** (0.0016)	-0.0385*** (0.0020)
Leverage $\times \text{Size}$	-0.0304*** (0.0039)	-0.0304*** (0.0056)
ST Debt Ratio $\times \text{Size}$	0.0088*** (0.0018)	0.0088*** (0.0028)
Cash Ratio $\times \text{Size}$	-0.0294*** (0.0114)	-0.0294 (0.0189)
FC Cash Ratio $\times \text{Size}$	0.0032*** (0.0009)	0.0032*** (0.0012)
Export Share $\times \text{Size}$	-0.0066** (0.0031)	-0.0066 (0.0047)
Debt to Sales Ratio	-0.0319*** (0.0079)	-0.0319*** (0.0099)
Debt to Sales Ratio $\times \Delta E_{KRW}/\$$	0.3582*** (0.1361)	0.3582** (0.1656)
Debt to Sales Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.0344*** (0.0116)	-0.0344** (0.0141)
Debt to Sales Ratio $\times \text{Size}$	0.0034*** (0.0008)	0.0034*** (0.0009)
Adjusted $R^2$	0.0162	0.0162
Observations	1863541	1863541

Table 32: Panel Regression of Export Price Changes on FC Debt — Debt to Sales Ratio

Dependent Variables:	Export Price in Destination Currency		Export Price in USD	
	(1)	(2)	(3)	(4)
FC Debt Ratio	0.0042 (0.0076)	0.0042 (0.0100)	0.0040 (0.0077)	0.0040 (0.0102)
FC Debt Ratio $\times \Delta E_{KRW}/\$$	0.4535*** (0.0928)	0.4535*** (0.1226)	0.3695*** (0.0936)	0.3695*** (0.1256)
$\Delta E_{KRW}/\$$	-0.3686*** (0.1030)	-0.3686*** (0.1203)	-0.4751*** (0.1043)	-0.4751*** (0.1401)
FC Debt Ratio $\times \Delta E_{KRW}/\$ \times$ Size	-0.0268*** (0.0047)	-0.0268*** (0.0066)	-0.0208*** (0.0047)	-0.0208*** (0.0067)
FC Debt Ratio $\times$ Size	-0.0002 (0.0004)	-0.0002 (0.0005)	-0.0002 (0.0004)	-0.0002 (0.0005)
Import Share	0.0774*** (0.0120)	0.0774*** (0.0136)	0.0861*** (0.0121)	0.0861*** (0.0139)
Sale Share	-0.0027 (0.0054)	-0.0027 (0.0059)	-0.0088 (0.0054)	-0.0088 (0.0060)
Size	0.0022*** (0.0004)	0.0022*** (0.0005)	0.0020*** (0.0004)	0.0020*** (0.0005)
Leverage	0.0727*** (0.0116)	0.0727*** (0.0155)	0.0700*** (0.0117)	0.0700*** (0.0156)
ST Debt Ratio	0.0402*** (0.0059)	0.0402*** (0.0073)	0.0422*** (0.0059)	0.0422*** (0.0075)
Cash Ratio	0.0424 (0.0355)	0.0424 (0.0462)	0.0365 (0.0358)	0.0365 (0.0467)
FC Cash Ratio	-0.0089** (0.0035)	-0.0089** (0.0041)	-0.0096*** (0.0036)	-0.0096** (0.0043)
Export Share	-0.0509*** (0.0096)	-0.0509*** (0.0114)	-0.0562*** (0.0097)	-0.0562*** (0.0117)
Import Share $\times \Delta E_{KRW}/\$$	1.7857*** (0.1545)	1.7857*** (0.1830)	2.0098*** (0.1563)	2.0098*** (0.1911)
Sale Share $\times \Delta E_{KRW}/\$$	0.2202*** (0.0776)	0.2202** (0.0898)	0.1616** (0.0787)	0.1616* (0.0955)
Size $\times \Delta E_{KRW}/\$$	0.0201*** (0.0054)	0.0201*** (0.0064)	0.0151*** (0.0055)	0.0151** (0.0066)
Leverage $\times \Delta E_{KRW}/\$$	2.0552*** (0.1552)	2.0552*** (0.2483)	2.1202*** (0.1565)	2.1202*** (0.2532)
ST Debt Ratio $\times \Delta E_{KRW}/\$$	0.5465*** (0.0849)	0.5465*** (0.0999)	0.6619*** (0.0859)	0.6619*** (0.1018)
Cash Ratio $\times \Delta E_{KRW}/\$$	4.9167*** (0.4958)	4.9167*** (0.6415)	4.3278*** (0.5021)	4.3278*** (0.6584)
FC Cash Ratio $\times \Delta E_{KRW}/\$$	-0.0847** (0.0395)	-0.0847* (0.0459)	-0.1004** (0.0410)	-0.1004** (0.0480)
Export Share $\times \Delta E_{KRW}/\$$	-0.7469*** (0.1058)	-0.7469*** (0.1218)	-0.8322*** (0.1069)	-0.8322*** (0.1277)



Continued Table 32

Dependent Variables:	Export Price in Destination Currency		Export Price in USD	
	(1)	(2)	(3)	(4)
Import Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.0975*** (0.0084)	-0.0975*** (0.0101)	-0.1092*** (0.0085)	-0.1092*** (0.0106)
Sale Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.0123*** (0.0041)	-0.0123*** (0.0047)	-0.0102** (0.0042)	-0.0102** (0.0049)
Leverage $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.1316*** (0.0087)	-0.1316*** (0.0145)	-0.1338*** (0.0088)	-0.1338*** (0.0147)
ST Debt Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.0327*** (0.0044)	-0.0327*** (0.0054)	-0.0387*** (0.0045)	-0.0387*** (0.0055)
Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	-0.2826*** (0.0271)	-0.2826*** (0.0358)	-0.2514*** (0.0274)	-0.2514*** (0.0367)
FC Cash Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0049** (0.0022)	0.0049* (0.0025)	0.0057** (0.0022)	0.0057** (0.0026)
Export Share $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0452*** (0.0057)	0.0452*** (0.0067)	0.0481*** (0.0058)	0.0481*** (0.0070)
Import Share $\times \text{Size}$	-0.0046*** (0.0006)	-0.0046*** (0.0007)	-0.0051*** (0.0007)	-0.0051*** (0.0008)
Sale Share $\times \text{Size}$	0.0002 (0.0003)	0.0002 (0.0003)	0.0007** (0.0003)	0.0007** (0.0003)
Leverage $\times \text{Size}$	-0.0047*** (0.0006)	-0.0047*** (0.0009)	-0.0045*** (0.0006)	-0.0045*** (0.0009)
ST Debt Ratio $\times \text{Size}$	-0.0021*** (0.0003)	-0.0021*** (0.0004)	-0.0022*** (0.0003)	-0.0022*** (0.0004)
Cash Ratio $\times \text{Size}$	-0.0035* (0.0019)	-0.0035 (0.0026)	-0.0031 (0.0020)	-0.0031 (0.0026)
FC Cash Ratio $\times \text{Size}$	0.0005*** (0.0002)	0.0005** (0.0002)	0.0006*** (0.0002)	0.0006** (0.0002)
Export Share $\times \text{Size}$	0.0025*** (0.0005)	0.0025*** (0.0006)	0.0029*** (0.0005)	0.0029*** (0.0006)
Debt to Sales Ratio	-0.0062*** (0.0018)	-0.0062*** (0.0021)	-0.0047*** (0.0015)	-0.0047*** (0.0018)
Debt to Sales Ratio $\times \Delta E_{KRW}/\$$	-0.2067*** (0.0429)	-0.2067*** (0.0450)	-0.1527*** (0.0339)	-0.1527*** (0.0372)
Debt to Sales Ratio $\times \Delta E_{KRW}/\$ \times \text{Size}$	0.0170*** (0.0036)	0.0170*** (0.0038)	0.0125*** (0.0028)	0.0125*** (0.0031)
Debt to Sales Ratio $\times \text{Size}$	0.0005*** (0.0002)	0.0005** (0.0002)	0.0004*** (0.0001)	0.0004** (0.0002)
Adjusted $R^2$	0.0361	0.0361	0.0337	0.0337
Observations	1863541.0000	1863541.0000	1863541.0000	1863541.0000