Variable	Cash flow intensiveness	Investment intensiveness	Both	Both measured for 1980
Industry's share of total value added in manufacturing in 1980	−0.588 (0.201)	−0.653 (0.205)	−0.639 (0.205)	−0.639 (0.207)
Interaction (internal cash flow × financial development)	0.482 (0.153)	—	−0.261 (0.196)	−0.595 (0.295)
Interaction 2 (investment intensiveness × accounting standards)	—	0.623 (0.221)	0.443 (0.283)	0.800 (0.299)
R^2	0.343	0.345	0.345	0.344
Number of observations	1067	1067	1067	1035
Differential in real growth rate	−0.7	1.4	0.5	1.6

Notes: The dependent variable is the annual compounded growth rate in real value added for the period 1980–1990 for each ISIC industry in each country. Internal cash flow is the ratio of cash flow from operations broadly defined (see text) to net property plant and equipment for U.S. firms in the same industry. Investment intensity is the ratio of capital expenditures to property plant and equipment for U.S. firms in the same industry. The fourth column uses the cash flow intensity and the investment intensity measured for the year 1980. The differential in real growth rate measures (in percentage terms) how much faster an industry at the 75th percentile level of external dependence grows with respect to an industry at the 25th percentile level when it is located in a country at the 75th percentile of financial development rather than in one at the 25th percentile. All regressions are estimated using instrumental variables and include both country and industry fixed effects (coefficient estimates not reported). Heteroskedasticity robust standard errors are reported in parentheses.