

Table 1: Reduction mandate and TFP  $\times Coastal_c$  versus non- $Coastal_c$ 

|  | Dependent variable TFP $_{fikt}$ |                         |                      |                         |
|--|----------------------------------|-------------------------|----------------------|-------------------------|
|  | SOE                              |                         | PRIVATE              |                         |
|  | (1)                              | (2)                     | (3)                  | (4)                     |
|  | Coastal <sub>c</sub>             | NO Coastal <sub>c</sub> | Coastal <sub>c</sub> | NO Coastal <sub>c</sub> |
| target <sub>c</sub> $\times$ Period $\times$ Polluted <sub>i</sub> | 0.158**<br>(0.063)               | 0.119<br>(0.098)        | -0.012<br>(0.023)    | -0.087**<br>(0.036)     |
| Firm   | Yes                              | Yes                     | Yes                  | Yes                     |
| City-industry  | No                               | No                      | Yes                  | Yes                     |
| City-time  | Yes                              | Yes                     | Yes                  | Yes                     |
| time-industry  | No                               | No                      | Yes                  | Yes                     |
| Observations   | 19,540                           | 21,948                  | 477,084              | 130,225                 |
| R <sup>2</sup>   | 0.955                            | 0.956                   | 0.857                | 0.878                   |

False