Markups and Firm-level Export Status
Supplementary material: Data and Code

Jan De Loecker and Frederic Warzynski
Princeton University and Aarhus School of Business

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1 Introduction

We provide more information on the data used in the empirical analysis. The (web) appendix of the paper already provides a detailed discussion of the main variables used in the analysis. In this supplement we refer the reader to the specific data sources and data providers.

2 Data

We briefly discuss the main data sources used in the empirical analysis.

The plant-level production data is collected by the Slovenian national statistical office and contains every unique establishment with a tax identifier. The Slovenian producer data was generously provided by Joze Damijan at the University of Lubljiana.[1]

At the initial stage of this paper the data were directly accessible on a local machine. Recently, the production data matched with the export data (and more recently the transaction-level data) are now under the direct management of the data center.

However, we want to highlight that our data is now very standard and there exist a large number of other datasets which have similar (or even more detailed data). For instance, Bernard, Jensen, Redding and Schott (forthcoming) have similar data for the US, Goldberg et al (2010) for India, and the heavily used data on Chilean manufacturing used by Pavcnik (2002), Levinsohn and Petrin (2003) and others. For our approach we do not require any additional data to compute markups. However, more recently data sources have come available to researchers where plant-level output and revenue are directly observed making our approach directly applicable and therefore generate unbiased estimates of the level of markups. (See paper for discussion on this issue).

The data contains standard information on firm-level production and similar data has been used throughout the literature.[2] In particular and as mentioned in the paper, the data represents the population of producers of manufacturing products over the period 1994-2000. The estimation of the production function requires information on plant-level output (revenues deflated with detailed producer price indices), (deflated) value added, input use: labor as measured

[1] Please contact Joze Damijan at Email: joze.damijan@ef.uni-lj.si, Homepage: http://www.ef.uni-lj.si/predmeti/jpd/publications.htm, Postal Address: Kardeljeva pl. 17 1000 Ljubljana Slovenia.

[2] see for example Olley and Pakes (1996) and Levinsohn and Petrin (2003).

by full time equivalent production workers, raw materials and a measure of the capital stock. The latter is constructed from the balance sheet information on total fixed assets broken down into 1) Machinery and equipment, 2) Land and Buildings and 3) Furniture and Vehicles. Appropriate depreciation rates (based on actual depreciation rates) are used to construct a firm-level capital stock series using standard techniques. See for example the data appendix in Olley and Pakes (1996). In addition, the data reports investment and provides detailed information on ownership, firm entry and exit. Finally, the export status and export revenues - at every point in time - provides information whether a firm is a domestic producer, an export entrant or a continuing exporter.

References

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